

## **Abstract**

Life insurance is often identified as a hedge against future uncertainties that could adversely affect a person and their dependents. In addition to being a means of protection, life insurance is deemed to act as a long-term saving instrument. However, life insurance is often categorized as an unsought product in marketing literature which implies that people do not seek to purchase life insurance unless motivated to do so and life insurance purchase decision are deemed to be complex, confusing, and emotional for consumers. Therefore, despite being a means of income protection, coping and saving majority of the eligible and insurable do not possess life insurance, leaving a majority of individuals and households vulnerable to shocks due to premature death, sickness or disability of the breadwinner of households. Therefore, it raises the question as to whether individuals have understood the importance of possessing life insurance in the face of such vulnerabilities and what causes individuals to purchase or avoid purchasing life insurance.

Though prior studies have indicated that psychological factors and sociodemographic factors play important roles in explaining insurance purchase decisions, there is a dearth of studies that focus on psychographic antecedents and psychological antecedents. Past research on life insurance purchase behavior have mainly focused on the impact of macroenvironment-related antecedents and individual-related antecedents. Furthermore, decision variables such as intention to purchase, willingness to insure or change in life insurance ownership are largely unexplored.

This study theoretically leaned on theory of reasoned action (TRA) and regulatory focus theory. As per the TRA, attitude towards a behavior and subjective norms would explain an individual's intention to engage in a particular behavior and behavioral intentions are assumed to follow reasonably from their beliefs about performing the behavior. However, the TRA does not capture the background factors affecting attitude towards a behavior which would in turn lead to a behavioral intention. With this understanding, the present study borrowed two constructs – prevention regulatory focus and promotion regulatory focus - from the regulatory focus theory to explain the possible motivational forces leading to an intention to purchase life insurance through the attitude towards life insurance purchase.

The present study adopted a quantitative research design. Accordingly, the study was undertaken as a descriptive, mono-method, deductive, cross-sectional study undertaken

within the positivism philosophy. The study used an individual as the unit of analysis and a sample was drawn from the population of people aged 25 - 50 years living in Colombo and Gampaha Districts, who are earning income and have not purchased any life insurance yet. Data was collected using a self-administered questionnaire. Accordingly, three hundred and sixty-nine responses were collected and analyzed using SPSS and SMART PLS4 software. The findings suggested that attitude towards life insurance purchase, subjective norms, promotion regulatory focus and prevention regulatory focus significantly impact on life insurance purchase intention. Furthermore, the study found that attitude towards life insurance purchase partially mediates the relationship between promotion regulatory focus and life insurance purchase intention and prevention regulatory focus and life insurance purchase intention.

This study contributes to the extant literature in threefold. Firstly, this study contributes to the extant literature on life insurance purchase behavior by proposing an extension to TRA. Accordingly, this study examines how regulatory focus of insurance prospects influence life insurance purchase intention and the mediating role of attitude towards life insurance purchase in the relationship between regulatory foci (promotion regulatory focus and prevention regulatory focus) and life insurance purchase intention. Secondly, this study contributes to the existing literature by bringing evidence on how regulatory focus of individuals impact on life insurance purchase behavior in the Sri Lankan context. Finally, this study contributes to a research area that is still in infancy – the psychological factors linked with life insurance purchase behavior - by examining the impact of regulatory focus of an individual on life insurance purchase intention. Future studies could focus on other less explored antecedents of life insurance purchase intention.

In terms of the managerial implications of the present study, its insights will aid life insurers to adapt their marketing approaches to effectively convince potential customers as life insurance sales heavily rely on relational selling approach. Insurance companies can use insights from this study to train insurance agents to understand their customer's regulatory focus to change unfavorable attitudes towards life insurance products.