

ASSESSING AND PRIORITIZING THE FACTORS WHICH AFFECT LIFE INSURANCE SALES USING MULTI-CRITERIA DECISION-MAKING (CASE STUDY: ALL INSURANCE BRANCHES IN THE CITY OF ZAHEDAN)

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Abstract: *The main objective behind this research is to identify and prioritize factors which affect life insurance sales of all branches of insurance in Sistan-and-Baluchestan province. The whole set of factors has been accumulated in 4 questions, including 17 factors affecting life insurance sales which were collected and completed in 38 questionnaires during the period between the years 2014 and 2015. The current study is an applicable research in terms of objective, it is descriptive in terms of the nature and method of the survey and it is a measurement study. Given the title of the research, the statistical population of the study is Iran's insurance agencies in the Sistan and Baluchestan province. The analysis method in this research is based on multi-criteria decision-making methods (AHP technique). Based on the results of the analysis, a variety of extensive advertising through mass media (commercial and marketing factors), low-income families and depreciation of money (economic factors) have been identified as the most important factors affecting life insurance sales in Iran's insurance agencies across Sistan and Baluchestan Province.*

Keywords: *Life Insurance, Sales, Prioritizing Factors, Mass-Criteria Decision-Making, Insurance Branches.*

1. INTRODUCTION

Today, the insurance industry is one of the most major economic institutions on the one hand and one of the strongest entities supporting other economic entities and households on the other (Sheidaee, 1998). People's insurances, particularly life and savings insurance enjoy a special stand among different types of insurance. The definition of life insurance is a contract whereby the insurer commits him/herself to pay the insured a certain supply source in case of his/her death or survival after a certain period of time in return for receiving his/her insurance rights (Karimi, 2006). According to the definition, we realize the importance of life insurance in two levels. At the micro level, life insurance could increase life expectancy, encourage

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labor force within high-risk jobs and increase living standards. At the macro level it also increases productivity, increases production, protects human resources and increases economic security in the communities (John Locke-Ober, 1993).

This type of insurance enjoys some advantages in its life sector. When the insured dies of natural causes a full payment would be allocated. If he/she dies of an accident the remaining members of the family will receive two or three times of the premium. If he/she becomes disabled there would be no need for him/her to pay the insurance rights. The savings sector advantages include full payment of the capital in the event of the insured survival at the end of the insurance period, profit sharing of benefits and etc. could be a full coverage for every individual (Mirtabar, 1997). In fact, these types of insurance policies as a life insurance could provide the insurer with comfort and relaxation, as well as an investment option (Aghazadeh and Razmjouy, 1997).

Unfortunately, however, despite the fact that the society needs such an appropriate insurance coverage, it has not enjoyed a significant growth in the country in comparison with other countries due to some reasons. And only 1/9 percent of the total portfolio of the insurance industry is allocated to the premium life and savings insurance policies (Central Insurance Statistics, 2014). This is while that the life insurance premiums constitute about 60 percent of the total premium collection in the world, or an average of about 59.3 percent (Kohzadi, 2012) and this comparison shows a kind of lag in sales and providing such an insurance (Tajik, 2014). According to Article 44 of the Constitution and the government policies to transfer state-owned insurance companies as well as the formation of several private insurance companies in the country, it is expected that the status of insurance would improve in Iran as a result of increasing competition (Central Insurance of Iran, 2014).

In fact, the development and growth of life insurance in Iran is faced with some obstacles and problems such as: strategic challenges and policies by governments and the Central Insurance's affiliated organizations, economic barriers including lack of income, disability of inflation and etc, cultural barriers such as believing in fate and destiny, marketing and trade barriers, including fraud and many other factors. Each and every factor affecting life insurance sales has been separately considered in existing articles and thesis and the results were presented in previous studies. In this study, it has been tried according to the importance of life insurance, to identify factors affecting life insurance sales and prioritize the factors. Then we are seeking ultimately to use acquired results in branches and insurance agencies in the city of Zahedan for a step to be taken to develop the life insurance industry.

2. LITERATURE OF RESEARCH

2.1. Factors Affecting the Sale of Life Insurance

According to various studies which have been carried out with different approaches across the country in the field of recognizing the factors behind developing life insurance, the most important factors are divided into the following four:

Strategic Factors (related to government and policy-making)

Today, the existence of a strong government structure constitutes one of the most important factors behind progress and development in every country. In other words, the governments' correct long-term planning and macro-level economic and social policies provide the necessary context and make smoother the path of development.

