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**FACTORS AFFECTING THE SUCCESSFUL UPTAKE OF LIFE
INSURANCE IN CAMEROON**

Zenithe Insurance Company, Buea, Cameroon

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ABSTRACT

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<p>Life insurance in Cameroon plays a vital role in the developments of an economy by providing life insurance protection in case of death and collecting funds from the general public and investing them in the transport, agricultural and other sectors of activities in the economy. This helps to secure the future of a society by providing benefits to consumers, manufacturers and insurance stakeholders as well. Life insurance in Cameroon passes across every sector of the economy of privileged and less privileged, self-employed, agricultural and the industrial labor market etc.</p> <p>Although the importance of life insurance outstands the disadvantages, the penetration is still about 1.5% in Cameroon, which is quite low as compared to developed countries.</p> <p>This study is desired to set up factors affecting the successful uptake of life insurance in Cameroon and recommends actions to be taken. Most of the problems affecting the fast growth of life insurance companies in Cameroon are because of high cost of premiums, poor integrity, lack of disposable income, lack of country wide presence, poor customers, inefficiency in settling claims and poor distribution channels.</p>		
Key words Insured, insurer, premium, riders, term life insurance, underwriting, whole life insurance.		

ABSTRACT**CONTENTS**

1 INTRODUCTION.....	1
2 THEORIES AFFECTING THE SUCCESSFUL UPTAKE OF LIFE INSURANCE.....	4
2.1 Reviews of related literature.....	4
2.2 The concept of life insurance.....	6
2.2.1 The principle of insurable interest.....	7
2.2.2 The principle of utmost good faith.....	7
3 OVERVIEW OF LIFE INSURANCE.....	9
3.1 Life insurance underwriting.....	9
3.2 Life insurance underwriting.....	9
3.3 Type of life insurance.....	10
3.3.1 Term life insurance.....	10
3.3.2 whole life insurance.....	11
3.3.3 Universal or adjustable life insurance.....	12
3.4 Principal contingencies of life insurance.....	13
3.4.1 Death.....	13
3.4.2 Surviving too long.....	13
3.4.3 Disability.....	14
3.5 Pricing of life insurance products.....	14
4 PRESENTATION OF CASE COMPANY.....	17
5 DATA PRESENTATION, ANALYSIS OF RESULT AND DISCUSSION.....	19
5.1 Analysis discussion of result and descriptive interpretation.....	23
5.1.1 Have you heard about life insurance before?.....	24
5.1.2 Do you have an insurance coverage?.....	24
5.1.3 Is there enough publicity as concern life insurance business in Cameroon?.....	24
5.1.4 Does the public perception about life insurance companies affect the image of life insurance business in Cameroon?.....	24
5.1.5 what do you think about life insurance companies(business) in Cameroon?.....	25
5.1.6 Are there factors that can help boost the life insurance company's image in Cameroon?.....	25
5.1.7 Does the cost of premium affect the uptake of life Insurance.....	26
6 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION.....	27
REFERENCES.....	29
APPENDIX	
TABLES	
TABLE 1. Have you heard about life insurance before?.....	19
TABLE 2. Do you have a life insurance coverage?.....	20
TABLE 3. Is there enough publicity about life insurance businesses in Cameroon?.....	20

TABLE 4. Does the public perception about life insurance companies affect the image of life insurance business in Cameroon?.....	21
TABLE 5. what do you think about life insurance companies(business) in Cameroon?.....	21
TABLE 6. Are there factors that can help boost the life insurance company's image in Cameroon?.....	22
TABLE 7: Does the cost of premium affect the uptake of life Insurance.....	23

1 INTRODUCTION

Death is certain, and this certainty is a matter of concern to human beings. No one knows the length of their life span or the sudden risks after they are gone. Due to these circumstances, private insurance companies or the state came in place to provide financial security to customers to their dependents when they are no more (Mark 2002). Life insurance is an agreement or a contract between an insurer and insured, where the insurer promises to compensate financially the beneficiaries of the insured a specific sum of money as stated in the contract upon the death of the insured person. An insured becomes covered only after the payment of the premium specified in the contract. This premium can either be paid regularly or as a lump sum depending on the insured person.

An insured can also have his or her funeral expenses taken care of by the insurer as one of their other benefits. Life insurance falls between two major categories; protection policies (benefit) and investment policies (whole life, universal life insurance and variable life policies). Life insurance today has some affiliation with asset management, but insurers have not limited themselves with what they have, but rather they have expanded their market products into retirement products such as annuities.

Today, the world is surrounded by risks which can't be predicted but are bound to occur. Cameroon is a less developed country which intends to become an emerging country in 2035. For this reason, security and safety measures need to be taken in order to meet up with the emergence.

Looking at the emergence in 2035, the penetration of life insurance in Cameroon is very low. This turns to trigger my attention to research more on the factors which have caused this low penetration which stands at about 1.5%, and the measures to be taken to enhance the penetration which will contribute to the economy to meet up with her dream in 2035.

An early life insurance can be seen in ancient Rome where costs of funeral expenses of members were covered and financial aid given to the survivors (Burial clubs). The Amicable Society for a Perpetual Assurance office was the first life insurance company to offer life insurance coverage, which was founded by William Talbot and Sir Thomas Allen in London in 1706. An annual payment per share on one to three shares was made by each member with respect to age. A percentage of the amicable contribution was shared to every wife and children of the deceased members at the end of the year in line with the number of shares the heirs owned. The first life insurance table was written in 1693 by Edmund

Halley but it was only in the 1950s that the necessary mathematic and statistical tools were put in place for the development of modern life insurance (Alborn 2009).

