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Research Article

Assessment of Community Attitude Towards Insurance Service Purchase in the Case of Mizan Aman Town

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Abstract

Insurance plays a crucial role in providing financial protection against risks for individuals and businesses. However, consumer attitudes toward insurance in Ethiopia are shaped by factors such as cultural beliefs, financial literacy, prior experiences, and affordability. This study, conducted at Mizan Tepi University in southwestern Ethiopia, aimed to assess the attitudes of the Mizan Aman community toward purchasing insurance. Using a descriptive research design, primary data were collected through questionnaires from 398 selected policyholders aged 18-65 years, representing high and middle social classes, out of a total population of 91,437 active individual life policyholders. Secondary data from relevant literature provided contextual background on Ethiopia's insurance sector. Data analysis using SPSS included descriptive statistics, factor analysis, Pearson correlation, and regression to examine the influence of variables such as income, age, family status, education, and cultural factors on insurance uptake. The findings reveal significant gaps in awareness, trust, and understanding of insurance among respondents. Many participants showed limited knowledge of insurance benefits, legal requirements, and policy details, which hindered their willingness to purchase insurance. Additionally, distrust in insurance companies and doubts about insurance's role in economic stability and health crisis management further constrained engagement. Overall, the study highlights challenges related to limited awareness, mixed perceptions, and economic barriers affecting insurance adoption in Mizan Aman. The results suggest the need for strategic interventions focusing on community education, trust-building, and improving accessibility to insurance products. While providing useful insights, the study's limitation to a single location and researcher calls for broader research across multiple sites to support comprehensive recommendations.

Keywords

Insurance, Educational Level, Descriptive Statistics and Attitudes

1. Introduction

Insurance plays a crucial role in ensuring financial security and managing risks for individuals and communities [30]. Insurance is a crucial financial tool that provides individuals and businesses with protection against various risks and uncertainties. It provides a safety net for businesses and organizations by offering reassured compensation for losses resulting from predefined conditions. The attitude of the world community towards insurance can be influenced by various factors such as cultural beliefs, economic conditions, and previous experiences with insurance providers. Understand-

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ing these factors is crucial in formulating effective strategies to promote insurance awareness and uptake within the community [36].

Attitude is an orientation towards or away from some object, concept or situation and a readiness to respond in a predetermined manner to these related objects, concepts or situations. All of this implies that attitudes play an important part in influencing consumer judgment, whether through perception, evaluation, information processing or decision-making. These attitudes can be influenced by various factors such as their perception of the importance of insurance, their level of financial knowledge, and their previous experiences with insurance providers [20]. Understanding consumer attitudes toward insurance purchases is essential for insurance companies to effectively market their products and services [8] additionally, individuals who consider themselves healthy may be less likely to perceive the need for insurance coverage, and while those who are older have higher educational attainment and families with children are more likely to purchase private insurance. It has been found that a positive attitude towards a product, including insurance, can significantly impact an individual's desire to choose and purchase that product [20]. Additionally, the way insurance is portrayed in media and popular culture can impact consumers' perceptions of its importance and value [6, 21, 25]. According to [5] Knowledge acquisition in life insurance policy is awareness about its facts and information to understand its advantage and benefits. On the other hand, attitude plays a vital role in making decisions in regards to purchasing life insurance which is based on an established way of reasoning or feeling about the policy. This can lead to improved customer satisfaction and loyalty, ultimately contributing to the success of insurance companies in the competitive market. Therefore the aim of this study is to assess attitude towards insurance purchase in case of Mizan Aman community. According to [13] the purpose of this study was to establish the effect of cultural factors that affect the uptake of insurance in Nairobi central business district, Kenya. Based on the findings the study concluded that religion has a negative effect on the uptake of insurance in Kenya. This study aims to explore the factors influencing attitudes toward insurance purchase in Ethiopia and identify the barriers that hinder individuals and businesses from obtaining insurance [32].

1.1. Statement of the Problem

The study conducted by [32] Sharia life insurance is an agreement between two parties. One is obliged to pay a contribution or premium, and the other must ensure a full guarantee of the insurers. It should undertake the protection of a contingent or uncertain loss based on the contract. Limited awareness about insurance is a major hurdle in Ethiopia. Many individuals, especially in rural areas, lack knowledge about the types of insurance available, their benefits, and how insurance can protect their assets and livelihoods. Moreover, misconceptions and lack of understanding about insurance can lead to skepticism and reluctance in purchasing insurance policies [34].

In Ethiopia, however, awareness and understanding of insurance's importance are lacking, resulting in a low attitude towards purchasing insurance. This knowledge gap contributes to low penetration rates, leaving many individuals and businesses uninsured or underinsured. This study addresses the issue of low community attitudes toward purchasing insurance services in Mizan Aman Town. Despite the presence of various insurance products, residents show a notable lack of interest and willingness to buy policies. This reluctance is influenced by several factors, including limited awareness of insurance products and their benefits, financial constraints, cultural beliefs and practices, and a lack of trust in insurance companies. Understanding these factors is essential for insurance providers and community leaders to develop effective strategies to boost insurance uptake in the Mizan Aman community. Therefore, this study was focus on assessing community attitudes toward purchasing insurance in Mizan Aman.

1.2. Objective of Study

1.1.1. General Objective

The aim of this study was to assess of community attitude towards insurance service purchase in the case of Mizan Aman town

1.2.2. Specific Objective

1) To assess the current level of insurance awareness within the Mizan Aman community
2) To identify the factors influencing the Mizan Aman community's decision-making process regarding insurance purchases.
3) To identify the potential benefits associated with insurance uptake in the Mizan Aman community
4) To identify barriers associated with insurance uptake in the Mizan Aman community

The study attempts to address the following basic research questions:

1) How to assess the current level of insurance awareness within the Mizan Aman community
2) How to identify the factors influencing the Mizan Aman community's decision-making process regarding insurance purchases
3) How to identify the potential benefits associated with insurance uptake in the Mizan Aman community
4) How to identify barriers associated with insurance uptake in the Mizan Aman community

The importance of insurance companies as part of the financial sector has significantly increased nowadays, both as a provider of financial services and as a major investor [29]. Individual decision-making for purchasing life insurance policies is complex. Many determinants are affecting the need of generation for insurance and the influence of life insurance purchase intentions [23, 24] Indicated that knowledge of insurance is correlated to owning a life insurance policy. It implies that consumers with wider information of life insurance have a higher chance of purchasing life insurance. Perhaps, generating awareness and knowledge for life insurance ownership and benefits is essential to driving an increase of the demand of life insurance [37].

Additionally, the study focuses on the relation of community attitude towards insurance service purchase with selected socio-economic variables namely: age, sex, number of dependents, civil status, religion, income, educational attainment, and employment status. The conceptual framework of the study involves the independent variables (knowledge and attitudes), exogenous independent variable (socio-demographic profile) and dependent variable (purchase decision) [5]. The importance of insurance in modern economies has long been recognized. It is the essential means by which many share in the disaster suffered by an individual or a community. In this way, major disasters are reduced and potentially resolved. In addition to the benefit it provides to the policyholder and his or her beneficiaries upon the occurrence of certain events such as premature death, terminal illness, serious illness of the breadwinner or expiration depending on the type of contract, insurance plays a crucial role in the socio-economic development of a country. This can be achieved through the mobilization of savings, which includes national economic development through the development of financial markets, the creation of employment opportunities and the overall improvement of the socio-economic development of the country. These in turn was improve the range of financial products in the long term and thus have a number of effects on the development and structure of financial markets.

The study focuses on buyers' attitude towards insurance in the case of Mizan Aman insurance company due to awareness and knowledge gaps. It relies heavily on data collected from Insurance Company insurance buyers. The purchase of life insurance policies is mainly done in Mizan Aman where the head office is located and our geographical reach is limited to Mizan Aman. It also provides highlights on an overview of consumer intentions and insurance level in the case of Insurance Company. The research examines whether buyers' attitudes influence insurance consumption intentions and attempts to analyze the characteristics that contribute to buyers' attitudes. However, this article does not cover other factors such as company performance and organizational issues and government policies that may affect buyers' attitudes. The study aims to provide insights into improving insurance uptake and understanding community perspectives towards insurance services in the context of Mizan Aman Town.

