Consumers ‘attitude towards Insurance Services in Nicon Insurance Nigeria Plc Calabar

Author’s Details:
(1)Dr. Ezekiel Maurice Sunday, (2) Akpan Joy Samuel, (3) Emmanuel Umoren
University of Calabar Calabar, Cross River State, Nigeria

Abstract:
The study examines consumers’ attitude towards Insurance Services in NICON Insurance Company, Calabar. Insurance service may still be regarded as unsought services to a larger extent. Research on consumer behaviour is highly recommended to find solution in this field. The study examines indemnity, demographic factor and cost of premium as variables that could influence consumer attitude towards insurance services. The study adopted a survey design; structure questionnaire, observation and personal interview during the collection data. It was used to determine the sample size. Simple and systematic random sampling was used in the sampling process. The study adopted a multiple regression analysis, the analysis of 100 questionnaire results show that attitude and demographic have a significant relationship with consumer attitude towards NICON INSURANCE services while cost of insurance premium does influence consumer attitude of their services. The study concluded that more informed strategy is needed to sell insurance services in the Nigeria market.

Keyword; Premium, indemnity, demographic variable, consumer behaviour and insurance services

1.1 BACKGROUND OF STUDY

Attitude has a universal application in explaining diverse behavior of consumers in the consumption of different products and services and insurance is such an intangible product, that attitude towards its affect it consumption. Attitude represents a measure of liking or disliking of an individual towards a particular product or service (Gautam and Kumar 2012). An attitude may be defined as a learned disposition to behave in a consistently favorable or unfavorable way with respect to a given object (Schiffman and Kanuk, 2000). Put differently, attitude may be defined as an ending organization of motivational, emotional, perceptual and cognitive process with respect to some aspect of our environment; it may be induced by internal and social factor (environmental) (Best, Mookergee, Hawkins and Kenneth 2003). It is argued also that consumers’ brand attitude generally depends on the attitudes and benefits of the brand that the consumers drive from the use of the brand; it may depend on what is generally accepted and the need for a product with immediate reward than a delayed one, such as insurance services (Chang, 2006).

Anyanwu and Nwokah (2008) define insurance as a contract whereby a person called the insurer or the assurer agrees in consideration of money paid to him called the premium by another person called the insured or the assured to indemnify him on the happening of certain events. Iruka (1982) asserts that insurance is a modern method of sharing losses or spreading risk highly over a number of people so that the few unfortunate persons who sustain losses do not suffer heavy financial blow as a result of their misfortunes. Ideally, the business of insurance has a laudable goal intended to meet the need of business organizations and individuals who may be actual or potential subscriber or holder of various insurance policies. The business environment of Nigeria is filled with uncertainty; the road and transportation network, power problem and levels of crime rate are all aspects of risk the Nigerians are easily venerable, and insurance companies have arisen to take responsibility to reduce or bear such total loss that may arise in the cause of business or individual personal life. The developed world has so embraced insurance that, almost everything has insurance even; as small as phone device.

Nigeria as a nation is characterized by varying level of development, vast income inequalities and cultural diversity, with the inequalities established as a wide gap between the rich and the poor. The insurance companies have their target market as such, consumers who have more than is required to live are supposed to buy insurance policy aside business firms (Yusuf, Gbadamosi and Hamadu, 2009). The patronage of insurance policy between business organization and individual may not vary significantly in terms of their attitude towards the patronage of insurance policies.

Nigeria is marginally ranked number one economy on the African continent and 26th in the world with Gross Domestic Product (GDP) of $453,966.81 billion as against the 1990 GDP of $258,555.58 billion. With the new ranking, it is expected that Nigerian may emerge the first African country to meet the 2020 millennium development goal (MDG) (Anumihe, 2014). The pointers are that, a whole lot of commercial