Unfortunately, the government lacked a clear-cut insurance policy in our country, particularly in terms of life insurance and the governments have not taken a basic measure for macro-planning and determining the development path for insurances in the country over the past thirty years after the revolution. And despite the social, economic and political changes and developments and the change in the people's taste of requirements the old laws and regulations, some of which not compatible with today's society, are still governing the relationship between the government and insurance companies. The government should act with the aim of planning and encouraging life insurance and by giving free rein to insurance companies to determine their own rates for them to gradually move towards a competitive environment. Because the nature of supply and demand for life insurance is not compatible with the state structure and modern marketing methods, customer acquisition requires that the insurers have more freedom to set rates, and invest technical provisions in beneficial economic activities with a greater freedom too (Khezri, 2013).

Although the government plays an important role in this regard, having a too big government and the government's control over most sectors and institutions can also create ample problems, because the government needs more power and energy to run these institutions and organizations. And the same government monopoly and control kill the competition as one of the key elements to improve the quality. Therefore governments must take on the leading role in the country nor the role of a producer and distributor (Mahdavi, 2013).

And in fact it is the government's complete monopoly over the insurance market, applicable to life insurance too, in Iran which is considered as one of the

main obstacles to insurance industry's growth. Because the government not only determines premium rates through the high council of insurance at Iran's Central Insurance and companies must comply with the government in setting premium rates but also the government is the main shareholder of several companies that have provided the lion's share of the insurance market (insurance companies Iran, Dana, Alborz, Asia), and other private companies are conducting only a small percentage (approximately 25%) of insurance activities. Therefore, there is no competition between insurance companies both in setting premium rates and in the scope of activities, the development of the companies and customer attraction and they have divided the market between themselves. In such a market, there is no competition for customer acquisition and offering better services between companies (Khezri, 2013).

Cultural, Educational and Social Factors

Socio-cultural factors constitute one of the main obstacles to the growth of life insurance in the developing countries. The Iranian nation's cultural beliefs are derived from five origins including language and literature, cultural and religious beliefs of the Islamic religion, historic happenings and past events, the way of living and economy as well as the geographical space of the people's living environment. So after understanding these beliefs, insurance companies must offer products with the highest correlation to these beliefs for them to be welcomed by the people. But the lack of insurance culture in Iran is one of the reasons behind life insurance's non-development in the country. There are many factors which are associated with causing cultural, social and educational obstacles in the development and demand for life insurance and insurance in general some of which are listed here.

Cultural context that sees insurance as running counter to fate and destiny, and considers future events as definite and unchangeable, and a belief in fate, which keeps the person from any practical action (Johariyan, 2011). Or trust in God and supernatural events without attempting practical efforts, the governance of a short-term view on investment, low level of risk aversion and lack of caution and accuracy, and lack of planning and a short consideration are among cultural factors contributing to low demand for life insurance in Iran. The perception and acceptance that insurance is a product of the industrialized world and a phenomenon from the developed society, and thus it has nothing to do with the specifications of the developing community and its cultural and intellectual foundations, as a problem it reduces the incentive to apply for life insurance. The people's negligence about planning for the future and the culture of short-term consideration constitute one of the other obstacles to the development of life insurance.

Many segments of the society have no planning for themselves and their children after their demise due to a lack of proper family and social education and unfamiliarity with the necessity of how to plan during life time. And even they unconsciously transfer to their offspring this way of life and procedure of thinking (Kohzadi, 2012).

There is a direct relationship between responsibility and the demand for life insurance in the normal conditions, but this relationship is vice versa in the case of Iran. Parents in developed countries feel a greater need to buy insurance with the increase in the number of dependents in order to immunize the future of family members against the risks of becoming orphans and other consequences. But in Iran since there is a lack of sufficient knowledge about life insurance and it has become more difficult to meet the needs of all family members as a result of the increase in the number of dependents, nobody feels an enormous need to buy life insurance. With the increase in the number of children, parents need to think more about the daily essential consumption requirements and life insurance for them is considered to be a luxury. Meanwhile, factors such as gender are also among factors affecting life insurance sales (Johariyan, 2011).

Economic Factors

Some of the economic factors affecting life insurance sales are described as follows:

Inflation

The existence of a stable inflation in the economy leads to the depreciation of capital insurance and it reduces the purchasing power and thus undermines the long-term contracts of life insurance.

Low level of income

Big class difference among the spectrum of the society constitutes one of the most important structural problems of the third world countries in which the majority of people have low income rates or in other words live in poverty, while a low percentage live a rich and prosperous life and a lower percentage are labeled as middle-class. It's because wealth has not been equally distributed among the spectrum of the society and it's the rich who take advantage of a high percentage of the society's resources and wealth nevertheless they constitute a low percentage of the population. So, a lot of people are hardly able to meet their primary needs amid inflation and low income and nothing remains for them to save so that they cannot afford to buy life insurance.

Meanwhile, due to inflation and the continued decline in the value of money, the wealthy people, who are looking more profit, prefer to allocate their wealth and income in short-term investment plans that are both safer and faster in making profit. Thus there is a direct relationship between income level and asking for life insurance. Reduced purchasing power and income limits are considered as obstructing the purchase of insurance. People tend primarily to meet their essential needs and finance their additional funds in savings and to other costs (Mahdavi, 2012).

