

# MEASURING STUDENTS' KNOWLEDGE LEVEL ABOUT LIFE AND NONLIFE INSURANCE

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**ABSTRACT:** Insurance serves as a contractual arrangement that provides financial protection against potential losses or damage resulting from specific contingencies such as fire, accidents death or disability. This study aimed to assess the knowledge and awareness levels of university students regarding both life insurance and non-life health insurance. Utilizing a random sampling technique, data were collected through the use of a researcher-designed questionnaire specifically designed to assess students' awareness and understanding of insurance. The findings revealed that students possess a moderate level of awareness concerning both life and non-life insurance. These results highlight the necessity for curricular enhancements to better educate students with essential knowledge about insurance in order to ultimately promote informed decision making and financial preparedness. As financial literacy plays a critical role in developing insurance awareness and security, integrating complete insurance education into university programs is imperative for preparing students to navigate their financial futures effectively.

**Keywords:** Life Insurance, Non-Life Insurance, Financial Literacy, Insurance Awareness, Financial Preparedness, Business Education, Student Knowledge

## 1. INTRODUCTION

College students are normally primarily focused on their classes and grades. They believe that having an education can be a ladder towards their dream. To survive some may have part-time jobs simply to support their economic needs. When the covid-19 happened many lives changed. Traditional teaching and learning has been replaced into new normal education. And with that the financial burden became a big challenge to the students since some of them do not have gadgets, stable internet connection and a better learning environment for learning. Moreover many Filipinos of all ages perished with no proper treatment or pleasant burial. Rapid death had always struck with a glimpse of an eye [1]. The COVID-19 Pandemic has raised a lot of attention to the importance of financial preparedness including the need for insurance and other forms of protection [2]. It is important for students to understand the various options available to them so as to make informed decisions about their financial security [3]. In addition, insurance can provide peace of mind to families who are concerned about the financial impact of losing a loved one. Students should be aware of the different types of insurance policies available such as term life insurance whole life insurance, health insurance and non-life insurance [4].

The essence of students' awareness on life insurance and non-life insurance can be significant in several ways. First, when students are aware of the benefits of life insurance and non-life insurance, they are more likely to make informed decisions about purchasing insurance policies. For example, if students understand the importance of having health insurance they may be more likely to enroll in a student-health insurance plan or sign up for coverage under their parents' plan. For example, if they understand the benefits of life insurance and consider purchasing one to protect themselves and their loved ones in case unexpected events occur [5]. Second increased awareness can also lead to greater financial literacy among students. Understanding insurance policies can help students learn about financial planning, budgeting and risk management. By making informed decisions about insurance students can develop financial

habits that will serve them well throughout their lives. Third, increasing awareness of health insurance can have social benefits. For example, if students understand the importance of having health insurance they may be more likely to seek out preventative care and take steps to maintain their health. It may be more beneficial for them to plan for their future and protect their loved ones. The awareness of life insurance and non-life insurance can be significant in terms of financial literacy, decision-making and social well-being. By increasing their knowledge of insurance policies and benefits students can take control of their financial futures [6].

Many college students often overlook the importance of life insurance because they are typically young and healthy and may not yet have families or substantial assets. However there are particular circumstances in which life insurance could be highly beneficial for students. Life insurance should be considered in providing dependents such as children or spouses in the event of an unexpected tragedy. In addition to life insurance students should also be aware of the significance of non-life insurance commonly referred to as general insurance. This category of coverage encompasses a wide range of coverage options designed to protect against various risks, including property damage, theft, liability and personal injury. Non-life insurance policies can include essential protections such as car insurance, home insurance, and travel insurance.

This project aims to address these critical issues by raising awareness among college students about the necessity of life and non-life insurance policies. As educating students on the potential risks they face and the protective measures available to them the project seeks to empower them to make informed decisions regarding their financial security. Learning more about coverage options will help students better prepare for their futures and protect financial well-being. Everyday life is full of uncertainties. There are unexpected things that happen such as an unexpected hospital bill or accidents or property damage that can be draining financially if not prepared. It is hard to cover unexpected expenses and can ruin one's plans especially if one is saving for a purpose. People must understand that insurance can help minimize these financial

damages and can give everyone peace of mind. It gives assurance that whatever happens it can restore or indemnify what did not happen. The protection also provides that any claims are covered by the government insurance.