It was only in 1762 where an Equitable Assurances society on lives and survivorship was put in place by his followers which laid a framework for insurance scientific practice and the modernization of life insurance. It was the world's first mutual insurer on the rate of mortality.

Insurance is one of the key sectors in today's business. But life insurance play an important role in the competitive economy of the world (Bull 2009) .There are several factors which have led to the low penetration of the successful uptake of life insurance in Cameroon (Yaari 2009); the lack of disposable income where people live below one dollar a day, inefficiency in settling claims, poor distribution channels, and in a country where more than half of the population live below the line of poverty, it makes it difficult for them to think about future security against future risk. This triggered my attention to derive the various questions to obtain information:

Have you heard about life insurance before?

Do you have life insurance coverage?

Is there enough publicity as concerns life insurance business in Cameroon?

Does the public perception about life insurance companies affect the image of life insurance business in Cameroon?

What do you think about life insurance business in Cameroon?

Are there factors that can boost life insurance company's image in Cameroon?

The aim of this study is to find the correlation between life insurance companies and the general public and why most Cameroonians don't have a life insurance coverage and seek to establish factors affecting the penetration in Cameroon as in the case of Zenith Insurance. Insurance plays a vital role in the emerging of an economy. This becomes problematic when this sector of the economy is neglected due to so many factors affecting its penetration.

Both quantitative and qualitative method of research were used. An in-depth interview was carried out with the managers of Zenithe and Beneficiary life insurance on issues affecting life insurance penetration in Cameroon and the public perception about life insurance business in Cameroon. In addition, I also carried out some questionnaire surveys with the general public.

The objective of this thesis is to derive factors which can lead to the successful uptake of life insurance in Cameroon, to find out the various products consumed by the general public, to know about the public perception about life insurance business in Cameroon and to create awareness about life insurance business in Cameroon.

Due to the nature of Cameroon as a third world country, obtaining information from the public was troublesome because of the absence of modern technologies. This made my work to difficult.

2 THEORIES AFFECTING THE SUCCESSFUL UPTAKE OF LIFE INSURANCE

Due to the economy nature of Cameroon, majority of the population thinks that obtaining a life insurance is solely meant for the rich, without them knowing that life insurance purpose is to provide financial protection to surviving benefactor(s) after the death of the insured person. Many factors have led to low penetration. According to Klynveld (2004) report, there are many variables influencing the successful uptake of life insurance. This chapter is going to be talking about the different research made by authors leading to the low penetration of life insurance (reviews of related literature) and the concept of life insurance.

2.1 Reviews of related literature

Creating loyal customers is at the heart of every organization, because are always regarded as king both in the present and in the future of every business (Kotler & Armstrong 2010, 161). The authors proposed a modern customer oriented organizational chart which opposed the traditional organizational chart. The authors explained that the modern customer oriented organizational charted is inverted, placing the customer at the top, next by frontline people who meets customers and then the middle managers who support the frontline people. At the bottom, is the top-level management who oversee hiring and supporting frontline line managers. While the traditional chart places the president at the top, followed by the middle management, frontline people and the customer and the customer at the base. Life insurance companies have mostly been operating under the traditional organizational chart, thereby eliminating customers' value which has triggered the slow growth of this sector in Cameroon. Kaguma (2011) stipulated that growing, keeping and creating loyal customer will make a business succeed and customers values should be at the heart of every business.

Shriskrishna (2009, 6) stipulated that according to Maslow's needs, human beings will seek for protection need after obtaining the basic psychological need and this protection can include insurance coverage for due to uncertainty. But obtaining this protection in developing countries has become problematic.

According to Salami (1996, 27-28) poor premium pricing and poor marketing relationship by life policy operators has caused existing customers to allow their policies to lapse.

Life Insurance Marketing and Association (2011) explain two factors which has led to the unsuccessful penetration of life insurance in developing countries. Agency model distribution of life insurance has led to the erosion of customer's confidence because many agents have time to time mis-informed the customers about what entitles their products thereby leading to a bridge in the principle of utmost good faith. Agents have also misused customer's premiums by diverting it for their personal use. This have brought a lot of negative thoughts in the minds of customers (insured person) to deal with agents who represents the insurance companies, thereby leading to a low penetration of life insurance in developing countries. Referral value is one of the most values a customer can bring for a business which will lead to it expansion. But according to Life Insurance Marketing and Association (2011) this value is lacking in developing countries such as Cameroon. When an insured faces a lost insurance, companies have been slow in claim processing due to a lot of bureaucratic management claims process. Waiting for long by an insured or a benefactor to be indemnified or compensated will cause them to be skeptical about the insurance company which might lead to a decrease in referral values.

The correlation between life insurance demand and insurance has been studied in the past by many authors. However, it is difficult to examine the price of insurance (Ward & Zurbruegg 2002; Outreville 1996; Hwang & Geenford 2005; Savvides 2006). The discovery of these research studies defines that there is a positive relationship between the price of insurance and life insurance demand (Ward & Zurbruegg 2002).

Organization performance also plays a vital role in the successful uptake of life insurance business in Cameroon. For a business to expand internally, externally and placing customer's values at heart, it must be able to convert its inputs into outputs, meet up its long- and short-term objectives. According to Chen, Tsui & Farh (2002) organizational performance is all about transforming inputs into outputs to meet up organizational goals. From a broad base, organizational performance is all about efficiency and effectiveness.