1.2.3. Limitation of the Study

The limitation was again with respondent's perception about the objective of the research project; they consider it as the research is being conducted for some other reason behind the main objective of the research. To overcome these negative expectations, the researcher made sure that the study is conducted for academic purpose and the respondent's anonymity was not disclosed or their names were kept confidential. The study was organized into five chapters. The first chapter presents the introduction. The second chapter shows literature review. While the third chapter presents methodology of the study and the fourth chapter data analysis, finding and discussion, and the final chapter presents conclusion and recommendation.

2. Literature Review

The purpose of this literature review is to provide a comprehensive analysis of the existing research on assessment of community attitude towards insurance service purchase in Mizan Aman Town. This review aims to summarize, synthesize, and critically evaluate the current state of knowledge, identify gaps in the literature, and suggest areas for future research. The literature reviewed spans various methodologies, theoretical frameworks, and findings, offering a holistic view of the topic. Understanding the assessment of community attitude towards insurance service purchase in Mizan Aman Town is crucial due to its significant impact on relevant field or society. Over the past decades, numerous studies have explored different aspects of assessment of community attitude towards insurance service purchase in Mizan Aman Town, contributing to a vast body of literature. The purpose of this literature review is to provide a comprehensive analysis of existing research on community attitudes towards the purchase of insurance services, with particular relevance to Mizan Aman Town. Understanding these attitudes is critical because they influence the adoption and sustained use of insurance products, which are essential for financial risk management. The Theory of Planned Behavior (TPB) posits those individuals' attitudes toward the behavior, subjective norms, and perceived behavioral control collectively shape their intention to engage in a particular action, such as buying insurance. Studies have applied TPB in insurance contexts, finding that positive attitudes, perceived social approval, and confidence in managing the purchase process increase insurance uptake [15, 40].

In developing countries like Ethiopia, low risk awareness and misunderstandings about insurance benefits can reduce adoption rates [28, 38]. Cultural and religious beliefs often shape these perceptions, affecting whether individuals trust and value insurance services [12]. Social influence from family, peers, and community leaders plays a significant role in insurance decision-making, as people rely on trusted sources for financial advice [17, 22]. This aligns with findings in Ethiopian contexts where community norms and informal networks impact insurance service uptake [38]. Empirical studies on Ethiopian communities reveal persistent challenges such as limited awareness, distrust of insurance companies, affordability issues, and cultural barriers that hinder insurance adoption [12, 38]. These barriers underscore the need for targeted educational programs, trust-building initiatives, and culturally sensitive insurance products to enhance acceptance and uptake in areas like Mizan Aman Town. In summary, this review shows that community attitudes toward insurance are multifaceted, influenced by psychological theories of behavior, risk perception, and social dynamics. These insights provide a theoretical foundation for assessing and improving insurance adoption in Mizan Aman and similar settings. It is important to note that this review is based on existing literature, and readers are advised to verify and cite proper sources to ensure accuracy. In the present time, life insurance could be utilized as an investment alternative, because a security for loan and for other demands also. As a life insurance plan bought inconspicuously with due concern could be regulated to assist the variety of requirements of a policyholder. Nowadays, life insurance has become substantial in a world where pension plans, social security benefits, and family savings turn insufficient situation he/she may feel paying premiums as an expense. In some instances, people may not have trust on insurance companies regarding payback of their premiums at the end of policy [2].

Less awareness about life insurance plans may be considered as a barrier in purchasing a life insurance policy, a reasonable proportion of community is actually unaware of real benefits and privileges that they could get by purchasing life insurance policy. Additionally, education level of common community is not as high as to understand the perks of life insurance policy accordingly [35]. Nine of these companies are composite (offering both life and non-life insurance services), while the remaining transact only non-life insurance [10]. One of the significant factors influencing the attitude of the Mizan Aman community towards insurance purchase is cultural beliefs and practices. In many communities, including Mizan Aman, traditional systems of risk-sharing and informal community-based insurance practices often prevail. These traditional mechanisms, such as mutual assistance, religious obligations, or close-knit social networks, may create a sense of mistrust or skepticism towards formal insurance products. [43] explains that the importance of marketer to understand the factors affecting buyers' and prospects attitude towards life insurance policy purchase, which in turn affects need and wants to their offerings in order to be able to take informed marketing-related decisions. It is important to notice that, when you purchase life insurance, you are providing for the future-perhaps the fulfillment of promises to loved ones to maintain a lifestyle, to have the necessary funds for a college education, to be able to comfortably pay off bills, even a mortgage, or to provide the edge to help the continuation of your business by providing funds to help cover outstanding loans, or to make a gift to your favorite charity [43].

The lack of education and awareness campaigns directly associated with insurance products, particularly in rural and disadvantaged areas, hinders the community's ability to recognize the importance and potential advantages of insurance. In the absence of proper knowledge, individuals often remain hesitant or unwilling to explore insurance as a risk management tool. Less awareness about life insurance plans may be considered as a barrier in purchasing a life insurance policy, a reasonable proportion of community is actually unaware of real benefits and privileges that they could get by purchasing life insurance policy. Additionally, education level of common community is not as high as to understand the perks of life insurance policy accordingly [35]. Some studies shows in relation to buyers' attitude to purchase life insurance are that thinking of it as a "regular" expense. When something is considered as an expense, generally the public avoid having that thing. A person who purchases policy can't enjoy the benefits of life insurance before the completion of the tenure of the policy. In this situation he/she may feel paying premiums as an expense. In some instances, people may not have trust on insurance companies regarding payback of their premiums at the end of policy [2]. This viewpoint highlights the importance of insurance to human life. Ironically, insurance services do not seem to be as enthusiastically embraced in developing countries. The abysmal level of insurance culture in developing countries has generated relative interest among both researchers and practitioners. Different demographic groups experience the adverse impacts of drought differently, with insurance helping to alleviate these effects. Older children (aged 12-17) and girls decrease their participation in full-time schooling during droughts without insurance, a trend that is mitigated by insurance uptake. Additionally, insurance helps mitigate the increase in child labor among first-born children during droughts [14].

[26] Agrees that Insurance is usually thought of as a product that spreads the risk of serious, but low-probability, losses among a group of individuals, thus providing some financial protection to each individual. [19] Said that his product makes good sense, particularly when the protection is purchased against potential losses so large as to be catastrophic, such as total destruction of one's home, a large accident liability judgment, or death of primary family breadwinner. However, it has long been recognized that this sensible product is difficult to sell.

Theoretical Literature Review

Financial illiteracy and underinsurance have been revealed to be critical issues in the financial sustainability and well-being of families. Financial literacy has attracted the attention of government, academia, and industry, as it plays a crucial role in consumers' financial decision-making, such as investment, retirement saving, debt management, and insurance. However, it is often the case that not all groups in society have the required literacy to understand information about different financial products, which may be vital for their financial wellbeing. One such financial product is personal insurance [41]. Individuals' purchase decisions are driven by their needs, and individuals assess and select insurance policies that was fulfill their needs. Although understanding the purchase behavior of consumers within a market is difficult, it is vital for any short-term insurance business.