http://www.ijmsbr.com
activities are at their peak in Nigeria, which presupposes that there should be corresponding insurance consumption to meet the risk of various business venture undertaken by business organizations. Insurance is one of those scarcely or barely talked about product in the Nigerian market. The consumption of insurance policies, are only consumed with a considerable force by government enforcement agencies in vehicle insurance policies; the willingness to buy a policy can be seen in a few individual and organization. Nigerians’ attitude towards insurance may be explained with many variables. The perception of risk may be seen as being affected by the level of education in various ways. The less educated may not be aware of the need or importance of insurance, the more educated may be aware and unwilling to buy. They may also, feel that risk can only come from witch-hunting or from your enemies and this may also be the thinking of the non-educated. Indemnity as core insurance policy is the ability of the insurance company to pay its consumers what is to be paid to him in the cause of loss and as at when due. In the consumption of the insurance policy, it is also considered that gender and educational level are critical determinants of insurance services consumption. This pre-supposes the position of an individual in the family whether male or female determines who takes the decision as regards to the consumption of insurance services. The cost of monthly, quarterly or yearly premium can also be considered as a critical factor on why or otherwise consumers may not be disposed to patronizing insurance services in Calabar metropolis.

The study to investigate why and how much are consumers are disposed to the purchase of insurance policies. Thus, insurance services providers need to adopt strategies to attract customers to the insurance consumption.

1.2 RESEARCH HYPOTHESES
The following hypotheses are formulated for the study

Hypothesis one
H₁₀: There is no significant relationship between cost of premium and consumers attitude towards insurance services

Hypothesis two
H₂₀: There is no significant relationship between indemnity and consumers attitude towards insurance services.

Hypothesis three
H₃₀: There is no significant relationship between demography and consumers attitude toward insurance services

2.0 LITERATURE REVIEW
2.1 THEORETICAL FRAMEWORK
Law of Large Numbers:
This law was first proved by the swiss mathematician Jokob Bernoulli in 1713. This law is a statistical axiom that expresses the idea that as the number of trails of a random process increases; the percentage difference between the expected and actual values goes to zero. In other words, as the number identically distributed randomly generated variables increases their sample approaches their theoretical means.

The law of large numbers is the primary underpinning to the insurance mechanism. This means that the larger the number of risks that an insurance company insures the closer they will be able to predict the actual results of the chance of accident occurring. A further proof to this law is thus: flip a coin three times and it might turn up heads each time. Flip a coin one million times and it will be more nearly evenly split between heads and tails. This theory relates to the concept of indemnity as reflected in the study. It helps the insurer to determine the number of insured to be indemnified.

Single-Component Attitude Model;
This model was propounded by Louis Thurstone in 1931. This attitude model emphasizes only one dimension of the attitude. In other words it regards the affective or feeling component as the attitude itself. It answers the question “do you like the object or not”? Thurstone believes that there is only one component of attitude. This relates to the concept of consumer’s attitude in the study. It defines that consumer’s attitude is broken into like or dislike of insurance service.

2.2 THE CONCEPT OF INSURANCE
Human beings are often visited by disasters or one form of misfortune or the other. The need to minimize the loss or soften the blow when it occurs becomes inevitable. The disaster might come in the
form of loss of life, an accident that completely wracks the car that is involved, a plane crash, a factory or home that is completely gutted by fire or in the form of properties destroyed by rioters, the list is endless. Since there is a real likelihood of one of these events occurring during one’s lifetime, the need to take steps to minimize the loss by way of indemnity or compensation arises.

Insurance does not eliminate the loss; rather it takes care of the incident from a surely economic viewpoint (Irukwu, 1991). Several authors have defined insurance in a myriad of ways. A few of such definitions are; Madu and Chukwuma (2003) who define insurance as a contract whereby a person called the insurer agrees in consideration of money paid to him called premium by another person called the insured to pay the latter a sum of money or its equivalent on the happening of a specific event. Hillman and Richardson (2004) define insurance as a purchase of a contract that on behalf of the purchaser pledges the payment of a certain amount (the premium) in exchange for a promise on behalf of the other party (the insurance company or insurer) to provide restitution or indemnity arising from the occurrence of a loss. They maintained that an adequate definition of insurance must include the transfer of risk to third party (the insurer) the accumulation of a fund to pay the losses and a large enough number of similar exposure units (the insured). Irukwu (1991) defined insurance as a contract by which the one party in consideration of a price paid to him adequate to the risk becomes security to the other that he shall not suffer loss, damage or prejudice by the happening of the perils specified to certain things which may be exposed to them. Akpan (2003) defines insurance as a contract as one under which in consideration for one or more payments called premiums made by the insured person to the insurer. The insurer undertakes to pay to the insured a determinable sum of money on the happening of a specific event. Akpan distinguished between insurance and assurance as he defined a contract of commence as one made between two parties (assurer and assured) which guarantees payment of the sum assured by the assurer to the assured or his personal representative upon the happening of a certain event dependent upon human being.

