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DISCRETIONARY INCOME AND THE DEMAND OF LIFE INSURANCE: EVIDENCE FROM NIGERIA IN ATTAINING SUSTAINABLE DEVELOPMENT GOALS (SDG)

[1]Magbagbeola, Joshua Adekunle O PhD & [2]Omozejele Eric
All correspondence to the author
[1]Senior Lecturer & Director, Joseph Ayo Babalola University, Ikeji-arakeji, Osun State
+2348023026146, e-mail: jaomagbagbeola@jabu.edu.ng

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Abstract

Life is embedded with various risks that can lower people's well-being as a result of unexpected events. Therefore, it is very essential for every individual household to embrace an important mechanism that can protect their family against such situations by purchasing life insurance policies to guarantee their benefit in the event of certain eventuality. However, life insurance business remains unviable in Nigeria and its products hard to sell in the Nigerian marketplace. This unpalatable situation about the business always raised worries among the players in the industry. Therefore, understanding of the factors that affect the consumption of life insurance in Nigeria household is important for the industry players to exert more effort in working on these factors to expand their knowledge. This study used descriptive research design, primary data source using structured questionnaire which were administered to target audience of individuals via Google forms for data gathering. The questionnaire centres on a number of different variables which relates to discretionary income and demand. Using simple random sampling, from the pool of received responses, a total of one hundred and twenty-one (121) responses were selected and analysed among selected 20 insurance companies offering life insurance product and industry players. Result of multiple linear regression of demand of insurance on their demographic characteristics and responses related to discretionary income, attitude towards life insurance, and the motives behind it. It shows how the explanatory variables such as age, marital status, income level, educational qualification, work experience, number of dependents, understanding of risk management and the other variables affect the demand for insurance services by Nigerians. It was discovered that all the six sets of research questions and null hypotheses of this study were rejected and one of the recommendations made that company image and company-client relationship could assist in attending to resolving youth unemployment in the country,

1. INTRODUCTION

Many families in the Third World Countries, especially in Nigeria have no life insurance policies. The main hiccup, which is responsible for the growing apathy for life insurance products is based on assumption of the low level of disposable income of individual household. Which means that per capita income of majority Nigerians are very low, and people tend not to take insurance as a priority against other things related to them in the country. Mukhtar (2013) noted that all households in developing countries whether better or

worse off are exposed to a variety of risks, such as illness, disability, death, unemployment, or crime. The total amount of life insurance purchased by the insured could be derived from the maximization of the consumption level of his dependants, who in turn maximize their satisfaction of insurance consumption by choosing the optimal level of expenditures on life insurance policies. Life insurance policy is a social security tool that helps families to replace lost income that is directly associated with their financial vulnerability. Mountain (2015) opines that the reduction in household earnings due to the death of bread winner may leave the surviving household members on a lower consumption trajectory, even after adjusting for economies of scale, if appropriate financial planning is not enacted prior to death, and the burden to fund ongoing household consumption is left to surviving household members in addition to whatever financial provisions have been put in place prior to the death of a spouse or partner**.** But for reasons yet unfathomable, many Nigerians have subscribed to misguided notions concerning life insurance. Whether it's a lack of information that stems from an unwillingness to make their own research or something more profound, these misconceptions have ruled the Nigerian populace for far too long. In order to increase the levels of household life insurance consumption it is important to improve the understanding of financial vulnerability that exists if a spouse or partner were to die so that better informed life insurance decisions may be made (Mountain, 2015). Against this background this study stands to investigate the influence of discretionary income on the demand for life insurance. The study seeks among other things (i) to determine the effect of discretionary income on the demand of life insurance policy in Nigeria, (ii) to examine the significant effect of level of education on the demand of life insurance policy in Nigeria,)iii) to investigate how effective employment status has really affected the demand of life insurance in Nigeria, (iv) to study how knowledge about insurance affect the demand for life insurance policy in Nigeria and (v) to evaluate how family size, affect the consumption of life insurance products in Nigeria.

The study will be limited to Nigerian insurance industry. Some firms within the industry with their head offices situated Lagos state Nigeria will be randomly selected for the study sample. The research will specifically investigate on how influence of discretionary income on the demand for life insurance.

