Demographic Factors Affect on the Investment Decision of Policy Holder to the Life Insurance

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Abstract: In this paper, the researcher analyzed demographic factors determinant on the investment decision of policyholders towards life insurance in Nepal. This paper is based on quantitative data through interview schedules by the semi structured questionnaire and qualitative data information collected by specific two cases, total numbers of sample is 205 respondents from the universe. The main objective of the study is to identify the demographic factors influencing customer investment decision in life insurance. The demographic factors like; age, occupation, and education show statistically significant association on investment decision of policyholders towards life insurance policy, but policy innovation and investment decision on life insurance policy have no significant relationship. It also found that, there is positive relationship between sex and age groups of respondents with investment decision on life insurance policy, but the negative relationship with policy innovation and company reputation. This paper concluded the different factors are affecting while respondents invest on life insurance policy like; tax benefit, risk coverage, saving, security with high return, insurance service, life insurance policy innovation, premium charge, company reputation, facility for loan, financial support to dependency and child education and marriage. Among the eighteen life insurance companies in Nepal, Nepal Life Insurance Company is more preferable and trusted life insurance company and respondents are liked the endowment policy than the others life insurance policy.

Keywords: Demographic Factors, Life Insurance, Policy Holders, Investment and Decision

1. Introduction

Life insurance is important for everybody because life is very precious and valuable. In population of Nepal nearly 26.5 million, national and international life insurance companies are conducting their own business. So, these companies have got big opportunities for their business. After 1980 (AD), Nepal government implemented liberalization and privatization policy then National Life and General Insurance Company Limited (now as a NLGICL) had established to expand the insurance business in Nepal. For attracting private sector in insurance business, Nepal government issued Insurance Act 2049 and Insurance Act 2049 [9].

Behavioral finance in today's world is increasingly gaining a place in the process of decision making. It has the ability to influence investors in relation to their decision making. Investors will be able to make a decision much

better about their investment options with a proper understanding of behavioral finance. Very few investors are able to really gauge the performance of a company and evaluate the company's risks and returns to make sound decisions. According to Riley and Chow [3] most of the investors rely on their instincts and emotional biases while taking decision on investment on life insurance policy. This showed clearly the existence and impact of psychology in the investment decisions. They found that investors took certain emotional factors as well as demographic factors also consideration while taking a decision and psychologist have tried to understand these factors and help the investors to realize them, which in turn helped them to take a wiser decision and choose the best option amongst the available options [5].

In our society, the concept of insurance can be traced down to the Guthi systems and joint family culture that has been prevalent since the ancient times. These systems have

provided security and assistance to individuals and families in time of need. With the development of trade, commerce and industry, the necessity of insurance in our country was felt long ago. But there was no evidence of any organized form of insurance in Nepal until 1947 A. D.

In 1948 A. D. (2004 B. S) the first Nepalese Insurance company, Nepal Mal Chalani Ra Beema Company Limited was established by Nepal Bank Limited. The 'National Fire Insurance Company' of Calcutta is the first insurance company to open branch in Kathmandu in 1958, to contract fire insurance business in Nepal [8].

Financial sector plays a vital role for developing any nations. Nepal is one of the least developed countries in the world. Nepal is practicing the development programs by lunching various capital formation activities in different sectors. Nepal lunched planned economic policy more than sixty years ago. Now, it is actively trying to achieve the rapid pace of development through liberalization To attain the rapid pace of economic development of the country, there should be good environment for potential investors in investment activities in the different sectors of the economy like life insurance policy, capital market and real estate [14].

In many countries in the world, Insurance companies are playing significant role in the service-based economy and its services are being integrated into the wider financial sector. Insurance companies both private and public companies consisting of life, fire, accident, causality and many other forms of insurance [12].

Any insurance serves as a method of individuals risk management against the risk in life, most of the insurance products are saving instruments. Together with life, health, property, fire etc., insurance belongs to the contractual savings instruments. All these are characterized by regular and long-term cash flows and illiquid. Such kind of contractual savings is important source of finance for private and government long-term investment projects of the country [13].

Premature death of a family head can bring serious financial consequences for the surviving family members because the family head's earnings are lost forever leaving unfulfilled financial obligations, such as dependents to support, children to educate, and a mortgage to repay. Life insurance allows individuals and families to share the risk of premature death with many others and to alleviate the financial loss from the premature death of the primary wage earner [15].

The main reason for the purchase of life insurance is to provide financial security for the family. There is more to it, however; people also buy life insurance as a medium to long-term tax favored savings and investment vehicle [16].

The demographic factors like age, marital status, gender, income level, occupations and qualifications have a major impact on investment decision of investors. Recent literature in empirical finance is surveyed in its relation to underlying behavioral principles which come primarily from psychology, sociology and anthropology [2].

