

Unravelling the Tapestry: Determinants and Factors of Life Insurance Purchase Intentions in the Indian Context

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Abstract

The study aims to construct a comprehensive model for investigating individual-level propensity to purchase life insurance (LI) in the Indian context. It integrates psychological variables (attitude, subjective norms and perceived behavioural control), financial motivators (saving and risk aversion) and socio-demographic variables to assess the mediating influence of financial literacy. This study empirically tests and extends the theory of planned behaviour framework to analyse its impact on LI buying intention (BI), offering a novel approach in the Indian market. The results indicate that attitude, subjective norms, perceived behavioural control, saving motives and risk aversion motives significantly impact buying intention. Financial literacy does not have a significant influence. Demographic variables, such as education, age, family income and spousal education, play a crucial role in shaping buying intentions. This study contributes new theoretical insights, enriches consumer behaviour analysis within emerging economies and provides valuable managerial implications for the life insurance industry.

Keywords: Life Insurance, SEM, Attitude, Subjective Norms, PBC, Saving Motive, Risk Aversion Motive

Introduction

In the intricate realm of family finance, life insurance (LI) functions as a robust shield against the unpredictable spectre of death (Yaari, 1965). Its primary role is to safeguard families from the perils of financial uncertainty

that arise from the loss of an earning member. Beck and Webb (2003) further emphasise that LI serves as a vital tool for realising long-term aspirations, ensuring a bright future for children by saving for their higher education, and crafting a robust retirement plan.

India has a large LI industry. During the fiscal year 2022–23, the Indian life insurance (LI) industry showed remarkable financial resilience, achieving a staggering total turnover of Rs. 3.71 trillion (Source: IRDA report 2022-23). However, when compared globally, the outlook was less optimistic. Two pivotal metrics: insurance density and penetration play a crucial role in assessing the health of the LI industry. In 2021, India's insurance penetration, defined as the percentage of premiums to GDP, surpassed the global average, accounting for 4.2% of GDP, yet lagged behind other emerging Asian countries and advanced Asia-Pacific countries (Swiss Re Sigma 4/22 report).

The situation is starker when evaluating insurance density; defined as the per capita premium, India's 69 falls notably below the global average of 382. This challenge is not unique to India, but extends across emerging Asian countries, excluding China. These observations underscore the compelling need for a comprehensive strategy to enhance both crucial metrics, emphasising the imperative need to research individual consumer behaviour in the context of LI purchases (Outreville, 2013). Research on the development of the LI industry is crucial for its substantial impact on a country's economic development.

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Extensive research on life insurance (LI) purchase demand examines rational motivations such as saving and protection (Beck & Webb 2003, Yaari, 1965). Another strand focuses on consumer behaviour in LI purchase intention, revealing the impact of psychological factors (Marzia Nomi et al., 2020 in Bangladesh, Ejye Omar et al., 2007 in Nigeria, Thi Huong Mai in Vietnam 2010). The third approach examines socio-demographic variables in LI acquisition, including age, number of dependents, family income and educational attainment (Chen et al., 2001; Tan et al., 2009; Brighetti, 2014; Arun, 2012; Hau, 2000; Chen, 2006; Ampaw, 2018; Buric, 2017; Kakar & Shukla, 2010; Eisenhauer & Halek, 1999). However, none fully explain the factors contributing to low insurance density or penetration. In the Indian context, research on the individual inclination to purchase LI is scarce. This has been highlighted by researchers like Nagraja (2015) and Ankitha (2019). Most Indian LI studies have been conducted primarily at the macro level (Kakkar & Sharma, 2010; Sen & Madhashwarn, 2013) or looked at one aspect of LI from an industry perspective (Rao & Periswamy 2014, Verma & Garg, 2017; Sarada & Ray, 2014). There have been no studies on the intention to purchase LI from a consumer behaviour perspective.

This study addresses existing gaps in the literature by making the following contributions:

- Develop a comprehensive model to investigate the individual propensity for life insurance (LI) purchases. The model integrates psychological elements (attitude, subjective norms and PBC) with financial motivators (saving and risk aversion) and socio-demographic variables (age, education, family income, dependents and spousal education). Additionally, it explored the mediating role of financial literacy.
- Empirically tests and extends TPB- Theory of planned behaviour in the context of LI. It introduces a novel approach utilising the TPB framework to analyse its impact on LI purchase intent, specifically within the Indian context.
- Examine the effects of socio-demographic variables (age, education, income) on LI inclination, considering their influence on psychological factors and financial literacy.

- Construct a comprehensive Structural Equation Model (SEM) to elucidate the interplay of these factors. SEM will showcase their impact on the propensity to purchase LI and their mutual interactions.