2. MATERIALS AND METHODS

2.1 Literature Review

The literature review showed how income of the household and other variables have affected the demand for life insurance products. To mention few, previous studies that had interlinked constructs under study with determinant factors and demand for life insurance. Ibiwoye, Ideji, & Oke (2010), on their study examined that the determinant of life insurance consumption in Nigeria during the period 1970 – 2005 within an error correction framework. Using Co-integration technique to reveal that real gross domestic product and structural adjustment policy positively and significantly influence Life Insurance consumption in Nigeria while indigenization policy and domestic interest rate are statistically significant but inversely related to Life Insurance consumption. On the other hand, they discovered that return on investment, inflation rate, openness of the economy and political instability are insignificant predictors of Life Insurance consumption in Nigeria. Epetimehin (2011) in his empirical study focuses on the factors enhancing the purchase of life insurance in Nigeria. The objectives of the study were to evaluate the factors underlying consumer perception towards investment in life insurance and to compare the differences in consumer perception of male and female consumers. This resulted into finding out what factors play very important role in life insurance policies purchase. The findings of this study provide important insights into the insurance companies in designing their product-mix. Therefore, consumers who intend to buy the insurance products will have a list of factors and thus, can take an informed decision in selecting an insurance product. The recommendations are that the insurance companies

should concentrate on consumers' loyalty, service quality, ease of procedures, satisfaction level, company image and company-client relationship.

2.2 Theories Applicable to the study

2.2.1 The Expected Utility Theory (EUT)

This theory was put forward by Neumann and Morgenstern (1994). It is a conjecture of decision making in conditions of risk and posits that individuals make decisions under uncertainty on two factors - the utility of the outcomes and their relevant chances. This indicates that when a household is at a point of dealing with two more risks, the utmost preference should be given to strategy which will ensure the maximization of calculated satisfaction. The theory establishes that in the face of risk and uncertainty, a rational decision maker will always opt for the alternative which maximizes expected utility (Mongin, 1998). In this theory, an individual selects events or plans which ensure maximization of estimated satisfaction. However, satisfaction is a function of the individual's preferences. Consumers possess varying choices against varying amounts of risk. Individuals having diverse uniqueness may tolerate different amount of risk, leading to varying intentions to patronize life insurance or not and the quantity to consume. According to Giesbert (2012), the EUT and the concept of risk aversion are regarded as the primary models for analysing risk and insurance demand. Schlag (2003) adds that theories relating to life insurance demand stem from consumption theories. Also, Mishra et al (2014) postulates that theoretical models underpinning the demand for life insurance suggest that life insurance enables households to minimize the loss of income associated with the passing on of the breadwinner. Risk-averse households are more likely to purchase life insurance for eliminating the risk of premature death of the main wage earner in the household.

2.2.2 Permanent and Life Cycle Income Hypothesis

This theory was propounded by Milton Friedman (1957), establishes that the spending behavior of individuals depends on the present level of wealth (income) and the long-run anticipations of income. This hypothesis maintains that individuals plan consumption and saving decisions using potential of future income flows. Even though individuals look forward to variations in present income in course of their lifetime, consumption trends continue to be stable as a ratio of their anticipated permanent income. Freidman cautioned against the consumption pattern by stating that the effect of inheritance is to increase the permanent income of the unit, and that this would justify higher consumption in the final period of life. The theory postulates that consumption is the function of permanent income (Dwivedi, 2010). The consumption of individual and household is a function of their income. Per this theory, consumption trend of individuals rises and fall in course of lifetime, and income is expected to decline considerably throughout retirement. To maintain constant consumption pattern throughout lifetime, individuals must borrow from the future and save towards retirement. Individuals therefore have the incentive to purchase life insurance to shield dependents from financial privation when premature death occurs. Clearly, life insurance provides financial security against huge variations in household's consumption trends. Furthermore, cash value life insurance products have saving component which enables consumers have access to their cash value through policy loans or surrender value thereby providing uninterrupted income in the period of retirement.

