Analysing the determinants of life insurance purchase intention: An Extension of the Theory of Planned Behaviour

Prof. Sanjay K
Associate Professor, School of Commerce & Management Studies,
Dayananda Sagar University, Bengaluru, India
Email Id: sanjay.k@dsu.edu.in

Dr. Shweta Tewari
Associate Professor, School of Commerce & Management Studies,
Dayananda Sagar University, Bengaluru, India
Email Id: shweta.tewari@dsu.edu.i

Abstract: *This study develops a comprehensive model to examine the factors influencing individual propensity to purchase life insurance (LI) within the Indian market. By integrating key psychological variables—attitude, subjective norms, and perceived behavioral control—with financial motivators such as saving motives and risk aversion, the study also explores the mediating effects of sociodemographic variables and financial literacy. Extending the Theory of Planned Behavior (TPB), this research offers a novel framework for analyzing life insurance buying intentions (BI) in India. The findings reveal that attitudes, subjective norms, perceived behavioral control, saving motives, and risk aversion significantly influence buying intentions, while financial literacy does not demonstrate a significant effect. Moreover, demographic factors including education, age, family income, and spousal education are critical in shaping these intentions. This research contributes to the theoretical understanding of consumer behavior in emerging economies and provides actionable insights for the life insurance industry in India.*

Keywords: *Life insurance, SEM, TPB, 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 emphasize that LI serves as a vital tool for realizing long-term aspirations, ensuring a bright future for children by saving their higher education, and crafting a robust retirement plan. India's life insurance industry saw a turnover of Rs. 3.71 trillion in FY 2022-23. Despite this, India's insurance penetration in 2021 was 4.2% of GDP, above the global average but below other Asian nations. The insurance density was 69, significantly lower than the global average of 382. While there has been research on these parameters at a macro level (Harish et al., 2020; Survase, 2024; Mishra et al., 2023), there has been a paucity of studies at an individual consumer level. There is no holistic research looking at this issue from the perspective of psychological factors, financial motivators and sociodemographic variables. Extensive research on life insurance (LI) purchase

demand examines rational motivations such as saving and protection (Beck and Webb 2003, Yaari 1965). Another strand focuses on consumer behaviour in LI purchase intention, revealing the impact of psychological factors (Imaddudin, 2024,Jadhav & Ramakrishna, 2023, Nomi et al. 2020 in Bangladesh, Ejye Omar et al. 2007 in Nigeria). The third approach examines sociodemographic variables in LI acquisition, including age, number of dependents, family income, and educational attainment (Jnawali & Jaiswal, 2022,Mathew & Sivaraman, 2017, Tan et al. In 2009, Brighetti, 2014, Arun 2012, Chen 2006, Ampaw 2018, Buric 2017; Kakar and Shukla 2010).However, none of the studies can 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).There have been no studies on the intention to purchase LI from a consumer behaviour perspective.

Review of Literature

Literature on life insurance (LI) can be grouped into three main categories. The first approach to study life insurance purchase focused on the expected utility framework, assuming rational consumers aiming to maximize their lifetime utility. Notable examples include Yaari (1965), Mossin (1968), Hakansson (1969), Fischer (1973).Recent examples include Li et al. (2007) Zietz, 2003Ndawula, 2023. Recent research, however, has shifted towards psychological factors influencing LI purchases, utilizing the Theory of Planned Behaviour (TPB), proposed by Ajzen (1995). TPB, evolving from Ajzen and Fishbein's (1969) Theory of Reasoned Action (TRA), adds the concept of Perceived Behavioural Control (PBC) to account for behaviours that are not entirely voluntary. TPB has been extended in consumer behaviour research with models linking Buying Intention (BI) to psychological,

socio-demographic, and financial motivators, including financial literacy, saving motives, and risk aversion. This extended TPB framework seeks to understand the intention to purchase LI in India. Attitude reflects an individual's positive or negative evaluation of a product. For LI, attitudes can be shaped by perceived benefits, financial security, peace of mind, and coverage value. Research by Nomi (2020) and Ejye Omar et al. (2007) supports the link between positive attitudes and the inclination to purchase LI. Subjective norms involve perceived social pressure to engage in behaviour, such as purchasing LI. Influences may come from family, peers, or society. Lusardi and Mitchell (2007), Lin (2017),Hanaysha (2023) emphasize the importance of subjective norms in financial decision-making, including LI purchases. PBC refers to an individual's perception of their ability to perform a behaviour, such as buying LI. Factors like financial constraints, product complexity, and self-efficacy are critical.Mamun et al. (2021), Nasir et al.,(2020), Hanaysha, (2023) have identified a strong link between PBC and behavioural intentions. Saving motives, driven by income, age, gender, and financial literacy, influence the desire to allocate resources for future use. Studies by Kozarevic & Hodzic, 2021, Nomi & Sabbir, 2020 and Mahadzan and Victorian (2016) indicate a positive link between saving motives and BI for LI. Risk aversion influences financial decisions, including LI purchases. People prefer certainty, and this drives them towards LI. Nomi & Sabbir, 2020Eeckhoudt et al., 2018 and Omar (2007), confirm that higher risk aversion increases the likelihood of purchasing LI. Financial literacy is the knowledge necessary to make informed financial decisions. Studies by Cucinelli et al., 2021, Lin (2017) and Mare (2019) show that higher financial literacy is positively associated with LI purchase intentions. Age affects LI purchase intentions, with demand typically increasing with life stages like financial independence, marriage, and family-raising, but declining after a certain age. Research by Brighetti (2014), Buric et al. (2017), Chen (2006),