Literature Review

The literature on life insurance (LI) traditionally applies the expected utility theory, a foundational decision-making framework that assumes individuals behave rationally to maximise lifetime utility. Early studies (Yaari, 1965; Mossin, 1968; Hakansson, 1969; Fischer, 1973; Rothschild & Stiglitz, 1978; Karni & Zilcha, 1986; Babbel & Ohtsuka, 1989; Bernheim, 1991) extensively used this framework, positing that consumers act in line with rational economic motives when choosing life insurance policies. Under this model, consumers evaluate the expected utility based on risk preferences and potential economic benefits, aiming for optimal financial security.

However, recent research has progressed beyond rational choice theory, emphasising the psychological and social influences on LI purchase intentions. Ajzen's Theory of Planned Behaviour (TPB) (1991) is particularly relevant in this context, offering a robust framework to understand how intentions are shaped by attitudes, subjective norms and PBC. In consumer behaviour literature, TPB has been adapted to include a comprehensive model linking Buying Intention (BI) to psychological and socio-demographic factors (Ajzen, 1991; Marzi & Nomi, 2020). The TPB framework is enhanced in LI research by integrating financial motivators, such as saving motives and risk aversion, as well as variables like financial literacy, which may moderate the impact of psychological factors on purchasing decisions.

In this context, the primary TPB constructs are defined as follows:

Attitude: Attitude toward buying LI represents the consumer's evaluation of LI products, shaped by perceptions of benefits such as financial security and peace of mind. Empirical studies (Marzi & Nomi, 2020; Ejye Omar et al., 2007) suggest a positive correlation between favourable attitudes and the intention to purchase LI.

H1: Attitude has a positive and significant impact on purchase intention of LI.

Subjective Norms: These denote the perceived social pressures to purchase LI, often influenced by family, peers and broader societal expectations. Lusardi and Mitchell (2007) note the impact of subjective norms on financial decisions, including retirement planning and insurance. Prior studies (Chow-Chua, 2000; Omar, 2007; Lin, 2017) confirm a significant association between subjective norms and LI purchasing intentions.

H2: Subjective norms have a positive effect on the intention to purchase LI.

Perceived Behavioural Control (PBC): This captures an individual's perceived capacity to act on their intention to purchase LI, encompassing financial capability and product knowledge. Factors like financial constraints, product complexity and self-efficacy influence this perception, as seen in the works of Thaler and Benartzi (2004), Eagly and Chaiken (1993) and Hale (2002), who demonstrate that PBC positively influences long-term financial decisions.

H3: PBC has a positive effect on the intention to purchase LI.

This expanded TPB model, enriched by socio-demographic and financial motivators, provides an in-depth view of factors driving LI purchase intentions, particularly in the Indian market context. The study aims to bridge a critical research gap by exploring how psychological and financial variables intersect to shape LI purchase decisions, offering actionable insights into consumer behaviour in emerging markets.

The financial motivators' constructs are:

Savings Motives: Savings motives, defined as an individual's intention to allocate current income for future use, significantly impact the decision to purchase life insurance. Factors influencing saving motives include income level, age, gender and financial literacy, among others. Research by Chen et al. (2006), Frees and Sun (2010) and Mahadzan and Victorian (2016), Sanjay and Tewari (2024), consistently indicates a positive relationship between saving motives and life insurance BI. Individuals with strong saving motives tend to view life

insurance as a strategic financial tool for future security, thus enhancing their purchasing intention.

H4: Saving motive has a positive effect on intention to buy life insurance.

Risk Aversion: Risk aversion, or the preference for certainty over uncertainty in financial decisions, is another critical determinant of life insurance purchases. Studies, such as Omar (2007), illustrate how a heightened sense of risk leads to an increased propensity to invest in life insurance as a financial safeguard. Barsky et al. (1997) further explore the link between income and risk aversion, revealing that individuals with higher income levels exhibit more pronounced risk-averse tendencies and hence are more likely to purchase life insurance.

H5: Risk aversion motive has a positive effect on the intention to buy life insurance.

Financial Literacy: The individual's knowledge and understanding of LI products & principles, is fundamental to informed financial decision-making. Studies by Lin (2017) and Mare demonstrate that higher financial literacy is positively correlated with life insurance purchase intentions. Individuals whose financial literacy is high are more likely to recognise the role of life insurance in mitigating financial risk, influencing their purchasing decisions.

H6: Financial literacy has a positive effect on intention to buy life insurance.

Demographic Variables: The demographic variables used for the study are:

Age: It is an important factor influencing LI decisions, with different life stages prompting distinct financial priorities and perceptions of risk. Research indicates that life insurance demand follows a non-linear trend, increasing during early and mid-life stages due to financial responsibilities, then declining as individuals age (Brighetti, 2014; Buric et al., 2017; Chen, 2001; Frees & Sun, 2010; Luciano et al., 2016). However, Arun (2012) observed a decline in inclination with advancing age.