2.2.3 Empirical Review of Other Related Literature

Sorsa, and Durga Rao (2018) carried out research on the effect of demographic factors on demand for life insurance in Ethiopia. The study focuses on the relationship of life insurance with eight selected individual variables namely gender, age, marital status, religion, organisation, monthly income, educational level and family size. Using logistic regression

model was used to analyse the effect of explanatory variables, like gender, age, marital status; religion, organisation, monthly income, educational level and family size on the dependent variable which is intended to purchase life insurance. A total of eight explanatory variables were included in the regression. The results obtained from the analyses conclude that only age variable of the government employees have a significant impact on demand for life insurance on government employees. Finally, the study recommended that the insurance companies to provide policies based on the age of the people in the study area and it should be considered by insurance companies as a strategic determinant in their business. Shiferaw (2017) investigated on the factors affecting life insurance purchase, to determine what factors significantly affect customers towards the purchase of life insurance policies and to assess the factors affecting the development of life insurance in Ethiopia. Using a combination of descriptive form of data analysis and multiple regression analysis to analyse the primary data collected through self-administered questionnaire from buyers who have purchased life insurance from Ethiopian Insurance Corporation and aged 18 years or older. The findings of the study show that family size and gender factor, income level, age factor, education level and health status were found to be significant determinants of life insurance demand. Buric, Bacovic, Cerovic, & Bozovic, (2017) analysed the significant factors that have important impact on life insurance products purchase in Montenegrin insurance market. Using chi square test of independency and regression analysis to analyse the collected data. Testing results showed that age structure and education as demographic factors as well as level of employment as economic factor highly influence demand for life insurance in Montenegro while there is no evidence that different trust in insurance system, gender and region influenced purchase of life insurance. Sulaiman, Migiro, & Yeshihareg (2015) carried out research on factors that influence life insurance market from Ethiopian perspective. The used secondary data on eleven independent variables – six of which are economic and five demographic variables for a period of 28 years from 1979/1980 to 2007/2008. The error

correction mechanism (ECM), the Johansen cointegration test and the Augmented Dickey-Fuller test were utilized in the study econometric analysis. The result shows a long-term balanced connection amongst the variables. Inflation had a statistically noticeable negative impact on the demand and supply in the life insurance market. In addition, there was a statistically significant negative effect of young dependency ratio on life insurance market demand while old dependency ratio had a statistically significant positive relation to life insurance supply. Weng Jun, Harn, Theng, Yee, & Choon (2014) carried out research on the determinants on health and life insurance demand among Malaysian. Using a combination of correlation form of data analysis and multiple regression analysis to analyse the extracted primary data. The result indicated, overall all the variables tested are reliable. Demand of health and life insurance appears to be significant and positively correlated with Income Level, Knowledge of Health and Life Insurance, Income Protection and Risk Attitude. However, the result shows social influence is insignificant relationship with demand of health and life insurance. Curak et.al (2013) on their study on the effect of social and demographic factors on life insurance demand in Croatia identified that age, education and employment impact life insurance demand of household in Croatia while gender, marital status and number of family members do not have statistically significant influence.

Mahdzan & Victorian (2013) investigated that the determinants of life insurance demand among life insurance policyholders of five major life insurance companies in Kuala Lumpur, Malaysia. Their results revealed that demographic variables and saving motives were significantly related to life insurance demand. Financial literacy, however, was found to be insignificant in determining life insurance demand. They showed that education level is significantly related to life insurance demand, where individuals with higher levels of education have higher life insurance demand. Loke and Goh (2012) determined the socio-demographic and economic factors that have significant influence on the demand for life insurance in Malaysia. A hurdle count-data model is used to accommodate the separate

decisions on the demand for life insurance which is divided into two parts: whether to purchase a life insurance policy and if so, how many policies to purchase. The results show that there are some slight differences in the factors that determine the decision to purchase life insurance and the quantity of life insurance policies that a consumer will purchase. Gustina and Abdullah (2012), found that three variables that significantly influence the demand for life insurance, namely GDP per capita, saving and religion. The study reveals that there are two factors that negatively influence the demand for family tactful i.e. Customer Price Index and Saving. Meanwhile, age, saving and religion are the three factors which give negative influence on life insurance.