2.3 CLASSES OF INSURANCE CONTRACT IN NIGERIA

Insurance Act of 2003 adopts a classification which divides insurance business into two main categories, that is:

i. Life insurance business also known as long-term business perpetuities, permanent contract.

ii. General insurance business also known as non-life business, annual contract.

Madu and Chukwuma (2003) provide details of the following classes of insurance.

2.3.1 LIFE ASSURANCE

A policy of life assurance is a contract to pay specified sum to the assured in consideration of an agreed premium. The insurance may be taken, covering the whole life of assured in which case nothing is payable until the assured is dead, or it may be a kind of policy made payable on the death of the assured or at a fixed period usually twenty years, which ever happens first. It could also be a term assurance in which case the insurer undertakes to pay the assured if the later dies within a stated period. A life assurance as earlier noted is not an indemnity policy, so that for example, if the death of the assured is caused by the negligence of x, the policy money may be retained intact though the assured personal representatives obtains damages from x

2.3.2 PERSONAL ACCIDENT INSURANCE

Under a personal accident insurance a person may provide for the payment of money for the treatment of himself and his family either in the event of sustaining an injury or upon being involved in any disability whether temporarily or permanently, the injury or disability being accidental. An accidental act is a mishap which is unwilled. There is no obligation, however to continue an accident policy as there is in the case of life policy. Thus, it is possible to renew an accident policy yearly by consent and each renewal will constitute a new contract. It should be noted here that like a life assurance, a personal accident insurance is not indemnity insurance.

2.3.3 FIRE INSURANCE

It is also common practice for a person to take out a policy to cover the insured property from accidental loss or damage resulting from fire. Here, the insurer undertakes to make good the loss or damage caused by fire in consideration of the premium paid by the assured. Fire insurance is a contract of indemnity. Although the contract may stipulate the highest amount payable in the event of the loss or damage arising from fire, the insurer is only liable to indemnity the insured to the extent of his actual loss or damage caused by the fire subsumed under a fire insurance policy to succeed the following must be established:
a. There must be an actual ignition
b. The fire must be accidental as far as the insured is concerned
c. The fire must be the proximate cause of the loss or damage.

2.3.4 MARINE INSURANCE

The Marine Insurance Act defines marine insurance as a contract whereby the insurer undertakes to indemnify the assured in the manner and to the extent thereby agreed, against marine losses, that is to say, the losses accidental to adventure. This is another example of contract of indemnity and is easily the most intricate of all insurance contracts. The subject matter of marine insurance are either the freight the cargo, the ship or any lawful marine adventures. Where the insurance covers the subject matter for only a journey from one place to another, or for a definite voyage, it is called ‘voyage policy’. But where the policy is to cover the subject matter for a definite period, it is called a time policy.

2.3.5 MOTOR VEHICLE INSURANCE

By motor vehicles (third party insurance) Act 1990, it is compulsory for all motor vehicle owners to insure their vehicles against third party risk i.e to insurer against the risk of liability for death or bodily injury. The Act provides that it is unlawful to use or permit any person to use a motor vehicle unless there is in force, in relation to the user of the vehicle, by such person or persons as the case may be, such a policy or insurance or such security. It is important that a policy must be one which insures such person or classes of person in respect of death or bodily injury to any person caused by or arising out of the use of the motor vehicle covered by the policy. Clearly, this provision is restricted to death or bodily harm occasioned to third parties. It does not extend to damages to the insured’s property or vehicle or to injury to this person. However, in practice, the insured can extend the scope of the risks covered by the policy by taking out a comprehensive policy. This comprehensive policy covers not only death or bodily injury to third parties, but also covers loss on damage to the property of the user of the vehicle, his vehicle, medical expenses as well as the vehicle or property of third parties.

The owner of a vehicle may opt for a third party, fire and theft policy, which is not as wide in scope as a comprehensive policy. It will however secure the purpose of not on only complying with the mandatory requirement for a vehicle owners to insure against third party risks, but will also extend the operation of the policy to cover loss or damage to the vehicle resulting from fire or theft or both.