Frees and Sun (2010), and Luciano et al. (2016) support a non-linear relationship between age and LI purchase intention, though Arun (2012) found a negative correlation with age. Family income influences the financial ability to purchase LI. Higher income levels often correlate with greater LI purchase intentions, as noted by Frees & Sun (2010), Kakar (2010), Lee (2018), and Shi (2015), who found a "hump-shaped" demand curve. Education enhances financial literacy, influencing LI purchase intentions. Research by Istikhamah & Yuliati, 2016, Hwang and Gao (2003), and Kakar and Shukla (2010) affirms this link. The number of dependents is a critical factor in LI purchase decisions. More dependents increase financial risk, heightening the need for LI. Ampaw (2018) and Li et al. (2007) highlight this at the macro level, while this study focuses on the family level. Spousal education can influence LI purchase decisions. Deb et al. found that spousal roles significantly impact life insurance demands, suggesting that educated spouses can positively influence their partner's purchasing decisions Deb et al., 2021. Gandolfi and Miners (1996) found a negative effect, noted that LI is often a husband-dominant decision. However, a highly educated spouse may significantly influence the decision to buy LI. This study addresses the impact of demographic variables on the TPB constructs, financial literacy, saving motive, and risk aversion, contributing to the existing body of research.

Objectives

1. To analyse the impact of attitude, subjective norms, and perceived behavioural control on consumer intentions to engage in financially motivated behaviours, specifically focusing on saving and risk aversion motives.

2. To extend the Theory of Planned Behaviour (TPB) by incorporating financial motivators such as saving motives and risk aversion, and to assess their influence on consumer purchase intentions.

3. To investigate the mediating role of demographic variables (e.g., age, income, education) in the relationship between financial motivators (saving motives and risk aversion) and consumer intentions as outlined by the TPB.

4. To apply Structural Equation Modelling (SEM) to empirically test and validate the extended TPB framework, providing insights into the predictive power of financial motivators and demographic factors on consumer behaviour.

Hypothesis of research work

1. There is a positive relationship between attitude and the inclination to buy LI.

2. There is a positive relationship between subjective norms and the inclination to buy LI.

3. There is a positive relationship between PBC and the inclination to buy LI.

4. There is a positive relationship between saving motives and the inclination to buy LI.

5. There is a positive relationship between risk aversion and the inclination to buy LI.

6. There is a positive relationship between financial literacy and the inclination to buy LI.

7. There is a positive relationship between age and the inclination to buy LI.

8. There is a positive relationship between family income and BI for LI.

9. Education positively affects the inclination to buy LI.

10. The number of dependents positively affects the inclination to purchase LI.

11. Spousal education positively affects the inclination to purchase LI.

12. Age has an affirmative linkage with attitude

13. Age has an affirmative linkage with subjective norms

14. Age has an affirmative linkage with PBC

15. Age has an affirmative linkage with financial literacy

16. Age has an affirmative linkage with saving motive

17. Age has an affirmative linkage with risk aversion motive

18. Education has an affirmative linkage with attitude

19. Education has an affirmative linkage with subjective norms

20. Education has an affirmative linkage with PBC

21. Education has an affirmative linkage with financial literacy

22. Education has an affirmative linkage with saving motive

23. Education has an affirmative linkage with risk aversion motive

24. Family income has an affirmative linkage with attitude

25. Family income has an affirmative linkage with subjective norm

26. Family income has an affirmative linkage with PBC

27. Family income has an affirmative linkage with financial literacy

28. Family income has an affirmative linkage with saving motive

29. Family income has an affirmative linkage with risk aversion motive

30. No of dependents has an affirmative linkage with attitude

31. No of dependents has an affirmative linkage with subjective norms

32. No of dependents has an affirmative linkage with PBC

33. No of dependents has an affirmative linkage with financial literacy

34. No of dependents has an affirmative linkage with saving motive

35. No of dependents has an affirmative linkage with risk aversion motive

36. Spousal education has an affirmative linkage with attitude

37. Spousal education has an affirmative linkage with subjective norms

38. Spousal education has an affirmative linkage with PBC

39. Spousal education has an affirmative linkage with financial literacy

40. Spousal education has an affirmative linkage with saving motive

41. Spousal education has an affirmative linkage with risk aversion motive

42. Financial literacy has an affirmative linkage with attitude

43. Financial literacy has an affirmative linkage with saving motive

44. Financial literacy has an affirmative linkage with risk aversion motive

Research Method

Research Approach: Empirical, quantitative research, as the focus is on testing relationships between variables using structured data.

