THE INFLUENCE OF LIFE RISK AND PRIORITY ON LIFE INSURANCE TO REACH PROSPEROUS LIVING STANDARD

UNDERGRADUATE THESIS

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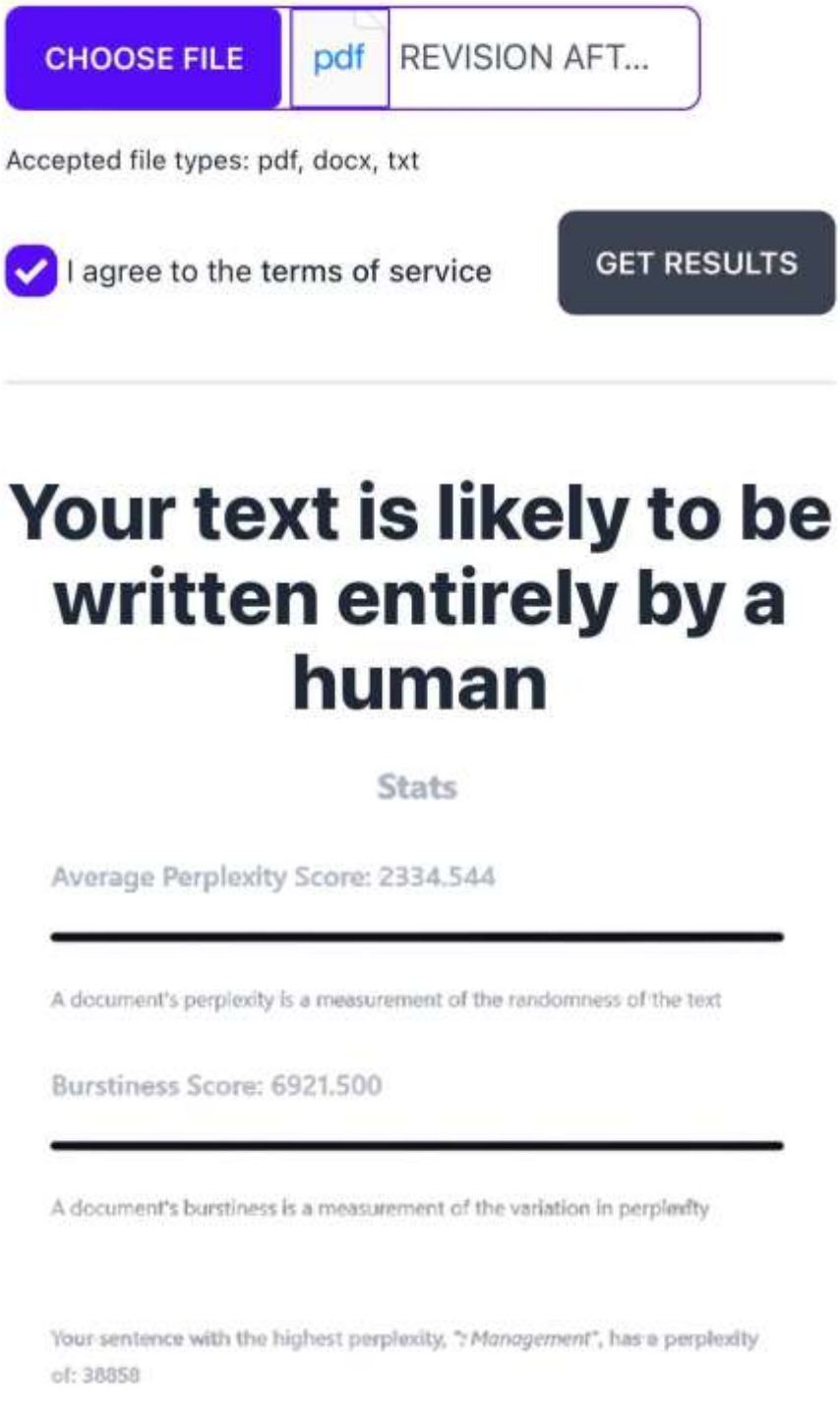
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ABSTRACT

In general, unexpected risks are a part of life, and one of these hazards has an impact on income and how important life insurance is to society as a whole in maintaining the current standard of living. Life insurance protects consumers from unforeseen financial losses brought on by premature death or extended life. this study aims to determine which variables are significantly related to the intention to purchase life insurance products as a tool to obtain a prosperous living standard, by using the variables of life risk and priority as independent variables. This study employed primary quantitative research to collect data through the distribution of questionnaires via social media platforms such as Whatsapp, Line, and Instagram, this research was able to collected 142 qualified participants. According to the findings of this study, one of the five hypotheses provided has no influence on the dependent variable, while the other four hypotheses have an effect. The first independent variable has an effect on the dependent variable, hence the hypothesis Ha1 is partially accepted while the null hypothesis Ho1 is rejected. The second hypothesis is that Ha2 is accepted but Ho2 is rejected, along with the initial variable. Ha3 is accepted whereas Ho3 is denied, while the other two independent variables are also accepted. In the fourth hypothesis, it may be concluded that Ho4 is accepted and Ha4 is rejected since variable X1 has no partial influence on variable Z, with variable Y serving as a moderator. The last hypothesis has been validated by Ha5 and Ho5 has been rejected because variable X2 is simultaneously influenced by variables Z and Y as the the moderator. The conclusion of this study is that the public lacks confidence in life insurance products that can be used as an investment instrument. This may be due to a lack of information or a negative experience with insurance, which may be the result of insurance salespeople who do not provide clear information.

Keyword: Purchase Intention, Life Insurance, Prosperous Living Standard, Life Risk, Priority

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Cikarang, Indonesia, 03rd February 2023

Khesia Deena I. G. Purba

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