

## RURAL WOMEN'S LIFE INSURANCE LITERACY LEVEL AND THEIR INFLUENCE ON FAMILY'S LIFE INSURANCE BUYING BEHAVIOR: AN INDIAN PERSPECTIVE

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**Abstract:** The Indian society is male dominated and women especially in rural areas are usually dependent on male members. This is mostly due to the patriarchal structure of the society that women are not allowed access to financial information and services. Along with this lower levels of education and life insurance literacy, women find it difficult to understand and access this information.

Measures are needed to be taken to improve level of rural women's education and life insurance literacy. Life insurance companies and government needs to take measures to improve the situation. This improvement not only will enhance women's financial security but also improve the society as the whole.

**Keywords:** Rural women, life insurance literacy, women's role in family's life insurance buying, earning and non-earning women's participation.

### INTRODUCTION

For centuries men has dominated the world and the society and women merely follows norms made by them. Women play socially as well as economically important parts in the society. Women who are working are treated as irresponsible towards their family and society. Even when they are working they do not have the right to spend their own earnings. This is due to the fact that in Indian society decision making lies in the hands of male members of the family. In India in past 10 years women's access to financial services has greatly increased, still most of them are unable to use these services properly due to gender roles and biases (Singh & Kumar, 2017). This scenario is even worse in rural India.

To further understand rural India, understanding of what rural areas are, is important. According to Census of India, those areas where the population is below 5000, the population density is less than 400 per square kilometer and where at least 75% of the males of the working population are engaged in agricultural activities is defined as rural area (Office of

the Registrar General and Census Commissioner, 2010).

Rural India contributes around 50% to gross domestic product (GDP) and constitutes nearly 70 % of the country's population. The market serves around an enormous 850 million consumer base from around 650,000 villages in India (Office of the Registrar General and Census Commissioner, 2010). It has been observed that the rural market demographics are rapidly shifting. Growth in per capita income in rural India is observed due to modernization of agriculture, better job opportunities, govt. focus, etc.

The education level is also increasing which plays a major role in understanding of risk management and of course life insurance (Maria Ioncicã, Eva-Cristina Petrescu, Diana Ioncicã, Mihaela Constantinescu, p 4154). Still "A meager of 13% of Indian households with per annum income less than Rs 45,000 (these people constitute 76 million) had savings bank accounts with any bank and similar ratio had life insurance." (The next billion consumers – a road map to expanding financial

inclusion in India – a report by Boston Consultancy Group November, 2007).

Despite all the changes majority of rural India is still uninsured. The penetration is extremely low in rural markets and is in the region of at 2.8% of the GDP as on 2005 (H. Sadhak, 2009).

Apart from that most of the rural population has poor financial management knowledge. They are unaware of utility of life insurance and think of it as a risky venue to invest their money. In case of life insurance there is a tendency to defer the decision despite more harsh living conditions and lack of medical facilities in rural India. Other than that rural India has a weak social security and pension system.

Majority of the financial programmes are designed to cater male members as head of the families, thus failing to identify women's role as an active participant of the society and the economy. It also neglects their financial security needs. Studies conducted in Latin America, South Asia, and Sub-Saharan Africa has also found women more constricted for credit than men (Fletschner, 2009; Diagne *et al.*, 2000).

Laws and customs in India also put women at disadvantage. Usually men are entitled to property which is usually accepted as collateral by financial institutions. Even if women own property they are less likely to exercise control over it, leaving them at disadvantage (Agarwal, 2003; Ospina, 1998).

Even if women have access to financial information, they are less likely to avail them. They are less likely to process such information due to lower levels of education and exposure to languages other than their own (UNDP, 2007; Ngimwa *et al.*, 1997). As generally the information is available in other languages, women find it difficult to process and avail their benefits (Brown, 2001). This phenomenon was studied in India and Indonesia. And was found that financial literacy levels strongly influence the demand of financial services. Higher the financial literacy levels more the demand of financial services (Cole *et al.*, 2009).

In the view of above discussion this paper will study the rural women's life insurance literacy levels and their role in family's life insurance buying decision. Along with

these reasons studies in Indian context are far and few in between making this topic important for researchers as well as different government bodies.

This paper is quantitative as well as qualitative in nature. The data will be empirically analyzed using different statistical tools and the results will be supported by interactions with respondents also.