Today, youth are seeking employment opportunity as an essential goal of society. Educational institutions should equip students with the necessary skills and knowledge to thrive in business world. Establishing an adaptive school environment that is aware of the evolving landscape is crucial. Any such institutions must be capable of making timely decisions and integrating necessary changes into their curricula. The role of a teacher extends beyond mere instruction; they are pivotal in assuring students that they can access valuable information and how to effectively utilize this knowledge to their advantage. This holistic approach not only enhances students' academic experiences but also empower them to navigate the complexities of the modern workforce successfully.

Insurance premiums must be adequately structured to not only cover common losses but also generate a profit comparable to what could be earned from an equivalent investment in any standard business venture. The insurance sector plays a vital role in the overall economy serving as a cornerstone for financial stability and risk management. Insurance companies offer a diverse range of organizations that offer various types such as life insurance products, property insurance policies and auto coverage. By providing these essential services the insurance industry helps individuals and businesses mitigate financial risks ensuring greater security and peace of mind [7].

Being a young adult, they need to be in the know-how that insurance measures safety and hence it is of necessity. Insurance is a measure of safety because it is a kind of cover if something should go wrong. May it be an injured leg, a flooded house, or a damaged vehicle, insurance can help indemnify the costs so that it will not rise quickly. The main issue nowadays is not whether a person is covered by an insurance or not, but it lies more if people have the proper education about the types of insurances and what are suitable to based on their needs. When we talk about financial literacy, it is earlier taught in secondary education and should be given a priority for higher education institutions (Sahu, P., & Singh, R.,2024) [8]. This is very important because it will help prepare the students in handling their finances when they become legally considered adults. For others, buying an insurance policy is scary because it seems that someone is trying to steal your money instead of helping you to earn through interest or investment.

For college students they might have a lot of questions about handling their finances such as financial management, how to spend wisely and save habits insurance plans and means on how to invest and grow money. All people in the world should have a responsibility to manage money well to overcome poverty. As always one must know that having multiple sources of income can help us to live a better life than using only ONE source where it is not enough.

Education plays a crucial role in the insurance sector significantly influencing the demand for different products. A higher level of education often fosters a greater awareness about the importance of financial protection by leading

individuals to seek out insurance options that can safeguard their dependent this increased understanding not only enhances individuals' ability to assess their insurance needs but also encourages them to make informed decisions regarding their insurance coverage[9]. As a result educated consumers are more likely to recognize the value of life insurance and other forms of protection ultimately driving demand within the industry [10].

Budgeting is a skill that everyone should master as it serves as the foundation for managing financial responsibilities including insurance plans. Unfortunately college does not often provide students with the opportunity to become financially-savvy as much of their income is allocated to essential expenses such as textbooks tuition fees, food and housing. It is essential for young people to recognize that effective budgeting requires prioritizing necessities before any discretionary spending. Overspending can quickly lead to financial shortage which can create substantial stress and hinder their ability to meet essential obligations.

Many young individuals today feel hesitant to discuss financial matters due to a lack of education and confidence in this area. This highlights the urgent need for higher education institutions to implement comprehensive financial education programs within their curricula. Such programs should address the financial challenges students face and equip them with knowledge and skills necessary to navigate their futures successfully.

Through fostering financial literacy these programs can prepare students not only for their current needs but also for future responsibilities as adults and potential family providers. Moreover, involving communities stakeholders—such as insurance companies, entrepreneurs and investors—in these educational initiatives can provide students with valuable insights and real-world knowledge about personal finance. This collaborative approach will empower young people with the tools they need to make informed financial decisions and eventually enhance their overall financial well-being [11].

In reality what happens to students is that they are bombarded with lessons and exams so busy that he or she gets too distracted to think on their own first. They are school oriented who have passion for education. However the youth should understand earlier that acquiring financially savvy skills and building good credit scores are very important. It is necessary to the advancement of society hence we must continue to educate students and prepare them for success in the future.

Every day people make different financial decisions such as planning for the future retirement plan, preparation of family budgets, and strategies on how to save money. All these activities and plans need a high level of information in order to get awareness for sound financial decision making. Today students will be customers in a short time in the future. Insurance must be purchased because it is not a type of service and rather it is a policy which cover costs in case of accidents and emergency. It is hoped that awareness of students when it comes to insurance will support the financial system. Financial literacy includes knowledge, learning understanding comprehension selection, commenting making comparisons getting results. [12].

