Effective Factors on the Development of Life Insurance in Guilan Province

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Abstract   *Wide offer of life insurance is one of the most important factors in promoting and increasing social welfare level. People are not more familiar about the cultural factors, economical factors and geographical factors in insurance industry. This research investigated three factors such as economical and cultural and geographical factors in Guilan. The research statistical society includes Asia insurances companies in Guilan province. For sample size, we used of random sampling method and sample size is determined 212 numbers. To investigate the validity of study, we used of single dimension method and exploratory factor analysis method and confirmatory factor analysis method. To final assess we used of kronbakh test. Data are used of inferential statistical techniques and structural equations are used of LISREL software and collected data were analyzed by SPSs software. Every three hypotheses have been rewired and approved. On the basis of achieved results, we can say that insurance is an facility not only for future economic losses compensation diverging from incidents with future supple ion but also improves living levels and it helps to develop economic of society and can provide comfort to the members of the community.*

Key words   Geographical Factor, Economical Factor, Cultural Factor, Insurance Expanding

1. Introduction

Insurance is the most important and essential thing in our modern world that has an important role in reducing risk and providing financial security and mental security and finally it creates essential situation for developing the economics of country (Abbasi, Drakhshide, 2012).This industry is main areas of financial institutions and its penetration rate is one of the economic development factor in any society (Motavasseli *et al.,* 2011).). In this world, lifetime insurance in addition of having the financial and economical aspects of development, it is one indicator of prosperity and health indicator. lifetime insurance is the biggest area of insurance industry in all world., lifetime insurance is one of the the personal insurance that its aspect is related to person's life or death and it has several types, also some combined insurances exist that several type of that are under unit coverage like combination of supple ion and lifetime insurance that cover both person's life and death (khorrami, 2002, Alijani, 1998). Lifetime insurance is not only effective but also has an important influence on general well-being through human capital accumulation, economic growth (Yanagihara, Shindo, 2010). The share of life insurance in the region is lower than global average (Kardgar, Ahrari, 2014).In general, quantitative and qualitative factors are more effective on developing lifetime insurances. So, a way which can be use for all different factors in a sometime and in relation to each other is so important (Motavasseli *et al.,* 2011). The consideration of several current years of life insurance in Iran is a sign of lack of development and growth in insurance industry (world insurance , 2009).Unreliability that is caused by the lack of insurance has a negative effect on the growth of human capital (Chen, 2010) lim& Maberman in his research "the consideration of effective factor son life insurance demand " showed that people's income and marital situation have an direct relation with demanding of insurance and have an indirect relation with education and inflation (lim, Maberman, 2003). Lee in a study showed that families with lower educational status don't have tendency to buy insurance (11). The researcher's investigation shows that in spite of done researches in province and country, a global research that identifies and

considers the effective factors from the policyholder's prospective is not done. Than researcher want to consider the effective factors on developing life insurance in terms of Asia policyholder's to achieve results that can be use in manager's planning and policies.

2. Methodology of research

The research is a cross-sectional and descriptive study and it is done in spring and summer in 2014. The society and the environment of study are Asia insurance clients in Lahijan. Because of some limitations (number of Asia companies=480) the sample size was considered 272person by using of this formula.

$$n = \frac{\frac{z^2 pq}{d^2}}{1 + \frac{1}{N}\left(\frac{z^2 pq}{d^2} - 1\right)} \tag{1}$$

The sample size was estimated 212 people that they are selected by random sampling. Data questionnaire consists of two parts, the first part contains nine questions in the basis of personal and demographic characteristics and the second part contains of 20 questions with four factors "economical, mental, geographical and insurance development". Every factor has 5 questions and was scored by using of Likert scale (5)/very large, (4)/large, (3)/medium, (2)/low, (1)/poor (Andaleeb, 2004).The questionnaire justifiability was determined by professor's and master's survey and calculation kronbakh's Alfa coefficient for variables related to factors like: economical factor $\alpha = 0/84$, mental factor $\alpha = 0/85$, geographical factor $\alpha = 0/85$ and the insurance expanding $\alpha = 0/83$ were considered and the normal distribution of data were evaluated by Kolomogroph Smirnoff test.

The analysis of demographic characteristics of per individual has done by descriptive statistics (standard deviation, mean, frequency, percentage, etc) and analysis of the other data has done by the exploratory factor analysis, confirmation and structural equation modeling. So for recognizing the loading rate of one of the variables on main variables, we've been used from structural equation modeling and for considering the efficiency of sample volume, the Keyzer Mayer Olkin scale was used that the result was 0/867. However this rate is more than 0/8 but more is to say that sample size has had requirement adequacy. And for suitability of data, Bartlett test was used that in the recent study the test was showed the suitability of data at B = 0/000. This rate suggests a detectable relationship between variables that are going to be investigated in factor analysis.