Kjosevski (2012) found that GDP per capita, inflation, health expenditure, level of education and rule of law are the strongest predictors of the use of life insurance. Real interest rates, ratio of quasi-money, young dependency ratio, and old dependency ratio control of corruption and government effectiveness do not appear to be strongly associated with life insurance demand. Khan et al (2016) on their study on impacts of macroeconomic and demographic variables on the demand for life insurance in Pakistan identified that financial development, gross savings, income level are directly linked to life insurance demand while price of insurance are inversely linked with life insurance demand and the demographic variables of crude birth rate, crude death rate, old age dependency ratio, urbanization are positively related with life insurance demand for Pakistan. The short run dynamic regression shows price, real interest rate and gross domestic saving per capita are negatively correlated and significant predictors of demand for life insurance. Negative impact of real interest rate on the demand for life insurance in Ethiopia confirms the preferences of population towards alternative financial assets. Bawa (2011) in their research mentioned the presence of seven key factors which are acting as barriers to subscription to health insurance. The factors identified by them are “lack of funds, lack of willingness and awareness, lack of intermediaries, lack of reliability and lack of accessibility to services. They also concluded

that significant relationship exists between age, gender, education, occupation and income of the respondents and their willingness to pay for health insurance while no significant relationship was found between marital status and their willingness to pay for health insurance." Pen-Fen, Chin-Chiang and Chin-Feng (2011) investigated the effect of life insurance on economic growth and what conditions affect the insurance-growth nexus. These conditions include the degree of financial development, private saving rates, interest rates, social security expenditures, income, young dependency ratio, life expectancy, and geographic regions. This study used descriptive research design to summarize and organize data in an effective and meaningful way. According to Muchire (2003), descriptive research is also concerned with: conditions or relationships that exist, practices that prevail, beliefs, point of view, or attitudes that are held by people, processes that are going on, effects that are being felt, or trends that are developing. The target population for this study consist of registered and licensed insurance listed on Nigeria Stock Exchange Market. Simple Random sampling method was employed for this study to select twenty (20) companies which made us the sample size. This method thus ensured that every element has an equal chance of representing the population and has independent chance of being selected. The sample size for this study is two hundred (200) comprises of ten (10) staff from each selected company of the twenty companies randomly selected as the sample for the study. The research instrument used for this study was a well-structured questionnaire designed to determine respondents' perception about discretionary income and the demand for life insurance products in Nigeria.

3. RESULTS AND DISCUSSIONS

3.1 PRESENTATION OF DEMOGRAPHIC DATA

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	55	45.5	45.5	45.5

	Female	66	54.5	54.5	100.0
	Total	121	100.0	100.0	

From the table above, it can be seen that males were 45.5% while females were 54.5%.

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 21 Years old	2	1.7	1.7	1.7
	21 to 30 years old	25	20.7	20.7	22.3
	31 to 40 years old	43	35.5	35.5	57.9
	41 to 50 years old	34	28.1	28.1	86.0
	51 to 60 years old	14	11.6	11.6	97.5
	Above 60 years old	3	2.5	2.5	100.0
	Total	121	100.0	100.0	

The table above shows the distribution of the ages of the respondents. Of the population sample studied, 1.7% were below 21 years, 20.7% aged between 21 and 30 years. 35.5% aged between 31 and 40 years, 28.1% aged between 41 and 50 years, 11.6% aged between 51 and 60 years old, while 2.5% were above 60 years old. Every respondent disclosed their age range.

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	34	28.1	28.3	28.3
	Married	86	71.1	71.7	100.0
	Total	120	99.2	100.0	
Missing	System	1	.8		
Total		121	100.0		

The table above shows the distribution of the population sample according to their marital status. As shown above, 71.1% of respondents were married, and also 28.1% were single as at the time the survey was made. Only 0.8% did not disclose their marital status.

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	OND	7	5.8	5.9	5.9
	HND	22	18.2	18.6	24.6
	BSc	60	49.6	50.8	75.4
	PG Diploma/Masters/MPhil	27	22.3	22.9	98.3
	PhD	2	1.7	1.7	100.0
	Total	118	97.5	100.0	
Missing	System	3	2.5		
Total		121	100.0		

Very few respondents did not indicate their educational level (2.5%), as shown in the table above. 97.5% indicated their education level. 5.8% had an OND certificate, 18.2% had an HND certificate. 49.6% had a BSc certificate. 22.3% had a PG Diploma/Masters/MPhil certificate. Only 2 respondents (1.7%) had a PhD.

Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	26	21.5	21.5	21.5
	5 to 10 years	62	51.2	51.2	72.7
	11 years or more	33	27.3	27.3	100.0
	Total	121	100.0	100.0	

From the above table, we can see that 21.5% of respondents had less than 5 years of work experience, more than half (51.2%) of the respondents had 5 to 10 years of work experience, while 27.3% of the respondents had 11 or more years of work experience. All respondents answered this question.