## LITERATURE REVIEW

Household heads also have a significant influence on life insurance buying. This is especially true in case of rural societies due to high levels of dogmatism (Hammond, Houston, & Melander, 1967).

In the study by Anderson & Nevin, (1975), the buying behavior of newly wed couples towards life insurance was observed. The study revealed that the insurance agents and the wife play crucial roles in buying decision of life insurance products.

Formisano, (1981) examined the impact of the 'National Association of Insurance Commissioner's Model Life Insurance Solicitation Regulation' as implemented in New Jersey. He used interview method for the study. A majority of sampled insurance buyers were found to be unaware of the provisions and regulations aimed at improving their decision making and buying ability. Furthermore many life insurance customers were not aware of the operation and nature of life insurance contracts, even the ones they already have.

Holdert & Antonides, (1997) studied the effect of the family structure and long term properties of a family on family buying decision process. The study gave three important results:

- (a) The study was conducted on 74 Dutch families. The results showed that children's influence on an average was comparatively very high at the advanced stages of the buying decision process undermining the wife's influence.
- (b) Kids in modern families were more influential than customary families at the first stage of decision making that is problem recognition.
- (c) Tightly bound families mostly evaluate alternatives jointly and took care of other

member's desires. Non-cohesive families often had conflicts and used coalition forming strategy for conflict resolution.

The objective of research conducted by Juyal & Singh, (2009) is to study the effects of women's role in family's decision making process. A total of 300 women respondents from Dehradun (Uttarakhand), were interviewed. It was found that women role varies with income, age, family type (joint or nuclear) and education. It was found that women play stronger role in purchases for personal use, than for family usage.

Ospina, (1998) found in the study that in societies and families where men are perceived as primary earners, women's ability to make financial decisions was influenced by family dynamics and men's decisions were prioritized.

Kirchler & Hubert, (1999) found that spouses have strong influence in financial decision making depending on relationship, marital status, level of dogmatism, etc. it has been found that more the relation traditional in nature, lesser is the involvement in financial decision making.

According to Nagaraja, (2004) consumers of rural markets are also showing, multiplicative growth in income, consumption aspirations and consumption friendly ideology. Decision making process is becoming a joint function. Women are becoming 'influencers', children are becoming 'influences' and men are becoming 'financers'. Consumption pattern of durables and services is also changing. These phenomenon are a hot topic and needs to be studied.

As per Joshi (2005) there exists a huge savings market in India because of inherent saving habits of Indians. Due to this there is also a huge potential for life insurance products. To tap this potential life insurance companies need to increase levels of financial literacy in rural markets.

As per the report by Boston Consultancy Group, (2007): "A meager of 13% of Indian households with per annum income less than Rs. 45,000 (these people constitute 76 million) had savings bank accounts with any bank and similar ratio had life insurance."

According to the study by UNDP, (2007), as compared to men women have lower education and lacks exposure to other languages. This hinders women's ability to directly benefit from information that is provided in

languages or writings other than those they speak at home. This also hampers their decision making capabilities.

As per Reserve Bank of India, (2008): "financial literacy can broadly be defined as the capacity to have familiarity with an understanding of financial market products, especially reward and risks in order to make informed choices."

Chui & Kwok, (2009) found in their research the role of culture, individualism, social security and demographic variables in life insurance buying. Culture plays an important role in life insurance buying as more culturally oriented societies have negative attitude towards life insurance products. Consumers who are individualistic in nature are more independent in life insurance buying decisions. Demand of life insurance products is more where there is less social security but is dominated by cultural and demographic variables.

Martha Klatt, (2009) identified the barriers hampering women's financial literacy levels. It was found that proper financial education and training is necessary to increase women's participation in financial decisions and to increase their financial literacy levels.

According to Sadhak, (2009) despite all the changes majority of rural India is still uninsured. The penetration is extremely low in rural markets and is in the region of 2.8% of the GDP as on 2005. Rural markets of India has a potential of US \$ 23 billion for life insurance companies, but the companies need to introduce innovative saving schemes with affordable premiums. It is interesting to note that only 24% households own life insurance policies despite a whopping 78% households being aware of it.

Apart from that most of the rural population has poor financial management knowledge. They are unaware of utility of life insurance and think of it as a risky venue to invest their money. And most important of all they don't trust private players in the life insurance sector. Other than that role of women in decision making is rather limited. This also influences sale of life insurance products in India.

