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FACULTY OF BUSINESS
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**A RESEARCH ON THE TOPIC:
PEOPLE'S ATTITUDE TOWARDS
INSURANCE IN AWASSA TOWN**

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Date of submission

May, /2002

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ABSTRACT

The study has focused on peoples attitude towards insurance in Awassa town and identifying and analyzing factors affecting peoples attitude. It has emphasized the correlation between extraneous factors and individual views to wards a particular object.

General analysis regarding individual view, opinion and attitude to wards the very nature of the word insurance and their establishment in this particular area has been given. Findings in this area has been compared with general facts in the country regarding this issue. The research sought for possible recommendations and comments that might be raised during similar circumstance that may be used as a clear indicator for the growth of insurance industry by avoiding or minimizing the gap between the industry and its customer.

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ACKNOWLEDGEMENT

I would like to thank Wodajo W/Giorgis (Ph.D) for his valuable suggestion and unreserved help during the process of writing the proposal and the final research paper. Also I would like to thank W/ro Weyinshet Dessalgn the secretary of Jimma University Accounting Department for writing the proposal and the final research paper with patience and tolerance when ever correction made.

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CHAPTER ONE

INTRODUCTION

Insurance is the pooling of fortuitous losses by transfer of such risks to insurer, who agree to indemnify insured's for such losses, to provide other pecuniary benefits on their currence, or to render service connected with the risk. (REJDA. 1998)

Also insurance can be defined from the view point of several disciplines including law, economics, history, actuarial science, risk theory and sociology, but each possible definition will not be examined at this point, instead, attention will be focused on those common elements that are typically presents in any Insurance plan most individuals and families have a strong desires for financial security and protection against those events that treaten teir financial security financial security can be threatened or lost from numerous courses some families will be deprived of financial support because the family head is tragically killed in an auto accident other will experience destructions of their homes and personal property because of fires, floods, hurricapes, earth quakes or disasters still others will be come disabled because of heart disease, cancer, AIDS, or other diseases. Finally Others will be financially ruined because they are sued and can not pay liability judgment against them. (REJDA,1998)

Insurance is not one of the basic tools of risk management but it is easily the most important illustration of the transfer techniques and the key stone of most risk management programs Risk exists when ever the future is unknown.

Because the adverse effect of risk have plagned mankind since the banging of time, individual, groups and societies have developed various methods formulating risk since no one knows the future exactly, every one is a risk manager not by choice but by share necessity.

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The establishment of insurance industry in the globe plays a great role for the over all growth of business & technology the cloud of uncertainty over investors and potential investor got clear through the bright window of insurance , thus the now and then achievement of every economic sector is guarded by the shadow of this industry many developed countries across Europe and the United States established state owned insurance in the early days and private insurance companies later developing countries like countries in Africa and Asia do not establish insurance industry in the early days. it is because of that many nations in these content were under the yoke of colony: In addition many individuals across these nations were unaware about the very nature of the term insurance: under these two and other unmentioned reasons the growth of this industry is pulled back for the past decades probably centuries.

In our country insurance industry begins to emerge in 1975 when the Ethiopian Insurance Company established this Insurance Company is the pioneer of insurance industry in the country.

Since then the industry had been monopoly seized by EIC, until 1994 when private insurance Companies began and to appear by the new proclamation.

After this proclamation a number of insurance companies established now this time there are six insurance companies including Ethiopian insurance Company which is still state owned and all the rest are ^{since 1994} private insurance many of these insurance have sister banks which helps the working Capital profitability and in hence Capital of the Company almost all insurance Companies used the same mode of advertisement to attract customer which brings stiff market computation in the insurance industry, the type of advertisement announced on television and other mass media are more of signal than descriptive.

They do not give emphasize on knowing whether peoples do have under standing about the very nature of the word insurance and it's existance, the way, how, why, when it indemnify losses to insurdes during hazard happned and duties and obligations that insurdes to be bound in whenever they got in to agreement.



STATEMENT OF THE PROBLEM

This research has been conducted on the basis of studying peoples attitude to wards insurance in n Awassa town. under taking a research on peoples attitude on a certain matter may not be easy, and conclusion reached on such researches may not indicate reality as many uncontrollable factor influence the environment where, we are living in.