Primary Data Collection: The study used primary data collected through a survey.

Instrument: 7-point Likert scale items to measure constructs like attitude, subjective norms, perceived behavioural control, saving motives, risk aversion, and demographic variables.

Sampling: Convenience sampling

Participants: Individuals with varying levels of financial literacy and purchasing power located in three cities i.e. – Bangalore, Chennai and Hyderabad.

Variables:

Independent Variables: Attitude, subjective norms, perceived behavioural control, saving motives, risk aversion.

Mediators: Demographic factors (age, income, education).

Dependent Variable: Purchase intention of life insurance

Data Analysis

SEM: Structural Equation Modelling to test the relationships between variables and validate the extended TPB model. SEM will help assess both direct and mediating effects of demographic variables.

Model Fit: Use goodness-of-fit indices (e.g., CFI, RMSEA) to evaluate the SEM model.

Primary data were collected using a 7-point Likert scale due to enhanced granularity of responses (Aybek & Toraman, 2022) and improved validity and reliability (Malik, 2021). Electronic data collection using Google Forms which ensures higher accuracy (Aaker, 2004; Zikmund, 2014).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).SEM allows the simultaneous assessment of latent and manifest variables, measured indirectly using Likert-scale indicators. It is for this reason that SEM was used for to analyse data and explain the relationships. The measured exogenous latent constructs included psychological constructs: 1. Attitude 2. Subjective norms 3. Perceived behavioural control (PBC) financial constructs: 1. Financial literacy 2. Saving motive 3. Risk aversion motive

Sample size: The minimum size as suggested by various researchers is as below:

a. Multiply total no of indicators by 10. This would result in a sample size of 130 (Karlinda et al. (2023))

b. Wolf et al. conducted a study using Monte Carlo simulations to evaluate sample size requirements for SEM. Their findings indicate that sample sizes of at least 200 are often recommended to achieve stable parameter estimates and reliable model fit, especially in complex models with multiple latent variables (Wolf et al., 2013).

c. Hair – Minimum 500 when the number of constructs is more than 7 (Hair, J. (2011)

   1044 questionnaires were distributed electronically.789questionnaires were received and 744 questionnaires were found suitable for analysis. This is far higher than the minimum sample size cited above for factor analysis and structural equation modelling. There was no missing data.

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 20-50 in Bangalore, Chennai, and Hyderabad, utilizing convenience sampling.

Analysis & Results

Descriptive analysis of the data

Table 1: Demographic profile of the participants

Age	N	Percentage
20-30	236	34
30-40	388	51.8
40-50	120	14.2
Total	744	
Education	**N**	**Percentage**
PhD's	30	4
Graduate	222	29.8
Professional or post graduate	492	66.2
Spouse education	**N**	**Percentage**
PhD's	30	4
Graduate	258	34.7
Professional or post graduate	456	61.3
Employment status	**N**	**Percentage**
Salaried	594	79.8
Self - employed	150	20.2
Family annual income (Rs.)	**N**	**Percentage**
> 500000	41	5.5
500000-1500000	157	21.1
1500000-2500000	391	52.5
2500000-5000000	165	20.9
City	**N**	**Percentage**
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. Having a diverse demographic profile of participants is crucial to ensure valid results in research. Diverse participant representation helps in promoting valid research outcomes by ensuring a balanced representation of various population characteristics (Addo, 2022, Oh et al., 2015).

Exploratory factor analysis

EFA is a technique used to explore the underlying structure of a set of variables without any preconceived theory, making it a useful tool to identify the number of latent factors that best represent the data (Anderson & Gerbing, 1988). By conducting EFA first, researchers can gain insights into the relationships between observed variables and potential latent constructs, which is crucial for developing a robust measurement model for SEM (Rahman & Hussain, 2014). EFA helps in reducing the number of variables and identifying the underlying factors that can simplify the subsequent SEM analysis.