Beck & Webb (2003), made a research on 68 countries, while paying attention to questions on life insurance consumption variance in different countries. They used four measures on the consumption of life insurance and incorporated various economic, institutional and demographic factors in their research. They found out that countries where there was high income level per capita, with more developed banking sector, and lower rate of inflation, tends to purchase large amount of life insurance coverage. Furthermore, the consumption of life insurance is seen to be influenced positively by the rate of private

savings and real interest rate. Demographic factors such as life expectancy, education, dependency ratio of the young appear not to have any boost on the consumption of life insurance. Beck and Webb (2003) following Outreville (1996, 263-278.) also highlighted the role of price stability and financial development in the country's insurance market.

Outreville (1996) made a study on 48 developing countries and gave the facts that the country's financial development influences the successful demand of life insurance and found significantly the positive direct relationship between financial development and the purchase of life insurance. Lewis (1989, 452-467) supported the findings as he shown a direct relationship between income level and life insurance. When people have high income, they will have enough money to save (disposable income). When people have enough money to save, there is high probability that other sectors of business such as life insurance business are going to grow.

Winer (1986) examined the nature of effects of price reference on brand choice through a linear probability model whereby the brand purchase probability was the observed price function and the contrast between the observed price and the reference price. He realized that the predicted model of purchase probability was better than the standard demand models which included only the observed prices brand. Kalwani, Yim, & Rinnead (1992) also carried out a laboratory experiment to illustrate judgement and customers brand choice mediated through customers' expectations price for a brand. This showed that the expectations of customers were formed based on brand past prices, situational factors and customer's characteristics.

2.2 The concept of life insurance

Life insurance coverage serves two major purposes. Firstly, to replace the insured's income if he or she dies, and to qualify the insured for favorable tax treatment. A policy holder purchases an insurance cover from an insurance company and promises to pay a specific regular some money (premiums) for the term or duration of the insurance policy. If the insured dies before the duration of his or her policy is completed, a guaranteed sum of money stated and signed in the contract between the policy holder and the insured, is be given to one or more named beneficiaries stated in the contract. But if the insured person survives the term or the duration of the policy (depending on the type of policy), the insurance company will give the insured the full or part of the amount of the policy depending on the contract.

In every economy, investment is necessary for development which is made out from savings. A life insurance company is an important player in the mobilization of people's savings, especially from the lower- and middle-income group level. This re-directs these savings to enhance economic growth through investment. In respect to the insurance act provisions, these investments are invested in safe areas like the purchasing of governments bonds, reputable companies with records of profits etc.

The improvement of life insurance uptake in Cameroon will lead to a decrease in the number of jobless Cameroonians, thereby leading to increase in economy activity in the country and will also lead to an expansion in the life insurance companies which might trigger lower premium.

The concept of life insurance embodies life insurance principles; the principle of insurable interest, the principle of utmost good faith, not a contract of indemnity etc.

2.2.1 The insurable interest principle

An insured person must have or show an insurable interest in the life he or she wants to insure. An individual has an insurable interest only if his or her death will lead to a financial loss or hardships of his family members or beneficiary(s). This principle is an essential requirement for issuing a life insurance policy, which makes the event legal and valid. People not subjected to financial loss do not have an insurable interest in what they want to insure, which may lead to the cancellation of the policy. The principle of insurable interest can be seen in the following situations:

An individual having an unlimited insurable interest in his or her life.

A creditor who have an interest of insurability in the life of his debtor(s).

An individual having an insurable interest in the life of his or her partner or spouse.

2.2.2 The principle of utmost good faith

Life insurance is a contract of utmost good faith. The insurer must be willing and ready to disclose every information concerning the contract and the life insurance insured wants to undertake. Likewise, the insured need to be truthful to disclose all the relevant information the insurer needs in order to make the contract valid and legal.

A policy will be null and void if within 2 years of the commencement of the insurance policy the insurer gets to know that there has been some misrepresentation of material facts or non-disclosure of vital information.

Life insurance is not a contract of indemnity. An insurance company cannot resurrect a death person. This therefore makes it impossible for an insurance company to restore the insured back to his or her original position. An insurance company can only indemnify an insured when he or she dies by compensating the beneficiary(s) named on the contract by given a designated some of money agreed on the contract between the two parties.

3 OVERVIEW OF LIFE INSURANCE

Unlike any other form of insurance, life insurance differs, and it is available in several form and can be used for different purposes depending on the intentions of the insured persons stipulated in the contract during underwriting.

3.1 Why you need a life insurance coverage

Life insurance provides a lot of benefits to an insured to his or her beneficiary(s), by providing money that can be used for any purpose. Some of the uses include: Sustaining and maintain a family business, payment of a funeral cost, protecting and securing a partner or spouse standard of living, providing a lifetime of annuity payments, payment of estate tax.

Base on the specification of the policy, the death benefit can be taken by the beneficiary as a lump sum or as a series of annuity payments for a specified duration or for the beneficiary's lifetime. Many people don't know that when buying a life insurance coverage, there are some specific situation where the policy doesn't compensate the benefits. They include;

- Suicide
- Health related issues
- Dangerous activities like skydiving, riding a motorcycle
- Act of war
- Illegal activities
- Fraud.