Peoples attitude in certain area are influenced not only by nature but also nurture play a great role on influencing peoples attitude on a particular Object. I believe that taking in to consideration the above mentioned factors is very much help full for determining ways & methods to undertake a research project on insurance or other related fields regarding once belief, openion and attitude. The contribution of this study is to know peoples attitude towards Insurance in Awassa town and to give recommendation on the findings.

OBJECTIVE OF THE STUDY

The aim of this research was to know peoples attitude towards Insurance in Awssa town that would help to reach on a certain conclusion whether the peoples have positive or negative attitude towards insurance companies and their establishments.

The Specific objectives of the study are:

1. To know peoples attitude in the town to wards insurance companies and their establishments.
2. To investigate factors affecting peoples attitude to wards insurance.
3. To reach on a certain conclusion about peoples attitude towards Insurance and their establishment.
4. To recommend on the findings.

CHAPTER TWO

LITERATURE REVIEW

Insurance is a business and an investment it has been described as the business that exists in order to insurance to success and survival of other business. (Birritu, 1996)

Thus insurance, in addition to its main objective and function of wealth, serves as a catalyst in supporting investment plans and in generating wealth for national development effort.

This is what the business community and every body else expects from insurance industry. Insurance companies in working to meet this expectation have a tripartite role to play. They have responsibility to their share holders, policy holders and to the community and should be able to overcome these multi faceted responsibilities through balanced arrangements Schemes. (Birritu, 1996)

Shareholders of insurance companies have realized capital and established the company in order to get fair return from their capital investment. The policy holders had bought insurance policies to cover themselves from risks and for protection of their fortunes with the belief that the insurance company would be liquid enough at all times to meet its liabilities. The public or the community in which the insurance industry operates expects the industry to undertake its operations with full compliance of internationally accepted standards and to engage in investment projects for national economic development. The questions, therefore, for what investment strategies and tactics should be adopted by insurers to meet their tripartite responsibilities.

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It has been unfortunate that in Ethiopia insurance investments both internal and external had been frustrated during the previous marxist regime. In the early years insurance companies had attempted to deal in shares through the then established share dealing group and in the purchase of land and construction of building for offices and apartments and in some further investment projects. stock Exchange markets or other securities market do not exist in Ethiopia. (Birritu, 1996)

Through an attempt had been made earlier to develop the treasury bills and government bonds markets, only recently had the treasury bills issue started and insurers (the government insurer) for many years was required to invest its life and general insurance funds with the housing and savings Bank. one of the Purposes for the establishment of the Ethiopian insurance corporation in 1975 was to promote the efficient utilization of both material and financial insurance resources but its investment abilities was curtailed to construction of its own building and depositing its funds with the housing and savings Bank and thus it could not undertake major investment projects. In many countries various restrictions are imposed on the amount of funds and the type of investment they may be made by insurers. In Nigeria, where the insurance markets has comparatively developed insurers could invest up to 35% of the total asset in specified investments. Insurers are also prohibited from investing more than 25% of their assets in life insurance business the amounts in question were under previous decree of 1976, 25% in various designed Securities, 10% in real property for non life insurance and 25% for life insurance business. (Birritu, 1996)

The licensing and supervision of the insurance business proclamation of 1994 provides the national Bank of Ethiopia has the power to prescribe investments in which insurers may not invest their monies assets or funds the proclamation also empowers the National Bank to issue directives prescribing investments in government securities within a specified limit the Ethiopian Insurance proclamation also provides that every insurer

shall every year, with in thirty days from the beginning of its financial year, submit to the National Bank are turn in the prescribed form the investments made out of the insurance funds and any changes in such investments during the principal officer and one director of the insurer.