A lack of competitiveness between traditional life insurance and other investment activities

There is another economic form as far as life insurance is concerned in which the interest the insurance companies pay as life investment is even much lower in comparison with the banking interests in traditional life insurance contracts. Because, the fields a government chooses for insurance companies to invest fail to payoff desirably. This is while that the banking system has made substantial progress as compared to insurance firms and it is well-known and trusted by the local people. Moreover, people prefer to save or invest their money in banks since they pay a higher interest rate than the interests paid by investing in insurance capitals. (Jouhriyan, 2011).

Life insurance investment being too long

Life insurance's willingness towards short-term investment is considered to be among one of most major no-tendency reasons to this type of insurance. A majority of people strongly prefer not to apply for types of investment with long-term interests like life insurance. Developing economies are infected with a phenomenon called short-term approach to investments. The governance of a short-term approach culture creates infrastructural strained circumstances in these countries due to a weak general tendency towards long-term economic contribution. Various types of hazards and risks, some of which, such as risk of management mistakes which could be seen in the developing countries, make such investment climates dark and costly and financial decision-making would be difficult in these societies (Ticker 2013).

Business and Marketing Factors

As one of the most important pillars of the life insurance market, insurance companies play a significant role in the development or lack of development of life insurance.

There are several issues through use of which an insurance firm can sell life insurance including being committed to the principles and obligations, providing quality services, customer orientation and many other factors. However, there are several factors too which disappoints the insured, some of which are described here (Mahdavi, 2013):

One of the reasons why life insurance is sidelined in Iran is the insurers' poor marketing and failing to take advantage of new ways to attract customers. Therefore, they could increase life insurance sales by increase the number of marketing people and training them (Mahdavi, 2013). The lack of an extensive expertise sales network among insurance companies and inappropriate representation of insurance products by insurers are among other obstacles to the development of life insurance. Principally, representatives or brokers and dealers play an important role in the growth of insurance (Insurance market difference in terms of marketing) (Mahdavi, 2013).

Brokers are dutiful to protect the interests of their clients and defend their rights against insurance companies. Insurance dealers who are totally professional and know what insurance is should buy the customer the best conditions by the fairest value and brief the customer about the complexities of the insurance policy, while reminding the insurer of his/her duties in the contract and defend his/her rights in the event of damages.

Another issue is concerned with the insurance agents. As we know privatization is considered as one of the ways to create mobility in the insurance industry. And, as an intermediate solution between the public systems of insurance services the expansion of the network of private sales by representatives and brokers could be applied as a tool to resolve the problem of the insurance industry being state-owned. Since low number of branches cannot respond mass demands of the market and it is not easily possible to develop the service due to fixed costs, the use of sales representatives could be considered as a factor in preventing the increase in the insurance companies' costs in operational and fixed sections. The number of agencies and their distribution in the country is also heterogeneous. As a result of the lack of an extensive network of sales by the agents is also a limiting factor for the development of insurance in terms of supply (Khezri, 2013).

In addition to be an infrastructural problem, lack of competition between insurance companies is also related to insurance companies. Unfortunately, there is no place for competition in the market for insurers in Iran since the high council of insurance sets all the tariffs. Besides, the insurance companies do not

understand the insurance market yet and they neither know nor could respond to its potential needs (Mahdavi, 2013). In order to be successful, insurance companies should be constantly reviewing their shortcomings and move towards providing customer-friendly quality products and services. The best way to achieve this goal is to create competition in the insurance market (Mahdavi, 2013).

The absence of large-scale advertising and extensive marketing, both of which are powerful arms for progress in financial markets, has been very effective in the life insurance's lack of development. Nobody could hinder advertisement in today's world which is bombarded with information where no society is enclosed in its borders and the whole world is easily interconnected. Commercial advertising has turned out to become a dynamic science with a creative force to encourage and persuade the public desire to consume. The world today changes on a daily basis in accordance with the social, political and economic changes and takes on a new specific form in various environments according to the beliefs, customs, culture and religion. The issue of propagation has been greatly influenced by the increase in the level of social awareness, intellectual growth, changing tastes of the people on the one hand and growth and the increase in income levels and the population growth as well as a tendency towards improved consumption on the other. One should say that the relevant authorities, Central insurance of Iran and the owners and shareholders of insurance companies in particular, have so far taken no practical serious measures in order to promote the culture of insurance among the people especially the recognition of life insurance through advertising as far as the development of life insurance through advertising as an innovative and effective way is concerned. Unfortunately most people, and even many educated ones have little information about the benefits and advantages of life insurance because of a weak advertising. Therefore, it would be appropriate that the relevant authorities deploy beneficial advertising both for raising the level of people's awareness about the helpful insurance coverage and to clear a negative image from their minds through elaborating on the benefits of life insurance. In other words, they could state the basic goal behind insurance activities which is to provide for the people's necessary savings for the future and to help the country's economic growth. As far as the benefits and restrictions of media in conveying the message to the audience are concerned, planners should carefully choose the best means of advertising and take many factors into consideration. Generally-speaking, TV and radio advertising, newspapers, magazines, posters in the streets, signs, and billboards could play a significant role in the people's awareness and encourage them to buy life insurance (Khezri, 2013).