As per a study conducted in Paraguay it was found that women are 15 to 21 percent less likely to have knowledge of financial markets and services. To develop rural women's financial literacy levels efforts need to be

made as well as basic information processing skills also needs to be improved (Fletschner and Mesbah, 2010).

Nataliya, (2011) suggests that in highly cultural settings it has been found that women have lesser say in case of financial decisions.

Tennyson, (2011) in their research tried to understand levels of financial literacy and ways to enhance it through education and training. The study found that customer's understanding and capability is rather limited and further training and education is necessary to enhance customer's understanding and knowledge.

As per Wut & Chou, (2013) among the most important customer decision making aspects is family decision making. As all the family members are involved, the family decision making process is complicated. In their study Wut and Chow has studied the impact of individual family member buying preferences on family's buying preferences. They proposed a novel family decision making model with family member's buying preference based on family system theory, resources theory and social learning theory. They also found that the family decision making process has a synergetic effect. This effect was represented as positive correlations between family and individual members buying preferences. Primary data for the research was collected from Hong Kong based on quota using triadic approach.

As per Fletschner & Kenney, (2014) simplification of insurance terms and conditions in a language that women can understand is important. Along with this an improvement in financial education is also necessary as insurance products are complex in nature.

Mathivathani & Velumani, (2014) in their study analyzed Tamilnadu state's marginalized rural women's financial literacy level. They found it to be very low and proposed the need of proper education and training to encourage participation of women in financial decision making and also to improve their own financial well being.

Prakash & Solanki, (2014) studied about demographical impact on life insurance customers in Rajasthan. Their study measured following aspects:

(a) Examined the perception of people towards life insurance.

(b) Measured the penetration of life insurance among literate people of Rajasthan.

(c) Identified relationship between family type, marital status and insurance on demographic base.

The study covered 100 respondents via convenient sampling from Rajasthan (India). The analysis found that insurance awareness was high in educated people. Majority of the educated have taken life insurance policy for security, safety and tax saving purpose and pressure from agent is low for purchasing life insurance policies. The study also revealed the relation of insured and demographics viz. gender, marital status and family type.

In the report by Core Data, Brandmanagement Pty Ltd, (2015), by proving the positive contribution financial advisers make to 'closing the insurance literacy gap', this research is also a tangible and significant reinforcement of the value of financial advice and financial advisers. It also highlights that – in terms of facilitating knowledge transfer through coaching and mentoring – financial advisers may well be doing a better job of serving their customers than their peers in other professions.

Insurance Literacy is quantified via the Insurance Literacy Index. The Index is designed to provide a consistent and comprehensive metric of consumer understanding of Life, TPD, Income Protection and Trauma insurance and includes both knowledge and behavioral indicators.

Socioeconomic and demographics factors also have a strong influence on rural customer's life insurance buying behavior. Consumption of life insurance increases with interest rates, income, inflation, education and increased life expectancy and demographic factors like age, gender, income, family size and occupation are also important determining factors (Zerriaa & Noubbig, 2015).

According to Jurkovikova, (2016) advice from friends and family plays an important role in decision making. 21% women and 12% men respondents take advice from family and friends in life insurance purchase related matters.

According to Kakat & Ahmed, (2016) family is an important buying unit within the society. Family is considered as among the strongest primary reference

groups. The study was exploratory and descriptive in nature and was conducted in districts 'Kamrup' and 'Tinsukia' in North East India. As per the study it was found that elderly and husbands have a major and decisive role in purchase decision, while wives had minor influence in purchase decision. Their role was mostly of the 'influencer'.

As per Bhattacharjee, (2017) there is discrimination against women in the insurance sector, claim some of its industry leaders, especially in crafting of covers meant for them. Except those that are mandated by government policy in India, none reach out to women, which severely limits their choices, the sector regulator's record shows. Again, in the last couple of years, there has been a torrent of reports from consultancy firms on the insurance sector, but all of them have been "gender blind".

The sales data on insurance shows the impact of this omission. A study by Birla Sun Life in 2017 shows even among urban women with access to internet only 50 per cent of them have bought a life insurance cover for themselves.