It should be noted that insurance enterprises are important financial institutions whose investments play an important role in the development of the National economy and as such the supervising Authority the National bank of Ethiopia should play its regulatory role and direct insurance investments on the right path Ethiopian insurers can not restrict themselves to engage only in the conventional and traditional investments opportunities they should venture out and become vital weapons in the war against under development and adverse economic features which bound the Ethiopian peoples: as they say, " adelayed justice is a justice lost" and similarly " delayed investment regulation is investment lost." (Birritu, 1996)

CHAPTER THREE

MATERIALS AND METHODOLOGY

For the purpose of studying peoples attitude towards insurance In Awassa town, I have used the follow^{sup} data collection and analysis methodology using all necessary materials which were important for conducting the research.

Methods of data collection

A questionnaire was developed which contained objective and subjective questions regarding a particular individuals.

- ❖ Name of the respondent
- ❖ Educational status
- ❖ Job/profession
- ❖ Marital status
- ❖ If respondent is insured name of the insurance.

All the above questions were included in the objective part of the questionnaire.

- ❖ The respondent attitude towards insurance whether positive or negative.
- ❖ The respondent know how about insurance.
- ❖ Factors influencing the respondent attitude.
- ❖ The impact of advertisements on certain mass media about Insurance
- ❖ Other significant factors.

All these questions were included in the subjective part of the questionnaire.

SITE OF THE STUDY

This research project was conducted in Awassa town to know peoples attitude towards insurance and their establishments.

Sample techniques

I have used random sampling techniques to choose a respondent the respondents were an educated or alay man but he /she was assumed to answer properly what they feel for the questions .The age limit was between 18-65.

Sample size

The number of respondents was 100/hundred / in number from 14 Keblles found in the town.

Target group

The respondents were from different Keblles, Age range, sex and from different religion.

Analysis

All questionnaire collected from respondents were categorized primarily on the basis of respondents remark about insurance whether positive or negative, after that a count was made to know how many of the respondents have positive or negative attitude.

Factors influenced the respondents were investigated on the analysis phase of this research at the end conclusion and recommendationhas been given.

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CHAPTER FOUR

FINDINGS

The research that was conducted in Awassa town from Feb, 19 to 25/ 2002 about people's attitude towards insurance is brought with the following result.

From the objective part of the questionnaire the following information was gathered about respondents regarding educational status which I thought that might have great influence on people's attitude towards insurance the result of the study showed that.

1. No. of literate respondents among of the total 100 respondents are 30 %
2. No. of illiterate respondents among the total 100 respondents are 50%
3. No. of Diploma graduates respondents among the total 100 respondents are 15%
4. No. of Degree graduates respondents among the total 100 respondents are 5%

This result regarding educational status of the respondent has showed different opinions regarding people's attitude towards insurance.

The second question from the objective part was regarding job / profession of the respondent.

1. No. of private worker among the total 100 respondents are 60%
2. No. of governmental worker among the total 100 respondents are 30%
3. No. of unemployed worker among the total 100 respondent are 10%.

The above result was on job/ profession of the respondents that might have great relation with respondents opinion about insurance institutions and their benefits to the society.

• The third Questions from the objective part was regarding martial status of the respondent.

1. No. of single respondent among the total 100 respondent are 30%.
2. No. of married respondent among the total 100 respondent are 70%

Marital status also plays a great role on individual attitude towards insurance institutions and their establishments for the over all benefits to the society in generall.

• The fourth questions from the objective part was regarding whether the respondent insured or not.

1. No. of insured respondent among the total 100 respondent are 20%.
2. No. of uninsured respondent among the total 100 respondent are 80%.

It is also believed that the information (that) gathered about peoples attitude towards insurance is the reflection of the respondent state of being insured or uninsured

The fifth Questions from the objective part was regarding to which insurance company is he/she insured, this also gives a sort of information the reason why many respondent prefer a certain insurance company. I thought that it will be very helpful to know the reason why many respondents prefer a certain insurance Co. than the other In what aspect that a specific co. better than the other insurance companies this might have some thing psychological phenomenon that influence individual attitude.

So the fifth Questions from the objective part is

1. No. of respondents insured in Nile insurance company not available
2. No. of respondents insured in Nice insurance company not available
3. No. of respondents insured in Awash insurance company not available
4. No. of respondent insured in E/C insurance company not available
5. No. of respondent insured in Africa insurance company not available

Another factor used as a means of information gathering was Religion, I thought that it has great impact on peoples attitude to wards insurance institutions establishment it is the sixth Questions in the objective part of the questionnaire.