3.2 Life insurance underwriting

Life insurance begins when an individual fill's out an application form. This application form collects every piece of information about you, your lifestyle, your medical and family history and risk factors that can apply to you. This information is being collected and assessed by the insurer to know your life expectancy through an underwriting process. The underwriting will judge the likelihood and the frequency of dying during the period of the insurance coverage and the premium the insured needs to pay.

In the underwriting process, the first step for the insurer is to check the quality of the application by making sure it is complete and contains the correct information. Sometimes the insurer may require some information through conversation to fill in some information. If the application checks out, a paramedic will be dispatched to your home by the insurer for a short, a physical free exam and collection of fluid (urine and blood). Basic measurements including height, weight, blood pressure and pulse will be taken by the paramedic.

Physician's statement will be asked by the insurer from your physician such as your medical history summary, which includes any condition treated, your symptoms and prognosis if any red flag arises. Your medical records might be checked by the underwriter from the medical information bureau for medical data for the consistency between current application and the previous ones (Sahoo & Das 2009, 341-342). For the underwriter to issue you the final rating before granting you the policy coverage and the amount of premiums, your driving records, drugs prescription and creditworthiness will be verified by the underwriter.

3.3 Types of life insurance

There exist several different types of life insurance policies, but your goals and need will determine which type of life insurance coverage you will like to choose. Due to the nature of the thesis, the research will focus on three main types of life insurance policies:

3.3.1 Term life insurance

This is the least expensive type of life insurance coverage, which is valid for a specified period such as 5, 10 or 20 years. The premiums for this insurance coverage remain constant for the duration of the coverage although the death benefit decreases each year for some policies (Shrikrishna 2009, 5). Once the term life expires, the term can be renewed for another term by the policyholder or allow the policy to terminate. Some policies give you the option at the end of the term to convert the term life coverage to other form of life insurance coverage such as permanent coverage without undergoing through a new underwriting.

Typically, the death benefits are usually paid in lump sum for a term life policy. This type of insurance cover has no surrender value and no investment element (Sahoo & Das 2009, 101-102). There exist three types of term life insurance; Level term or level premium policy which provides the policyholder with a coverage for a specific period of range from 10 to 30 years and have a fixed death benefit. Yearly renewable term (YRT) policies which can renew every year without providing evidence of insurability each year. Basically, the premiums are low, but as the insured age increases, the premium also increases. Even though there is no specified term duration, the policy is not an attractive choice for many because the premiums become prohibitively expensive as the insured ages.

Decreasing term policies is a renewable term which provides the policyholder with a fixed premium for the duration of the term and the death benefits declines yearly according to the predetermined schedule. The term ranges from 1 to 30 years. It is mostly used for personal asset protection and in a partnership business in case a partner die. The death benefits can be used to continue the operation of the business.

3.3.2 Whole life insurance

Whole life insurance which is also called straight or ordinary life is a policy which remains in action or force during the lifetime of the insured upon the payment of the required premiums. The premium of a whole life insurance is typically much higher that of a term life. As a life insurance policy, the insurer will pay the death benefits if only the terms of contract are been met by the insured. Unlike term life insurance where there is a fixed premium for a limited term, whole life insurance premiums are fixed and do not increase as the policyholder ages (Shriskrishna 2009, 16). Except for a limited policy which may be paid up for a period of 10 years, 20 years, or at the age of 65, premiums are usually paid until death by the insured party. Whole life insurance also forms part of the cash value policy (surrender value or cash surrender value) of an insurance contract.

Cash value is the amount issued to the policyholder by the insurer upon the cancellation of their contract. For an insured to receive a cash value, he or she must surrender their future right benefits states in the policy. Depending on the contract, a cash value can be use in several different forms by the insured; the insured can use the cash value as a collateral on loan or allow his money to be use for investment purposes by the insurance company and receive interest in return.

A whole life policy is said to be mature at the age of 100 or at the death of the policyowner. When a policyholder lives more than the stated maturity age, it becomes a matured endowment. And he or she will receive the face amount in cash in that event. In 2009, the modern life maturity age of a whole life policy was increased to 120 years. The interest rate charged by the insurer for participating for a whole life participation, the dividend each year is often lesser especially after 10 to 15 years. With this dividend, the policyowner can use it to pay off his or her loan. The insured will be subjected to tax as growth on investment if any loans received above the paid cumulative premiums value if the policy is cancelled before death (Sahoo & Das 2009, 103).

Generally, life insurance is usually free from taxes, but the same is not true for estate tax. Life insurance in the US is part of person's taxable estate.

3.3.3 Universal or adjustable life insurance

This type of insurance is more flexible than whole life insurance (Sahoo & Das 2009, 105-106). One can increase the death benefits upon the successful passing of a medical examination. Universal insurance is an element of saving investments and low premiums (Baldwin 2002). Most policies in a universal or adjustable life insurance premiums has a flexible option which can either be paid in a lump-sum or on a scheduled fixed premium. Universal insurance is made up of two components: cash value (saving component) and a cost of insurance (COI).

Cost of insurance is the minimum required amount of premium payment necessary to maintain an active policy which consist of several items put together; administration policy, mortality charges and other direct expenses necessary in keeping the policy active. Cost of insurance policies varies based on the insurability, the age of the policyholder, and the amount of risk insured.

Much like a saving account, cash value can also be accumulated in a universal life insurance and earns interest base on the market situation or minimum interest rate. A policyholder can have access to a portion of the cash value as it accumulates, with affecting the guaranteed death benefits.