2.3.6 HEALTH INSURANCE

Health insurance in Nigeria is pivoted by the National Health Insurance Scheme (NHIS). In this scheme the employee enrolls him/herself with an NHIS approved Health maintenance Organisation (HMO) who will therefore provide the employee/contributors with list of NHIS approved Healthcare providers (public and private). The employees register him/herself and dependent(s) with the provider of his/her choice. Upon registration a contributor/employee and his/her dependents will be issued identity card with personal identification number (pin). In the event of sickness, the contributor/employee presents his/her identify card to his/her chosen primary care provider for treatment of various illness. Contributions are earning-related and currently stand at 15% of basic salary. The employer will pay 10% while the employee pays 5% of basic salary to enjoy health care benefits. The contribution made by/an insured person entitles him/her spouse and four biological children under the age of (18) eighteen to health benefits as contained in NHIS health benefits package. Additional contributions will be required for extra dependents.

2.4 CONSUMERS ATTITUDE TOWARDS INSURANCE

An attitude in marketing terms is defined as a general evaluation of a product or service formed over time (Solomon, 2008 in Stroe and Iliescu, 2013). An attitude satisfies a personal motive and at the same time affects the shopping and buying habits of consumer. Perner (2010) in Stroe and Iliescu, (2013) defines consumer attitude simply as a composite of a consumer’s beliefs, feelings and behavioural intentions towards some object within the context of marketing. A consumer can hold negative or positive beliefs or feeling towards a product or service. A behavioural intention is defined by the consumer’s belief or feeling with respect to the product or service. Attitudes are relatively enduring (Oskamp and Schultz, 2005) in Stroe and Iliescu, (2013). Attitudes are a learned predisposition to proceed in favour of or opposed to a given object. In the context of marketing, an attitude is the filter to which every product and service is scrutinized. Omar (2007) assesses consumers’ attitudes toward life insurance patronage in Nigeria and found out that there is lack of trust and confidence in the insurance companies. Morduch (1994) identifies weak financial institutions in low-income countries as one of the causes of low insurance culture.
The demand for life insurance in a country may be affected by the unique culture of the country to the extent that it affects the population's risk aversion (Douglas and Wildavski 1982) in Yusuf et al. (2009). Henderson and Milhouse (1987) argue that an individual's religion can provide an insight into the individual's behaviour; and understanding religion is an important component of understanding a nation's unique culture. Also, Zelizer (1979) notes that religion historically has provided a strong source of cultural opposition to life insurance as many religious people believe that an alliance on life insurance results from a distrust of God's protective care. Wasaw and Hill (1986) tested the effect of Islam on life insurance consumption having an international data set. The results of their study indicate that ceteris paribus, consumers in Islamic nations purchase less life insurance than those in non-Islamic nations.

Educational status of Nigerians has significant influence on their attitude toward insurance. Educated people have more positive attitudes to insurance than less educated ones. Yusuf, Gbadamosi and Hamadu (2009) found that educational status of Nigerians has significant influence on their attitude toward insurance. Generally, despite the role played by the insurance industry to individuals, business and economic development of the nation, it was discovered that people have poor attitude towards ownership and patronage of insurance policies. Brown (1993) and Garba (2008) while Atmanand (2003) and Omar (2007) in their study of life insurance identified poverty, low per capita income, lack of trust and confidence of insurance institution and lack of knowledge of insurance as being responsible for poor patronages.

2.4.1 PAYMENT OF CLAIM AND CONSUMERS ATTITUDE TOWARDS INSURANCE SERVICES

Payment of claim refers to a situation where upon occurrence of the risk insured against, the insurer indemnifies the insured. Indemnity is simply the benefit payable under an insurance contract and are broadly divisible into indemnity contacts are one hand and contacts of life assurance and personal accident insurance on the other (Madu and Chukwuma, 2003). In the latter case, the insurer’s liability is to pay certain sums as specified in the policy on the death or accident on the insured. They maintained that the principle in the policy on the death or accident on the insured. They maintained that the principle of indemnity which applies to all insurance contracts other than life and personal accident insurance is that the insured cannot recover more than his actual loss. Therefore the insured is not allowed to make a profit out of the contract of insurance.