H7: Age has a positive effect on intention to buy life insurance.

Family Income: Family income significantly impacts life insurance purchasing decisions, as higher income levels are often associated with greater financial security and the ability to invest in long-term products. Studies by Frees and Sun (2010), Kakar (2010) and Lee (2018) confirm this relationship. Shi (2015) highlights a “hump-shaped” demand curve, where life insurance demand initially increases with income but decreases beyond a certain threshold.

H8: Family income has a positive effect on intention to buy life insurance.

Education: Education enhances individuals’ financial literacy, enabling them to comprehend the value of life insurance. Research (Eisenhauer & Halek, 1999; Hwang & Gao, 2003; Kakar & Shukla, 2010) underscores that education positively influences life insurance purchasing intentions, as educated individuals tend to recognise the benefits of financial planning.

H9: Education has a positive effect on intention to buy life insurance.

Number of Dependents: The number of dependents directly affects life insurance purchase decisions, as individuals with greater familial responsibilities are more inclined toward financial products that ensure security for their dependents. Studies (Ampaw, 2018; Li et al., 2007) at the macro level and family-level analysis emphasise that increased financial dependence amplify the need for LI.

H10: The number of dependents has a positive effect on intention to buy life insurance.

Spousal Education and Purchase Intention: Spousal education can influence life insurance purchase intentions, with contrasting perspectives in existing research. Gandolfi and Miners (1996) reported a negative effect of spousal education on intention to purchase LI. Davis (1974) viewed life insurance as a husband-dominant decision. In contrast, higher spousal education has been shown to positively impact life insurance decisions, as a more educated spouse may contribute to more informed decision-making.

H11: Spousal education has a positive effect on intention to buy life insurance.

Impact of Demographic Variables on Psychological and Financial Motives: This study also examines how demographic factors such as age, education, family income, number of dependents and spousal education influence key psychological (attitude, subjective norms and perceived behavioural control) and financial variables (financial literacy, saving motive and risk aversion). The hypotheses below explore the associations between demographic characteristics and these motivational factors:

H12a - H12f: Age has a positive effect on attitude, subjective norms, perceived behavioural control, financial literacy, saving motive and risk aversion.

H13a - H13f: Education has a positive effect on attitude, subjective norms, perceived behavioural control, financial literacy, saving motive and risk aversion.

H14a - H14f: Family income has a positive effect on attitude, subjective norms, perceived behavioural control, financial literacy, saving motive and risk aversion.

H15a - H15: Number of dependents has a positive effect on attitude, subjective norms, perceived behavioural control, financial literacy, saving motive and risk aversion.

H16a - H16f: Spousal education has a positive effect on attitude, subjective norms, perceived behavioural control, financial literacy, saving motive and risk aversion.

H17a - H17c: Financial literacy has a positive effect on attitude, saving motive and risk aversion.

This framework contributes to a nuanced understanding of life insurance buying intentions by integrating psychological, financial and demographic influences, expanding the TPB framework to incorporate complex socio-economic contexts and financial motivators.

Research Design

Research Methodology and Data Analysis

This study employed a descriptive design and followed a single cross-sectional approach. Primary data were collected using a 7-point Likert scale to enhance sensitivity and reduce bias (Diefenbach et al., 1993; Nunally, 1978). Electronic data collection via Google

Forms ensures its accuracy (Aaker, 2004; Zikmund, 2003). The questionnaire consisted of two parts, measurement indicators and participant demographics. Data analysis was conducted using the JMP Pro 17 software, applying structured equation modelling (SEM) to comprehensively examine theoretical frameworks while adjusting for measurement errors (Nunally, 1978; SAS Institute, 2022). SEM allows the simultaneous assessment of latent and manifest variables, measured indirectly using Likert-scale indicators. The measured exogenous latent constructs included psychological constructs: 1. Attitude, 2. Subjective norms, 3. PBC financial constructs: 1. Financial literacy, 2. Saving motive, 3. Risk aversion motive.

The socio-demographic exogenous manifest variables studied are as follows: 1. Age, 2. Education, 3. Family income, 4. Number of dependents, 5. Spousal education. The endogenous construct is the inclination to buy life insurance (LI) – the buying intention. Participants assigned scores on a scale of 1–7, representing disagreement to agreement. The study targeted potential LI customers aged 15-65 in Bangalore, Chennai and Hyderabad, utilising convenience sampling. With 744 usable data points, the study exceeded the recommended sample sizes for factor analysis and structural equation modelling.