A closer analysis at the personal level reveals that individuals who possess a strong understanding of financial concepts tend to save less and spend more wisely. This increased awareness enables them to manage risk more effectively and enable better financial decisions. On a macroeconomic scale this increased financial literacy contributes significantly to reducing economic fluctuations.

As individuals become more engaged with financial products and services there is a corresponding growth in the development of financial market tools which further accelerates economic development. This dynamic interplay not only enhances individual financial stability but also fosters a more resilient and robust economy overall. By promoting greater financial understanding society can pave the way for sustainable economic growth and stability.

With the expansion and prevalence of the free market economy the importance of financial awareness is rapidly increasing. Fluctuations and crises in the economy and financial markets encourage the use of new financial products every day. The fact that finance is at almost every step of life of individuals makes it necessary to manage their own financial situation. Even individuals with adequate information about the financial system when they face with complex issues in the financial market they still experience difficulties on making good decisions.

Spreading awareness of insurance is arguably important and it is necessary to increase the awareness of the insurance industry. Education begins in the family, in society and continues their education in school. In particular, college education increases the individuals' financial preferences and awareness of those finances. Insurance is one of the important pillars of the financial system. Several countries aim to improve the functioning of insurance systems in order to enable the financial system and eventually will lead to the recovery of economy. A successful functioning of the insurance system can be achieved by increasing the social insurance consciousness and awareness.

**2. MATERIAL AND METHODS**

This study employed a quantitative research methodology to assess the knowledge levels of students regarding various types of insurance. The targeted population comprised students enrolled in business-related courses at the university. This design facilitated the collection of data at a single point in time, allowing for an efficient analysis of students' knowledge levels concerning insurance.

The participants were selected using random sampling techniques to ensure a representative sample of the student population. A total of 61 students from the second to fourth year levels participated in the study. This sample size was deemed sufficient based on guidelines provided by others for determining sample sizes in research[13].

Data were collected through a researcher-developed questionnaire, which was designed to evaluate students' knowledge across two main areas: life and health insurance;

and non-life insurance. The questionnaire consisted of multiple-choice and Likert-scale questions aimed at gauging both awareness and understanding of insurance concepts.

**3. RESULTS AND DISCUSSION**

**Table 1 shows the profile of the respondents in terms of Age**

Age	Frequency	Percentage
18-20	14	23%
21-23	34	56%
24-26	6	10%
27-above	7	11%
<b>Total</b>	61	100%

The data indicates that the majority of respondents fall within the age bracket of 21-23 years. This demographic insight suggests that the study captures a critical age group often facing significant financial decisions, including insurance. Understanding this age group's perspectives is vital, as they are typically transitioning into adulthood and may begin to consider insurance products for personal and familial security.

**Table 2. Profile of the respondents in terms of Gender**

Gender	Frequency	Percentage
Male	11	18%
Female	50	82%
<b>Total</b>	61	100%

Table 2 reveals a predominance of female respondents. This gender disparity is noteworthy, as research indicates that women often exhibit different financial behaviors compared to men, including a greater emphasis on risk management through insurance. The implications of this finding suggest that educational initiatives might need to be tailored to address gender-specific concerns and knowledge gaps in insurance literacy.

**Table 3. Profile of the respondents in terms of Civil Status**

Civil Status	Frequency	Percentage
Single	57	93%
Married	4	7%
<b>Total</b>	61	100%

The results show that most respondents are single, which aligns with the typical demographic profile of college students. This finding is significant as single individuals may perceive less immediate need for certain types of insurance, such as life insurance, compared to those with dependents. However, fostering awareness about the importance of early financial planning and insurance can encourage proactive behaviors among this group.

**Table 4. Profile of the respondents in terms of Course**

Course	Frequency	Percentage
Course A	37	61%
Course B	24	39%
<b>Total</b>	61	100%

Table 4 indicates that students from the Course A program constitute the largest group among respondents. This is particularly relevant as these students are likely to have more exposure to financial concepts, potentially influencing their understanding and attitudes toward insurance products. Their insights could provide a foundational perspective for developing targeted educational programs aimed at enhancing overall financial literacy.

**Table 5. Profile of the respondents in terms of Year Level**

Year Level	Frequency	Percentage
2 <sup>nd</sup> Year	20	33%
3 <sup>rd</sup> Year	26	43%
4 <sup>th</sup> Year	15	25%
<b>Total</b>	61	100%

The data reveals that most respondents are third-year business students. As students progress through their academic careers, their exposure to financial topics typically increases, which may enhance their understanding of insurance concepts. This progression underscores the importance of integrating comprehensive financial education into university curricula to prepare students for real-world financial challenges.