1. No. of Christian respondent among the total 100 respondent are 70%
2. No. of Muslim respondent among the total 100 respondent are 20%.
3. No. of cultural traditional religion follower respondent among the total 100 respondent are 10% .
4. No. of pagan respondent among the total 100 respondent was null.

All the above objective part Questions have intended to assess external influence that force a respondent to go to a certain decision or conclusion, these factors play great role in every individual decision making or preferences by influencing his/her opinion, belief attitude, or imagination and there is a need of refereeing this factors before reaching to a certain conclusion or generalization of a specific issue specially psychological studies like this one.

The second division of the Questionnaire was the subjective part that includes the personal attitude, judgment and personal knowledge.

The first question from the subjective part was a respondent attitude whether positive or negative these Questions were random and unstructured specially the first Question.

1. No. of respondent who have positive attitude to wards insurance are 30% among the total 100 respondents
2. No. of respondent who have negative attitude to wards insurance are 40% among the total 100 respondents.
3. No. of respondent who are indifferent about insurance establishment and their benefits to the society is 30% among the total 100 respondents.

The second subjective Questions from the subjective part was to know about factor influencing the respondent attitude to wards insurance and their establishments. This is one of the difficult question to get objective and measurable result.

Factors influencing respondent's attitude to wards insurance has showed the following result.

- a) Because the respondent has know how about insurance from education and advertisement are 20% among the total 100 respondent.
- b) Because the respondent believe that insurance has advantage to compenst damages are also 20% among the total 100 respondent.
- c) Because the respondent believe that getting in to insurance is unfaith fullness by the doctrine of the religion he/she follows are 40% among the total 100 respondent.
- d) Because the respondent is indifferent about insurance and their establishments to the benefits of the society ingenerall are 20% among the total 100 respondents

The third factor that was taken for information gathering questions in the subjective part of the Questionnaire was:

The impact of advertisement a certain mass media about insurance on the individual attitude towards insurance. This is also a difficult idea to get objective and measurable answer from each respondent.

- a) Made the respondent to have good understanding about insurance and good impression are 20% among the total 100 respondents.
- b) It doesn't influence the respondent attitude because the advertisement on certain mass media about insurance because they are more of signal than descriptive are 50% among the total 100 respondents.
- c) The respondent never exposed to such advertisement are 30% among the total 100 respondents.

The fourth factor consider a means of gathering information was other significant factor but in this aspect I didn't find any significant reasons to reach on a certain investigation trend on individuals view and peoples attitude to wards insurance and their establishments and benefits to the society in general.



ANALYSIS AND DISCUSSION

In this ever changing environment to day ever thing is on move either up or down, specially the turbulent move is that of economic activity that goes along with modern technologies every economic activities today thus need great help to be competitor and even to survive in this dynamic environment from this modern marketing and appropriate technology.

We know that insurance is the part of the day born industry that helps the growth of every economic activities in every aspect in many countries today this industry has been given a great deal of attention due to its wide range and multidimensional use that it gives to thegenerall benefit of a country economic and technological growth even though this industry faces obstacle for its growth.

The research that I have conducted in Awassa town from Feb, 19 to 25/2002 about peoples attitude to wards insurance is analyzed and discussed as follows.

Awassa is one of the towns in southern Ethiopia, it is also the capital of SNNP with a population around 70,000 in 1987 E.C (census) with 14 Kebelles and 2 higheres tourism and trade are the main activities in the town and there is away for insurance to grow in the town.

Among of the residences of the town I randomly picked only 100 respondents for my study, it is obvious that due to different constraints I did that even though I came up with some result to give a certain analysis and to discuses over it.

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As the objective part of the first question indicate that 30% of the respondents are illiterate, 50% literate, 15% Diploma graduates and 5% Degree graduates this classification showed that illiterate respondents have good understanding about insurance establishments and their benefits to the community in the subjective part as this group give their own personal attitude for the second question this assumption leads us to a certain understanding that educated people do have good understanding about insurance than those illiterate respondents in that case education or a awareness ration is very much necessary parallel to other activities that are used with insurance industry growth.