Social media advertisement is the new form of advertisement that are develop to generate customer attitude towards their product, social media advertisement is emerging as they provide opportunities for organization to generate customer's engagement. Social media advertisement is often known as social networking advertising site, social media advertisement is one of the most efficient marketing techniques used by marketers to generate customer's importance, and these advertisements are effective and cheap way to engage the customer towards your product and services. These advertisements are place on social websites to generate maximum awareness about your product and services. Moreover, social media marketing can elaborate as a new form of internet market in which content is placed on social media websites to achieve your marketing objectives. Furthermore, to generate customer attention towards your product the content you have placed should contain encouraging factors that could gain customers attention [18]. In an era characterized by uncertainty and unforeseen risks, the role of insurance in safeguarding individuals and their assets has become increasingly vital. This paper delves into the complex landscape of attitudes toward insurance purchases, seeking to illuminate the factors that shape consumer perceptions and decision-making processes in this critical domain. Insurance, as a financial instrument, serves as a means of risk mitigation and financial protection. However, the willingness of individuals to engage with and invest in insurance products is not solely determined by the rational assessment of risks and benefits. Instead, a myriad of psychological, cultural, and social factors come into play, influencing the attitudes that individuals harbor toward insurance. Understanding these attitudes is crucial for insurance providers, policymakers, and researchers alike. Insights into the dynamics of consumer attitudes can inform the development of more effective communication strategies, tailored products, and regulatory frameworks that resonate with the diverse needs and preferences of the population.

According to [41] financial illiteracy and underinsurance have been revealed to be critical issues in the financial sustainability and well-being of families. However, studies show that financial literacy does not necessarily translate to insurance literacy, and more specialized education can improve insurance literacy. Little is known about the impact of insurance illiteracy on the inclination to seek and retain insurance. Considering this gap, our study aimed to investigate the direct and indirect of consumers' insurance literacy on purchasing decisions of personal insurance. The results revealed that insurance literacy directly, and through its mediators of trust, perceived benefits and favorable attitudes towards insurance, impacts the behavioral intention, significantly and positively. The cognition-based trust affected the purchase intention only through its mediators. Additionally, there is a significant difference between those who are having and not having insurance in terms of insurance literacy, trustfulness, and perceived value of insurance. This study is relatively a pioneer study, and findings will be of great interest to academicians and policymakers to encourage personal insurance as a tool in achieving financial security and well-being. It is a large industry within the US that in most regard is perpetual. Marketing for insurance is not similar to marketing for most other services or products. Findings suggest social media marketing can create the value needed to gain and retain customers in this industry. It was concurrently found that a few obstacles are faced by these business owners when it comes to implementation. These findings are significant as they show the importance of these small businesses utilizing social media marketing as a strategy for their business, which also assisted in identifying future research that could be done to alleviate the obstacles [4].

This study [11] describes Nigerians attitudes towards the insurance institution. The attitudes, most often negative, are mirrored through low patronage of insurance services. It discusses such social-cultural factors that account for these attitudes and what role marketing strategies can play to change such negative tide. Drawing from theoretical foundation, an empirical survey was conducted among 392 members of the public insuring and non-insuring to gauge their awareness level and general attitudes towards insurance companies and their operations. The findings present different demographical factors and their attitudes towards insurance companies and their services. It is expected that findings from such survey would constitute vital input for insurers in designing marketing strategies that would further stimulate and boost patronage and perception of insurance services. [42] The increased awareness, ever expanding distribution channels, improved service quality and innovative products are all contributing to the robustness of Insurance business in India. Besides these, insurance companies in India have an enormous potential that is under tapped. This is significantly evident in the existing penetration rate which is meagre 3.69%. Insurance industry in India has witnessed tremendous changes in the past decade, attributed to the dynamic changes in micro and macro factors such as- booming competition, changing demographic profile of the customers, government regulations, product innovation and technology interface. In the ensuing study an effort is made to identify and discuss the factors fostering or encumbering consumers from purchasing policies of Insurance companies. By adopting a diagnostic research design and survey technique, data was collected from around 124 sample elements that were chosen randomly using probability sampling method. Among the ten perceived benefits, high rate of return, tax benefits and policy tenure were found to be the key determinants positively influencing the buying behavior of consumers. Similarly cumbersome terms and conditions, lack of transparency and procedural delays were found to be the factors that impede purchase action of consumers.

In the context of the evolution of the domestic life insurance market in the past few years and of Romania's difficult economic situation, the Romanian consumers' behavior has changed, more and more of them discontinue life insurance policies. Thus, companies operating in this industry need more than ever to be able to convince consumers of the necessity for the services and products they offer and of their businesses' stability. On the long term, the objective of the life insurance companies has to be strengthening consumer trust in them. For this reason, marketing quantitative research was carried out regarding potential buyers' attitude towards life insurances, whose results are presented in this paper. The study aimed to determine the prospects' attitude towards the two main types of life insurances, the level of information they have on these services, their purchase intention, the importance given to these services, and the degree of trust in them [39]. Given that Social Media Advertising put significant impact on Consumer's attitude and shapes. Customer's buying behavior, so the managers of manufacturing industries of Pakistan should use the social media platform for their marketing activities. The findings imply that Social Media Advertisement had significant impact on Consumer Attitude and Customer Response in business success, so the managers of manufacturing/business industries of Pakistan should use the social media platform for their marketing activities. As far as delimitations are concerned, this research focused on Social Media Advertising effects on consumer's attitude and shapes customer buying behavior irrespective of other marketing tools. However, the data was collected from limited number of respondents, the study may contain biasness/unfairness because the results are self-reported and respondents may have answered inaccurately which may make the results less convincing [18].

Lim et.al. Stated that Malaysia has low insurance penetration rate which is about 60% compare to other country. [20] This means Malaysians might not be prepared in cases of unexpected disasters. Studies show that product, price, place, promotion and attitude do influences the purchase intention of insurance. Black box theory is applied in this study. This is a quantitative study where data is collected using survey method. All items were using 5-points Likert scale. 350 samples are used in this survey using questionnaire developed using adoption and adaptation of existing items. Using PLS-SEM data analysis method, this study found that product is the most important influence on life insurance purchase decision. Attitude his also found to mediate the relationship marketing stimuli and purchase behavior. This study concludes that marketing mix which is product, price, place and promotion will influence customer attitude and subsequently customer purchase intention. Hence, insurance company should develop their marketing mix carefully in order to increase sales. Future studies are recommended to investigate effect of image provided through marketing/sales representatives on life insurance buying behavior. [6] Taiwanese people begin to plan and invest for the future. And low cost, high guarantee and high interest rate become the high quality insurance in the eyes of customers, which has life insurance. Commodities that are guaranteed and funded are becoming popular with the public. Variable life insurance is a dual function policy with both "life insurance guarantee" and "investment option". The main focus of this study is the theory of planned behavior. Data is collected by questionnaires. Different demographic variables are explored for potential customers. Descriptive analysis is conducted using SPSS statistical software to explore the demographic variables on purchasing behavior. The factor analysis is then used to extract the data influencing the consumer purchasing behaviors. Multiple regression analysis is also used to explore the various factors that influence the findings. Finally, based on the empirical results, this study will put forward academic implications, purchasing behavior implications and follow-up suggestions.

Health insurance has been acknowledged by researchers as a valuable tool in health financing. In spite of its significance, a subscription paralysis has been observed in India for this product. People who can afford health insurance are also found to be either ignorant or aversive towards it. This study is designed to investigate into the socio-economic factors, individuals' health insurance product perception and individuals' personality traits for unbundling the paradox which inhibits people from subscribing to health insurance plans. Age, dependent family members, medical expenditure, health status and individual's product perception were found to be significantly associated with health insurance subscription in the region. Personality traits have also showed a positive relationship with respondent's insurance status [25]. The findings revealed that consumer attitudes and financial literacy are strong predictors of insurance consumption and they account for 34.2 percent of variance in consumption. However, consumer attitudes explained more of the variance in insurance consumption. The findings show negative attitude towards insurance products as a result of lack of trust and confidence in the insurance firms. Prices of insurance products, Ignoring risks and reliance on family and friends for help in emergencies are the other factors preventing purchase of insurance. The findings further display low financial literacy of consumers. Findings can help marketers of insurance products in formulation and implementation of relevant marketing strategies towards addressing the nonchalant attitudes of consumers and financial illiteracy to stimulate and boost patronage and perception of insurance services [33].