With the development of trade and industry, establishment of Nepal Rastra Bank (Central Bank), Nepal Bank Ltd. (Commercial Bank), Rastriya Banijya Bank (Commercial Bank), Agricultural Development Bank, Co-operative Bank, Nepal industrial development corporation, numerous other companies and corporations, the need of fire insurance in Nepal is growing in a manifold way. To meet ever growing needs of fire insurance Indian branches such as "Ruby", "Oriental", "Sterling General" and "Hindustan General" and the domestic insurance company " Insurance and Transport Company" and "Rastriya Beema Sansthan" are transacting fire insurance business [8]. The insurance industry is one of the highly fast growing industries in the country and offers abundance growth opportunity to the life insurers. When compared with the developed countries, the Nepalese life insurance industry has achieved only a little target because of the lack of insurance awareness, ineffective marketing strategies, poor affordability and low investment in life insurance products. The huge and increasing population size in our country to provide an attractive opportunity but still, nearly 88% Nepalese people are uninsured. The study is basically intending to discover and examine the factors affecting customers' decision towards investment in life insurance policy [9].

Insurance sector is a booming sector and the penetration is quiet low. So, all the private players are trying to increase the market share in the public. This study also involves creating awareness among the urban and rural consumer about the insurance sector and also the various policies involving various premium rates. Since the penetration of private companies and policies is low among the consumer, it is necessary to create awareness about life insurance policies and to know the satisfaction level among consumer. Hence the present studies entitled awareness about it among the consumer [1].

2. Objectives

1) To analyze the impact of various demographic factors on customers life insurance investment decision.
2) To examine preferences of the customers while taking life insurance investment decision.
3) To identify the main factors to affect individual investment for decision making towards the Insurance Policy.

3. Methodology

The sample size was 205, which is universe of total Kathmandu valley population sampling unit was selected from the universe of life insurance policyholders. A descriptive research design was used. This has been more specific and analytical in nature. The data was collected from primary sources and as well as secondary sources also used. The primary data has been collected from 205 life insurance policyholders with the help of Sami-structured questionnaire by the interview schedule and also collected two cases in this

study paper and secondary information were collected form books, journal, articles, reports and web pages (internet).. So, mixed method (Quantitative and qualitative) was used for data collection. The use of semi-structured questionnaires has been aim at covered the socio-economic characteristics of the households of the respondents. In this study, primary data was collected through self-administered questionnaire. Between first week of September to third week of December, 2021, data were collected from life insurance policyholders of different life insurance company's policy. The researcher personally visited the different life insurance company in Kathmandu valley to distribute and collect the questionnaire. After collection of data, it was compiled and enters into the computer for analysis. After the data processing, Software Program of Social Science and and Ms. Excel used for data analysis and interpretation.

4. Results

4.1. Demographic Status of Respondents

Out of 205 respondents, more than 64 percent were male and 36.6 percent were female. Nearly 78 percent respondents had completed the level of education Bachelor and above. The highest i.e. 46.3 percent were 20-29 years aged group who had invested money in life insurance. Almost 46 percent respondents were involved in government service and 19 percent were in Private Job. Almost 56 percent were married. Nearly 55 percent of respondents belonged to nuclear family. The highest i.e. 37.6 percent policyholders monthly income was NRs. 30001-45000.

I believe Life insurance is a supportive factor of investors. When I was not insured at the time, I can't imagine my life. When I had occurred Bike an accident ring road at Kathmandu. At that time, I was going office at 10.15 AM. In the same time, a bus coming from opposite side hit my bike. I fall downed in road and l lost my consciousness. When I opened my eyes, I was in a hospital; all my family members and relative were there. We are belonged to middle class. So, my parents did not have more money to pay hospital charge. My parents did not afford hospital charge, so they worried about me. In that time I remembered and asked father to go to life insurance company and took my insurance money and paid all hospital charge. After that I say all my friends and relatives to invest in Life Insurance Company for your future secure.

One third percentage of the policyholders invested on Nepal life insurance Company's life insurance policy. Policyholder paid the insurance premium in different methods; more than 51 percent policyholders paid the insurance premium on yearly basis. Around 39 percent policyholders received the information about life insurance from the friends and relatives and 50.2 percent policyholder received the information from the life insurance agents.

In the 18 life insurance company some life insurance companies are prefer by the policy holder. Among the respondents, 42.9 percent policyholders prefer Nepal Life

Insurance Company to his/her family, relatives and friends.

Nearly 62 percent respondents selected the company based on the trusted name of the company. In the same way, 24.4 percent policyholder selected the company based on the social relationship of the company, 46.8 percent policyholder selected the company based on the good plan/policy of the company and 58 percent policyholder selected the company based on the accessibility of the company.