Results and Analysis

Descriptive Analysis

Table 1: Demographic Details of the Participants

	<i>N</i>	<i>Percentage</i>
Age		
20-30	236	34
30-40	388	51.8
40-50	120	14.2
Total	744	
Education		
PhD's	30	4
Graduate	222	29.8
Professional or post graduate	492	66.2
Spouse Education		
PhD's	30	4

	<i>N</i>	<i>Percentage</i>
Graduate	258	34.7
Professional or post graduate	456	61.3
Employment Status		
Salaried	594	79.8
Self - employed	150	20.2
Family Annual Income (Rs.)		
> 500000	41	5.5
500000-1500000	157	21.1
1500000-2500000	391	52.5
2500000-5000000	165	20.9
City		
Bengaluru	386	51.8
Hyderabad	187	25.1
Chennai	171	23.1

The details shown in table 1 prove that the participants were from diverse backgrounds and occupations. This is done to prevent bias.

Exploratory Factor Analysis

It was carried out to identify underlying patterns in observed variables and to uncover latent factors that contribute to the variance in the data.

Pre – EFA Tests: These were conducted to assess whether the data is suitable for factor analysis.

Table 2

<i>KMO MSA (Measure of sampling adequacy)</i>		0.856
Bartlett's test		
	Chi square	15364
	Df.	435
	Prob> chi square	<0.0001

A KMO value of 0.6 and above is considered good for factor analysis (Tabachnick & Fidell, 2014). The KMO value of 0.856 of the data used in this study, as shown in Table 2, is well above the minimum value. In addition, the results of Bartlett's test are significant ($p < 0.001$). This shows correlations among variables are not due to chance alone and that factor analysis can be performed on the data (Hair et al., 2013).

Table 3: Exploratory Factor Analysis Results

<i>Latent Variable</i>	<i>Indicator</i>	<i>Factor Loading</i>	<i>Eigen Value</i>	<i>Variance Percentage Explained by the Variable</i>
Attitude	ATT1	0.905884	7.728	16.84
	ATT2	0.905884		
	ATT3	0.767022		
	ATT4	0.712355		
Buying intention	BI1	0.946053	6.74	13.48
	BI2	0.824469		
	BI3	0.812749		
	BI4	0.797799		
Subjective norms	SN1	0.797871	2.76	10.78
	SN2	0.762165		
	SN3	0.738423		
	SN4	0.732221		
Perceived behavioural control	PBC1	0.796516	2.11	10.62
	PBC2	0.796516		
	PBC3	0.79628		
	PBC4	0.79628		
Financial literacy	FL1	0.904201	1.35	8.9
	FL2	0.894989		
	FL3	0.880859		
	FL4	0.614353		
Spousal Fin literacy	SFL3	0.83945	1.15	7.33
	SFL2	0.81025		
	SFL1	0.694968		
	SFL4	0.548483		

Table 3 summarises the results of the EFA which is explained in detail below:

The Cronbach's α for the entire dataset was 0.87. A score of 0.87 indicates a high level of reliability within the set of items or questions being measured. Generally, a Cronbach's alpha above .70 is acceptable, and .87 indicates that the level of internal consistency is very high (Cronbach 1943).

Table 4

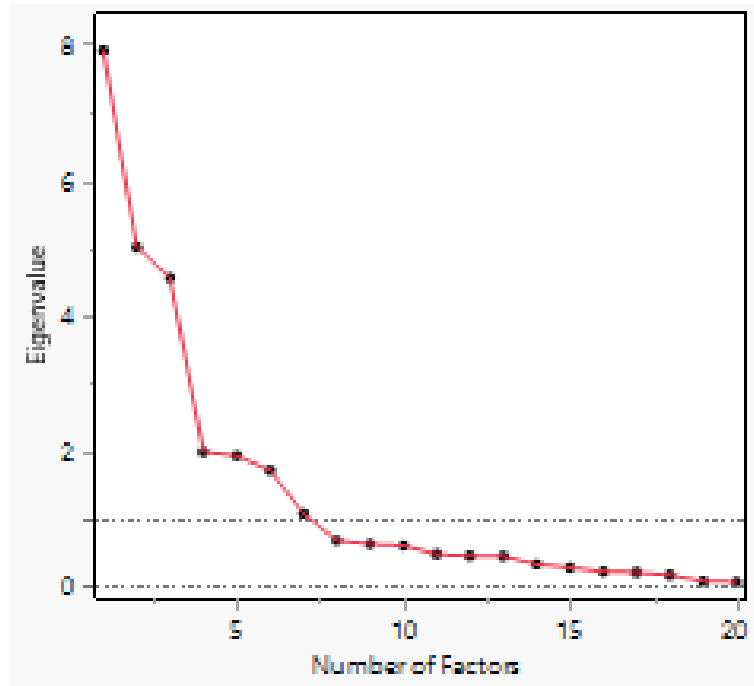
<i>Factor No</i>	<i>Eigen Value</i>	<i>Percentage</i>	<i>Cum %</i>
1	7.96	27.33	27.33
2	5.022	17.3	44.65
3	4.567	15.76	60.4
4	1.995	6.879	67.28
5	1.939	6.68	73.97
6	1.72	5.94	79.9
7	1.08	3.74	83.6

An Eigen value of 1 indicates that the factor is explaining the variance of a single variable. So, an Eigen value of 1 or more, as shown in Table 4, is considered for factor analysis (Hair, 2018).