Despite fast growth in the past three decades, the Chinese insurance market is underdeveloped in terms of insurance density and penetration. In this study, we examine the cultural influence on insurance consumption in China and present evidence on the culture influence hypothesis. We find that demand-related factors explain insurance consumption while supply factors do not. Among the demand-side variables, those closely related to culture (i.e., percentage of saving in GDP and fraction of urban population) dominate economy-based variables in driving insurance consumption. Moreover, we obtain consistent evidence regarding cultural influence on insurance consumption using an international data-set across 56 countries. In general, our finding suggests that culture plays a significant role in determining insurance consumption [44]. From the result the research understands they are contradictory finding and concept so the researchers were this gap and other stated. While extensive research has been conducted on the determinants of attitudes toward insurance purchases, there remains a conspicuous empirical gap concerning the intersection of socio-economic factors and the adoption of insurance products. This study primarily focuses on assessment of community attitude towards insurance service purchase in the case of Mizan Aman Town, located in southwestern Ethiopia. The literature has offered valuable insights into the role of trust, perceived risk, and cultural influences on insurance decisions. However, the lack of granularity in examining how specific socio-economic variables, such as educational attainment, occupation, or regional economic conditions, interact and influence attitudes presents an opportunity for further investigation. Understanding the differential effects of socio-economic factors can be pivotal for insurance providers and policymakers. For instance, a more fine-grained analysis could uncover whether certain groups with distinct socio-economic profiles exhibit particular patterns of risk aversion, trust in insurers, or preferences for specific types of coverage.

Table 1. *Summery of research gaps.*

Authors	Focus of the study	Findings	Research gap
[44].	Cultural influence on insurance consumption: Insights from the Chinese insurance marke	our finding suggests that culture plays a significant role in determining insurance consumption	Moreover, we obtain consistent evidence regarding cultural influence on insurance consumption using an international data-set across 56 countries.
[33].	Financial Literacy and Consumption of Insurance in Kampala	Negative attitude towards insurance products as a result of lack of trust and confidence in the insurance firms.	Lack of trust and confidence in the insurance firms. Prices of insurance products

The principle of Utmost Good Faith is defined in Collins English Dictionary as “a principle used in insurance contracts, legally obliging all parties to reveal to the others any information that might influence the others’ decision to enter into the contract”. Insurance contracts are agreements made in the utmost good faith, which implies a standard of honesty greater than usually required in most ordinary commercial contracts. The policy is voidable if utmost good faith is not observed by both parties. Utmost good faith is a principle used in insurance contracts that legally obliges all parties to reveal to the others all important information [31]. Both the insurer and the insured must disclose all material facts truthfully and completely before entering into the insurance contract. Any failure to do so can result in the contract becoming void. The doctrine of the utmost good faith sometimes referred to by its Latin name, Uberrimae fides is a contractual legal doctrine that requires contracting parties to act honestly and not mislead or withhold any information that is essential to the contract [31].

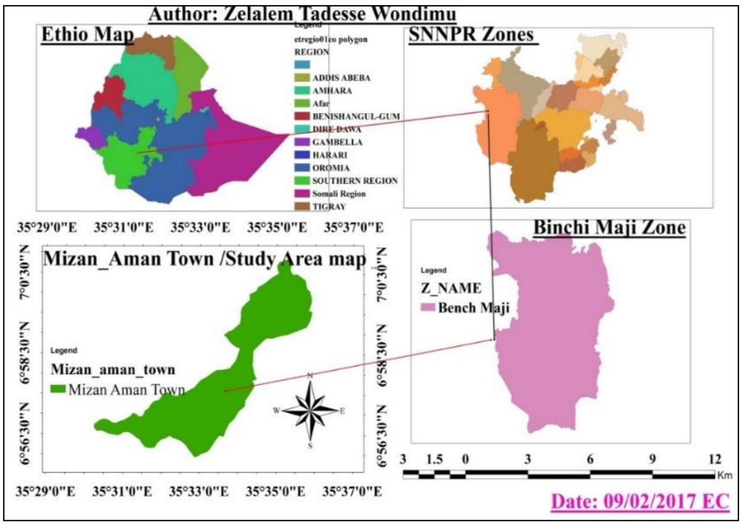

Figure 1. *Map of the study area.*

3. Research Methodology

3.1. Description of the Study Area

This study was conducted in Mizan Tepi University, particularly in college of Business and Economics Department of Management. The study was conducted at Mizan Aman Town. Mizan Tepi University is one of Ethiopian University which is located in Southwestern Ethiopia at distance 584.2 km from Addis Ababa. Mizan Tepi has a latitude and longitude of 7°0′N 35°35′E/7.000°N 35.583 °E.

3.2. Research Design

Research design refers to the overall plan or structure that guides the process of collecting, analyzing, and interpreting data in a research study. It serves as a blueprint for the researcher, outlining the methods and procedures that were employed to address the research questions. A well-constructed research design helps ensure the validity and reliability of the study's findings by providing a systematic and organized approach to data collection and analysis [7]. The researcher follows a descriptive design. This descriptive design was based on primary and secondary data obtained from published statements of accounts. This method allows description of both qualitative and quantitative data. The researcher was use descriptive method for the purpose of collecting evidence data, because it helps to describe the current situation of contribution in that particular organization and to easy transfer the data and understand.

Research was acquired from secondary and primary sources of data. Combining both types of data allows for a more comprehensive understanding of the community's attitudes towards insurance. Primary sources data is accuracy and specificity it provides data directly related to the research question. Because of primary data was collected from selected policyholders through questionnaires. Primary sources are first hand, original data collected by the researcher directly from the subjects or phenomena under investigation. While the secondary data was collected from books, magazines, journals, insurance regulatory and development authority (IRDA) annual reports, statistical abstract and so on. Secondary data will be required to study the nature, scope and various types of insurance policies being opted by policyholders, global insurance practices, development of insurance sectors in Ethiopia and global insurance practices in order to make this study quantitative.

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, and evaluate outcomes. it was collected data in primary data collection. In primary data collection, you collect the data yourself using qualitative and quantitative methods. The key point here is that the data you collect is unique to you and your research and, until you publish, no one else has access to it. There are many methods of collecting primary data. The main methods include questionnaires, interviews, focus group interviews, observation, survey, case-studies, diaries, activity sampling technique, memo motion study, process analysis, link analysis, time and motion study, experimental method and statistical method etc. A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sample design is the number of items to be included in the sample i.e., the size of the sample. The population of interest was people aged 18-65 years (insurable years); belonging to high and middle social classes All the customers of Mizan Aman society will be included in insurance constituted the population of this study. The total number of active individual life policy holders is 91,437.

The convenience sampling technique was select for this study because it allows for quick and easy data collection by choosing participants who are readily accessible, such as nearby residents or individuals who are easy to reach. This can be especially beneficial when there are time constraints or limited resources. Since it involves using participants who are easily accessible, it requires fewer resources in terms of travel, communication, or other logistical factors. This makes it a cost-effective method compared to more complex sampling techniques. Convenience sampling is often used for pilot studies or exploratory research where the goal is to gain preliminary insights before conducting a larger, more representative study. It helps test research tools or gets a quick understanding of trends in the initial phase. In some cases, obtaining a complete list of the population for random sampling might not be feasible due to data unavailability or other constraints. Convenience sampling can offer an alternative when more rigorous sampling methods are not practical. However, while convenience sampling is practical in certain situations, it has limitations, including potential biases and a lack of representativeness, which can affect the generalizability of the findings. Thus, it's often selected when the research focus is more exploratory or when strict representativeness is not the primary concern.

A sample size represents the exact number of people from the total population that was form part of the study. The sample size was formed by sampling frame. Refer to sampling frame as eligible members of the population. They also advise that the sampling frame must be bigger than the sample in case some people are not available at the time of contact or choose not to participate in the study for one or other reasons. The researcher will employ (Yamane formula) and finally the researcher used convenience sampling method because of it is quick, inexpensive, and convenient. To select samples from the target population, simple random method of a lottery method in which tickets was prepared for 91,437 unit sample of the population and 398 respondents were selected at random. Then the tickets were mixes up and the required number of tickets (sample) was draw from the tickets, because it improves the accuracy of the sample for respondent.