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

Table 2: KMO & Bartlett's test

KMO MSA (Measure of sampling adequacy)				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 (Tabachinick & 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, Bartlett's test results were 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

Latent variable	Indicator	Factor loading	Eigen value	Variance percentage explained by the variable
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 : Eigen values and cumulative variance

Factor no	Eigen value	Percentage	Cum %
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 2011)

Table 5: Percentage of variance explained by each factor

Factor	Variance	Percent	Cum Percent
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
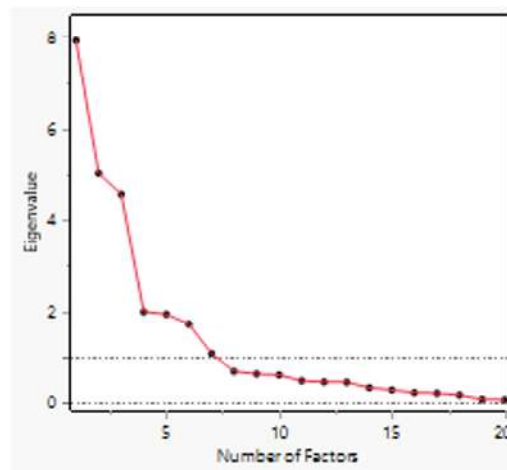
Figure 1: Scree Plot

The scree plot shown in figure 1, reconfirms that seven factors could be considered for EFA

Table 6: Factor loading of individual indicators

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
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
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: AVE Values

	Buying Int (BI)	Attitude	Sub norms	PBC	Saving Mot	Risk aversion	Financial lit
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, 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., 2011), should surpass 0.50 for satisfactory convergence (Hair et al., 2011). 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. By comparing AVE to the squared correlation between constructs, it ensures shared variance within a construct is greater than shared variance between constructs. In our study, as shown in table 7, all constructs meet the Fornell-Larcker criterion, validating discriminant validity (Fornell-Larcker 1981).

Structured equation modelling Results

Structured equation model: This consists of two parts – the path diagram (Figure no 2) and a measurement model (Table no 9).

Figure 2: Path diagram
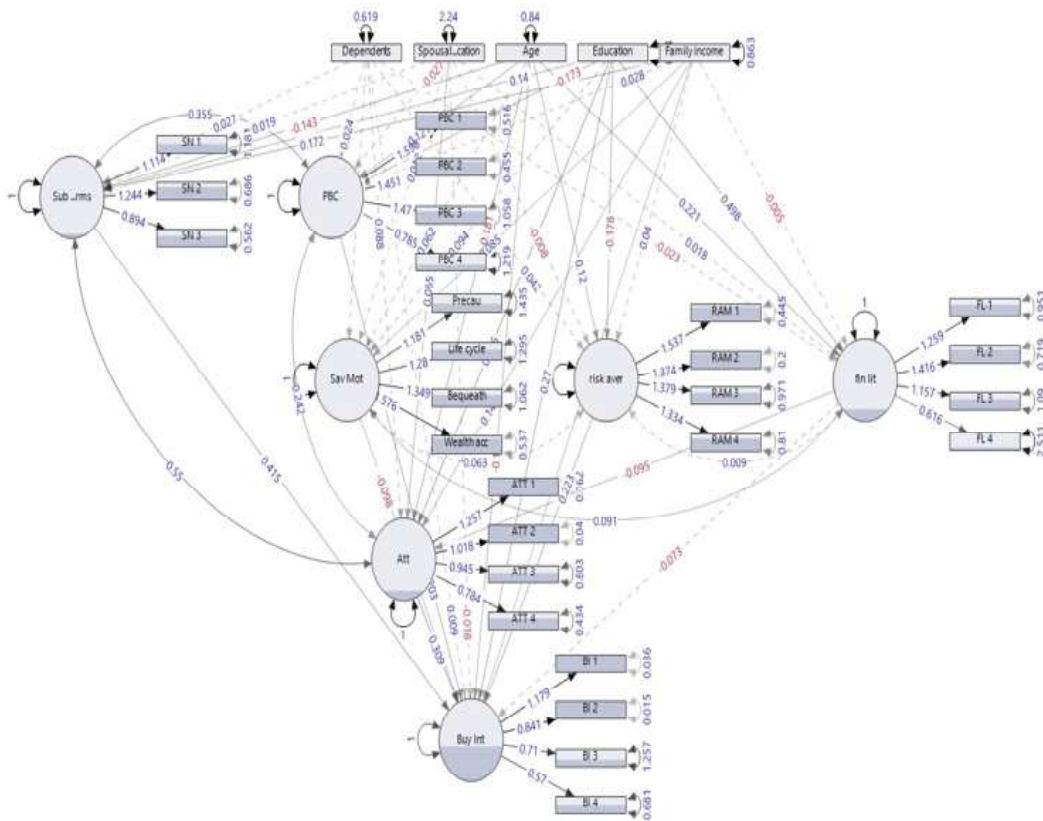
Table 8: SEM Measurement model