Figure 1: General factors affecting life insurance sales (Khezri, 2013)

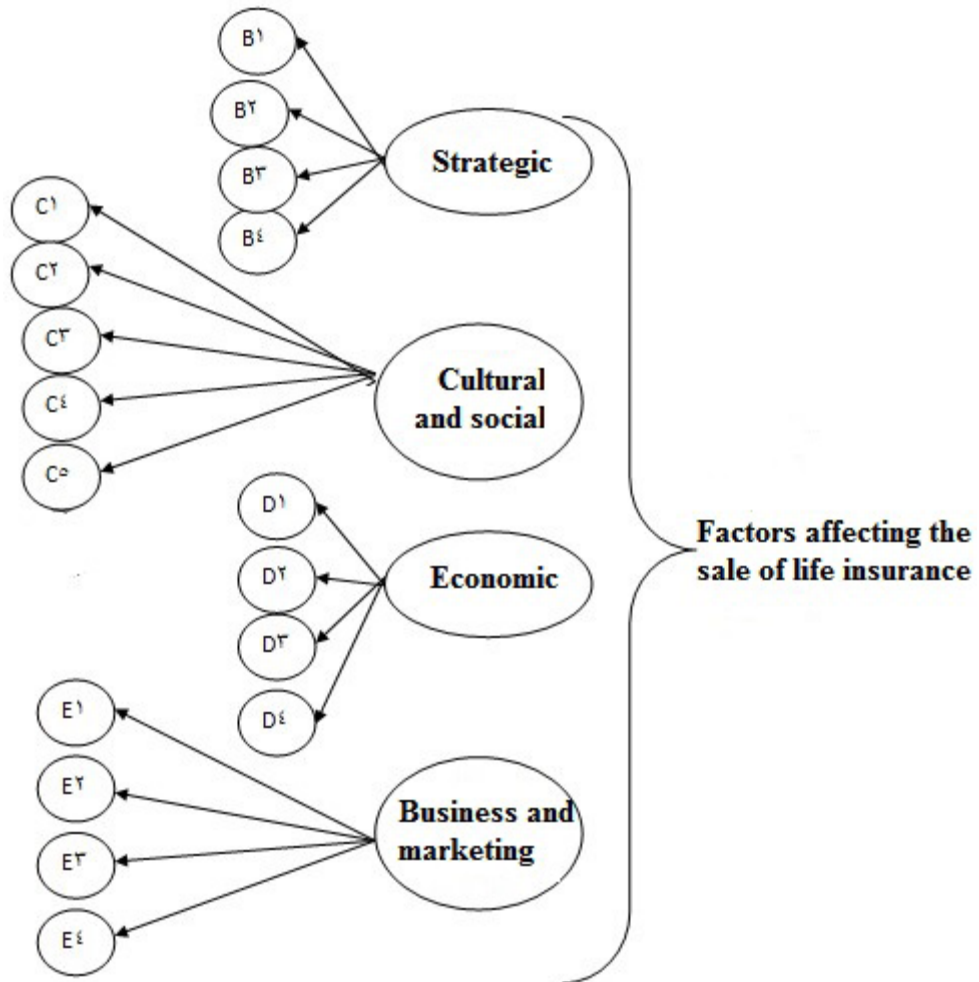


Table 1
Partial factors affecting life insurance sales

Rows	Index
1	Planning and policy-making for appropriate insurance schemes in the country
2	Planning in-service training for better introduction of life insurance
3	Planning to identify fresh needs of the insured
4	Designing various insurance sales methods according to gender, facilitation and...

- 5 Intellectual belief in fate and destiny
 - 6 The existing thought about the existence of luck and chance in the lack of interest in insurance
 - 7 The existence of a cultural vacuum about the use of insurance in Iran
 - 8 Education
 - 9 Gender
 - 10 The reduction of the value of money as time passes by
 - 11 Low levels of household income
 - 12 The usefulness of investment in other sectors due to interest rate differences between insurance and other sectors
 - 13 Longevity of investment in life insurance
 - 14 Direct marketing through interviews with heads of households
 - 15 Training marketing agents and increasing them by number
 - 16 Creating specialized research and marketing revenues in insurance companies for life sector
 - 17 Broad and diverse media advertising in order to introduce life insurance to customers
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Source: (Khezri, 2013)

3. BACKGROUND OF RESEARCH

An examination of Lin and Grace (2007) about the demand for life insurance shows that demanding life insurance is strongly associated with financial vulnerability, and a willingness to buy life insurance decreases as people age.