### OBJECTIVES

1. To identify rural women's life insurance literacy level
2. To analyze influence of women's advice on family's life insurance buying behavior.
3. To analyze the difference in decision making of earning an non-earning rural women.

### RESEARCH METHODOLOGY

**Sampling Method:** Cluster sampling is used for collection of data.

**Reliability:** Cronbach's Alpha is used to check the reliability of the schedule and the value is found to be .852, which is good (Cortina, 1993).

**Data collection:** Schedules were administered to 600 rural women from selected clusters. Out of these 568 useful schedules were obtained.

**Normality:** Skewness and Kurtosis were also checked to ensure normality of data and are within suitable range [between -2 to +2 is acceptable (George & Mallery, 2010; Khan, 2015)].

**Tools for analysis:** Data was analyzed using multiple regression and independent sample t test.

### DATA ANALYSIS

This paper is divided in three sections, as follows:

#### 1. Rural women's life insurance literacy level

In this section rural women's life insurance literacy level is calculated. The respondents were asked 10 questions (Five Point Likert Scale, Table 1) ranging from life insurance benefit understanding to the details needed in life insurance policy form.

**Table 1**  
**Variable coding for rural women's life insurance literacy level**

<i>Variable Details</i>	<i>Variable Name</i>	<i>Nature</i>
Know_SumAssured	ID1	Independent
Know_Charges	ID2	Independent
Know_Freelook	ID3	Independent
Agent_Tell_TnC	ID4	Independent
Know_Form_Info	ID5	Independent
Correct_Info_Needed	ID6	Independent
Know_Documents_Needed	ID7	Independent
Know_Claim_Settlement_Process	ID8	Independent
Know_KYC	ID9	Independent
Dispute	ID10	Independent
Binary	-	Recorded variable to judge life insurance literacy level

The responses to various questions were than recomputed into a separate variable using SPSS, to calculate composite life insurance literacy level. This new variable was also on five point Likert scale.

After this the response for the new variable ranging from strongly disagree to neutral are recoded as 0, that is low life insurance literacy level and responses from partially agree to strongly agree are recoded as 1 that is adequate life insurance literacy level (Table 2).

As can be seen from table 2, out of 568 women only 140 (24.6%) have adequate levels of life insurance literacy,

**Table 2**  
**Binary**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Low life insurance literacy	428	75.4	75.4	75.4
	Adequate life insurance literacy	140	24.6	24.6	100.0
	Total	568	100.0	100.0	

remaining 428 (75.4%) respondents have low levels of life insurance literacy.

There are several factors responsible for these low levels:

- (a) High dogmatism levels of Indian rural societies hamper women’s exposure to external world restricting their financial literacy including life insurance literacy.
- (b) Because of patriarchal structure of the society male members dominate financial decisions, sidelining women’s decision making.
- (c) Lack of basic education is also a contributing factor. Low levels of education make understanding of financial aspects extremely difficult.

**2. Women’s life insurance literacy level’s influence on family’s life insurance buying**

Various practical aspects of women’s life insurance literacy and their influence on family’s life insurance buying are analyzed. The respondents were asked 9 questions (Five Point Likert Scale, Table 3)

**Table 3**  
**Variable coding for women’s life insurance literacy level’s influence on family’s life insurance buying**

<i>Variable Details</i>	<i>Variable Name</i>	<i>Nature</i>
Female_Advice_Buying	D1	Dependent
LI_Necessary	ID11	Independent
Profit_Motive	ID12	Independent
Policy_Customer_Benefit	ID13	Independent
Buy_Death_Loss	ID14	Independent
Good_Investment	ID15	Independent
Tax_Saving	ID16	Independent
Coverage_Increase_	ID17	Independent
Earning_Increase		
Cover_Increase_	ID18	Independent
Members_Increase		

Based on literature review and personal interaction with rural women following hypotheses were formed for analyzing influence of women’s life insurance literacy on family’s life insurance buying:

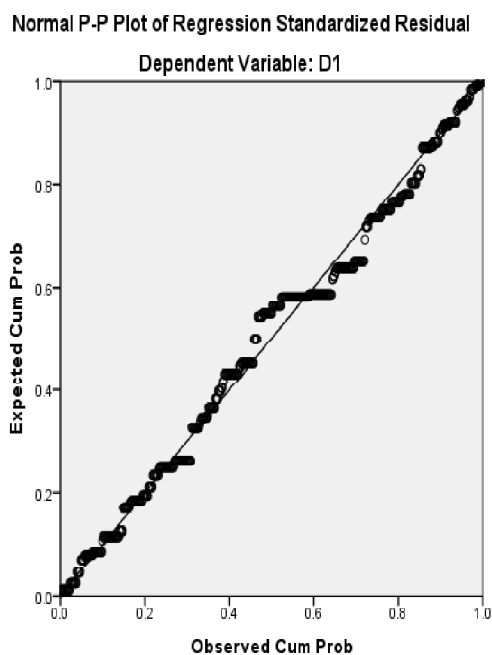
- H<sub>01</sub>: In the presence of the other predictors, there will be no significant prediction of rural women’s advice on family’s life insurance buying by their understanding that life insurance is necessary.
- H<sub>02</sub>: In the presence of the other predictors, there will be no significant prediction of rural women’s advice on family’s life insurance buying by their understanding of profit that life insurance can give.
- H<sub>03</sub>: In the presence of the other predictors, there will be no significant prediction of rural women’s advice on family’s life insurance buying by their understanding of benefits that life insurance can give.
- H<sub>04</sub>: In the presence of the other predictors, there will be no significant prediction of rural women’s advice on family’s life insurance buying by their understanding of protection that life insurance can provide against financial loss due to death.
- H<sub>05</sub>: In the presence of the other predictors, there will be no significant prediction of rural women’s advice on family’s life insurance buying by their understanding of life insurance as a good investment.
- H<sub>06</sub>: In the presence of the other predictors, there will be no significant prediction of rural women’s advice on family’s life insurance buying by their understanding of tax benefits that life insurance can provide.
- H<sub>07</sub>: In the presence of the other predictors, there will be no significant prediction of rural women’s advice on family’s life insurance buying

by their understanding that with increase in earnings, life insurance coverage should increase.

H<sub>08</sub>: In the presence of the other predictors, there will be no significant prediction of rural women's advice on family's life insurance buying by their understanding that with increase number of family members, life insurance coverage should increase.

To test hypotheses mentioned above multiple regression is used. Stepwise method of entry is used for analysis of data. This method analyzes the effect of predictors entered at each step. This provides a better picture of influence of each predictor entered in previous step in presence of new predictor.

Residuals are plotted (Plot 1) so as to ensure normality of residuals. As can be seen from plot 1 residuals are approximately normal with no strong deviations, which is one of the important criteria to run multiple regression, hence researcher can proceed further.



Plot 1

Table 4  
Model Summary<sup>d</sup>

Model	R	R Square	Adjusted R Square
1	.630 <sup>a</sup>	.397	.396
2	.677 <sup>b</sup>	.458	.456
3	.684 <sup>c</sup>	.468	.465

Table 5  
ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	401.960	1	401.960	372.637	.000 <sup>b</sup>
	Residual	610.540	566	1.079		
	Total	1012.500	567			
2	Regression	463.952	2	231.976	238.933	.000 <sup>c</sup>
	Residual	548.548	565	.971		
	Total	1012.500	567			
3	Regression	473.859	3	157.953	165.389	.000 <sup>d</sup>
	Residual	538.641	564	.955		
	Total	1012.500	567			

a. Dependent Variable: D1

a. Predictors: (Constant), ID11

b. Predictors: (Constant), ID11, ID17

c. Predictors: (Constant), ID11, ID17, ID12

**Table 6**  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.852	.117		41.371	.000		
	ID11	-.583	.030	-.630	-19.304	.000	1.000	1.000
2	(Constant)	2.998	.257		11.653	.000		
	ID11	-.539	.029	-.583	-18.478	.000	.965	1.037
	ID17	.463	.058	.252	7.991	.000	.965	1.037
3	(Constant)	2.203	.355		6.206	.000		
	ID11	-.544	.029	-.587	-18.762	.000	.962	1.039
	ID17	.493	.058	.269	8.473	.000	.939	1.065
	ID12	.220	.068	.101	3.221	.001	.968	1.034