	Estimate	Std Error	Wald Z	Prob>|Z|	Result	Hypothesis no	Action
Att ? Buy Int	0.3090258	0.0463286	6.670302	<0.0001*	Significant	1	Hypothesis is accepted
Sub norms ? Buy Int	0.415487	0.0551743	7.530438	<0.0001*	Significant	2	Hypothesis is accepted
PBC ? Buy Int	0.2028582	0.0530173	3.826266	<0.0001*	Significant	3	Hypothesis is accepted
Sav Mot ? Buy Int	-0.097731	0.038209	-2.55779	0.0105*	Significant	4	Hypothesis is accepted
risk aver ? Buy Int	0.2228183	0.0476733	4.673858	<0.0001*	Significant	5	Hypothesis is accepted
Age ? Buy Int	-0.140412	0.0482242	-2.91166	0.0036*	Significant	7	Hypothesis is accepted
Education ? Buy Int	0.2704898	0.0647467	4.177661	<0.0001*	Significant	8	Hypothesis is accepted
Family income ? Buy Int	-0.086621	0.0392905	-2.20463	0.0275*	Significant	9	Hypothesis is accepted
Age ? Att	-0.180559	0.04653	-3.88049	0.0001*	Significant	12	Hypothesis is accepted
Age ? Sub norms	-0.14263	0.0498065	-2.86369	0.0042*	Significant	13	Hypothesis is accepted
Age ? PBC	0.1208328	0.0470015	2.570829	0.0101*	Significant	14	Hypothesis is accepted
Age ? risk aver	0.1195991	0.0463442	2.580672	0.0099*	Significant	17	Hypothesis is accepted
Education ? Att	0.3857471	0.0596187	6.470236	<0.0001*	Significant	18	Hypothesis is accepted
Education ? Sub norms	0.1396204	0.0616076	2.266286	0.0234*	Significant	19	Hypothesis is accepted
Education ? PBC	-0.172937	0.0580557	-2.97882	0.0029*	Significant	20	Hypothesis is accepted
Education ? risk aver	-0.178371	0.0572855	-3.11372	0.0018*	Significant	23	Hypothesis is accepted
Family income ? Att	0.1417567	0.0379446	3.735888	0.0002*	Significant	25	Hypothesis is accepted
Family income ? Sub norms	0.1723274	0.0413951	4.162995	<0.0001*	Significant	26	Hypothesis is accepted
Family income ? Sav Mot	0.0847721	0.0394515	2.14877	0.0317*	Significant	28	Hypothesis is accepted
fin lit ? Att	-0.094792	0.0346433	-2.73622	0.0062*	Significant	42	Hypothesis is accepted
Spousal education ? Att	0.0649347	0.0240208	2.703277	0.0069*	Significant	36	Hypothesis is accepted

The covariances are as below:

Table 9: SEM covariances

Covariances	Estimate	Std Error	Wald Z	Prob>|Z|	Result
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 behavioral control, saving motive, and risk aversion motive as indicated in table 8

Psychological variables

1. All psychological motivators, as per table 8, exhibit a positive correlation with buying intention (BI).

2. Subjective norms, a powerful psychological motivator, demonstrate the most substantial impact on the outcome (ë = 7.5), with a highly significant 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 Hanaysha (2023) and Li et al. (2007).

3. Attitude, another crucial psychological motivator, significantly influences the outcome with a strong ë value of 6.67 and a highly significant p-value (p < 0.001). It reflects an individual's positive or negative perception and valuation of LI purchase intention, affirming findings by Nomi (2020) and Ejye Omar O.E (2007).

These findings highlight that a strong LI buying intention 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 behavior.

4.Perceived Behavioural Control (PBC):

PBC, a psychological motivator, shows a moderate influence ($ë = 3.82$, $p < 0.001$), 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 Hanaysha, (2023)

Psychological Factors and 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.

Financial Motivators: Among financial motivators, as can be seen in table 8, risk aversion motive has a higher impact ($ë = 4.67$, $p < 0.001$). Saving motive negatively impacts BI of LI ($ë = -2.5$, $p = 0.01$), while financial literacy has a marginal impact.

Risk Aversion Motivation: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 prioritize 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 Buying Intention (BI) of Life Insurance (LI).

Individuals driven to mitigate financial risks are more likely to have a high BI of LI, aligning with Nomi & Sabbir, 2020 and Eeckhoudt et al., 2018 As individuals become more risk-averse, their intention to purchase life insurance increases.

Saving Motivation: It significantly and negatively impacts BI of LI. Individuals emphasizing saving money are less likely to express an intention to purchase life insurance. Recent regulatory changes and alternative products with better returns contribute to this effect (Mahdzan and 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: As seen in Table 8,Education has the highest impact ($ë = 4.1$, $p < 0.001$) on buying intention. Age ($ë = -3.8$, $p < 0.0036$) and family income ($ë = -2.2$, $p = 0.02$) negatively impact BI. Spousal education has a positive and significant impact ($ë = 2.7$, $p = 0.0069$) on buying intention. Socio-demographic variables significantly affect psychological variables, offering valuable insights for marketers to better segment and target the market.