3.4 Principal contingencies of life insurance

Life insurance is a contingency which provides financial cover and a specific amount for an insured in case he or she dies during the term of the policy or becomes disabled due to accident. There are some basic principal contingencies provided by the insurer upon which different categories are provided.

3.4.1 Death

In every life insurance policy, the first thing is about death which makes it the first contingency life insurance product. Death is certain but the likelihood of occurrence is uncertain. Life insurance provides funds to take care of the insured's family upon his or her untimely death.

Such untimely death of the bread winner creates financial loss to the family to compromise on their living standard. Death benefits is excellent means of surviving the family which is been paid few days after claims are made.

3.4.2 Surviving too long

This is the second important contingency of life insurance product. It is a fact that the mortality rate in the world is decreasing due to increase in research, technology and medications. This contingency must be predicted to take care of the spouse and post retirements needs because surviving too long and finding the assets meant for surviving to be consume by medical expenses due to age and self-maintenance.

With annuity plans, this will help elder persons to care of their expenses by giving them income and deferral taxes if the annuitant is still alive. There is also an option available to the beneficiary(s) if the annuitant dies by giving them back the purchase price. This amount can be used to support the bread winner's family, spouse or heritors.

3.4.3 Disability

Unlike death, becoming disable is also a possibility. But it is very disadvantageous because it does not only limit one from partial or total earnings, rather it turns to be burden in one's life because it entails additional cost into the person's life such as; rehabilitative cost, therapy, medical expenses etc. Nowadays, the rate of disability has increased due to chronic diseases, AIDS etc. so, the need to cover this contingency is greater than ever.

The disability life insurance cover does not only provide treatment for the disabled insured individual, but rather, it also serves as a means of surviving the family most especially if the disabled insured person was the bread winner, by providing monthly indemnity compensation as per the conditions of the policy and waiving of premium during any disability period.

3.5 Pricing of life insurance products

During the period of the time preceding when business of promotion and selling of product is laid, the inconsistent factors were considered (Kotler 2003). The amount of money expected on the death of an insured person is made up of the amount of the person who compiles and analyse statistics in order to calculate insurance risk and premium and an increase in insurance premium due to a factor increasing the risk involved. The amount of money expected from the death of an insured person is the payment amount from the insuring course (Hofmann 2009). The increase insurance premium due to the increasing risk of a course amount paid for the contract comprised of a thing that forms a barrier between adversaries, a compulsory contribution to the state revenue and all the expenses involved in the conditions of the insurance coverage (Vate & Dror 2002).

According to Churchill (2006), low income earners are living in surrounding open to serious and immediate danger such as sickness, death from accidents, physical or mental condition that limit the movement of a person's senses or activities, theft or fire, natural and manmade disasters. These poor individuals are disregarded by commercial mainstream and insurance social schemes plan which prevents them to have access to appropriate insurance products. As stated by the United Nation Development programs (UNDP), an individual who earns below \$2 is a low-income earner. Although, poor household often have an informal means on how to manage their risk, informal strategies always provide insufficient

protection required by the individuals against any unforeseen circumstances (Churchill 2006). According to Geron (2006), the only way to solve this risk is to purchase a life insurance coverage that can mitigate this risk. In order to manage this risk, the price of insurance should be reasonable, less expensive and affordable to low income earners. This will lead to the successful penetration of life insurance in Cameroon.

The correlation between life insurance and price of insurance needs has been studied by many authors, however, in most of the studies, customized nature of policies makes it difficult to have a price indicator of life insurance (Outreville 1996; Ward and Zurbruegg 2002; Hwang & Greenford 2005; Savvides, 2006). The conclusion of these findings shows that insurance has a positive relationship with the demand of life insurance (Ward & Zurbruegg 2002; Outreville 1996).

According to Hwang & Greenford (2005), the variable insurance price is positive and insignificant in the model of fixed effects and is found negatively and statistically insignificant in the cross-sectional mode pooled. This is because of longer life expectancy which is used to replace the price of insurance and has a positive connection with the demand life insurance which leads to the reduction of insurance prices, which therefore will encourage more uptake of life insurance (Outreville 1996). The researcher proposed that the smaller the insurance the higher the life insurance demanded (Hwang and Greenford 2005). Other experimental outcomes displayed a negative connection between the expected the price of insurance and life insurance demand (Outreville 1990; Brown & Kim 1993). Meanwhile other researchers stood for the fact that price does not affect the demand of life insurance (Sen & Madheswaran 2007).

Several researches have been carried out on the successful uptake of life insurance. Ahmad, Juliana, Mohd and Wan (2012) realized a research in Malaysia. They noticed the demand for life insurance was affected by the price of life insurance. They also noticed that individuals turn to substitute life insurance as income increases. But they didn't show how promotional sales has an influence in life insurance demand. Brown & Kim (1993) study on life insurance shows that life insurance demand is been affected by the cost of insurance.

Otieno (2012) found that insurance premium was very costly for lower income earners. This made the general public be afraid of life insurance coverage premiums because they saw it to be very expensive and unaffordable. Kamau (2013) research shows that the main cause of low penetration of life insurance in Kenya is as a result of the expensive insurance cost. Dowd (2007) showed a positive view on the point that insurers need to grant a flexible means for the payment of insurance premiums which will aid to

attract potential customers. But they failed to present how promotional sales and potential customers income affect the successful penetration of life insurance. Makau (2008) showed that reasonable price is a vital influence in promoting the progress of life insurance and it should be considerable and reasonably priced for clients to get the greatest amount coverage. He also showed how promotional sales of life insurance business will lead to a positive enhancement of life insurance business.