Table 5

<i>Factor</i>	<i>Variance</i>	<i>Percent</i>	<i>Cum Percent</i>
Factor 1	3.948	13.61	13.61
Factor 2	3.846	13.26	26.88
Factor 3	3.814	13.15	40.03
Factor 4	3.475	11.98	52.01
Factor 5	3.416	11.78	63.79
Factor 6	2.891	9.969	73.76
Factor 7	2.872	9.904	83.66

Table 5 shows that the seven factors explain 83.66 % of the variance

**Fig. 1**

The scree plot shown in Fig. 1 reconfirms that seven factors could be considered for EFA.

Table 6: Factor Loading of Individual Indicators

	<i>Factor 1</i>	<i>Factor 2</i>	<i>Factor 3</i>	<i>Factor 4</i>	<i>Factor 5</i>	<i>Factor 6</i>	<i>Factor 7</i>
PBC 4	0.9415	0.26	-0.0098	0.0381	0.1061	0.073	-0.0064
PBC 3	0.9415	0.26	-0.0098	0.0381	0.1061	0.073	-0.0064
PBC 2	0.939	0.2566	-0.017	0.0287	0.1396	0.0568	-0.001
PBC 1	0.939	0.2566	-0.017	0.0287	0.1396	0.0568	-0.001
FL 1	0.2584	0.9426	0.0393	0.0182	0.0505	0.0239	-0.0249
FL 2	0.2584	0.9426	0.0393	0.0182	0.0505	0.0239	-0.0249
FL 4	0.2444	0.9316	-0.0072	0.0757	0.1596	0.0473	0.0015
FL 3	0.2444	0.9316	-0.0072	0.0757	0.1596	0.0473	0.0015
ATT1	-0.0264	0.0488	0.9134	0.0284	-0.0039	-0.0118	0.1564
ATT3	-0.0184	0.0264	0.849	0.016	-0.0041	-0.0185	0.2262
ATT2	0.0526	-0.0071	0.8451	-0.0163	-0.0746	0.0088	0.1986
ATT4	0.0422	-0.0358	0.8384	0.0021	-0.0155	0.0255	0.1512
SN 1	0.0127	0.0413	0.0776	0.8573	0.2606	0.2642	-0.0169
SN 2	0.0127	0.0413	0.0776	0.8573	0.2606	0.2642	-0.0169
SN 4	0.0564	0.0542	0.0046	0.8445	0.2703	0.2886	0.0105
SN 3	0.0564	0.0542	0.0046	0.8445	0.2703	0.2886	0.0105
BI 3	0.089	0.1038	0.0214	0.2074	0.8751	0.1486	0.0347
BI 4	0.089	0.1038	0.0214	0.2074	0.8751	0.1486	0.0347
BI 2	0.1609	0.1048	-0.0279	0.2817	0.8363	0.0959	-0.0464

	<i>Factor 1</i>	<i>Factor 2</i>	<i>Factor 3</i>	<i>Factor 4</i>	<i>Factor 5</i>	<i>Factor 6</i>	<i>Factor 7</i>
BI 1	0.1609	0.1048	-0.0279	0.2817	0.8363	0.0959	-0.0464
RAM 2	0.0124	0.0412	0.0224	0.2237	0.1063	0.9257	0.0141
RAM 1	0.0124	0.0412	0.0224	0.2237	0.1063	0.9257	0.0141
RAM 3	0.0109	0.0583	0.0046	0.3639	0.1899	0.6367	-0.0025
RAM 4	0.2535	-0.0013	-0.008	0.2513	0.0948	0.6136	0.0178
Wealth accumulation	0.0048	-0.0309	0.1978	-0.0114	-0.0249	-0.0072	0.8905
Bequeath	-0.008	0.01	0.172	-0.0479	0.0206	0.0107	0.8394
Life cycle	-0.0422	0.0018	0.2583	-0.0212	0.0206	0.026	0.8003
Precautionary	0.0329	-0.0238	0.2565	0.0683	-0.0316	0.009	0.7383

Hair et al., 2013, suggested that a factor loading >0.3 could be considered as minimum required for analysis and factor loadings of >0.5 considered practically significant.

All the factor loadings, as shown in Table 6, are well above this criterion.