The As data means raw information collected from different sources. The collected data was code. Data analysis of the descriptive statistics of the sample and measurement items was carry out using the Statistical Package for Social Science Research (SPSS) version 25. The results of the analysis were present in form of tables, graphs and charts for interpretation. Microsoft excel analysis was used to compute the dependent variable's ratios. Personal income, Age, Family status, Educational level, Cultural factor, and Media exposure, and Trust and consumption data was transferred to SPSS to ascertain their relationship. Factor analysis was performed to group the consumers and predict their attitude and consumption of insurance. This process helped to identify the underlying factors leading to attitude formation and consumption. Pearson correlation analysis was used to determine the relationship between attitudes, intention, financial literacy and insurance consumption. Regression analysis was used to determine the relationship and impact of Attitudes, intention and financial literacy to insurance consumption.

Model Specification

Model specification involves defining the statistical models that was used to analyses the data. In this study, multiple regression analysis may be employed to understand the relationship between various factors affecting the assessment of community attitude towards insurance service purchase in the case of Mizan Aman town**.** The general form of the regression model can be expressed as:

Y=β0+β1X1+β2X2+...+βnXn+ε$Y=\beta0+\beta1X1+\beta2X2+...+\beta nXn+\varepsilon$

Where:

YY represents the dependent variable,

β0$\beta 0$ is the intercept,

β1, β2,..., βn$\beta 1, \beta 2, ..., \beta n$ are the coefficients of independent variables,

X1, X2,...,Xn$X1, X2, ..., Xn$ are independent variables (e.g., household income),

ε is the error term.

This model was helping identify significant Assessment of community attitude towards insurance service purchase in the case of Mizan Aman town

4. Data Analysis and Presentation of Results

4.1. Background Information of Study Participant

The background information of study participants provides essential demographic and socio-economic details, helping to understand the context and diversity of the population studied in the research assessing community attitudes toward insurance services in Mizan Aman Town. This includes the current level of insurance awareness within the community, which is crucial for understanding how familiar the population is with insurance concepts. Additionally, it explores the factors influencing decision-making regarding insurance purchases, such as income levels, education, and previous exposure to insurance services. The research also highlights the potential benefits associated with insurance uptake, such as financial security and risk mitigation, which may impact individuals' willingness to engage with insurance services. Furthermore, the barriers associated with insurance uptake, such as affordability, trust, and cultural perceptions, are examined to identify challenges that may hinder broader participation in insurance schemes within Mizan Aman Town.

4.2. Presentation of Results

Table 2. *Age Distribution of Respondents.*

		Frequency	Percent
Valid	Under 18	20	5.7
	18-24	60	17.1
	25-34	100	28.6
	35-44	120	34.3
	45 and above	50	14.3
	Total	350	100.0

Presents the age distribution of respondents, categorized into five groups: Under 18, 18-24, 25-34, 35-44, and 45 and above, among a total of 350 individuals. The largest age distribution of respondents is the 35-44 age range, comprising 34.3% (120 respondents), while the smallest was Under 18, accounting for only 5.7% (20 respondents). The 25-34 group represents 28.6% (100 respondents), followed by 18-24 at 17.1% (60 respondents), and 45 and above at 14.3% (50 respondents). The cumulative distribution shows that 34.3% of respondents fall within the 35-44 age group or younger, highlighting a diverse representation but with an emphasis on middle-aged individuals. The limited representation of those under 18 or over 45 may indicate their lower interest, access, or population share in the study area.

Table 3. *Gender Distribution of Respondents.*

		Frequency	Percent
Valid	Male	170	48.6
	Female	180	51.4

	Frequency	Percent
Total	350	100.0

Presents the gender distribution of respondents among a total of 350 individuals, female respondents constitute the majority at 51.4% (180 individuals), while males account for 48.6% (170 individuals). The cumulative percentage shows that by including female respondents, 100% of the population is covered, indicating a nearly balanced gender representation in the survey

Table 4. *Distribution of Respondents by Educational Level.*

		Frequency	Percent
Valid	No formal education	30	8.6
	Primary education	60	17.1
	Secondary education	70	20.0
	Vocational training	40	11.4
	Bachelor’s degree	137	39.1
	Master’s degree and above	13	3.7
	Total	350	100.0

Presents the educational level distribution of respondents among a total of 350 individuals, the majority hold a bachelor's degree, comprising 39.1% (137 respondents), while 20.0% (70 respondents) have completed secondary education. Respondents with primary education account for 17.1% (60 individuals), and 11.4% (40 respondents) have vocational training. Those with no formal education represent 8.6% (30 individuals), and the smallest group, at 3.7% (13 respondents), holds a master’s degree or higher. The cumulative percentages show that 96.3% of respondents have education levels up to a bachelor’s degree, reflecting a broad range of educational backgrounds.

Table 5. *Distribution of Respondents by Occupation.*

		Frequency	Percent
Valid	Student	50	14.3
	Employed	150	42.9
	Self-employed	50	14.3
	Unemployed	50	14.3
	Retired	50	14.3

	Frequency	Percent
Total	350	100.0

Presents the occupational distribution of respondents among a total of 350 individuals, the largest group consists of employed respondents, comprising 42.9% (150 individuals). Equal proportions of 14.3% (50 individuals each) are observed for students, self-employed, unemployed, and retired respondents. The cumulative percentages indicate that 57.2% of respondents are covered up to the unemployed category, showcasing a diverse representation of occupational statuses.

Table 6. *Distribution of Respondents by Monthly Income (ETB).*

		Frequency	Percent
Valid	below 500	30	8.6
	1000-2000	100	28.6
	2000-5000	100	28.6
	Above 5000	120	34.3
	Total	350	100.0

Above on respondents' monthly income reveals that the majority (57.2%) earn between 1,000-5,000 ETB, with 28.6% earning 1,000-2,000 ETB and another 28.6% earning 2,000-5,000 ETB, indicating a large proportion of the population falls within the lower-middle-income range. The largest income group (34.3%) earns above 5,000 ETB, while only 8.6% of respondents earn below 500 ETB, representing a smaller, low-income segment. The cumulative percent shows that 37.1% of respondents earn below 2,000 ETB, and the income distribution highlights the economic diversity within the sample, which could influence their ability to purchase insurance or engage in financial activities.

Table 7. *Respondents’ familiarity with the different types of insurance services available in Mizan Aman.*

		Frequency	Percent
Valid	Strongly Disagree	100	28.6
	Disagree	110	31.4
	Neutral	40	11.4
	Agree	50	14.3
	Strongly Agree	50	14.3
	Total	350	100.0

Presents respondents' familiarity with the different types of insurance services available in Mizan Aman, a significant proportion disagrees, with 28.6% (100 respondents) strongly disagreeing and 31.4% (110 respondents) disagreeing, making a total of 60% expressing unfamiliarity. Conversely, 14.3% (50 respondents each) agree and strongly agree, indicating familiarity. Meanwhile, 11.4% (40 respondents) remain neutral. The cumulative percentages show a majority leaning towards disagreement, highlighting limited awareness of insurance services in the area.

Table 8. *Respondents' understanding of how insurance policies work and what they cover.*

		Frequency	Percent
Valid	Strongly Disagree	70	20.0
	Disagree	50	14.3
	Neutral	100	28.6
	Agree	50	14.3
	Strongly Agree	80	22.9
	Total	350	100.0

While 22.9% (80 respondents) strongly agree and 14.3% (50 respondents) agree, indicating a clear understanding, 20.0% (70 respondents) strongly disagree and 14.3% (50 respondents) disagree, expressing a lack of understanding. A significant portion, 28.6% (100 respondents), remains neutral. The cumulative percentages show that 62.9% of respondents are either neutral or disagree, suggesting a notable gap in understanding insurance policies among the respondents.