4 PRESENTATION OF CASE COMPANY

Zenithe Insurance is an insurance and reinsurance company operating in the Cameroonian market and will be functioning in the sub-regions soon. In 2005, the company was created by a group of Cameroonian investors who believe in the future sustainability and development of their country, with the intention of contributing to her economic growth.

The company started with an initial capital of 500 million CFA. This amount has significantly grown to 3 billion CFA. They started in one office in Douala, which today stands as the head office. In 2006, it opened its doors to other part of the country.

In 2009, when its capital increased to 1 billion CFA, Zenithe insurance opened branch offices in all the regions of Cameroon. And today, they have 18 branches across Cameroon with non-life insurance which operates in a wide variety of products which range from their traditional to their core products which involves; Zenithe Auto Prestige, Family Welfare, Zenithe insurance construction, Zenithe air ambulance and credit surety bonds.

In the past ten years, they have achieved a combine turnover of 33 billion CFA. This figure represents the confidence and the trusteeship invested by customers to the company, and with a 30 billion paid claims. Furthermore, the company's national economy contribution in various asset is around 18 billion with wages and other benefits not included.

The company is widely covered in Cameroon with 12 desk offices and 8 general agents. The company affiliates with some selected brokers in the country which include; Progress Alliance, Royal agency, Us meilleurs, Agent General Noutong, Agent General Madone and Agent General Glornum Dei.

In October 2011, Zenithe Insurance Company was accredited with an ISO certification, as a proof of excellence, aimed at the permanent mastery and continued improvement of its products through the respect and strict implementation of management procedures.

The company is well interconnected with a VPN system put in place to place their customers at a very high esteem by making sure that promptness, consistency, efficiency and reliability is been attain by their customers at given time and place and the company is very demanding when it comes to employees'

profiles to enable effectiveness and efficiency. The company workforce currently consists of 124 employees including about 45% of senior staff (Zenithe Insurance).

The quality approach is the major pillar for the development strategy of Zenith insurance. Its implementation enables the company to develop and create the following (Zenithe Insurance):

- A responsible behavior of partners and staff members activities directed toward customer's satisfaction
- Increase skills and easy accessibility to employment
- Working in accordance with obligations, rules and regulations requirements

These approaches circulate around three objectives;

- The consistence satisfaction of customers, staffs, shareholders and partners.
- Continuous hunt for efficiency and effectiveness, while taking the external socio-economic environment into consideration.
- The renewal of multi-site certificate following the ISO 90001-2015 and referral to the ISO 26000 and 27000 standards.

The lines to follow these objectives boil down to;

- Anticipation
- Innovation
- Implementation.

5 DATA PRESENTATION, ANALYSIS OF RESULT AND DISCUSSION

This chapter comprises of the presentation and the interpretation of the analysis of result carried out from the field. The study shows respondents information, and analysis findings based on the study objectivity. Data presentation and analysis begins the moment when the researcher's data conducted from the field has been gathered. These data are responses in the questionnaire which represents the respondent's opinions and views on a broad range of issues.

A raw data collected by a researcher by any method employed will remain useless and unworthy for the purpose for which it was intended, unless it is been presented and analyzed. In other words, without the data been analyze, the researched data will be meaningless in assisting the researcher's questions. For the researcher's data to be useful, it must be presented and analyzed to fulfill its intended purpose. The data will be interpreted after the analysis.

Data was collected using questionnaires and was sampled in the town of Buea in 2019. These questionnaires contained closed and open-ended questions, sampled at random in the public with a correspondent size of 50.

TABLE 1. Have you heard about life insurance before? (n = 50)

Response	Number of responses	Percentage (%)
Yes	42	84
No	8	16
Total	50	100

From the table above, 50 people were sampled, and it shows 42 persons have heard about life insurance before, making it a percentage of 84%. While 8 persons have never heard about life insurance before, making it a percentage of 16%. The objective of this research question is to create awareness about life insurance business and organization in Cameroon.

TABLE 2. Do you have a life insurance coverage?

Response	Number of responses	Percentage (%)
Yes	5	10
No	45	90
Total	50	100

From the table above, it shows 45 respondents don't have a life insurance coverage, which amounts to 90% of the sample size. While 5 respondents said they have a life insurance coverage, which amounts to 10% of the sample size. The objective of this was to know if the various products of life insurance are consumed by the public.

TABLE 3. Is there enough publicity about life insurance businesses in Cameroon?

Response	Number of responses	Percentage (%)
Yes	10	20
No	35	70
No idea	5	10
Total	50	100

From the above table, 10 respondents said there is enough publicity when it comes to advertising life insurance in Cameroon, giving them a total percentage of 20. While 35 respondents said there is not enough publicity about life insurance businesses in Cameroon, making it a percentage of 70. Furthermore, 5 respondents gave their opinions that they don't have any idea about life insurance publicity and advertisement in Cameroon. The objective of this research was to present factors affecting the successful penetration of life insurance products in Cameroon.

TABLE 4. Does the public perception about life insurance companies affect the image of life insurance business in Cameroon?

Response	Number of responses	Percentage (%)
Yes	37	74
No	9	18
No idea	4	8
Total	50	100

From the table above, 37 persons said Yes, the public perception about insurance companies do affect life insurance business in Cameroon, giving them a percentage of 74. While 9 respondents said No, the public perception about life insurance companies does not affect life insurance business in Cameroon, which gave them a percentage of 18. Moreover, 4 (8%) respondents said they have no idea if the public perception about life insurance companies affects insurance business. The objective was to identify public perception about insurance companies in Cameroon.