Conclusion

Theory Extension: This study extends the Theory of Planned Behaviour (TPB) by incorporating financial motivators, financial literacy, and socio-demographic variables to better understand life insurance purchase intentions in India. The integration of consumer behaviour constructs, classical economics, and socio-demographic factors provides a nuanced perspective on the low insurance penetration and density observed in the Indian market.

Contextual Significance: By situating our research within the unique socio-economic landscape of India, we contribute to the broader discourse on consumer behaviour in emerging economies. Consistent with the findings of Omar and Owusu-Frimpong (2007), Nomi (2020), and Masud (2020), our study underscores the positive impact of attitudes, subjective norms, and perceived behavioural control (PBC) on life insurance purchase intentions. The persistently low insurance penetration and density in India may be attributed to the complex interplay of these factors, compounded by socio-demographic barriers.

Statistical Observations: Our analysis reveals that while financial literacy does not significantly influence purchase intention, demographic variables shape consumer attitudes. However, these attitudes do not necessarily translate into buying intentions. This highlights a critical gap in the decision-making process that may contribute to the low insurance uptake in India. Our research deepens the understanding of this phenomenon by emphasizing the psychological, economic, and demographic dimensions of life insurance purchase behaviour.

Reference

Aaker, D. A. (2004). Leveraging the corporate brand. *California management review*, *46*(3), 6-18.

Addo, I. (2022). Engaging sub-Saharan, African, Australian residents in health research: lessons and suggestions for future studies. Journal of Asian and African Studies, 58(7), 1126-1133.

Ajzen, I. (1991). The theory of planned behaviour. Organizational Behaviour and Human Decision Processes, 50(2), 179-211.

Ajzen, I., & Fishbein, M. (1969). The prediction of behavioral intentions in a choice situation. *Journal of experimental social psychology*, *5*(4), 400-416.

Ampaw, S., Nketiah-Amponsah, E., & Srodah Owoo, N. (2018). Gender perspective on life insurance demand in Ghana. *International Journal of Social Economics,* 45(12), 1631-1646.

Anderson, J. and Gerbing, D. (1988). Structural equation modeling in practice: a review and Psychological Bulletin, 103(3), 411-423.

Ankitha, S., & Basri, S. (2019). The effect of relational selling on life insurance decision making in India. *International Journal of Bank Marketing*, *37*(7), 1505-1524.

Arun, T., Bendig, M., & Arun, S. (2012). Bequest motives and determinants of micro life insurance in Sri Lanka. *World Development,* 40(8), 1700-1711.

Aybek, E. and Toraman, Ç. (2022). How many response categories are sufficient for likert type scales? an empirical study based on the item response theory. *International Journal of Assessment Tools in Education,* 9(2), 534-547. https://doi.org/10.21449/ijate.1132931

Beck, T., & Webb, I. (2003). Economic, demographic, and institutional determinants of life insurance consumption across countries. *The World Bank Economic Review,* 17(1), 51-88.

Brighetti, G., Lucarelli, C., & Marinelli, N. (2014). Do emotions affect insurance demand? *Review of Behavioral Finance*, 6(2), 136-154.

Buric, M. N., et al. (2017). Factors influencing life insurance market development in Montenegro. *Periodica Polytechnica Social and Management Sciences,* 25(2), 141-149.

Chen, P., Ibbotson, R. G., Milevsky, M. A., & Zhu, K. X. (2006). Human capital, asset allocation, and life insurance. *Financial Analysts Journal*, *62*(1), 97-109.

Chen, R., Wong, K. A., & Lee, H. C. (2001). Age, period, and cohort effects on life insurance purchases in the US. *Journal of Risk and Insurance.*

Cronbach, L. J. (1943). On estimates of test reliability. *Journal of Educational Psychology,* 34(8), 485.

Cucinelli, D., Lippi, A., & Soana, M. (2021). per aspera ad astra: the big challenge of consumers' insurance literacy. *International Journal of Consumer Studies,* 45(6), 1357-1372. https://doi.org/10.1111/ijcs.12657

Davis, M. (1986). Life Insurance Beneficiaries and Divorce. *Tex. L. Rev.*, 65, 635.

Deb, R., Deb, D., & Chakraborty, K. (2021). Spousal roles in life insurance demands. Decision, 49(1), 3-11. https://doi.org/10.1007/s40622-021-00292-8

Eeckhoudt, L., Fiori, A., & Gianin, E. (2018). Risk aversion, loss aversion, and the demand for insurance. *Risks,* 6(2), 60. https://doi.org/10.3390/risks6020060

Ejye Omar, O., & Owusu-Frimpong, N. (2007). Life insurance in Nigeria: An application of the theory of reasoned action to consumers' attitudes and purchase intention. *The Service Industries Journal,* 27(7), 963-976.