Table 9. *Respondents' Knowledge of Where to Purchase Insurance in Mizan Aman.*

		Frequency	Percent
Valid	Strongly Disagree	40	11.4
	Disagree	50	14.3
	Neutral	60	17.1
	Agree	100	28.6
	Strongly Agree	100	28.6
	Total	350	100.0

A combined 57.2% (200 respondents) either agree or strongly agree, indicating a majority are aware of insurance purchasing locations. Meanwhile, 11.4% (40 respondents) strongly disagree and 14.3% (50 respondents) disagree, reflecting some lack of awareness. Additionally, 17.1% (60 respondents) remain neutral. The cumulative percentages show a trend towards familiarity, though a portion of the population still experiences uncertainty.

Table 10. *Respondents' receipt of information about insurance from local organizations or media.*

		Frequency	Percent
Valid	Strongly Disagree	100	28.6
	Disagree	80	22.9
	Neutral	40	11.4
	Agree	90	25.7
	Strongly Agree	40	11.4
	Total	350	100.0

A significant portion, 28.6% (100 respondents), strongly disagree, and 22.9% (80 respondents) disagree, indicating limited exposure to such information. Conversely, 25.7% (90 respondents) agree, and 11.4% (40 respondents) strongly agree, suggesting some awareness from local sources. Additionally, 11.4% (40 respondents) remain neutral. The cumulative percentages show that most respondents have not received adequate information about insurance from this research, highlighting a need for increased awareness.

Table 11. *Respondents' awareness of legal requirements for insurance in Ethiopia.*

		Frequency	Percent
Valid	Strongly Disagree	70	20.0
	Disagree	100	28.6
	Neutral	50	14.3
	Agree	80	22.9
	Strongly Agree	50	14.3
	Total	350	100.0

A combined 48.6% (170 respondents) either strongly disagree or disagree, indicating a significant portion is not aware of these legal requirements. Conversely, 22.9% (80 respondents) agree, and 14.3% (50 respondents) strongly agree, suggesting some awareness. Additionally, 14.3% (50 respondents) remain neutral. The cumulative percentages show that a majority of respondents lack awareness of legal insurance requirements, highlighting a gap in knowledge.

Table 12. *Respondents' perception of the complexity of insurance policies.*

		Frequency	Percent
Valid	Strongly Disagree	80	22.9
	Disagree	120	34.3
	Neutral	60	17.1
	Agree	70	20.0
	Strongly Agree	20	5.7
	Total	350	100.0

A majority, 57.2% (200 respondents), strongly disagree or disagree, indicating that they do not find insurance policies difficult to understand. However, 20.0% (70 respondents) agree, and 5.7% (20 respondents) strongly agree, suggesting that some find the policies complex. Additionally, 17.1% (60 respondents) are neutral. The cumulative percentages highlight that while most respondents do not perceive insurance policies as overly complex, there is still a portion who find them challenging to understand.

Table 13. *respondents' reliance on advice from friends or family in insurance purchase decisions.*

		Frequency	Percent
Valid	Strongly Disagree	80	22.9
	Disagree	90	25.7
	Neutral	60	17.1
	Agree	50	14.3
	Strongly Agree	70	20.0
	Total	350	100.0

A combined 48.6% (170 respondents) either strongly disagree or disagree, indicating that they do not rely on personal advice when choosing insurance. However, 14.3% (50 respondents) agree, and 20.0% (70 respondents) strongly agree, suggesting that a significant portion of respondents value advice from family or friends. Additionally, 17.1% (60 respondents) are neutral. The cumulative percentages show that while many do not rely on personal advice, a considerable number still consider it when making decisions about insurance.

Table 14. *respondents' perception of cultural beliefs discouraging the purchase of insurance.*

		Frequency	Percent
Valid	Strongly Disagree	100	28.6
	Disagree	130	37.1
	Neutral	20	5.7
	Agree	60	17.1
	Strongly Agree	40	11.4
	Total	350	100.0

A majority, 65.7% (230 respondents), strongly disagree or disagree, suggesting that cultural beliefs do not significantly discourage the purchase of insurance. However, 17.1% (60 respondents) agree, and 11.4% (40 respondents) strongly agree, indicating that a portion of respondents believes cultural beliefs may play a role in discouraging insurance purchases. Additionally, 5.7% (20 respondents) remain neutral. The cumulative percentages show that while most respondents do not view cultural beliefs as a barrier, a notable minority does.

Table 15. *respondents' perception of the accessibility of insurance services in Mizan Aman.*

		Frequency	Percent
Valid	Strongly Disagree	30	8.6
	Disagree	40	11.4
	Neutral	50	14.3
	Agree	140	40.0
	Strongly Agree	90	25.7
	Total	350	100.0

A majority, 40.0% (140 respondents), agree, and 25.7% (90 respondents) strongly agree that access to insurance services is limited. In contrast, 8.6% (30 respondents) strongly disagree, and 11.4% (40 respondents) disagree, suggesting that some feel access is not limited. Additionally, 14.3% (50 respondents) are neutral. The cumulative percentages reveal that most respondents perceive limited access to insurance services in Mizan Aman, highlighting a potential issue with availability or outreach.

Table 16. *Respondents' perception of trust in insurance companies in the community.*

		Frequency	Percent
Valid	Strongly Disagree	20	5.7
	Disagree	30	8.6
	Neutral	60	17.1
	Agree	140	40.0
	Strongly Agree	100	28.6
	Total	350	100.0

Of the 350 respondents, 68.6% agree (40.0%) or strongly agree (28.6%) that trust in insurance companies is low among many people of the community. Contrarily, 8.6% (30 respondents) disagree and 5.7% (20 respondents) strongly disagree, indicating that very few people believe these businesses are trustworthy. Furthermore, 60 respondents, or 17.1%, are neutral. Collectively, the findings show that the community has a high degree of suspicion of insurance businesses. The table displays the respondents' opinions regarding the community's perception of insurance companies' dependability.

Table 17. *Respondents' Perception of the Complexity of the Insurance Process.*

		Frequency	Percent
Valid	Strongly Disagree	120	34.3
	Disagree	130	37.1
	Neutral	20	5.7
	Agree	60	17.1
	Strongly Agree	20	5.7
	Total	350	100.0

The Table 17 displayed that the respondents' opinions regarding the intricacy of the insurance procedure are displayed in the table. A majority of 250 respondents, or 71.4%, indicated that they did not find the insurance procedure hard or difficult to grasp, with 34.3 percent strongly disagreeing and 37.1 percent disagreeing. But 17.1% of respondents (60) agree, and 5.7% of respondents (20) strongly agree, indicating that some respondents find the process difficult. Furthermore, 20 respondents, or 5.7%, are neutral. Although a minority still finds the insurance process difficult to understand, the cumulative numbers show that the majority of respondents do not think it is unduly hard.

Table 18. *Respondents' Perception of the Lack of Awareness about the Benefits of Insurance in the Community.*

		Frequency	Percent
Valid	Strongly Disagree	30	8.6
	Disagree	40	11.4
	Neutral	80	22.9
	Agree	100	28.6

		Frequency	Percent
	Strongly Agree	100	28.6
	Total	350	100.0

A sizable percentage, 57.1% (200 respondents), concur (28.6%) or strongly concur (28.6%) that people are not well-informed about its advantages. On the other hand, a minority of respondents (18.4%) disagrees and 8.6% (30 respondents) strongly disagree, indicating that there is awareness. In addition, 80 respondents, or 22.9%, are neutral. A lack of knowledge about the advantages of insurance in the community is perceived by most respondents, according to the cumulative percentages.