Current Position at Workplace

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Junior Staff	51	42.1	42.5	42.5
	Senior Staff	43	35.5	35.8	78.3
	Management Staff	26	21.5	21.7	100.0
	Total	120	99.2	100.0	
Missing	System	1	.8		
Total		121	100.0		

Most respondents answered this question. Only 0.8% of the respondents did not disclose their current position at their workplace. 42.1% of respondents were Junior staffs at the time of the survey, 35.5% were Senior staffs, 21.5% were Management staffs.

Current income level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than N50,000 per month	9	7.4	7.4	7.4
	N50,000 to N99,999 per month	19	15.7	15.7	23.1
	N100,000 to N149,999 per month	34	28.1	28.1	51.2
	N150,000 to N199,999 per month	20	16.5	16.5	67.8
	N200,000 to N299,999 per month	15	12.4	12.4	80.2

	N300,000 to N499,999 per month	7	5.8	5.8	86.0
	N500,000 per month and above	17	14.0	14.0	100.0
	Total	121	100.0	100.0	

The above table shows the distribution of the current income level of the respondents. 7.4% of the respondents earned less than ₦50,000, 15.7% of the respondents earned between ₦50,000 and ₦99,999, 28.1% of the respondents earned between ₦100,000 and ₦149,999 per month. 16.5% of the respondents earned between ₦150,000 and ₦199,999 per month, 12.4% earned between ₦200,000 and ₦299,999 per month, 5.8% earned between ₦300,000 and ₦ 499,999 per month, while only 17 respondents (14.0%) earned ₦500,000 and above monthly.

Number of dependents (people that rely on you for their basic needs, such as children)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No dependents	14	11.6	11.7	11.7
	1 dependent	9	7.4	7.5	19.2
	2 dependents	25	20.7	20.8	40.0
	3 dependents	36	29.8	30.0	70.0
	4 dependents	19	15.7	15.8	85.8
	5 dependents	5	4.1	4.2	90.0
	more than 5 dependents	12	9.9	10.0	100.0
	Total	120	99.2	100.0	
Missing	System	1	.8		
Total		121	100.0		

The table above shows the number of dependents that each respondent had at the time of the survey. Only 1 respondent (0.8%) did not answer this question. 11.6% had no dependents, 7.4% of the respondents had only 1 dependent, 20.7% of the respondents had 2 dependents, 29.8% of the respondents had 3 dependents, 15.7% of the respondents had 4 dependents,

4.1% of the respondents had 5 dependents, while 9.9% of the respondents had more than 5 dependents.

3.2 DESCRIPTIVE ANALYSES OF RESPONSES RELATED TO INSURANCE

Level of education has really determined the consumption of life insurance policies in Nigeria.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.8	.8	.8
	Disagree	12	9.9	9.9	10.7
	Neutral/Undecided	5	4.1	4.1	14.9
	Agree	58	47.9	47.9	62.8
	Strongly Agree	45	37.2	37.2	100.0
	Total	121	100.0	100.0	

The table above shows the respondents' perception of whether level of education has determined the consumption of life insurance policies in Nigeria. Only 1 respondent (0.8%) was of the opinion that level of education did not determine the consumption of life insurance policies in Nigeria, 9.9% of respondents' were of the opinion that level of education did not really determine the consumption of life insurance policies in Nigeria, 4.1% of respondents' were undecided, 47.9% of respondents' were of the opinion that level of education did determine the consumption of life insurance policies in Nigeria to an extent, while 37.2% of respondents' were of the opinion that level of education did determine the consumption of

life insurance policies in Nigeria to a very great extent. Every respondent answered this question.