a. Dependent Variable: D1

**Table 7**  
**Excluded Variables<sup>a</sup>**

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	ID12	.058 <sup>b</sup>	1.761	.079	.074	.994	1.006	.994
	ID13	.042 <sup>b</sup>	.968	.334	.041	.560	1.785	.560
	ID14	.067 <sup>b</sup>	1.808	.071	.076	.777	1.286	.777
	ID15	.022 <sup>b</sup>	.658	.511	.028	.940	1.064	.940
	ID16	.097 <sup>b</sup>	2.737	.006	.114	.842	1.188	.842
	ID17	.252 <sup>b</sup>	7.991	.000	.319	.965	1.037	.965
	ID18	.096 <sup>b</sup>	2.873	.004	.120	.950	1.052	.950
2	ID12	.101 <sup>c</sup>	3.221	.001	.134	.968	1.034	.939
	ID13	-.033 <sup>c</sup>	-.774	.439	-.033	.532	1.878	.532
	ID14	.051 <sup>c</sup>	1.447	.148	.061	.775	1.291	.762
	ID15	-.042 <sup>c</sup>	-1.271	.204	-.053	.885	1.129	.885
	ID16	.067 <sup>c</sup>	1.991	.047	.084	.831	1.203	.827
	ID18	-.016 <sup>c</sup>	-.442	.658	-.019	.777	1.287	.777
3	ID13	-.026 <sup>d</sup>	-.628	.531	-.026	.531	1.882	.531
	ID14	.039 <sup>d</sup>	1.116	.265	.047	.766	1.306	.756
	ID15	-.036 <sup>d</sup>	-1.106	.269	-.047	.883	1.133	.883
	ID16	.036 <sup>d</sup>	1.026	.305	.043	.746	1.340	.746
	ID18	.000 <sup>d</sup>	-.013	.990	-.001	.763	1.310	.763

a. Dependent Variable: D1

b. Predictors in the Model: (Constant), ID11

c. Predictors in the Model: (Constant), ID11, ID17

d. Predictors in the Model: (Constant), ID11, ID17, ID12



**Variables entered/ removed:** Variables ID11, ID17, ID12 have been entered in the model rest were excluded.

**Interpretation:** First the effect of predictors entered in the model that is ID11, ID17 and ID12 in form of hypotheses  $H_{01}$ ,  $H_{02}$  and  $H_{07}$  are analyzed.

As can be seen from Model Summary (Table 4), the model explains 46.8% of the dependent variable, which is good.

ANOVA (Table 5) explains that the model is significant ( $p < .001$ ).

From the coefficients table (Table 6) we can see that ID11, ID17 and ID12 have significance values ( $p < .05$ ) thus we reject the null hypotheses  $H_{01}$ ,  $H_{02}$  and  $H_{07}$  and accept the alternate hypotheses that are  $H_{a1}$ ,  $H_{a2}$  and  $H_{a7}$ .

To further analyze the effect following regression equation is formed:

$$D1 = 2.203 - .544 * ID11 + .220 * ID12 + .493 * ID17$$

$H_{a1}$ : In the presence of the other predictors, there will be significant prediction of rural women's advice on family's life insurance buying by their understanding that life insurance is necessary.

As can be seen from the equation one unit change in women's advice on need of life insurance will lead to -.544 unit change in family's life insurance buying behavior. It is an interesting outcome as women's advice on the matter will have negative effect on family's life insurance buying.

This is due the fact that irrespective of rural women's life insurance literacy level families do not consider their advice. Patriarchal social structure and lack of education are mostly responsible for this. The more the women advice, the less the family listen to it.

$H_{a2}$ : In the presence of the other predictors, there will be significant prediction of rural women's advice on family's life insurance buying by their understanding of profit that life insurance can give.

$H_{a7}$ : In the presence of the other predictors, there will be significant prediction of rural women's advice on family's life insurance buying by their understanding that with increase in earnings, life insurance coverage should increase.

$H_{a2}$  and  $H_{a7}$  are simultaneously analyzed. Women's advice that life insurance can generate profit and with increase in earnings, life insurance coverage should increase, have significant impact on family's decision making.

This outcome would seem to be contradictory but the actual reason for this phenomenon was uncovered through deep interaction with rural folks, both male and female. As per the interaction the women generally suggest that increased earnings should be used to generate more profits. These suggestions are general and usually encompass all financial aspects including life insurance. Hence, the quantitative outcome is not contradictory but more of a generalized aspect.

