

Factors Effecting on Life Insurance Demand during the Covid-19 Pandemic

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ABSTRACT

Purpose: The covid-19 has been a worldwide pandemic and it needs studies related to the effect of people's demand for insurance during the pandemic which is an important way to transfer risk. And apart from that as an investment method during the pandemic, life insurance plays a vital role. However, there is a lack of research linking covid-19 and people's demand for insurance. Covid-19 has been a worldwide pandemic which will greatly affect people's behaviour. Current studies have examined the impact covid-19 on people's investment consumption and risk-taking behaviour, but there is a lack of research linking covid-19 and people's demand for insurance which is an important way to transfer risk. In this research, I complement the literature by exploring the impact of covid-19 pandemic and with that situation how people demand life insurance policies.

Design/Methodology/Approach: The researcher chose the western province as the population of this research and in this regard, data was collected from life insurance policyholders who live in the three districts which are Colombo, Gampaha and Kalutara district in the western province according to the ratio of population. The data were analyzed by using SPSS software which included statistical tests.

Findings: The study aimed to identify the factors that affect life insurance demand during the covid-19 pandemic by focusing on 04 independent variables; dependency ratio, income, economic condition, and social factors. During the study, the researcher identified the above independent variables have a neutral impact and statistically significant relationship between them.

Originality: This study found and further guides future factors effect for Life Insurance Industry in Sri Lanka during the Covid 19 period and this would be strong output for similar incidents that will happen in future.

Keywords: *Insurance Demand, Covid -19, Economic, Social Factors, the Dependency ratio*