Kapfer (2009) in his research claimed that the unemployed, housewives, people under education and those who have lower incomes are less likely to buy life insurance. The results of his study also show the demand for life insurance and a motivation to leave inheritance and marginal tax rates are positively correlated.

Li (2010) examined the demand for life insurance as a lump sum and time-bound life insurance. This researcher's findings showed those households who did not buy any insurance had lower educational levels, were risk-averse, they had no motivation to leave inheritance, and they were relatively younger. Education, a positive attitude towards leaving inheritance and a working wife all have a positive correlation with buying time-bound life insurance. But variables such as the age of the head of the household, number of children and income are directly correlated

with the purchase of life insurance as a lump sum payment. Although variables such as wife employment status and the health of the head of the household did not have a significant relationship with the purchase of life insurance as a lump sum payment, but they affected the purchase of time-bound life insurance.

The results of a study carried out by Sauter et al. (2011) showed a positive relationship between the demand for life insurance and the motivation to leave inheritance as well as marginal tax rate.

Tiker (2013) in an article entitled (macro-economic factors that determine the factors influencing life insurance sales) concluded that the existence of a persistent inflation in the economy leads to the depreciation of insurance and it reduces the purchasing power.

Tofighi (2011) in his thesis entitled "The effect of inflation on the demand for life insurance in Iran" during the years 2006-2007, has studied life insurance hypothetically and examined the growth of life insurance influenced by many factors. Some of these factors are related to the structure of the insurance industry and the way of management at insurance companies. For instance, less defects and shortcoming in basic structures of a country's insurance industry leads to the growth of insurance culture in the country.

Factors including literacy, GDP, per capita income, inflation and interest rates significantly affect the growth of demand for the insurance industry. If countries with high inflation fail to pay attention to the inflation factor in economic transactions they could cause damage to one of the parties or both sides. Since the insurance industry is also considered as a transaction one which the time factor has an influence it could not be immune from the effects. The time factor is particularly heavily felt in the case of life insurance. The results of this study indicate that there is a negative correlation between the demand for life insurance and inflation over the period between 1982-2007 and inflation has led to a lesser demand for life insurance in Iran. Also, there is a direct relationship between the demand for life insurance and illiteracy rate, GDP and national per capita income. There is also an adverse relationship between the demand for life insurance and interest rate.

Also in this study, according to the final model the proportion of willingness for demanding life insurance to inflation rate is - 0.27, that is, with a one percent increase in the inflation rate the demand for life insurance decreases by 0.27 percent, and the proportion of willingness for demanding life insurance to the society's literacy rate is 7.6 percent which means with a one percent increase in the literacy rate, the demand for life insurance grows by 7.6 percent.

Mahdavi (2012) in his article titled "Strategies for the development and the expansion of life insurance influence in the country's insurance industry" has concluded that a person's perception of his health has a significant negative correlation with the probability for him to buy life insurance. In other words, if people believe they are enjoying health then they are less likely to buy life insurance.

Tajik (2014) in his article entitled "a review of executive factors in promoting life insurance in the country" had concluded that major impediments to the development of life insurance should generally be sought in macroeconomic policies. In the event of an economic stability long-term coverage should be provided and in the short-term, short-term time-limited coverage competitive to other alternative investments must be designed. Any move towards application of the said insurances need the legal, economic, scientific and cultural frameworks of the people of the society. So prescribing complementary policies to social and subsidized insurance for insurance organizations would be helpful in the development of life insurance for low-income spectrum of the society.

4. RESEARCH METHODOLOGY

The current study is an applicable research in terms of objective, it is descriptive in terms of the nature and method of the survey and it is a measurement study. Given the title of the research, the statistical population of the study is Iran's insurance agencies in the Sistan and Baluchistan province. A sample of the said society has been selected to carry out the research. The sample has been randomly selected from within the available clusters. And in fact the statistical sample includes 38 elites involving a team of experts, with more than 5 years of experience in related insurance work.

Library research, interviews with experts and elites and documentary literature has been applied in this study to identify criteria and factors which are effective on life insurance sales.

There is a questionnaire in the attached appendices where a paired comparison method has been used to improve the AHP and rank the factors. The study is the product of a long research activity, library studies, interviewing the executives and elite experts, using the questionnaire and the analysis of data. Since the objective of this study is to use multi-criteria decision-making for prioritizing factors affecting life insurance sales, one could obtain the preferences of groups of decision makers in the form of numerical weights, and finally carry out prioritizing with the use of the weights of the effective indices obtained from each decision-making. And for this purpose the Expert choice software is used.