Table 7

	<i>Buying Int (BI)</i>	<i>Attitude</i>	<i>Sub Norms</i>	<i>PBC</i>	<i>Saving Mot</i>	<i>Risk Aversion</i>	<i>Financial Lit</i>
Buying Int (BI)	0.71	0.14	0.24	0.13	0.00	0.31	0.00
Attitude	0.37	0.78	0.03	0.41	0.00	0.09	0.00
Sub norms	0.49	0.16	0.76	0.03	0.00	0.31	0.00
PBC	0.36	0.64	0.18	0.67	0.03	0.11	0.09
Saving Mot	-0.06	0.06	0.00	0.16	0.63	0.00	0.02
Risk aversion	0.56	0.30	0.56	0.34	-0.04	0.60	0.00
Financial lit	0.02	-0.01	0.00	0.30	0.13	0.04	0.55

Validity Assessment in Structural Equation Modelling

Convergent validity, crucial in Structural Equation Modelling (SEM), is evaluated by examining outer loadings and determining the Average Variance Extracted (AVE) from each construct. Recommended by Henseler et al. (2015), outer loadings exceeding 0.708 indicate that the construct score covers at least 50% of the variable's variance. AVE, a summary convergence indicator computed from variance extracted for items within a construct (Hair et al., 2010), should surpass 0.50 for satisfactory convergence (Hair et al., 2017c). In our study, all constructs, as depicted in Table 7, exceed this threshold.

Discriminant validity ensures a construct is distinct within SEM. It verifies that each construct captures a unique phenomenon not represented by others (Hair et al., 2017c). The Fornell-Larcker criterion (1981) is commonly employed for this assessment. To confirm that a construct has more shared variance within itself than with other constructs, we compare the AVE to the squared correlations between constructs. This is the FL criterion. In our study, as shown in Table 7, all constructs meet the Fornell-Larcker criterion, validating discriminant validity (Fornell-Larcker, 1981).

Structured Equation Model: This consists of two parts – the path diagram (Fig. 2) and a measurement model (Table 8).

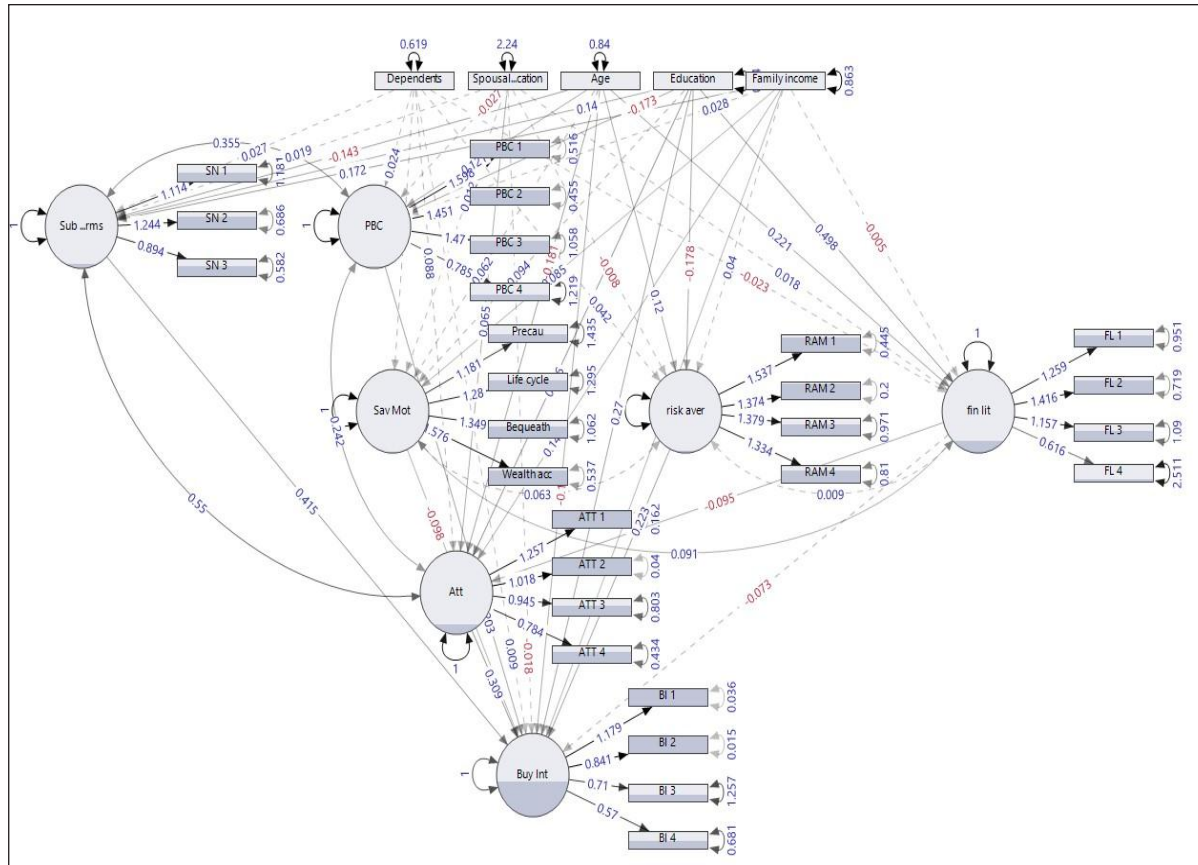


Fig. 2

As per the SEM measurement model, the following are significant:

Table 8

Regressions	Estimate	Std Error	Wald Z	Prob> Z	Result	Hypothesis no	Action
Att → Buy Int	0.3090258	0.0463286	6.670302	<0.0001*	Significant	H1	Hypothesis is accepted
Sub norms → Buy Int	0.415487	0.0551743	7.530438	<0.0001*	Significant	H2	Hypothesis is accepted
PBC → Buy Int	0.228582	0.0530173	3.826266	<0.0001*	Significant	H3	Hypothesis is accepted
Sav Mot → Buy Int	-0.097731	0.038209	-2.55779	0.0105*	Significant	H4	Hypothesis is accepted
risk aver → Buy Int	0.2228183	0.0476733	4.673858	<0.0001*	Significant	H5	Hypothesis is accepted
Age → Buy Int	-0.140412	0.0482242	-2.91166	0.0036*	Significant	H7	Hypothesis is accepted
Education → Buy Int	0.2704898	0.0647467	4.177661	<0.0001*	Significant	H8	Hypothesis is accepted
Family income → Buy Int	-0.086621	0.0392905	-2.20463	0.0275*	Significant	H9	Hypothesis is accepted
Spousal education → Att	0.0649347	0.0240208	2.703277	0.0069*	Significant	H16 _a	Hypothesis is accepted
Age → Att	-0.180559	0.04653	-3.88049	0.0001*	Significant	H12 _a	Hypothesis is accepted
Age → Sub norms	-0.14263	0.0498065	-2.86369	0.0042*	Significant	H12 _b	Hypothesis is accepted
Age → PBC	0.1208328	0.0470015	2.570829	0.0101*	Significant	H12 _c	Hypothesis is accepted
Age → risk aver	0.1195991	0.0463442	2.580672	0.0099*	Significant	H12 _f	Hypothesis is accepted
Age → fin lit	0.220575	0.0491836	4.484727	<0.0001*	Significant	H12 _d	Hypothesis is accepted
Education → Att	0.3857471	0.0596187	6.470236	<0.0001*	Significant	H13 _a	Hypothesis is accepted
Education → Sub norms	0.1396204	0.0616076	2.266286	0.0234*	Significant	H13 _b	Hypothesis is accepted
Education → PBC	-0.172937	0.0580557	-2.97882	0.0029*	Significant	H13 _c	Hypothesis is accepted

<i>Regressions</i>	<i>Estimate</i>	<i>Std Error</i>	<i>Wald Z</i>	<i>Prob> Z </i>	<i>Result</i>	<i>Hypothesis No</i>	<i>Action</i>
Education → risk aver	-0.178371	0.0572855	-3.11372	0.0018*	Significant	H13 _f	Hypothesis is accepted
Education → fin lit	0.4982228	0.0620064	8.035024	<0.0001*	Significant	H13 _d	Hypothesis is accepted
Family income → Att	0.1417567	0.0379446	3.735888	0.0002*	Significant	H14 _a	Hypothesis is accepted
Family income → Sub norms	0.1723274	0.0413951	4.162995	<0.0001*	Significant	H14 _b	Hypothesis is accepted
Family income → Sav Mot	0.0847721	0.0394515	2.14877	0.0317*	Significant	H14 _e	Hypothesis is accepted
fin lit → Att	-0.094792	0.0346433	-2.73622	0.0062*	Significant	H17 _a	Hypothesis is accepted

The covariances are as below:

Table 9

<i>Covariances</i>	<i>Estimate</i>	<i>Std Error</i>	<i>Wald Z</i>	<i>Prob> Z </i>	<i>Result</i>
Att ↔ Sub norms	0.550351	0.028631	19.22216	<.0001*	Significant
Att ↔ PBC	0.24188	0.035868	6.743601	<.0001*	Significant
Sub norms ↔ PBC	0.355048	0.035528	9.99356	<.0001*	Significant
Sav Mot ↔ risk aver	0.063401	0.037284	1.700465	0.089	Not significant
Sav Mot ↔ fin lit	0.090895	0.03925	2.315803	0.0206*	Significant

Discussion: Five key factors significantly influence buying intention: attitude, subjective norms, perceived behavioural control, saving motive and risk aversion motive, as indicated in Table.