TABLE 5. What do you think about life insurance companies(business) in Cameroon?

Response	Number of responses	Percentage (%)
Good	8	16
Bad	37	74
No idea	5	10
Total	50	100

From the table above, 8 persons said life insurance business in Cameroon is GOOD, giving a percentage of 16%. And 37 persons said life insurance business in Cameroon is BAD, making a percentage of 74%.

Meanwhile, 5 persons had no idea if life insurance business in Cameroon is either bad or good, making a percentage of 10%. The objective of this research question was to identify the various challenges and problems faced by life insurance companies in Cameroon.

TABLE 6. Are there factors that can help boost the life insurance company's image in Cameroon?

Response	Number of responses	Percentage (%)	Reasons
Yes	46	92	<ul style="list-style-type: none"> -Train professionals - Employed workers with insurance knowledge - Organize seminars to educate the public about life insurance existence - massive advertisement and publicity - lower the cost of premium(s) - indemnifying customers(insured) when they face a lost or damage on time etc. - improve the efficiency in claims settlements. - encourage referral values - effective and efficient distribution channel - honesty between the insured and the insurer should be placed at the highest level when drawing out a country between both parties
No	0	0	
No idea	4	8	
Total	50	100	

From the table above, 46 respondents or rather 92% of the population said there are factors that can help boost image of life insurance companies in Cameroon. Meanwhile 4 correspondents had no idea if there are factors that can help boost the image of life insurance companies in Cameroon.

TABLE 7. Does the cost of premium affect the uptake of life insurance?

Attributes	Number of responses	Percentage
Strongly disagree	4	8
Disagree	10	20
Neutral	4	8
Agree	21	42
Strongly agree	11	22
Total	50	100

In the above table, the respondents were asked to indicate if the cost of premium affect the uptake of life insurance in Cameroon. 4 respondents strongly disagree, 10 respondents disagree stood for the fact that the cost of premium does not affect the uptake of life insurance in Cameroon, making it a percentage of 8, 20 respectively. While, 11 respondents strongly agree, 21 respondents agree, was for the fact that the premiums of life insurance affect the cost of life insurance uptake. Whereas, 4 respondents were neutral, making it a percentage of 8.

5.1 Analysis discussion of result and descriptive interpretation

In this chapter the descriptive research data collected from the field will be described analytically based on the research questions to know why there is an unsuccessful penetration of life insurance in Cameroon by the general public.

5.1.1 Have you heard about life insurance before?

Following the questionnaire from the research, 84% of the population have heard about life insurance. Meanwhile, 8 correspondents have not heard about life insurance before, thereby, making it a total of 16%. Since the questionnaire was conducted in an urban area and to those who had knowledge about insurance existence, I was able to obtain positive answers from them. This is because the research wasn't carried out in a rural area.

5.1.2 Do you have an insurance coverage?

16% of the correspondent have a life insurance coverage. Meanwhile 84% of the correspondents are not insured. This is because life insurance does not form part of the necessity and budget to many families in developing countries like country, where majority of them live below \$1 a day and it is been considered as a luxury.

5.1.3 Is there enough publicity as concern life insurance business in Cameroon?

Based on the research, 80% of the respondent were for the fact there is not enough publicity when it comes to life insurance business in Cameroon. Whereas 20% had no idea if there is enough publicity when it comes to life insurance business in Cameroon.

Life insurance companies need to engage themselves in massive advertisement, publicity and public relation in order to create awareness about the existence of life insurance and for its uptake to be successful.

5.1.4 Does the public perception about life insurance companies affect the image of life insurance business in Cameroon?

From the questionnaire, it shows 74% of the respondent said YES, the public perception about insurance companies do affect life insurance business in Cameroon. While 18% and 8% were for the fact that the

public perception about insurance companies do not affect life insurance business in Cameroon and had no idea, respectively.

The public perception about life insurance companies is one of the primary reasons while there is a slow growth in the successful uptake of life insurance in Cameroon. Insurance companies in Cameroon have given a negative image in the minds of the public due to their lack of settling claims on time, indemnifying an insured person when he or she suffers a loss or damage, a lot of bureaucracy, incompetent staffs have contributed to the down fall of life insurance business in Cameroon. If these insurance companies can work to erase this negative perception in the mindset of the public, then there is going to be a positive boom in this sector.

5.1.5 What do you think about life insurance companies(business) in Cameroon?

About 74% of the correspondent thinks that investing in a life insurance is a bad investment, waste of time and money. While 10% had no idea, and 16% said Yes. Normally, life insurance by its nature is a good business, because it was meant to take care of premature death, reduce the burden of the beneficiaries when the insured person dies by providing financial support and a means of savings. So, insurance companies need to sensitize the public about the objective of life insurance by providing them with facts which may push them to seek coverage for it especially if they are the bread winner(s) of their families.

5.1.6 Are there factors that can help boost the life insurance company's image in Cameroon?

Majority of the correspondent said there are variables which if adopted by insurance companies, will help the business image to be successful. While 8% of the correspondent had no idea if there factors to help boost life insurance company's image in Cameroon.