5. THE FINDINGS OF THE RESEARCH

Ranking the four dimensions of selling life insurance policies in insurance companies across Sistan and Baluchestan province

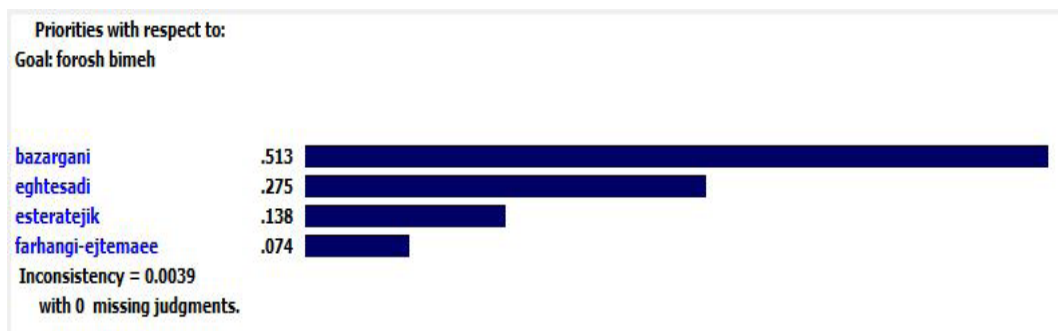
As it can be seen in Table 2 and Figure 2, from among the four dimensions of life insurance policies' sales, the "business and marketing" dimension with the weight of 0.513 enjoys paramount importance among the dimensions and the "social and cultural factors" dimension with the weight of 0.074 has the lowest priority. Economic and strategic factors' dimensions come second and third respectively.

Table 2
Ranking the four dimensions of selling life insurance policies in insurance companies across Sistan and Baluchestan province

<i>Objective: To determine the most important aspect of selling insurance policies</i>				
<i>Cultural, educational and social factors</i>	<i>Strategic factors</i>	<i>Economic factors</i>	<i>Business and marketing factors</i>	<i>Dimensions</i>
074/0	138/0	275/0	513/0	Weight
Incompatibility rate= 0039/0				

Source: research findings

Figure 2: Ranking the four dimensions of selling life insurance



Ranking indicators linked to each of the dimensions of selling life insurance policies Ranking indicators linked to commercial factors and marketing

The following table and graph shows the rating criteria for "business and marketing factors" dimension in the insurance companies. Among the four indices

of this dimension, the index used to introduce life insurance to customers through broad and diversified advertising in the media enjoys the paramount importance in the index with the weight of 0/509, and the index of direct marketing through household interviews has the lowest importance with the weight of 0/103. The indices of training marketing agents and increasing their numbers as well as creating specialized life insurance research and marketing in insurance companies come the second and third respectively.

Table 3
Ranking indicators linked to commercial factors and marketing

Objective: To determine the most important aspect of commercial factors and marketing

<i>Direct marketing through household interviews</i>	<i>Creating specialized life insurance research and marketing in insurance companies</i>	<i>The indices of training marketing agents and increasing their numbers</i>	<i>Broad and diverse media advertising in order to introduce life insurance to customers</i>	<i>Dimensions</i>
103/0	121/0	267/0	509/0	Weight

Incompatibility rate= 0058/0

Source: research findings

Figure 3: Ranking indicators linked to commercial factors and marketing



Ranking Criteria Linked to Economic Factors

The table and graph below show ranking the indices of the “economic factors” dimension in the Sistan and Baluchistan province’s insurance company. From

among the four indices of this dimension, the households' low income level index enjoys the paramount importance with the weight of 0/421, and the helpfulness of investment in other sectors' index has the lowest importance among other indices with the weight of 0/109 due to the difference between the insurance's interest rates and other sectors' rates. The indices of the time-bound devaluation of the money and investment in life insurance sector being long ranked second and third respectively.

Table 4
Ranking criteria linked to economic factors

Objective: To determine the most important aspect of economic factors

<i>The helpfulness of investment in other sectors</i>	<i>Investment in life insurance sector being long</i>	<i>The indices of the time-bound devaluation of the money</i>	<i>The households' low income level</i>	<i>Dimensions</i>
109/0	136/0	334/0	421/0	Weight

Incompatibility rate= 0.02

Figure 4: Ranking criteria linked to economic factors



Ranking Indicators Linked to the Strategic Factors

Table 5 and Figure 5 show the ranking criteria for the “strategic factors” dimension in Iran’s insurance company. From among the four indices of this dimension, the index of planning and policy-making proper insurance projects in the country

enjoys paramount importance among the other indices with the weight of 0.587, and the planning index in order to identify the needs of the insured has the lowest importance with a weight of 0.072.

The planning for in-service training courses' index to better introduce life insurance and the index of designing various ways to facilitate insurance sales based on gender ranked second and third respectively.