Psychological Motivators

- All psychological motivators exhibit a positive correlation with BI.
- Subjective norms, a powerful psychological motivator, demonstrate the most substantial impact on the outcome ($\lambda = 7.5$), with a p-value ($p < 0.001$). This underscores the influence of individuals' perceptions and beliefs about societal expectations on LI purchase intention, aligning with studies by Ngoqo and Flowerday (2014), Li et al. (2007), Gopi and Ramayah (2007), Bhattacharjee (2000) and Ajzen and Driver (1992).
- Attitude, another crucial psychological motivator, significantly influences the outcome with a strong λ value of 6.67 and a p-value ($p < 0.001$). It reflects an individual's positive or negative perception and valuation of LI purchase intention, affirming findings by Marzia Nomi (2020) and Ejye Omar O.E. (2007).

These findings highlight that a strong LI BI is influenced by both personal value (positive attitude) and external

support or pressure (high subjective norms). This dual motivation increases the likelihood of individuals taking affirmative action and following through with the behaviour.

PBC, a psychological motivator, shows a moderate influence ($\lambda = 3.82$, $p < 0.001$), indicating its statistical significance. While PBC is less impactful than subjective norms and attitude, it plays a significant role, reflecting individuals' belief in their capability to perform the behaviour, supported by Mai (2020) and Brahmana et al. (2018). Conversely, Manohar Giri (2018) identifies a negative linkage between PBC and BI of life insurance (LI).

Covariance as Indicated in Table 9: Psychological factors affirmatively link to BI of LI, with strong covariance observed among attitude, subjective norms and PBC. High covariance (Table 10) signifies the interconnectedness of these factors, collectively shaping an individual's intention. They are not isolated but closely connected, influencing each other.

Cumulative Impact on Behaviour: An individual's inclination is shaped by the cumulative impact of attitude, subjective norms and PBC. The substantial covariance, as indicated in Table 10, suggests these three factors collectively predict a significant share of the variation in an individual's intention.

Among financial motivators, the risk aversion motive has a higher impact ($\lambda = 4.67$, $p < 0.001$). Saving motive negatively impacts BI of LI ($\lambda = -2.5$, $p = 0.01$), while financial literacy has a marginal impact.

Risk aversion motivation appears to be a significant driver, indicating that people who are concerned about financial risks and their potential impact on their future have a higher probability to consider LI as a means to mitigate risks. Saving motivation, on the other hand, seems to act as a deterrent. Individuals who prioritise saving money for other purposes may be less willing to allocate their resources toward life insurance premiums. The lack of a significant impact of financial literacy suggests that people's knowledge about financial matters may not directly translate into a stronger intention to buy life insurance.

Affirmative Linkage with BI of Life Insurance (LI)

Individuals driven to mitigate financial risks are more likely to have a high BI of LI, aligning with Schlesinger (1981) and Szpiro (1986). As individuals become more risk-averse, their intention to purchase life insurance increases.

Saving Motivation: It significantly and negatively impacts BI of LI. Individuals emphasising saving money is less likely to express an intention to purchase life insurance. Recent regulatory changes and alternative products with better returns contribute to this effect (Mahdzan & Victoria, 2013).

Financial Literacy: It does not significantly affect BI of LI. One's financial knowledge does not carry statistical significance in influencing the intent to purchase LI.

Socio-Demographic Variables: Education has the highest impact ($\lambda = 4.1$, $p < 0.001$) on buying intention. Age ($\lambda = -3.8$, $p < 0.0036$) and family income ($\lambda = -2.2$, $p = 0.02$) negatively impact BI. Spousal education has a positive and significant impact ($\lambda = 2.7$, $p = 0.0069$) on buying intention. Socio-demographic variables significantly affect psychological variables, offering valuable insights for marketers to better segment and target the market.

Insights into Life Insurance Purchase Behaviour: A Novel Theoretical Framework

Theory Extension: Our research pioneers an expansion of the Theory of Planned Behaviour (TPB) by integrating financial motivators, financial literacy and socio-demographic variables.

The model blends consumer behaviour constructs, classical economics and socio-demographic factors, offering distinctive insights into life insurance purchase intentions in the Indian market.

Contextual Significance: Conducted in the unique Indian environment, our investigation contributes to understanding consumer behaviour in emerging economies. Building on insights from Omar and Owusu-Frimpong (2007), Marzia Nomi (2020) and Masud (2020), we highlight the positive influence of attitude, subjective norms and PBC on life insurance purchase intention.

Financial literacy exhibits no statistically significant impact on purchase intention. Demographic variables impact attitude but not buying intention.

Managerial Implications

Recommendations for the life insurance industry include a focus on psychological determinants, personalised marketing strategies based on demographics, alignment of product offerings with psychological factors and integration of emotional appeals in marketing messages.

Collaborations with influential organisations or influencers are suggested to enhance the social endorsement of life insurance.

Conclusion

Our research enriches the understanding of life insurance purchase behaviour by introducing a psychological dimension.

Emphasis on the multifaceted decision-making process influenced by psychological traits, financial motivators,

financial literacy and demographics enhances the depth of comprehension.

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