The second one is about Job/ profession and as the result showed that 60% of the respondent were private worker 30% governmental worker and 10% unemployed and when we relate this result with that of the subjective part Questions private worker and illiterate as the same time gives or have good briefing about insurance it may be due to some of theme run large business and at the same time concern about insurance business better than others most government worker who are illiterate also have good understanding even though most are uninsured unlike that of private worker respondents also unemployed and illiterate respondents have good and positive attitude but they are un insured like private and government worker and their understanding about insurance institution establishments and their benefits to the community is not so deep as private and governmental do have.

The third Question was regarding marital status and for this Question about 70% of the respondent, were married and 30% single. In relation between martial status and those subjective part Question first married respondent are more insured than single respondents and married respondents at the same time those illiterates do have positive attitude towards insurance it is because the marital status of an individual have a certain impact on having insurance than a single individual even though some single individual have insurance as they run a business and in general those respondents who have insurance have good over look even though they are doubt full about its compensation due to the reason that not knowing when were at that conditions it cover loss or not cover.

Among the 100 respondent only 20% were insured and the rest 80% were un insured there may be many reasons for this number of people among these problems the major problems are lack of awareness satisfactorily about the essence of insurance and its benefits to the society as it is indicated in the subjective part of the Questionnaire may advertisement that are made on radio and television are more of signal than descriptive they are not creating image on peoples mind regarding its wide range use as well as when what where terms of insurance agreement applied so this result shows us that there is a need of working much on awareness creation and detail analysis to the community regarding insurance industry.

To which insurance company he/she insured is very much help full Question to know which insurance company has great market share than the other this in turn helps to know the reason why many customers prefer that specific company. In this case the Ethiopian insurance company constitutes the largest market share than the other this is because EIC is established earlier than other insurance companies in addition peoples relay much on it because it is still state owned. Insurance Co still are not pave the road to reach to core and potential customer many customer still complain about unclear and vague agreement these got in to with insurance Co. and other potential customers from this study target group complain about advertisement about insurance on Radio, Tv, newspaper briefness than detail and understandable. In addition it is more of signal to indicate its presence in the market than describe the use and regulation of the terms and agreements.

The other factor used as a means of assessing extraneous variable was religion. I believe that as long as peoples are in a certain faith they should be faith full to the doctrine of the religion they are following in. In this respect this Questionnaire tried to analyse respondents interms of their religion the study showed that 70% the respondent are Christian, 20% Muslim and 10% are cultural religion (tradition religion) follower and there is no pagan respondent in the study. respondents, who are uninsured answered that

in addition to unclearness and vagueness of insurance business essence it is impossible for them respect to the doctrine of their religion to insure properties and life they believe that it is god who is responsible for such action so people specially respondents assured that it is unfaithfulness by god to insure properties in insurance co the impact in this side can not simply avoid unless deep routed movement is taken place to establish the essence and benefit of the industry in peoples mind that is insurance business is not antagonist to any religion doctrine of insuring life and properties but it should be shown that it is one part of economic activity like that of any activities.

The second part of this questionnaire was a subjective par which compile three different questions about personal judgment of a respondent regarding insurance institutions establishment and benefits they offer to the society on direct and indirect base Questions.

The first question of subjective part was whether the respondent has positive or negative attitude towards insurance and the result showed that 30% among the total respondents have positive attitude, 40% of the respondents have negative and the rest 30% do have or indifferent about the advantage of insurance respondents gave different reason for their attitude, those who have said that they do have positive attitude believe that insurance industry is one part of economic activity emerges during loss or hazard happened in side of any business or even along with life more over it helps to avoid any stress people face when ever they run a business or participate in risky activities. In the other way those respondents who have negative attitude blame the establishment of insurance that it is an organization which cheat insured's premium and pay no indemnity when ever hazard happened on the second question of the subjective part 20% among the total respondent reasoned out that they have got a hint about insurance from education at different level and advertisement on certain medias, 20% also among the total respondents believes that simply they know that insurance can identify loss of insured's property and 40% of the respondent highly Criticizes insurance establishments they highly oppose that the activity of insurance co collect a premium for a loss that may or may not happen and they added that it is unfaith fullness by God and it is the act of

transgressing the doctrine of a religion the rest 20% of the respondent are indifferent about insurance and attitudes that might influence them. ✓