Yes, there are a lot of factors that can help boost the life insurance companies' image. Even if Cameroon is a third world country where the poverty life is more than break even, life insurance cannot be ignored because almost 95% of the total population depends on their family to survive. In the absence of this bread winner, the family turns to suffer financially. This now give a vital role for life insurance companies to come in to save the situation. But this situation cannot be solved if the insurance companies haven't yet taken those factors listed by the correspondents into practice, such as; Train professionals,

employ workers with insurance knowledge, organize seminars to educate the public about life insurance existence, massive advertisement and publicity, lower the cost of premium(s), indemnify customers(in-sured) when they face a lost or damage on time, other distribution method for life insurance penetration should be adopted etc.

5.1.7 Does the cost of premium affect the uptake of life Insurance?

The objective of this study was to find out if the premiums established by life insurance companies influence the successful uptake or penetration of life insurance in Cameroon. Diamond (1992) supported this study and found out that the premium cost has a positive and negative relationship between the uptake of life insurance. If the cost of premium is high, it will lead to a decrease in life insurance uptake. Meanwhile, there is going to be a significant increase in the uptake of life insurance if the cost of premium is low.

6 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

With the data collected from the field, the following discussions, conclusion and recommendation were made. The study sought to seek or identify the factors affecting the successful uptake of life insurance in Cameroon and responses were made base on the objectivity of the study.

Life insurance plays an important role in the development of Cameroon's economy. No system in an economy can flourish and survive without the existence of an organized, trustworthy, and flexible insurance industry. Human lives are priority in every economy, and for lives to be secured, life insurance needs to be taken to secure that risk. Life insurance serves as an important tool to the general public against the risk of uncertainty by providing compensation to beneficiary(s) of the insured person. This risk mitigation helps to promote confidence and eliminate fear within a family most especially if the insured is the bread winner of the family, thus, reducing economic and financial burden after the loss of the insured.

The principle of utmost good faith has always been breached by both the insurer and the insured. The insurer has always failed to disclose every vital information needed by the insured. On the other hand, the insured has also failed to provide every detail information needed by the insurer concerning his or her life during the time of the contract. This dishonesty between these two bodies has contributed to the slowdown of life insurance uptake in Cameroon.

Untimely compensation by the insurance companies has also led to the negative relationship between life insurance and uptake of life insurance. Many families and beneficiaries have been a victim of this untimely compensation by the insurer when the insured dies. This factor has caused many individuals to lose trust when it comes to insurance companies and has led to slow down in referral values.

Fraud has also made life insurance in Cameroon fall beyond expectation by employees who may over insure a policyholder in order to keep the excesses for himself. This fraudulent act by employees turns to affect the entire company by breaching state and company rules and regulations.

The study also found out that high premiums and inefficiency in claims settlement has led to the low penetration of life insurance companies in Cameroon. Increase in premiums has a negative relationship

between life insurance penetration and the general public because they turn to see life insurance as luxury meant for the rich due to lack of disposable income.

The study also found out that most people are not well sensitized when it comes to life insurance due to lack of publicity. The insurance companies have failed to use modern communication tools to reach out to the general public. Without publicity and advertisement, the general public will be ignorant about how life insurance operates, and thus, leading to a fall in the success of its uptake.

Other factors affecting the successful penetration of life insurance in Cameroon based on customers include the following; the complicated nature of life insurance products, poor integrity of agents, inadequate or poor channel of distribution and lack of country wide presence.

The objective of this thesis was to derive factors which can lead to the successful uptake of life insurance in Cameroon, to find out the various products consumed by the general public, to know about the public perception about life insurance business in Cameroon and to create awareness about life insurance business in Cameroon.

The study found out that settlement of claims and cost of premiums were the primary cause for the low uptake of life insurance in Cameroon. Whereas, absence of publicity, poor customer service, the complicated nature of life insurance products, poor distribution channel, insufficient disposable income, employees' fraudulent act, dishonesty by both parties etc. were the secondary causes which have led to the low penetration of the successful uptake of life insurance in Cameroon. The research concludes that most Cameroonian customers prefer policies which provide risk coverage and serve as a means of savings.

The study recommends that life insurance companies should lower their premiums, provide efficiency in claims settlement, improve customer's service and satisfaction, improve agent's integrity to ameliorate the successful penetration of life insurance businesses and companies in Cameroon.

The mission of this research was to establish factors affecting the successful penetration of life insurance in Cameroon. The study found out that high premium cost and inefficient settlement of claims were the primary cause for the low penetration, with other factors serving as secondary. The impact of e-commerce was not treated due to the research limited scope. Future studies should put this into consideration.

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QUESTIONNAIRE

The below questionnaire is intended for my bachelor's degree thesis, I will appreciate if the questionnaire s been filled truthfully and your responses will be confidential. Thank you for communicating with you.

1) GENDER

Male

Female

2) AGE

20-30

31-40

41-50

60+

3) LEVEL OF EDUCATION

FSLC

O/L

A/L

University

Other

4) Have you heard about life insurance before?

Yes

No

5) Do you have a life insurance coverage?

Yes

No

6) Is there enough publicity about life insurance businesses in Cameroon?

Yes

No

No Idea

7) Does the public perception about life insurance companies affect the image of life insurance business in Cameroon?

Yes

No

No Idea

8) what do you think about life insurance companies(business) in Cameroon?

Yes No No Idea

9) Are there factors that can help boost the life insurance company's image in Cameroon?

10) Does the cost of premium affect the uptake of life Insurance?

Strongly Disagree Disagree Neutral

Agree Strongly Agree