From table of excluded variables (Table 7) it can be seen that ID13, ID14, ID15, ID16 and ID18 have no significant ( $p > .05$ ) impact on the dependent variable. Thus, we accept null hypotheses that are  $H_{03}$ ,  $H_{04}$ ,  $H_{05}$ ,  $H_{06}$  and  $H_{08}$ .

$H_{03}$ : In the presence of the other predictors, there will be no significant prediction of rural women's advice on family's life insurance buying by their understanding of benefits that life insurance can give.

$H_{04}$ : In the presence of the other predictors, there will be no significant prediction of rural women's advice on family's life insurance buying by their understanding of protection that life insurance can provide against financial loss due to death.

$H_{05}$ : In the presence of the other predictors, there will be no significant prediction of rural women's advice on family's life insurance buying by their understanding of life insurance as a good investment.

$H_{03}$ ,  $H_{04}$  and  $H_{05}$  are simultaneously analyzed. As women mostly do not have good life insurance literacy and decision making is male dominated, their advice related to life insurance benefits, death benefits and investment options are generally neglected.

$H_{06}$ : In the presence of the other predictors, there will be no significant prediction of rural women's advice on family's life insurance buying by their understanding of tax benefits that life insurance can provide.

Along with the reasons previously mentioned in H<sub>03</sub>, H<sub>04</sub> and H<sub>05</sub>, as per Indian laws farmer (comprising of majority of rural India) and people with annual income less than INR 1.5 lacs (again a majority of rural population) do not have to pay income tax. Due to this reason advice on tax benefits of life insurance holds little importance.

H<sub>08</sub>: In the presence of the other predictors, there will be no significant prediction of rural women's advice on family's life insurance buying by their understanding that with increase number of family members, life insurance coverage should increase.

Along with the reasons previously mentioned in H<sub>03</sub>, H<sub>04</sub> and H<sub>05</sub> rural Indian families are generally joint families with large number of family members with low per capita

income and hence increasing life insurance coverage takes a back seat.

**3. Difference between earning and non-earning women's influence on family's life insurance buying decision making**

To analyze this aspect following hypothesis is formed:

H<sub>09</sub>: there is no significant difference between earning and non-earning rural women's influence on family's life insurance purchase decision.

**Table 8**  
Variable coding for comparison of earning and non-earning women's influence

Variable description	Code
Earning_Non_Earning_Female_Decision	ENE

Independent sample t test is used for this analysis.

**Table 9**  
Group Statistics

	Earn_mem	N	Mean	Std. Deviation	Std. Error Mean
ENE	Yes	296	3.71	1.282	.074
	No	272	3.69	.937	.057

**Table 10**  
Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower		Upper
ENE	Equal variances assumed	38.059	.000	.228	566	.820	.022	.095	-.165	.208
	Equal variances not assumed			.231	539.402	.817	.022	.094	-.162	.206

As can be seen from group statistics table (table 9) it can be seen that the means are almost equal. To further understand this first we check Levene's test for equality of variances (table 10).

As can be seen its significance is less than .001(p<.001) second row is to be used for analysis.

It is clear from the second row (table 10) that the significance is .817, thus we accept null hypothesis that

there is no significant difference between earning and non-earning rural women's influence on family's life insurance purchase decision.

This is due to patriarchal structure of villages financial decisions are dominated by male members and women's role, whether they are earning or non-earning is very limited.

### CONCLUSION

As can be seen from above analysis and discussion rural women's life insurance literacy levels are low and irrespective of whether they are earning or non-earning their influence on families life insurance buying decision is very limited. The major reasons for these phenomena are the patriarchal structure of rural societies in India, along with low financial literacy levels and education of rural women.

These results are similar with the studies conducted by Modi (2013), Unicef (2007), Wang (2010), Mahajan (2013) and many other authors. These authors have studied family's influence on customer's life insurance purchase decision including women's role and have concluded results similar to this research.

### RECOMMENDATIONS

Following recommendations are made based on the conclusion:

- a) Women's participation in family's decision making should be increased. This can be achieved by increasing the level of rural women's education.
- b) Financial literacy programs (including life insurance literacy) should be introduced by the life insurance companies and the government bodies (especially by Insurance Regulatory and Development Authority of India). Education along with financial literacy programs can improve women's self-dependence in financial matters.
- c) Men should be made aware about the importance of women's participation in financial matters.

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