The last subjective part of the questionnaire knowing the impact of advertisement that are made on Tv, radio and newspaper. this was one means of assessing information that whether a respondent made to shift in his/ her mind to wards a certain attitude or opinion as the result indicated that 20% of the respondent answered that advertisements made on certain mass media give good or fair understanding about insurance even though it is more of signal than describe different aspects about insurance and 50% of respondents complain that those advertisements are more of signal and they do not convince us to have good impression about insurance institution establishments and benefits they offer to the growth of a country economic activity they simply compete each other to take great market share before they pave road that leads to potential customers the rest 30% answered that they have never been exposed to such advertisement about insurance but here we may find those in different peoples about the establishments of insurance organization and benefits they contribute to the growth of a country's economy.

In addition to this there are problems mentioned in the country ingenerall the major one is misconception about insurance many people consider an insurance contract to be a waste of money unless a loss occurs and indemnity is received some even feel that it they have not had a loss during the policy term, their premium is wasted. Both view points emerge from incomprehension of the value of security obtained.

The three mistakes that people make as far as insurance is concerned deserve here to be emphasized. The first mistake is of course, not buying insurance cover at all to protect ones own property, potential liability and their beloved ones by way of life insurance obviously if one does not protect himself by buying insurance all his possessions accumulated for life will be lost instantly both by insurable and uninsurable risks most risks, however, are insurable. On the other perspective if one fails to insure his

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potential liabilities what he loses is also his wealth as he has to compensate the victim affected by his wrong or negligent acts from his own pocket.

The second mistake people make arises when they do not buy adequate insurance cover to protect their assets, lives and potential liabilities. In this sense perhaps with the intension of reducing the premium they pay or due to lack of awareness they do not get the full insurance protection need.

The third mistake is buying insurance more than required, one should not buy insurance protection more than he requires. In so doing one pays premium unnecessary for the unnecessary portion of the cover. For the obvious reason buying more insurance cover than needed is potentially less catastrophic than buying too little. In the former case what one loses per haps may be few hundreds of Birr and in the latter one may lose all the fortunes accumulated for life.

At this juncture, of course who is to be blamed for the pit falls mentioned above might be raised. The public or the indusry members i.e the insurance companies and the professionals persons in or out side the companies? The proposer or the insured, as acclent, as a matter of fact, has to blame himself if and only if he has been given adequate advice as to the scope of cover of the policy he wants to buy as well as the available alternative policies that are marketed by the insurance company he has approached.

Frankly speaking a lot has to be done by the industry members to enhance the awareness of the public to buy the necessary and adequate insurance coverage. For not doing as much as it is expected of the industry, perhaps the blame could rest on it. The industry ought to teach and make the public aware of the use and essential functions of insurance. The Ethiopian insurance industry is not well developed the per capital premium of Ethiopia is among the lowest in the world. Needles to mention that the insurance industry has got the change and develop the attitude of the public to seek insurance protection.

Although one can not deny the fact that now a days more and more enterprises and individuals are making some progress in the development of a professional approach of insurance buying a lot still has to be done to make many enterprises and individuals in this country conscious about the risk they are exposed to and the benefit they get from an insurance coverage.

(Birritu May-June, 2001)

CHAPTER FIVE

CONCLUSION

As the study indicate us insurance industry still faces hindrance to go to deep in to the potential insurance market there are so many reasons that are mentioned for this problem which this study didn't mention, any how lack of awareness about the advantage of insurance industry to the growth of the general economic activity of a country is the major one.

Advertisements that are made on certain mass media do not give elaborative image about what is insurance mean, when does it cover loss or when it doesn't cover and where potential customer will get such elaborative information. As the result potential customers thrown in to confusion and become doubt full to insure their property. this problem is not only because of in adequacy of advertisement about insurance but also religion plays a great role for changing peoples attitude against the establishment of insurance co. and benefits they offer to the society.