Life insurance is a supported for the emergency situation of human life. Last year my family faced a big problem. My elder brother had damaged a kidney in left side. When we hospitalized him and doctor said me put him two month for observation, regular dialysis and laboratory checkup. We did not know about payment about this type of treatment. We had not much more money. We are belonged to middle class. So, we did not afford hospital charge, I knew about my brothers had insured money for life and health insurance of NLIC in Jawalakhel branch office. In that time I remembered and went Life Insurance Company and took my brothers' insurance money and paid all hospital charge and regular dialysis. After that I think, all are invest in Life Insurance Company to secure future life.

4.2. Analysis of Factors Affecting of Respondents

Among the 205 respondents 36.1 percent male and 13.2 percent female had invested on life insurance policy for tax benefits, 40 percent male and 21.5 percent female had invested on life insurance policy for risk coverage, 31.2 percent male and 20 percent female had invested on life insurance policy for security with high return, 53.2 percent male and 26.8 percent female had invested on life insurance policy for saving and 1 percent female had invested on life insurance policy for increasing financial portfolio and reduce future financial risk.

Out of total 205 respondents, 82.44 percent policyholders agree to invest on life insurance policy for tax benefits, 14.63 percent policyholders neither agree nor disagree to invest on life insurance policy for tax benefits. In the same way, the highest i.e. 96 percent policyholder agree to invest on life insurance policy for risk coverage and 3.4 percent policyholders neither agree nor disagree to invest on life insurance policy for risk coverage. Similarly, 91.2 percent policyholder agreed to invest on life insurance policy for saving and 6.8 percent policyholders neither agree nor disagree to invest on life insurance policy for saving. Fourth fifth percent policyholder agree to investment on life insurance policy for security with high return and 18 percent policyholders neither agree nor disagree to invest on life insurance policy for security with high return.

Nearly two fifth percent (39.5) policyholder agree to make investment on life insurance policy for insurance service and 48.3 percent policyholders neither agree nor disagree to make investment on life insurance policy for insurance service. Similarly, 54.6 percent policyholder agree to make investment on life insurance policy for policy innovation and 37.1 percent policyholders neither agree nor disagree to investment on life insurance policy for policy innovation.

More than third quarters policyholders had agreed to make investment on life insurance policy for company reputation and 19.5 percent policyholders neither agree nor disagree to make investment on life insurance policy for company reputation.

Table 1. Respondents by affecting factors of investment decision of life insurance policy.

factors	Agree		Neutral		Disagree		Total	
	N *	P*	N *	P*	N *	P*	N *	P*
Tax benefit	169	82.44	30	14.63	6	2.93	205	100
Risk coverage	197	96.1	7	3.4	1	0.5	205	100
Saving	187	91.2	14	6.8	4	2	205	100
Security with high return	164	80	37	18	4	2	205	100
Insurance service	81	39.5	99	48.3	25	12.2	205	100
Life insurance policy innovation	112	54.6	76	37.1	17	8.3	205	100
Premium charge	63	30.8	90	43.9	52	25.4	205	100
Company reputation	156	76.1	40	19.5	9	4.4	205	100
Facility for loan	99	48.3	60	29.3	46	22.4	205	100
Financial support to dependency	171	83.4	24	11.7	10	4.9	205	100
Child education and marriage	145	70.7	44	21.5	16	7.8	205	100

Source: Field survey, 2021. N= Number, P= Percent

Almost 48 percent policyholder agree to do investment on life insurance policy for loan facility and 29.3 percent policyholders neither agree nor disagree to do investment on life insurance policy for loan facility. More than 83 percent policyholder agree to do investment on life insurance policy for financial support to dependency and 11.7 percent policyholders neither agree nor disagree to investment on life insurance policy for financial support to dependency. Nearly 71 percent policyholder agree to do investment on life insurance policy for child education and marriage and 21.5 percent policyholders neither agree nor disagree to investment on life insurance policy for child education and marriage.

Table 2. Correlation between Sex, age group and investment on life insurance policy.

		Sex	Age Group	Investment on life insurance policy
Sex	Pearson Correlation	1	.009	.078
	Sig. (2-tailed)		.898	.266
	N	205	205	205
Age group	Pearson Correlation	.009	1	.223**
	Sig. (2-tailed)	.898		.001
	N	205	205	205
Investment On life insurance policy	Pearson Correlation	.078	.223**	1
	Sig. (2-tailed)	.266	.001	
	N	205	205	205

**. Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows the relationship between the sex, age group and investment on life insurance policy. The relationship between sex and investment on life insurance policy have positive because the correlation between sex and investment on life insurance is 0.078. Likewise the relationship between age group and investment on life insurance policy have positive because the correlation between age group and investment on life insurance is 0.223.