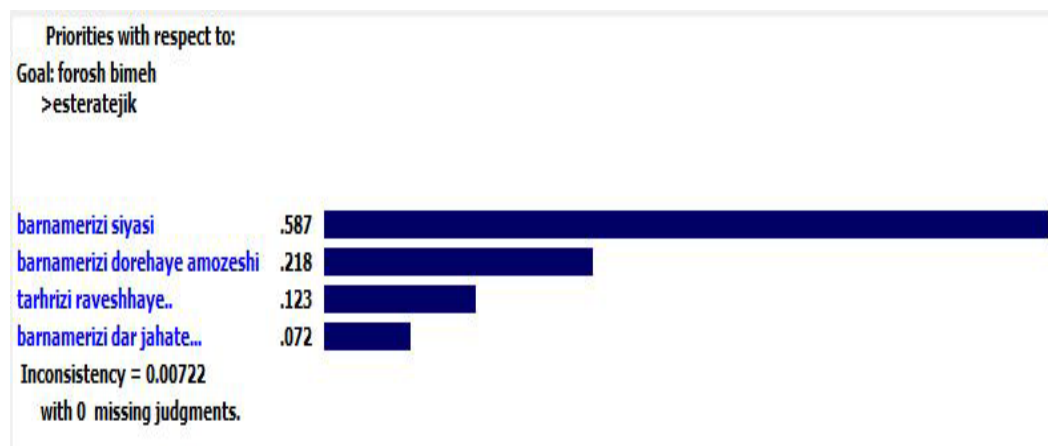
Table 5
Ranking indicators linked to the strategic factors

Objective: To determine the most important aspect of strategic factors

<i>Planning index in order to identify the needs of the insured</i>	<i>Designing various ways to facilitate insurance sales based on gender</i>	<i>The planning for in-service training courses' index to better introduce life insurance</i>	<i>Planning and policy-making proper insurance projects in the country</i>	<i>Dimensions</i>
072/0	123/0	218/0	587/0	weight

Incompatibility rate= 0.007

Figure 5: Ranking indicators linked to the strategic factors



Rating Factors Linked to Socio-cultural Dimension

The table and graph below shows the ranking of the indices of “socio-cultural factors” dimension in the insurance company. From among the five indices of this dimension, the index of education enjoys paramount importance among other indices with the weight of 0.464 and the index of existing thought about

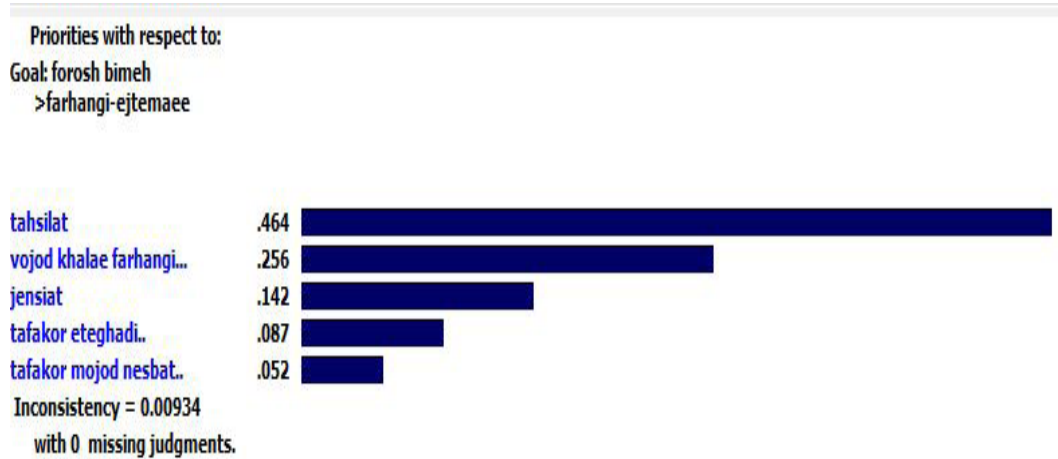
the existence of chance in the lack of tendency towards insurances has the least importance with the weight of 0.052. The indices of the existence of a cultural vacuum to use insurance in Iran, the people’s gender and thoughtful belief in the existence of fate and destiny ranked second to forth respectively.