3.3. MULTIPLE REGRESSION OF INSURANCE DEMAND ON THE EXPLANATORY VARIABLES

Dependent Variable: INSURANCE DEMAND

Method: Least Squares

Sample: 1 121

Included observations: 101

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SEX	-0.048874	0.060900	-0.802535	0.4246
AGE	0.115529	0.056600	2.041140	0.0445
MARITAL STATUS	0.127579	0.095247	1.339460	0.1842
EDUCATIONAL QUALIFICATION	0.005913	0.043785	0.135044	0.8929
WORK EXPERIENCE	0.010101	0.085812	0.117707	0.9066
CURRENT POSITION AT WORK	-0.102029	0.070680	-1.443541	0.1527
BUSINESS OWNERSHIP	0.008547	0.079031	0.108150	0.9141
INCOME LEVEL	0.312560	0.033784	9.251843	0.0000
DEPENDENTS	-0.010075	0.036298	-0.277572	0.7820
HOUSEHOLD SIZE	0.228793	0.032193	7.106940	0.0000
WEALTH SHARE PREFERENCE WITHIN HOUSEHOLDS	-0.234181	0.033100	-7.074876	0.0000
EDUCATION LEVEL	0.032494	0.039589	0.820787	0.4142
RISK MANAGEMENT UNDERSTANDING	0.300447	0.049389	6.083259	0.0000
ORIENTATION	0.238389	0.074925	3.181709	0.0021
FEAR OF DEATH OF WAGE EARNER	0.269247	0.058592	4.595264	0.0000
CUSTOMER ATTITUDE ASSESSMENT	0.124730	0.087719	1.421926	0.1589
INSURANCE IS FOR THE RICH BELIEF	-0.157995	0.044517	-3.549050	0.0066
POOR ATTITUDE	-0.331080	0.064060	-5.168233	0.0000
C	0.729274	0.443167	1.645596	0.1037

R-squared	0.849745	Mean dependent var	4.019802
Adjusted R-squared	0.814500	S.D. dependent var	0.599670
S.E. of regression	0.258276	Akaike info criterion	0.305795
Sum squared resid	5.403240	Schwarz criterion	0.823641
Log likelihood	4.557358	Hannan-Quinn criteria.	0.515434
F-statistic	24.10961	Durbin-Watson stat	2.118532
Prob(F-statistic)	0.000000		

Researcher's computation (2020)

The table above shows the result of the multiple linear regression of demand of insurance on their demographic characteristics and responses related to discretionary income, attitude towards life insurance, and the motives behind it. It shows how the explanatory variables such as age, marital status, income level, educational qualification, work experience, number of dependents, understanding of risk management and the other variables affect the demand for insurance services by Nigerians.

Table Structure

As shown above, the table has two sections. The first section contains the variables and their characteristics. It has five columns. The first column shows the variable name. All the variables listed above are explanatory (or independent) variables. The second column shows the coefficient value of the associated explanatory variable. The third column shows the standard error while the fourth column shows the t-statistic. The fifth column (prob-value) shows the statistical significance of the associated explanatory variable. The second section of the table contains the model assessment criteria. These include the R-squared, adjusted R-squared, F-stat, probability value of F-stat, and Durbin-Watson stat.

Table Interpretation

The three most important pieces of information with regards to the variables above include the coefficient of the variable (second column), the t-statistic (fourth column) and the statistical significance (fifth column). Both the t-statistic and the statistical significance give

information about the variable's statistical significance. The coefficient tells us the direction of relationship the associated explanatory variable has with the explained variable (or dependent variable).

Evaluation Criteria:

Coefficient: A positive coefficient value shows that the associated explanatory variable has a positive relationship with the dependent variable (life insurance demand). For example, income level has a coefficient value of 0.31256 which means that the higher the income of an individual, the stronger their demand for life insurance services tends to be, all other influencing factors held constant. Thus, a positive relationship between current income level and insurance demand. A negative coefficient, on the other hand, shows that the associated explanatory variable has a negative relationship with the dependent variable (life insurance demand). For example, current position at work has a coefficient of -0.102029 which means that the higher a person's position at their workplace, the less they tend to demand for life insurance services, all other influencing factors held constant. Thus, a negative relationship between number of dependents and insurance demand.

T-Statistic and Statistical significance (or probability value): Both the t-statistic and the statistical significance value (also called probability value) shed the same light: they indicate whether a variable is statistically significant in the model or not. This means that they say if a variable's relationship with the dependent variable could have been a result of chance or not. T-statistic and probability value use thresholds for determining statistical significance. There are however different thresholds for different significance levels. This study will however use the 10% level of significance as the filter criteria. At the 10% level of significance, variables that have probability values (or significance values, that is, column six) lower than 0.1 are deemed to be statistically significant. Otherwise, they are not. Equivalently, variables that have t-statistics higher than 1.658 are significant.

Results:

Using the evaluation criteria above, the following conclusions were made about the variables in the model above:

- Nine explanatory variables were deemed statistically significant at least at the 10% level. These include age, income level, household size, income share within households, risk management understanding, orientation, death of wage earner, insurance is for the rich belief, and poor attitude.
- Of the nine statistically significant variables listed above, only three (wealth share preference within households, belief that life insurance is for the rich, and poor attitude) are negatively related to life insurance demand. The remaining variables are positively related to the dependent variable.