The Insurance Act 2003, section 70 (1) gives the following provision as it regards payment of claim. In every case where a claim is made in writing by the insured or any other party entitled there to under insurance policy, the insurer shall:

a. Where he accepts liability, settle the claim not later than 90 days after the in issuance of the discharge voucher;

b. Where are claim remains unpaid as provided in (a) above, there insured may request the commission to effect the statutory deposit of the insurer and the insurer and the commission shall have power to effect such payment.

c. Where he does not accept liability deliver a disclaiming such liability to the person making the claim or his authorized representative not later than 90 days from the date on which the person accepts the liability.

Consumer attitude towards insurance services in Nigeria is influenced by the payment of claims. This is pointed out by the study conducted by Garba and Abdullahi (2011) which found that the people of Borno are aware of the existence of insurance institutions in the state, but choose not to patronize the services because they do not have confidence in the insurance industry. This is as it relates to their ability to keep to the contract (pay claims) on occurrence of the risk insured against on the part of customers holding various insurance policies of the company.

2.4.2 INSURANCE PREMIUM AND CONSUMERS ATTITUDE TOWARDS INSURANCE SERVICES

Insurance premium is the consideration given by the insured in return for the cover it enjoys from the insurer over a potential risk (Madu and Chukwuma, 2003). It is a condition precedent to assumption of liability by the insurers. Where it is in arrears, the insurers are entitled to decline liability. The amount of the premium payable and mode of payment is determined by the agreement between the parties and the nature of the risk. NAICOM is also assigned a role in regulating premiums payable in insurance contracts. The Insurance Act 2003, states the following with respect to premium. Section 50 (1) of the Act states that the

http://www.ijmsbr.com
receives of insurance premium shall be a condition precedent to a valid contract of insurance and there shall be no cover in respect of an insurance risk unless the premium is paid in advance. Section 50 (2) of the Act states that an insurance premium collected by an insurance broker in respect of an insurance business transacted through the insurance broker shall be deemed to be premium paid to the insurer involved in the transaction.

In Nigeria, insurance premium impacts negatively on consumer’s attitude, this is evidenced by the report of Agabi (2014) who complained that premium charged on insurance in the country is significantly higher than what is obtainable in other parts of the world. Other researchers have reported that income of insurance consumers significantly affects consumers attitude towards insurance services (Gantan and Kumar, 2012; Yusuf, Gbadamosi and Hamadu, 2009).

2.5 INSURANCE INDUSTRY PERFORMANCE IN NIGERIA

Despite Nigerian growing population, it is still lagging seriously behind in world global market ranking. Nigeria, curiously occupies that sixth position in Africa and 65th in the global insurance market with human development index (HDI) of 0.453 and GDP per capital of $1,050. Her insurance density per capital is USD 4.3 and 0.70% as premium share of GDP (Sigma 2005, UNDP, 2003).

While reviewing the performance of the insurance industry, Dorfman (1980) observe that even though life insurance industry engages in product innovation, the market for life insurance appears to have a serious weakness in that not many new improvements have been forthcoming in recent years. Some of the areas of deficiencies include lack of copyright protection for life products, regulatory opposition, consumer and Saleman’s attitudes.

Oyetoro (2010) reported that insurance culture is non-existence in Nigeria. Insurance penetration is as low as one percent out of 150 million people living in Nigeria, less than one million of the Nigerian populations carry one form of insurance or the other, so insurance has not really started in Nigeria. Moreso, less than two percent of commercially insurable risk are covered by one form of insurance or the other.

2.6 GENDER INFLUENCE ON CONSUMERS ATTITUDE TOWARDS INSURANCE SERVICES

Difference in attitudes depends on the gender of decedents. Women are more risk averse than men. Over an initial range, women require no further compensation for the introduction of ambiguity, but men do. Differences appear also in which concern risk taking over confidence and information processing (Stroe and Iliescu, 2013). Schubert, et al (1999) in Stroe and Iliescu (2013) found that women are more ambiguity averse than men in an investment context but not in an insurance context. Powel and Ansie (1997) in Stroe and Iliescu, (2013) report that women are more risk averse and ambiguity averse. In a review of the specific literature on gender differences in business decision making, Johnson and Powel (1994) argue that the research findings before 1980 were instrumental in establishing a dominant view that substantial trail differences exist in the nature and outcomes of management decisions involving risk. These studies suggests that women are more cautious, less confident, less aggressive, easier to persuade and have inferior leadership and problem solving abilities when marking decisions under risk compared to men, reinforcing stereotypical views that women are less able managers. Johnson and Powel (1994) in Stroe and Iliescu, (2013) re-examine the early business decision making literature and conclude that the evidence on gender differences is no longer clear cut. Studies of insurance decision making have also identified a lower degree of confidence amongst women in their ability to make decision and in the outcome of these decisions (Stincrock et al, 1991) in Stroe and Iliescu, (2013), women had a lower risk preference and a higher degree of anxiety in financial decisions than men, plus a stronger-desire to use financial advisers.