Table 6
Rating factors linked to socio-cultural dimension

<i>Objective: To determine the most important aspect of socio-cultural dimension factors</i>					
<i>Existing thought about the existence of chance in the lack of tendency towards insurances</i>	<i>Thoughtful belief in the existence of fate and destiny</i>	<i>The people’s gender</i>	<i>The indices of the existence of a cultural vacuum to use insurance in Iran</i>	<i>Education</i>	<i>Dimensions</i>
052/0	087/0	142/0	256/0	464/0	Weight

Incompatibility rate= 0.009

Figure 6: Rating factors linked to socio-cultural dimension



6. CONCLUSION AND RESEARCH PROPOSALS

6.1. The Results of Prioritizing General Factors

1. Business and marketing factors 0.513
2. Economic factors 0.275
3. Strategic factors 0.138
4. Cultural, educational and social factors 0.074

6.2. The Results of Prioritizing Minor Factors

Broad and diverse media advertising in order to introduce life insurance to customers	0.250
Low levels of household income	0.134
Training marketing agents and increasing them by number	0.131
The reduction of the value of money as time passes by	0.106
Planning and policy-making for appropriate insurance schemes in the country	0.067
Creating specialized research and marketing revenues in insurance companies for life sector	0.059
Direct marketing through interviews with heads of households	0.051
Longevity of investment in life insurance	0.043
Education	0.036
The usefulness of investment in other sectors due to interest rate differences between insurance and other sectors	0.035
Planning in-service training for better introduction of life insurance	0.025
The existence of a cultural vacuum about the use of insurance in Iran	0.020
Designing various insurance sales methods according to gender, facilitation and...	0.014
Gender	0.011
Planning to identify fresh needs of the insured	0.008
Intellectual belief in fate and destiny	0.007
The existing thought about the existence of luck and chance in the lack of interest in insurance	0.004

6.3. Inconsistency Test Results

1. In paired comparisons of general factors, the inconsistency rate is less than or equal to 0.1 ($IR=0/003\leq 0/1$), so there is an acceptable compatibility.
2. In paired comparisons of strategic factors, the incompatibility rate is less than or equal to 0.1 ($IR=0/02\leq 0/1$), so there is an acceptable compatibility.
3. In paired comparisons of economic factors, the incompatibility rate is less than or equal to 0.1 ($IR=0/02\leq 0/1$), so there is an acceptable compatibility.
4. In paired comparisons of Cultural, educational and social factors, the incompatibility rate is less than or equal to 0.1 ($IR=0/02\leq 0/1$), so there is an acceptable compatibility.

5. In paired comparisons of Business and marketing factors, the incompatibility rate is less than or equal to 0.1 ($IR=0/02 \leq 0/1$), so there is an acceptable compatibility.

Li examined the demand for life insurance in 2008. According to the findings of his study, households who bought no insurance, had lower educational level. Moreover, variables such as age of the head of the household and income were directly related with the amount of insurance life purchase with lump sum payments.

Ward and Zourberg in 2002 focused on the impact of political, legal and economic factors on life insurance in Asia during the period between 1987-1988. The results derived from the general model of the debate shows that the impact of inflation is negative from among other significant variables. This is while that financial development, education and income enjoy a positive and significant impact.

In 2012, Morteza Darvishali Khezri concluded in his thesis entitled "Identifying and prioritizing factors affecting the sales of life insurance in Tehran" that structural factors, economic factors, cultural factors, and marketing factors have an impact on selling life insurance. He listed extensive and consecutive advertising campaign in the media, high-income level families and planning to identify fresh needs of the insured as the main reasons for the increase in sales of life insurance respectively.

In 2011, Qadir Mahdavi concluded in his article titled "Strategies for the development and expansion of the influence of life insurance in the country's insurance industry" that a person's age could be considered as the most important factor in the demand for life insurance, and the price of life insurance, a person awareness about life insurance and inflation were among other factors affecting life insurance sales respectively.

This study shows that widespread, constant, specialized and guided advertising through the mass media to familiarize more people with various types of insurance could be considered as the most important proposal. In other words, the people should receive education about risk-aversion and looking to the future. The low level income families as the second and the time-bound depreciation of money as the third priority are among other factors in life insurance sales as well. The prioritization of general factors and minor factors affecting life insurance sales as well as the weight of each component is stated below.

Suggestions

- The most important recommendation in order to boost life insurance could be creating a competitive environment and the private sector's activities by.

Government should get rid of the tariffs and use the market mechanisms though adopting a gradual planning. Premium tariff liberalization and giving a broader authority to insurance companies to compete on price setting and premium rates as well as giving greater freedom to insurance companies for choosing where to invest premiums and the insurers' technical and mathematical reserves could be among other recommendations.

- Granting scholarships to students to continue their education in the field of insurance and actuarial science to become familiarized with the world's modern sciences and promote the country's scientific load in the field.
- Any life insurance contract should compensate the decrease in the reduction of the insurance capital's purchasing power occurred because of possible inflation. To solve this problem it is proposed that companies issue their insurance policies in gold.
- Insurers' participation in the benefits of investment in shares of reputable companies
- The sale of insurance policies as well as the review of stages relating to the payment of compensation should be simplified as much as possible. In other words, the existing administrative procedures and bureaucracy should be reduced both in the sale and in the payment of compensation stages.

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