Fischer, S. (1973). A life cycle model of life insurance purchases. *International Economic Review,* 132-152.

Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics.

Frees, E. W., & Sun, Y. (2010). Household life insurance demand: A multivariate two-part model. *North American Actuarial Journal,* 14(3), 338-354.

Gandolfi, A. S., & Miners, L. (1996). Gender-based differences in life insurance ownership. *Journal of Risk and Insurance*, 683-693.

Hair, J. F. (2011). Multivariate data analysis: An overview. *International Encyclopedia of Statistical Science,* 904-907.

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2013). Partial least squares structural equation modeling: Rigorous applications, better results and higher acceptance. *Long range planning*, 46(1-2), 1-12.

Hakansson, N. H. (1969). Optimal investment and consumption strategies under risk, an uncertain lifetime, and insurance. *International Economic Review,* 10(3), 443-466.

Hanaysha, J. (2023). Determinants of online purchase intention toward life insurance in malaysia: moderating role of trust. *Jindal Journal of Business Research,* 12(2), 233-250. https://doi.org/10.1177/22786821231189377

Harish, R., Suresh, R., Rameesa, S., Laiveishiwo, P., Loktongbam, P., Prajitha, K., … & Valamparampil, M. (2020). Health insurance coverage and its impact on out-of-pocket expenditures at a public sector hospital in kerala, india. *Journal of Family Medicine and Primary Care,* 9(9), 4956.

Hwang, T., & Gao, S. (2003). The determinants of the demand for life insurance in an emerging economy–the case of China. *Managerial Finance*, 29(5/6), 82-96.

Imaddudin, H. (2024). Impact of consumer perceived benefit and risk towards the purchase intention of life insurance products with consumer perceived fear as a mediating variable on bank jatim jember branch. J. Innov. Bus. Ind., 3(3), 131-138. https://doi.org/10.61552/jibi.2024.03.002

Istikhamah, I. and Yuliati, L. (2016). The influence of motivation, needs, and access to information on family financial planning in life insurance purchasing. *Journal of Consumer Sciences,* 1(2), 28. https://doi.org/10.29244/jcs.1.2.28-42

Jadhav, V. and Ramakrishna, S. (2023). Motivations and barriers to purchase health insurance: a qualitative study. *Asia Pacific Journal of Health Management.* https://doi.org/10.24083/apjhm.v18i1.1689

Jnawali, G. and Jaiswal, A. (2022). Determinants of demand for life insurance policy in kapilvastu district. *The Lumbini Journal of Business and Economics,* 10(1-2), 20-44. https://doi.org/10.3126/ljbe.v10i1-2.53886

Kakar, P., & Sharma, R. (2010). The determinants of demand for life insurance in an emerging economy – India. *Margin: The Journal of Applied Economic Research,* 4(1), 49-77.

Kozarevic, S. and Hodzic, S. (2021). What drives life insurance purchasing decisions in bosnia and herzegovina?. *Risk Management and Insurance Review,* 24(3), 263-278. https://doi.org/10.1111/rmir.12189

Lee, H. S., et al. (2018). Influence of secondary and tertiary literacy on life insurance consumption: Case of selected ASEAN countries. *The Geneva Papers on Risk and Insurance-Issues and Practice,* 43, 1-15.

Li, D., et al. (2007). The demand for life insurance in OECD countries. *Journal of Risk and Insurance,* 74(3), 637-652.

Li, D., Moshirian, F., Nguyên, P., & Wee, T. (2007). the demand for life insurance in oecd countries. *Journal of Risk & Insurance,* 74(3), 637-652. https://doi.org/10.1111/j.1539-6975.2007.00228.

Lin, C., Hsiao, Y. J., & Yeh, C. Y. (2017). Financial literacy, financial advisors, and information sources on demand for life insurance. *Pacific-Basin Finance Journal,* 43, 218-237.

Luciano, E., Outreville, J. F., & Rossi, M. (2015). Life insurance demand: Evidence from Italian households; a micro-economic view and gender issue. 010.

Lusardi, A., & Mitchell, O. S. (2007). Baby boomer retirement security: The roles of planning, financial literacy, and housing wealth. *Journal of Monetary Economics,* 54(1), 205-224.

Mahdzan, N. S., & Victorian, S. M. P. (2013). The determinants of life insurance demand: A focus on saving motives and financial literacy. *Asian social science*, 9(5), 274.

Mai, T., et al. (2020). A study on behaviors of purchasing life insurance in Vietnam. *Management Science Letters,* 10(8), 1693-1700.