In the next step, achieved results from exploratory executive analysis were processed by using of factor analysis and maximum magnification and LISREL software 8/80 (Schumachker lomax, 2004). In other words, confirmatory factor analysis can determine that whether the desired data has a fit or not (Nannaly, Bernstein, 1994). And in the next step, the prevention power of each component (factor) was investigated by using of path analyzing and LISREL software 6/80.

The result of descriptive statistics research:

1) 37/7 percent of studied subjects are male and 62/8 percent are female

2) Achieved results related to age situations show that the lowest age is above the 50 and the highest age is between 31 to 40. Also average age is 2/78 in this study.

3) Achieved results in relation to educational status indicate that 42/5 percent of the respondents have diploma and 41/5 percent of them have secondary school education and 10/5 percent have bachelor of degree and 5/7 percent of employees have Master of Science.

4) Achieved results in relation to living status indicate that 18/5 percent of subjects live in village and 46/7 percent of subjects live in a city and 39/9 percent of subjects live in downtown.

5) Results in relation to occupational status indicate that 10/8 percent of subjects are employee and 49/5 percent are self- employee and 32/5 percent are farmer and 7/1 percent is unemployed persons.

6) Results in relation to place of birth indicate that 17 percent of these subjects were born in village and 56/6 percent were born in a city and 26/4 percent was born in downtown.

7) The results in relation to subjects' type of climate condition showed that 19/3 percent live in a hot and dry climate and 71/2 percent live in a humid climate and 9/4 percent live in the cold climate.

8) The results in relation to subject's insurance indicate that 91 percent of subjects have insurance and 9 percent of them are not insured.

The results of exploratory factor analysis, very fiction and analysis of the path.

Loading rate of each variables on components (factors) is provided in the below table by analyzing the exploratory excusive analysis with main component analysis method to varimax rotation.

Table 1. Loading rate of each variables in the factors (components)

Row	Variables	Components			
		Economical component	Mental components	Geographical component	Insurance development
1	How much the role of financial problems is effective in buying your insurance?	0/66			
2	The relation between people's income and buying lifetime insurance	0/72			
3	In an accident time, How much can it compensate your damages?	0/78			
4	How much your life total revenue is related to current shape?	0/68			
5	How much your living status does affect your income?	0/72			
6	Education how much is effective in your benefit of life insurance?		0/72		
7	The level of your social lining status how much is effective in your participation?		0/77		
8	How evaluate the level of your associate's culture?		0/68		
9	To what extent are you prospective?		0/76		
10	The others encourage how much is effective on your decision to buy lifetime insurance?		0/75		
11	The good weather how much is effective in your daily activities such as going to insurance companies?			0/73	
12	The impact of your living climate situation how much is effective on your income?			0/77	
13	The good behavior of insurance manger how much is related to good climate?			0/77	
14	The type of your living climate situation how much is effective in your personal safetymen?			0/75	
15	Insurance coverage how much is effective in reducing the natural disasters?			0/47	
16	How much do you familiar with lifetime insurance?				0/70
17	Insurance How much is effective in your calmness?				0/68
18	How much do we confess to understand life insurance?				0/63
19	How much do your consult in your work?				0/73
20	How much do you trust the insurance companies?				0/67

To confirm and fit the loaded variables in each components with information of studied units from, the researcher has used from LISEREL 8/80 software and confirmatory factor analysis method. It is shown in the table below.

Table 2. The fitting indicators of loaded variables under each of components

Row	Index value	Rate
1	Goodness fit index (GFI)	0/71
2	The average coefficient to square average root	0/10
3	Comparative fit index (CFI)	0/89
4	Normal Fitting index (NFI)	0/87

5	The remainder mean square root (RMSR)	0/06

If the NFI and GFI indexes will be higher than 0/7, the average of squared remainder will be lower than %8 and the approximation error to squared average root will be 0/1, these results indicate reasonable fitting. The prevention powered these four components ,economical and cultural and geographical factors and insurance expanding was considered with expanding of life insurance by path analysis that insurance expanding factor with this path coefficient B=0/53 has the higher power of prevention and higher importance in developing the life insurance .economical factors with this path coefficient=0/37, cultural factors with coefficient B=0/33 and the geographical factors with coefficient B=0/30 were the next ranks, it means these factors have lower importance in ranking rate. Also the relationship between the effects of these 4 factors is showed in figure 1.