Table 19. *Respondents' Perception of the Importance of Insurance for Managing Business Risks in Mizan Aman.*

		Frequency	Percent
Valid	Strongly Disagree	40	11.4
	Disagree	50	14.3
	Neutral	70	20.0
	Agree	90	25.7
	Strongly Agree	100	28.6
	Total	350	100.0

A sizable proportion, 54.3% (190 respondents), agree (25.7%) or strongly agree (28.6%), that insurance is necessary for managing business risks. On the other hand, 11.4% (40 respondents) strongly disagree, and 14.3% (50 respondents) disagree, implying that some respondents do not believe insurance is necessary for controlling business risks. Additionally, 20.0% (70 respondents) are neutral. The cumulative numbers show that the majority of respondents understand the value of insurance in controlling business risks.

Table 20. *Respondents' Perception of Insurance's Contribution to the Economic Stability of Families in the Community.*

		Frequency	Percent
Valid	Strongly Disagree	60	17.1
	Disagree	150	42.9
	Neutral	20	5.7
	Agree	70	20.0
	Strongly Agree	50	14.3
	Total	350	100.0

The majority, 60.0% (210 respondents), disagree (42.9%) or strongly disagree (17.1%), indicating that they do not feel insurance makes a significant contribution to economic stability. In contrast, 20.0% (70 respondents) agree, and 14.3% (50 respondents) strongly agree, indicating that some respondents believe insurance has a good impact on economic stability. Additionally, 5.7% (20 respondents) stay neutral. The total percentages show that the majority of respondents do not see insurance as a major contributor to the economic stability of local households.

Table 21. *Respondents' Perception of Insurance in Helping Families Cope During Health Crises or Hospitalization.*

		Frequency	Percent
Valid	Strongly Disagree	100	28.6
	Disagree	90	25.7
	Neutral	30	8.6
	Agree	60	17.1
	Strongly Agree	70	20.0
	Total	350	100.0.0

Below shows how many people think insurance makes families better able to handle medical emergencies and hospital stays, a combined 54.3% (190 respondents) either strongly disagree (28.6%) or disagree (25.7%), indicating that many do not believe insurance plays a significant role in helping families during health emergencies. On the other hand, 17.1% (60 respondents) agree, and 20.0% (70 respondents) strongly agree, suggesting that a portion of respondents sees insurance as beneficial in coping with health crises. Additionally, 8.6% (30 respondents) remain neutral. The cumulative percentages reveal that while some respondents recognize the importance of insurance in health crises, many do not see it as crucial.

Table 22. *Respondents' Perception of Insurance in Providing Peace of Mind during Accidents or Emergencies.*

		Frequency	Percent
Valid	Strongly Disagree	50	14.3
	Disagree	60	17.1
	Neutral	40	11.4
	Agree	100	28.6
	Strongly Agree	100	28.6
	Total	350	100.0

The above table shows how people feel about the idea of having insurance in case of unexpected events. A combined 31.4% (110 respondents) either strongly disagree (14.3%) or disagree (17.1%), suggesting that some respondents do not feel that insurance offers peace of mind during emergencies. However, 28.6% (100 respondents) agree, and 28.6% (100 respondents) strongly agree, indicating that a significant portion of respondents believe insurance does provide peace of mind. Additionally, 11.4% (40 respondents) are neutral. The cumulative percentages show that while a substantial number of respondents view insurance as providing peace of mind, others do not share this perspective.

Table 23. *Respondents' Perception of Insurance in Protecting Individuals from Unexpected Financial Losses.*

		Frequency	Percent
Valid	Strongly Disagree	40	11.4
	Disagree	60	17.1
	Neutral	30	8.6
	Agree	120	34.3
	Strongly Agree	100	28.6
	Total	350	100.0

The above table presents respondents' views on whether insurance helps protect individuals from unexpected financial losses. A combined 28.5% (100 respondents) either strongly disagree (11.4%) or disagree (17.1%), suggesting that some do not perceive insurance as providing financial protection against unexpected losses. However, 34.3% (120 respondents) agree, and 28.6% (100 respondents) strongly agree, indicating that a majority of respondents believe insurance is an effective tool for financial protection. Additionally, 8.6% (30 respondents) are neutral. The cumulative percentages reveal that while many respondents view insurance as helpful for protecting against financial losses, a significant portion remains unconvinced.

Table 24. *Respondents' Perception of the Influence of Convenient Payment Options on Insurance Purchase Decisions.*

		Frequency	Percent
Valid	Strongly Disagree	50	14.3
	Disagree	60	17.1
	Neutral	70	20.0
	Agree	100	28.6
	Strongly Agree	70	20.0
	Total	350	100.0

The above table presents respondents' views on whether insurance helps protect individuals from unexpected financial losses. A combined 28.5% (100 respondents) either strongly disagree (11.4%) or disagree (17.1%), suggesting that some do not believe insurance offers protection against financial losses. However, 34.3% (120 respondents) agree, and 28.6% (100 respondents) strongly agree, indicating that a significant portion of respondents sees insurance as an effective means of protection. Additionally, 8.6% (30 respondents) are neutral. The cumulative percentages highlight that many respondents believe insurance plays a key role in protecting against financial losses, though a portion still disagrees.

Table 25. *Respondents' Perception of the Influence of Religious or Cultural Beliefs on Insurance Purchase Decisions.*

		Frequency	Percent
Valid	Strongly Disagree	100	28.6
	Disagree	80	22.9
	Neutral	60	17.1
	Agree	60	17.1
	Strongly Agree	50	14.3
	Total	350	100.0

The above table presents respondents' views on whether the availability of convenient payment options affects their decision to purchase insurance. A combined 31.4% (110 respondents) either strongly disagree (14.3%) or disagree (17.1%), suggesting that some respondents do not consider payment convenience a significant factor in their decision-making. However, 28.6% (100 respondents) agree, and 20.0% (70 respondents) strongly agree, indicating that a significant portion believes that convenient payment options influence their choice to purchase insurance. Additionally, 20.0% (70 respondents) remain neutral. The cumulative percentages show that many respondents consider convenient payment options an important factor when deciding to purchase insurance.

4.3. Discussion of Result

The study conducted in Mizan Aman Town underscores critical trends in demographic, awareness, and perception patterns of insurance services. While 398 respondents were initially targeted, but 48 respondents was did not participate, leaving 350 responses analyzed. The data reveals that a significant 85.7% of respondents are aged 44 or younger, with the 35-44 age group (34.3%) being predominant. Gender representation is nearly balanced, with females accounting for 51.4%. Educationally, 96.3% of respondents possess up to a bachelor's degree, though only 3.7% hold advanced degrees. Occupationally, 42.9% are employed, while income data shows 37.1% earning less than 2,000 ETB monthly, reflecting economic challenges in accessing insurance services. The age group predominance (35-44) indicates active participants in economic activities, consistent with findings in similar studies on insurance uptake. Younger and middle-aged populations are more likely to engage with financial products due to their working status and need for financial security [1]. Limited representation of under-18 or over-45 groups may reflect a lack of access or awareness, as older individuals often perceive insurance as less relevant [27]. The nearly balanced gender representation supports the inclusivity of the survey. Women's slightly higher participation aligns with trends showing increased financial engagement among women in Ethiopia, particularly in urban areas where access to services is more equitable [3]. The dominance of respondents with bachelor's degrees or lower aligns with the national education profile, where tertiary education is growing, but access to advanced degrees remains limited.

Education significantly influences financial literacy and awareness, often correlating with higher engagement in insurance services [9]. The distribution shows a diverse occupational landscape, with significant representation from employed individuals. Employment often correlates with exposure to formal financial systems and employer-provided insurance options, enhancing awareness and participation [16]. Income diversity within the sample highlights economic disparities in Mizan Aman. The concentration of respondents in the lower-middle-income range aligns with affordability barriers to insurance uptake noted in previous studies [1]. Addressing these barriers requires tailored low-cost insurance products and subsidies. The survey’s findings on limited awareness (60% expressing unfamiliarity) are echoed in broader studies emphasizing the need for educational campaigns. Knowledge gaps about policy coverage and purchasing locations highlight deficiencies in marketing and outreach efforts [27]. Moreover, the community's skepticism about insurance companies (68.6% noting low trust) reflects widespread challenges in building institutional credibility [3]. While many respondents undervalue insurance's role in economic stability, literature underscores its significance in mitigating risks and fostering resilience during economic shocks [9]. This gap suggests a need for awareness programs emphasizing tangible benefits like health and business risk coverage. Cultural beliefs were not a dominant barrier in this study (65.7% disagreeing with cultural discouragement). However, perceptions of limited access (65.7% agreeing) align with known infrastructural and logistical constraints in rural and semi-urban Ethiopian towns [16].