The relationships between the dependent variable (demand for life insurance services) and each of the nine statistically significant variables are discussed in more details below.

Life Insurance Demand on Age

From the regression table above, it can be seen that age has a statistically significant positive relationship (coefficient: 0.115529; p-value: 0.0445) with life insurance demand. This indicates that older people tend to demand life insurance services more and younger people tend to demand life insurance services less, holding other influencing factors constant.

Life Insurance Demand on Income level

Also from the table above, it can be seen that income level has a statistically significant positive relationship (coefficient: 0.31256; p-value: 0.0000) with life insurance demand. This means that the higher the level of income of individuals/households, the greater their demand for life insurance tends to be, and vice-versa, holding other influencing factors constant.

Life Insurance Demand on Household Size

Household size was observed to have a statistically significant positive relationship with life insurance demand (coefficient: 0.228793; p-value: 0.0000). That is, larger households tend to have greater demand for life insurance services than smaller households, holding other influencing factors constant. Respondents, for this variable, were asked if the sizes of their households affect their demand for life insurance. The result shows that the larger households would tend to demand more life insurance for the greater number of individuals within the household than smaller households with fewer individuals.

Life Insurance Demand on Wealth Share Preference within Households

This variable can be observed from the regression table to be negatively related to life insurance demand (coefficient: -0.234181). With a p-value of 0.0000, it is also statistically significant. The term "wealth share" is defined here as the average amount of the wealth of a household available to members of that household. Thus, if there are two income earners in a household of five, who jointly earn N 2 Million annually, the wealth-share of each member is N 500,000. From the results of the regression analysis, there is evidence that for households that value individual wealth-share, fewer household members result in greater wealth-share for each member which, in turn, leads to greater demand for life insurance services. In short, with wealth-share in mind, the average number of members per household has a negative relationship with life insurance demand.

Life Insurance Demand on Risk Management Understanding

Risk management understanding has a statistically significant positive relationship with demand for life insurance (coefficient: 0.300447; p-value: 0.0000). This means that the more people understand about risk management in Nigeria, the greater the demand for life 14insurance will tend to be, holding other influencing factors constant.

Life insurance demand on orientation

Orientation was also found to have a statistically significant positive relationship with life insurance demand (coefficient: 0.239389; p-value: 0.0021). This means that the more potential customers are given adequate orientation on the matters of risks and insurance, the more they tend to appreciate insurance services and purchase them.

Life insurance demand on the belief that insurance is for the rich

There is a substantial amount of people that believe life insurance is for the wealthy. The result from the statistical analysis of the survey shows that prevalence of this belief tends to have a negative relationship with demand for life insurance services (coefficient: -0.157995; p-value: 0.0066).

Life insurance demand on fear of death of wage earner

The study also found a positive relationship between concern about the possible death of a wage earner and life insurance demand (coefficient: 0.269247; p-value: 0.0000). This indicates that the concern about the health of a wage earner in the household may prompt the household to purchase life insurance services. This is to cover the livelihood of the remaining household members in the event that a wage earner dies.

Life insurance demand on poor attitude of the public

Lastly, the study also finds that generally negative attitudes of the public towards insurance have a negative impact on demand for life insurance services in Nigeria (coefficient: -0.331080; p-value: 0.0000). These attitudes could range widely from mistrust of insurance companies to not wanting to confront issues pertaining to one's own death.

4. CONCLUSION AND RECOMMENDATIONS

Result of multiple linear regression of demand of insurance on their demographic characteristics and responses related to discretionary income, attitude towards life insurance,

and the motives behind it. It shows how the explanatory variables such as age, marital status, income level, educational qualification, work experience, number of dependents, understanding of risk management and the other variables affect the demand for insurance services by Nigerians. It was discovered that all the six sets of research questions and null hypotheses of this study were rejected and one of the recommendations made that company image and company-client relationship could assist in attending to resolving youth unemployment in the country, It is therefore pertinent to state that there is a close relationship between discretional income and life insurance which will aid the attainment/actualisation of the sustainable development goals (SDGs) especially in Nigeria and by extension in sub-Saharan Africa.

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