Figure 1. The fitted model of effective factors on developing life insurance

Chi-Square=854.64, df=164, P-value=0.00000, RMSEA=0.141
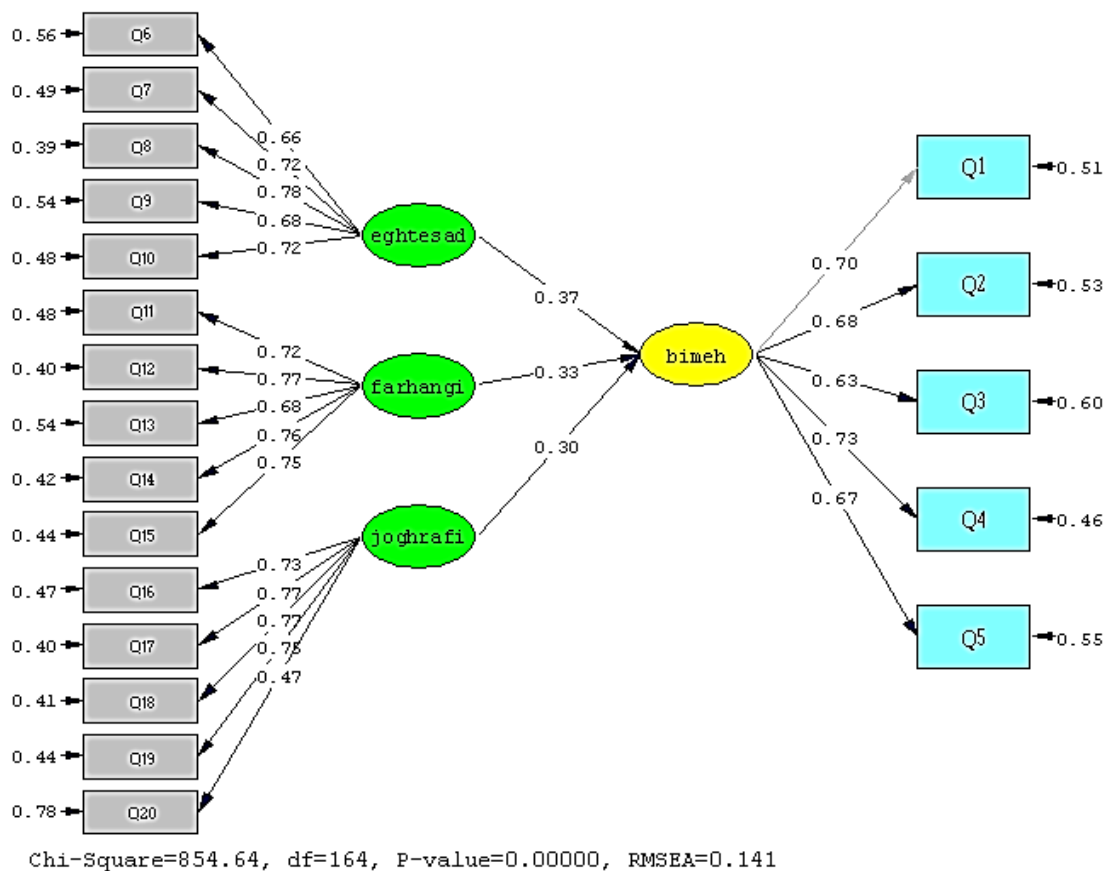
3. Discussions

The researcher showed that the recognition of insurance role is the first important thing in person's future life guarantee and then the economical factor and cultural and geographical factor are important in this exact order, and have the most power of prediction and importance in developing lifetime insurance. So by increasing the people's information and recognition about the role of lifetime insurance in their life can provide calmness in their life. And it can cause talent progression and some benefits in society.

Also the people's tendency in using insurance services will increase but we have to say that the people's income has a direct relation with their tendency, it means that by increasing their economical afford, their tendency in using insurance services will increase. Kardgar (1997In a cross sectional study showed that marital status and in the next stage geographical factors are the importance factors in developing life insurance that it isn't according to recent research. Abbasi and Drakhshide (2012) in his research showed that saving factor has a direct relation with their insurance (Abbasi and Drakhshideh,

2012). MahdaviKlishomi (2010) in a cross sectional study with economical factors analysis, social factors analysis and psychological factors analysis showed that these factors are effective on life insurance demanding in Iran, in the population of three provinces such as Tehran, Mazandaran and East Azarbaijan that his research is according to recent study. He showed that the role of culture has affected on life insurance (Mahdavi Kelishomi, 2011). However in current research cultural factor after recognizing the beneficiary and economical factor has lower importance that is not according to current study. Kapfer (2007) in a research with this title "the consideration of buying life insurance by unemployment persons and housekeepers" showed that buying life insurance by those people has a low percent because they have low income.

4. Conclusions

It's necessary for insurance managers give enough information and recognition about insurance advantages to beneficiary people. Also because of economical effect on insurance, it is necessary for Mangers create confidence for people to buy life insurance services. The manger of insurance companies has to establish some policies such as reducing expenses and facilitating insurance services. Because of cultural factor efficiency on insurance expanding, by some factors like giving information to people and telling about the advantages of insurance development in order to increasing life level and creating calmness in life can emphasize the lifetime insurance is necessary.

From the other prospective, on the basis of the effect of geographical factor on insurance development, managers should take some policies in basis of geographical status.

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