4.4. Summary

Insurance is a vital financial tool that provides protection against various risks, helping individuals and businesses secure financial stability. However, consumer attitudes towards insurance, particularly in Ethiopia, can be influenced by factors such as cultural beliefs, financial knowledge, previous experiences, and affordability. Limited awareness and misconceptions, along with economic constraints, often hinder the uptake of insurance. In Mizan Aman Town, despite the presence of insurance products, residents show a reluctance to purchase policies due to these barriers. This study aims to assess the community's attitudes towards insurance, identify the factors influencing their decisions, and explore the potential benefits and challenges related to insurance uptake in the region. Understanding these attitudes is crucial for insurance providers to tailor effective strategies to promote awareness and increase policy adoption in the community. This research investigates the factors influencing attitudes toward insurance purchases in Mizan Aman Town, southwestern Ethiopia. It explores how psychological, cultural, and socio-economic factors shape consumers' decisions regarding insurance. While existing literature highlights the role of trust, perceived benefits, and financial literacy, there is a gap in understanding the socio-economic dynamics of insurance adoption, especially in regions like Mizan Aman. The study aims to bridge this gap by examining how variables such as education, occupation, and local economic conditions impact insurance attitudes. The findings will help insurers and policymakers develop strategies to enhance insurance adoption and financial security in the region.

This study was conducted at Mizan Tepi University in the Department of Management, College of Business and Economics, located in Mizan Town, southwestern Ethiopia. The research aimed to assess the attitudes of the Mizan Aman community toward purchasing insurance. The study employed a descriptive research design, which combined primary and secondary data. Primary data was collected through questionnaires from selected policyholders, while secondary data came from books, journals, and reports to provide context on the development of the insurance sector. The research focused on individuals aged 18-65 years from the high and middle social classes, with a total population of 91,437 active individual life policyholders. A convenience sampling technique was used for data collection, which allowed for quick and cost-effective access to participants. A sample size of 398 respondents was determined using the Yamane formula, and the data was analyzed using the Statistical Package for Social Sciences (SPSS) version 25. Descriptive statistics, factor analysis, Pearson correlation, and regression analysis were employed to explore relationships between factors like personal income, age, family status, educational level, and cultural influences, and their impact on insurance consumption. The findings aimed to provide insights into the community's insurance attitudes, guiding insurers and policymakers in improving insurance adoption in the region.

The survey revealed that 85.7% of respondents were aged 44 or younger, with the largest group (34.3%) in the 35-44 age range, while only 5.7% were under 18age groups. Gender representation was nearly balanced, with females making up 51.4% of the sample. In terms of education, 96.3% of respondents had attained up to a bachelor's degree, including 39.1% holding a bachelor's degree, and a smaller proportion (3.7%) holding masters or higher qualifications. Employment diversity was evident, with 85.7% in various employment statuses, including 42.9% in formal employment. Income distribution showed economic challenges, with 37.1% earning below 2,000 ETB and 63.2% concentrated in the lower-middle-income bracket. Awareness and understanding of insurance services were notably low, with 62.9% neutral or unaware of policy details, and 48.6% unfamiliar with legal requirements. Similarly, 51.5% lacked exposure to insurance-related information, and 60% disagreed about familiarity with available services. Distrust in insurance companies was prominent, as 68.6% perceived them as unreliable. While 54.3% of respondents valued insurance for business risk management, many doubted its contribution to economic stability (60.0%) and medical emergencies (54.3%). Despite this, 57.2% acknowledged its protective value against financial losses, and 48.6% were influenced by convenient payment options when considering insurance purchases. These insights underscore the need to improve education, trust, and accessibility regarding insurance services. Overall, the data underscores limited awareness, mixed perceptions, and economic constraints impacting insurance adoption in Mizan Aman, with opportunities for enhancing accessibility, education, and trust-building.

4.5. Conclusion

The study highlights significant gaps in awareness, trust, and understanding of insurance services among respondents in Mizan Aman. Despite a diverse demographic and educational background, limited knowledge of insurance benefits, legal requirements, and policy details remains a barrier to adoption. Distrust in insurance companies and skepticism regarding their contribution to economic stability and health emergencies further hinder engagement. However, there is recognition of insurance's value in managing business risks and protecting against financial losses, suggesting potential for growth if key challenges are addressed. Enhancing accessibility, providing targeted education, and fostering trust through transparent practices are critical steps for improving community engagement with insurance services.

4.6. Recommendation

The study, conducted among 398 respondents in Mizan Aman Town, focus on the demographic, awareness, and perception patterns regarding insurance services: but 48 respondents was not available during surveying. A significant portion (85.7%) of respondents is aged 44 or younger, with 34.3% in the 35-44 age brackets. Gender representation is nearly balanced, with females constituting 51.4% of participants. Educational attainment is high, with 96.3% having up to a bachelor's degree; 39.1% hold a bachelor's, while only 3.7% possess a master's or higher. Occupational diversity is evident, with 42.9% employed. Income-wise, 37.1% earn less than 2,000 ETB, and 63.2% fall within the lower-middle-income bracket. Awareness of insurance services is limited, as 62.9% of respondents reported being neutral or unaware of policy details, and 48.6% were unfamiliar with legal insurance requirements. Access to insurance-related information is inadequate, with 51.5% citing a lack of exposure to informative channels. Perceptions of insurance are mixed. While 54.3% value its role in business risk management, 60.0% doubt its contribution to economic stability, and 54.3% underappreciate its role in medical emergencies. Trust in insurance companies is low, with 68.6% perceiving them as unreliable. However, 57.2% recognize insurance as protective against financial losses, and 48.6% are influenced by convenient payment options.

Limited familiarity with insurance policies and legal requirements points to an urgent need for targeted educational campaigns to enhance understanding and promote awareness. The distrust in insurance companies (68.6%) reflects a significant gap in credibility. Transparency, better communication, and customer-focused initiatives are crucial to rebuilding trust. A substantial portion of respondents (51.5%) reported inadequate exposure to insurance-related information, highlighting the need for diversified and accessible communication channels. While respondents recognize insurance's value in specific areas like business risk management, its broader economic and health benefits remain undervalued. Advocacy emphasizing these aspects can bridge this gap. With 37.1% earning below 2,000 ETB, affordability of insurance services remains a challenge. Tailored low-cost policies and flexible payment options could enhance adoption among low-income groups.

These findings underscore the importance of strategic interventions focusing on education, trust-building, and accessibility to improve community attitude towards insurance service purchase in the case of Mizan Aman Town. To address these findings, stakeholders can implement targeted interventions such as community education, trust-building initiatives, and providing accessible insurance options to cultivate a more inclusive attitude towards purchasing insurance services in Mizan Aman Town. However, as this study was conducted by a single researcher in one location, it is recommended to replicate it across multiple locations and researchers to develop more comprehensive recommendations.

Abbreviations

AKI	Acute Kidney Injury
ASYKI	Asuransi Shariah Keluarga Indonesia
GDP	Gross Domestic Product
IRA	Individual Retirement Account
IRDA	Insurance Regulatory and Development Authority
L/H	Life /Health
MBA	Master of Business Administration
P/C	Property/Casualty
PLS-SEM	Partial Least Squares Structural Equation Modeling
SPSS	Statistical Package for the Social Sciences

Conflicts of Interest

The authors declare no conflicts of interest.

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