

Analysis of major factors instrumental in the marketing of life insurance policies in Sri Lanka

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Life insurance is a growing market in Sri Lanka, with lot of untapped potential and future growth. The study reviews the major factors that are instrumental in the marketing of life insurance policies in the Sri Lankan context. The study was conducted during 2001 – 2002 and was carried out in seven districts.

The specific objectives of the study were to analyse the perception of respondents of life insurance policies in the Sri Lankan market, to identify the factors important in the promotion of life insurance and to make observations and suggestions to improve the marketing of life insurance.

The author has selected major demographic segments in analyzing the respondents' perception of life insurance policies available in the market. Accordingly, fifty respondents were selected from seven different districts representing both the rural and urban communities. Data was collected by surveying the respondents using a questionnaire and the same schedule was used to interview selected key individuals. Stratified multistage random sampling method was used to select the respondent sample. Observations were made to verify the findings. Tabular presentations, Excel and SPSS computer packages were employed in the analysis of data.

The author examined the background information, income and expenditure patterns of respondents. The respondents' exposure to various insurance policies available in the market and their perception on life insurance policies was sought. Major relationships were sought pertaining to the factors important in marketing life insurance with the respondents' characteristics. Relationships were sought with respect to the respondents' income and expenditure patterns and their attitude towards risk. The importance given to life insurance as an alternative investment option was also noted amongst the other benefits. Respondents' perception on the major factors instrumental in the marketing of life insurance policies and the possible ways of improving the same has been discussed in the study.

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