**Table 6. Knowledge level about insurance in the areas of Concept of Insurance**

Indicators	Weighted Mean	Verbal Description
1	3.16	Moderately Aware
2	2.97	Moderately Aware
3	3.08	Moderately Aware
4	3.15	Moderately Aware
5	2.95	Moderately Aware
<b>Average Weighted Mean</b>	3.06	Moderately Aware

The findings indicate a moderate awareness level regarding the concept of insurance, with an average rating of 3.06. While this suggests some understanding, it also highlights a critical area for improvement in educational efforts. The distinction between awareness and comprehension is essential; enhancing students' grasp of fundamental insurance principles can empower them to make informed decisions about their financial futures.

**Table 7. Knowledge level about insurance in the areas of Life and Health Insurance**

Indicators	Weighted Mean	Verbal Description
1	3.30	Very Aware
2	3.07	Moderately Aware
3	2.93	Moderately Aware
4	3.38	Very Aware
5	3.21	Moderately Aware
<b>Average Weighted Mean</b>	3.18	Moderately Aware

Students demonstrated a moderately aware level regarding life and health insurance, with notable areas of strong awareness such as the understanding that individual life insurance pertains to human lives. This reflects an essential recognition of the role health insurance plays in mitigating financial risks associated with healthcare expenses. However, there remains room for improvement in understanding specific types which received a lower awareness rating.

**Table 8. Knowledge level about insurance in the areas of Non-life insurance**

Indicators	Weighted Mean	Verbal Description
1	2.54	Moderately Aware
2	3.03	Moderately Aware
3	2.79	Moderately Aware
4	2.92	Moderately Aware
5	2.85	Moderately Aware
<b>Average Weighted Mean</b>	2.83	Moderately Aware

Legend:

- 1.00 – 1.74 Not Aware
- 1.75 – 2.49 Aware
- 2.50 – 3.24 Moderately Aware
- 3.25 – 4.00 Very Aware

The overall results indicate moderate awareness regarding non-life insurance concepts. This area is critical since non-life insurance encompasses various products that protect against property damage and liability risks—issues increasingly relevant to young adults entering independent living situations. Enhancing knowledge in this domain can significantly impact students' preparedness for unforeseen circumstances. By addressing these gaps in knowledge through targeted educational interventions, universities can foster greater financial literacy among students, ultimately leading to more informed decision-making regarding both life and non-life insurance products.

#### 4. CONCLUSIONS

This study enhances our understanding of university students' knowledge levels regarding various types of insurance, including life, health, and non-life insurance. The findings indicate that while respondents possess a basic understanding of these insurance categories, their overall awareness remains limited. This underscores the need for targeted educational interventions aimed at improving students' knowledge about insurance products. To effectively enhance students' awareness, it is essential to implement comprehensive insurance education programs that focus on the specific features and benefits of different insurance products. Such education will empower students to make informed decisions about which insurance options best suit their needs and those of their families.

As we navigate the recovery period following the pandemic, equipping young individuals with financial literacy skills is crucial. Teaching them how to manage their finances wisely, save, and invest from an early age will prepare them for future financial challenges.

Furthermore, this study provides valuable insights for educators and future researchers in developing curricula that effectively address insurance topics. By integrating practical knowledge about insurance into educational programs, we can better prepare the youth for a financially secure future. Financial literacy is a vital component in increasing awareness of insurance and promoting overall financial security. A solid understanding of the fundamentals of insurance—such as the various types of coverage available and the risks they mitigate—enables individuals and businesses to make informed choices regarding their insurance needs. By fostering this understanding, we can help reduce financial stress and enhance peace of mind, ultimately leading to improved financial outcomes.

To further promote financial literacy, collaboration between insurance companies and government entities is essential. By providing accessible educational resources and programs, these organizations can help individuals and businesses grasp the importance of insurance and its benefits. Such initiatives are critical in raising awareness about insurance and enhancing financial literacy, contributing to a more resilient and financially secure society.

In summary, increasing financial literacy is fundamental to elevating insurance awareness and improving financial security. This effort is not only vital for individual well-being but also serves as a crucial step toward fostering long-term financial stability for businesses and society as a whole.

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