2.7 EMPIRICAL FINDING ON CONSUMERS ATTITUDE TOWARDS INSURANCE SERVICES

It is apparent that there have not been myriads of studies on consumers’ attitude towards insurance services. However, the researcher has presented below some of the findings which relates to the study. Gautam and Kumar (2012) in a study on the attitude of Indian consumers towards insurance services probed into Indian consumers’ attitude by using basic socio demographic and economic variables. They found that gender and educational status have a significant impact on Indian consumers’ attitude towards insurance services. Yusuf, Gbadamosi and Hamadu (2009) conducted an empirical survey of 392 members of the Nigerian public-insuring and non-insuring to gauge their awareness level and general attitudes towards insurance companies and their operations. It was found that gender does not have any statistical significant
effect on Nigerian attitude towards insurance; it was also found that educational status of Nigerians has significant influence on their attitude towards insurance.

Garba and Abudulsalam (2011) investigated the factors affecting the patronage of insurance services in Borno state, using a sample of 400 respondents. It was found that people are aware of the existence of insurance institutions in the state, but choose not to patronize the services because they do not have confidence in insurance industry. The study also found that people with higher education level tend to patronize insurance services than people with lower education.

Stroe and Iliescu (2013) conducted a study on the attitudes and perception in consumers’ insurance decision using a sample of 100 students of the foreign language faculty, Italy. In this study it was found that majority of students had no insurance or had an automobile insurance because of lack of money. Mushtaq (2011) in his study which sought to analyze the effect of services provided by the insurers and its role in building customer attitude, collected data from the city of Lucknow. The study found that out of the 150 sample only 49 customer were satisfied by the claim settlement procedure, this represents a percentage of 36.6%, of the total number of respondent surveyed.

RESEARCH METHODOLOGY

3.1 STUDY AREA

This research is based on consumers’ attitude towards insurance services. The survey is carried out in Nicon Insurance Nigeria Plc, Calabar, Cross River State. Cross River State is located in the south-south geopolitical zone of Nigeria. Specifically, the survey is carried out in Calabar metropolis. The inhabitants of Calabar metropolis are hospitable and a large proportion of persons in the state work as civil servants.

3.2 POPULATION OF THE STUDY

The population of this study is made up of all customers of Nicon Insurance Nigeria Plc, Calabar, and Cross River State. The population comprises a total of three hundred and ninety eight thousand, nine hundred and seventy two (398,972) customers of NICON Insurance Nigeria Plc Calabar.

3.3 SOURCES OF DATA

The Data for this study is obtained through two main sources, secondary and the primary sources. The secondary data utilized for this study consist of facts, theories and models from text books, websites, newspapers, government publication etc. These data were basically obtained from library research work. The primary source of information is the immediate environment being studied. The main instrument used in primary data collection is the questionnaire, and unstructured interview. The questionnaire for the study is structured to have two section, comprising the personal information and general information section. The Likert scale type statement where respondents are presented with five (5) options including: Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D); Strongly Disagree (SD) will be employed for the study. Respondents are to choose an option which matches their opinion vis-à-vis the statement.

3.5 SAMPLING DESIGN AND PROCEDURE

Apart from saving time and cost sampling is primarily intended to present results that are accurate and will replicate the whole population to which one wants to generalize. The systematic random sampling method is employed in carrying out the sampling procedure for this study. This is because it is unbiased.