Malik, M. (2021). Optimal reliability and validity of measurement model in confirmatory factor analysis: different likert point scale experiment. *Journal of Contemporary Issues and Thought,* 11, 105-112. https://doi.org/10.37134/jcit.vol11.9.2021

Mamun, A., Rahman, M., Munikrishnan, U., & Permarupan, P. (2021). Predicting the intention and purchase of health insurance among malaysian working adults. Sage Open, 11(4), 215824402110613. https://doi.org/10.1177/21582440211061373

Mare, C., et al. (2019). Insurance literacy and spatial diffusion in the life insurance market: A subnational approach in Romania. *Eastern European Economics,* 57(5), 375-396.

Masud, M. M., Ismail, N. A., & Rahman, M. (2020). A conceptual framework for purchase intention of sustainable life insurance: A comprehensive review. *International Journal of Innovation and Sustainable Development*, *14*(3), 351-373.

Mathew, B. and Sivaraman, S. (2017). Cointegration and causality between macroeconomic variables and life insurance demand in india. *International Journal of Emerging Markets,* 12(4), 727-741. https://doi.org/10.1108/ijoem-01-2016-0019

Mishra, N., Dahiya, M., Grima, S., & Grima, S. (2023). Factors affecting health insurance adoption and awareness in uttar pradesh, india: a comprehensive analysis. *Journal of Corporate Governance Insurance and Risk Management,* 10(1), 42-49

Mossin, J. (1968). Aspects of rational insurance purchasing. *Journal of political economy,* 76(4, Part 1), 553-568.

Nagaraja, B. (2015). Performance of insurance industry in India: A critical analysis. *International Journal of Multidisciplinary and Scientific Emerging Research*, *4*(1), 1045-1052.

Nasir, N., Roslin, R., Nasir, M., Nasir, M., Nasir, M., & Mohamed, N. (2020). Decomposing perceived behavioural control: addressing financial literacy in determining muslims' intention to purchase unsought products. *International Journal of Academic Research in Economics and Management Sciences,* 10(1). https://doi.org/10.6007/ijarems/v10-i1/8927

Ndawula, Y. (2023). Effects of behavioral biases on life insurance demand decisions in uganda. *International Journal of Social Economics,* 51(8), 987-1001. https://doi.org/10.1108/ijse-03-2023-0201

Nguyen, V. H., et al. (2023). The factors affecting Vietnamese people's sustainable tourism

intention: An empirical study with extended the theory of planned behavior (TPB). *Foresight.*

Nomi, M., & Sabbir, M. M. (2020). Investigating the factors of consumers' purchase intention towards life insurance in Bangladesh: An application of the theory of reasoned action. *Asian Academy of Management Journal*, 25(2).

Nunnally, J. C. (1978). An overview of psychological measurement. Clinical Diagnosis of Mental Disorders: A Handbook, 97-146.

Oh, S., Galanter, J., Thakur, N., Pino-Yanes, M., Barceló, N., White, M., … & Burchard, E. (2015). Diversity in clinical and biomedical research: a promise yet to be fulfilled. https://doi.org/10.1101/034538

Omar, O. E. (2007). The retailing of life insurance in Nigeria: an assessment of consumers' attitudes. *The Journal of Retail Marketing Management Research.*

Sabbir Rahman, M., & Hussain, B. (2014). The impact of trust, motivation and rewards on knowledge sharing attitudes among the secondary and higher secondary level students' Evidence from Bangladesh. *Library Review*, *63*(8/9), 637-652.

Shi, X., Wang, H. J., & Xing, C. (2015). The role of life insurance in an emerging economy: Human capital protection, assets allocation and social interaction. *Journal of Banking & Finance,* 50, 19-33.

Survase, M. (2024). Empowering self-help groups: the impact of financial inclusion on social well-being. *Journal of Risk and Financial Management,* 17(6), 217.

Tabachnick, B. G., & Fidell, L. S. (Pearson Education). Using multivariate statistics. Harlow, Essex.

Tan, H. B., Wong, M. F., & Law, S. H. (2009). The effect of consumer factors and firm efficiency on Malaysian life insurance expenditure. *International Journal of Business and Society*, *10*(1),

Thaler, R. H., & Benartzi, S. (2004). Save more tomorrow™: Using behavioral economics to increase employee saving. *Journal of political Economy*, *112*(S1), S164-S187.

Yaari, M. E. (1965). Uncertain lifetime, life insurance, and the theory of the consumer. *The Review of Economic Studies,* 32(2), 137-150.

Zietz, E. (2003). An examination of the demand for life insurance. *Risk Management and Insurance Review,* 6(2), 159-191. https://doi.org/10.1046/j.1098-1616.2003.030.x

Zikmund, W. G., D'Alessandro, S., Winzar, H., Lowe, B., & Babin, B. (2014). *Marketing research.* Sydney: Cengage Learning.