

LIFE INSURANCE IN AN EMERGING ECONOMY-THE CASE OF CHINA

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ABSTRACT

Although the insurance industry provides enormous social and economic benefits to society, not many people possess knowledge in insurance. Due to lack of knowledge in insurance the problem raises as confuse in contract, unsatisfied of payout. This study is mainly aimed to provide a better understanding of china life insurance market for individual buyers and identify the future potential growth opportunities for insurance companies.

The level of knowledge is significant to recognize the value of life insurance and it is likely to create demands to purchase life insurance. Therefore, the first objective in this study is to ascertain the relationship among level of life insurance knowledge, level of financial risk tolerance, and level of family protection needs. Other than that, the second objective is to identify the usefulness of insurance website in assist of distributes the insurance information. And the third objective is to identify the most popular type of insurance which china residents are invest in or willing to invest in.

Since most of the data are non-parametric data, the researcher analyzed data by linear regression, chi-square test and kruskal-wallis test. Based on the target population, a sample size of 150 respondents was chosen from China. These 150 sets of questionnaire are distributed to the public to represent the entire target population. Quota sampling and convenient sampling were used in this study.

As the conclusion, level of insurance knowledge, level of financial risk tolerance, and level of family protection needs are interrelated. Apart from that although the current usage of insurance website still relatively low, the future prospect of implement of insurance website are optimism. This is because of the high acceptable level of insurance website by respondents.

Furthermore, the empirical results of this study show that the most popular type of insurance product in China is life related insurance product and it also possess the largest proportions of insurance investment from respondents.