The sample size for this study will be determined using Taro Yamane’s formula. This formula is used because our population is finite (Yamene,1973).

\[ N = \frac{n}{1 + N(e)^2} \]

Where:
- \( n \) = Sample size
- \( N \) = Population size
- \( e \) = Sampling error

Thus:

\[ n = \frac{398,972}{1 + 398,972(0.10)^2} \]

\[ n = \frac{398,972}{398,972} \]

\[ n = 1 + 398,972 \]

\[ n = 99.9 = 100 \]
Thus, the sample size of this study is 100 respondents. The researcher selected 100 customers of Nicon Insurance Plc, Calabar by using systematic random sampling method, where the researcher will divide the total population by 100 (ie 398, 972/100) 398 (approx). Then the researcher randomly selected the first sample from the list of customers between 1 and 3989. Subsequent selection was carried out by adding 3989 to the first sample randomly selected.

3.6 DATA TREATMENT TECHNIQUES
The data analysis tool used for this study was multiple regression analysis with the aid of SPSS (Statistical Package for Social Science).

4.0 RESULT PRESENTATION
Multiple regression analysis showing the relationship between cost of insurance premium, indemnity and demographic

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>9.966</td>
<td>1.765</td>
</tr>
<tr>
<td>COSTOF PRMIUM</td>
<td>.078</td>
<td>.056</td>
</tr>
<tr>
<td>1</td>
<td>INDEMNITY</td>
<td>.138</td>
</tr>
<tr>
<td>DEMOGRAPHIC</td>
<td>.220</td>
<td>.084</td>
</tr>
</tbody>
</table>

a. Dependent Variable: INSURANCE SERVICES, R = .4211, R – Square = 18.4, Adjusted R square - .153, F, value 5.946, P. value - .001, Significant at p – value <0.005

The multiple regression analysis result produced R² = 1.184, F (82.3), P value 0.001 for the entire model. Individual cost of premium had a coefficient of .164, indemnity -.001, Demographic variable had .011 as coefficient. This results shows that there is a significant relationship between the indemnity and demographic variables with the insurance attitude of consumers of NICON insurance. The model had straight predicted the relationship. The cost of premium has no relationship with the attitude of NICON insurance consumers. The two variables of indemnity and demographic factors contribute about 18 percent about a change in NICON insurance attitude. The remaining 82 percent was extraneous in nature, not captured in the model.

4.1 DISCUSSION AND IMPLICATIONS OF STUDY
Result of the first variable indicated that there is no significant relationship between cost of premium and consumers attitude toward insurance services. This implies that cost of premium does not influence consumers’ attitude toward insurance services. This is contrary to the report of Agabi (2014) who complained that premium charged on insurance in the country is significantly higher than what is obtainable in other parts of the world. This result could be due the class of those that are policy holder of NICON insurance. This also suggests that a lower class of consumer should be studied to further assert the correctness of the result as to stand a basis for marketing strategy and other insurance policies decision.

The second variable result indicated that, there is a significant relationship between demographic variables and consumers attitude toward insurance services. This implies that demographic variable, influence consumers’ attitude toward insurance services. Yusuf, Gbadamosi and Hamadu (2009) found that gender does not have any statistical significant effect on Nigerian attitude towards insurance. They also found that educational status of Nigerians has significant influence on their attitude. This result suggests that the level of understanding of what insurance meant and its importance in business management may be well understood by only the educated people, which may not be compared in numbers to the number of less educated people the owners of small and medium scale owners. It is important to suggest that, ways to market insurance services could be through heads of various unions and associations where these business men and women belong, through proper education on what is involved to insure and what they stand to gain. It is possible that some of the less educated do not know that insurance involves savings of money and professional financial advice.

In the case of the third variable, it was found that there is a significant relationship between indemnity and consumers attitude towards insurance service. This is pointed out by the study conducted by
Garba and Abdulsalam (2011) which found that the people of Borno are aware of the existence of insurance institutions in the state, but choose not to patronize the services because they do not have confidence in the insurance industry. This is as it relates to their inability to keep to the contract (pay claims) on occurrence of the risk insured against. The issue of 419(advance fee fraud) in Nigeria local parlance has made insurance a strange product to a larger extent. An average Nigerian is conscious of payment of money in advance for any reason because of the suspicion of fraud activities that is inherent in the system. The possibility of generalizing the failure of an insurance company to pay claim on time, may stand as counter point to the marketing of insurance services. The associations of insurance companies should meet to ratify issues bordering on indemnity payment to their client in the event of loss.

REFERENCES