Even insurance industry in the country is lagging behind because of the above mentioned reasons and other unforeseen reasons as this industry as for some years state owned till 1995 when private investments declared EIC. The oldest insurance co in the country leads the insurance market and other private insurance co hold aggregated market shared this is true almost in every corner of the country each insurance organizations give great emphasis to catch the attention of customers and potential customers they used the same fashion of advertisement that of more signal than descriptive.

The impact of religion in peoples mind can not easily get clear with out a great awareness creation strategy. As long as peoples are in the phase they have to obliged to the ethics that are phrase on the doctrine. Hope fully there is a need in peoples mind to know about insurance Despite, the influence of many factors they are welcomed every comment that helps the growth of their commercial production and other sector of economic activity including defending and indemnify losses

In cities, towns and manufacturing areas with less organized fire brigade, it is true hazards that happened due to fire will damage life and property so in this case there is a great importance of insuring properties as well as there is a great need of life insurance. but even these is a problem of awareness of the people in using insurance as above explanation indicates in order or as the effort give awareness to the people regarding insurance and their establishment increases, the future perspective insurance market will be large and enormous unless and other wise the people awareness increases the current market will stay stagnant and this will hurt insurance organization to compute with price reduction and this case will threat ve their existence.

first have intensive observation regarding factors that affect insurance market in context with different internal and external factors and thus general study on the region around the country regarding the way how and in what way insurance market strategies should be formulated and their future perspective.

In conclusion in order to take or get are a remarkable profit and wide insurance market insurance co have to take their own measure to exist in this stiff market competition with less n° of customer. In addition to this integrated means of study about insurance market and future perspective very much necessary this findings also may not be considered as a reflection of the problem of insurance market in the country in general any how it is an indicator of the shadow that prevent the insurance market from potential customers.

The insurance industry and the professionals around it have got to make considerable effort in the area of buyer education holding seminars, workshops on risk management and publishing information of interest to the insurance buyer. One of the reason why the large portion of the insurance buying public is not busling insurance may be, on the one hand, lack of knowledge about the risk exposure, and on the other, lack of confidence. Through education and supply of relevant information the insurance industry can gain the confidence of the public to cooperate with it to preserve the national assets by way of an insurance contract.

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RECOMMENDATION

There is no much to say about the solution for the indicated problem because I have already tried to show some solution insurance market is very much sensitive and needs care full both sides ether from the insurer or the insured. If insurance markets needs to be develop in the country in general there should be intensive strategy concerning awareness creation along with other activity which might be core for the industry growth when we say awareness creation, we have to make well constructed and descriptive advertisement which avoids the mentioned limitation, more over the advertisement should be based primarily on defining insurance and announce the advantage it offers to the society and what process should a potential customer full fill to get to insurance.

A detail study regarding insurance hasn't been taken place in the region even in the country level this shows us that no concern is given to this use full industry. I recommend again that insurance co. should give great emphasis to this problem than compete each other with stiff and narrow market before paving the road that leads to the wide room of potential customer.

This day the industry is one of the profitable sector and large capital holder in developed country specially in Europe and America in addition to insuring property and life they uses reinsuring service to insurance companies all over the world and now a time by no means there is no a single a business rune with out insurance so developing country like our country should give attention to this sector whether instate level or privately owned companies in order to be competent in this dynamic environment.

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APPENDIX
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This questionnaire was developed to conduct a research on peoples attitude to wards Insurance in Awassa town.

PART ONE

Objective part

1. Name _____ Kebele _____ Higher _____
2. Educational status _____.
3. Job /profession _____.
4. Marital status _____.
5. Is the respondent insured?
Yes ☐ No ☐
6. To which insurance company he/she is insured ?
 - 6.1 _____
 - 6.2 _____
 - 6.3 _____
7. Religion _____

PART-TWO /SUBJECTIVE PART /

1. The respondent attitude towards insurance whether positive or negative

2. Factors influencing the respondent attitude

3. The impact of advertisements on a certain mass media about insurance on the individual attitude towards insurance.

4. Other significant factors.



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