Table 3. Correlation between Policy innovation, company reputation and investment on life insurance policy.

		Invest on life insurance	policy innovation	Company Reputation
Invest in life insurance policy	Pearson Correlation	1	-.116	-.209**
	Sig. (2-tailed)		.097	.003
	N	205	205	205
policy innovation	Pearson Correlation	-.116	1	.429**
	Sig. (2-tailed)	.097		.000
	N	205	205	205
Company Reputation	Pearson Correlation	-.209**	.429**	1
	Sig. (2-tailed)	.003	.000	
	N	205	205	205

**. Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows the relationship between the policy innovation, company reputation and investment on life insurance policy. The relationship between policy innovation and investment on life insurance policy is negative because

the correlation between policy innovation and investment on life insurance is -0.116. Likewise the relationship between company reputation and investment on life insurance policy is negative because the correlation between company reputation and investment on life insurance is -0.209.

Policyholders who have less than Rs. 15000 monthly incomes, all the policyholders invested on less than Rs. 5000 in life insurance policy. Those who have Rs 15001-30000 monthly incomes 63.1 percent policyholders invested on less than Rs. 5000 on life insurance policy, 35.4 percent invested on Rs. 5000-10000 on life insurance policy and 1.5 percent policyholders invested on Rs. 10001-15000 on life insurance policy. Likewise, who have Rs. 30001-45000 monthly income, 26 percent policyholders invested on less than Rs 5000 on life insurance policy, 42.9 percent policyholders invested on Rs 5000-10000 on life insurance policy, 22.1 percent invested on Rs. 10001-15000 on life insurance policy and 9.1 percent policyholders invested on more than Rs. 15000 on life insurance policy. Those who have Rs. 45001-60000 monthly income 22.6 percent policyholders invested on Rs 5000-10000 on life insurance policy, 35.5 percent policyholders invested on Rs. 10001-15000 on life insurance policy and 41.9 percent policyholders invested on more than Rs. 15000 on life insurance policy and Which have more than Rs. 60000 monthly income 10.5 percent policyholder invested on Rs 5000-10000 on life insurance policy, 26.3 percent policyholders invested on Rs. 10001-15000 on life insurance policy and 63.2 percent policyholders invested on more than Rs. 15000 on life insurance policy.

The significant association between monthly income level and investment decision on life insurance policy ($\chi2=134.713$, df =12, p=0.000). The minimal p-value 0.000 which is less than 0.05 signifies that significant association between monthly income level and investment on life insurance policy.

Out of 205 respondents 25 respondents occupation was own business. The highest i.e. 32 percent respondents invested on Rs 5000-10000 on life insurance policy. The private job holder respondents were 39 percent.

The significant association between occupation and investment decision on life insurance policy ($\chi2=47.807$, df =15, p=0.000). The minimal p-value 0.000 which is less than 0.05 signifies that significant association between occupation and investment on life insurance policy.

Out of the total respondents, 12 respondents education level was basic. In that education level respondent's 75 percent invested on less than Rs 5000 on life insurance policy and 25 percent invested on more than Rs 15000 on life insurance policy. Out of 205 respondents, 10 respondents' education level was secondary. In that education level respondents, 20 percent invested on less than Rs 5000 on life insurance policy, 20 percent invested on Rs 5000-10000 on life insurance policy, 30 percent invested on Rs 10001-15000 on life insurance policy and 30 percent invested on more than Rs. 15000 on life insurance policy. Out of 205

respondents, 24 respondents education level was Intermediate. In that education level's 37.5 percent respondents invested on less than Rs 5000 on life insurance policy, 12.5 percent respondents invested on Rs 5000-10000 on life insurance policy, 37.5 percent respondents invested on Rs 10001-15000 on life insurance policy and 12.5 percent respondents invested on more than Rs. 15000 on life insurance policy.. Out of 205 respondents, 159 respondents education level was Bachelor and above. In that education level, 34 percent respondents invested on less than Rs 5000 on life insurance policy, 37.7 percent respondents invested on Rs 5000-10000 on life insurance policy, 13.8 percent respondents invested on Rs 10001-15000 on life insurance policy and 14.5 percent respondents invested on more than Rs. 15000 on life insurance policy.

The significant association between occupation and investment decision on life insurance policy ($\chi2=27.231$, df =9, p=0.001). The minimal p-value 0.001 which is less than 0.05 signifies that significant association between education level of respondents and investment on life insurance policy.

Among 205 policyholders, 8 strongly agree with policy innovation for investment on life insurance policy. Out of 8 policyholders, 37.5 percent invested on Rs. 5000-10000, 37.5 percent invested on Rs. 10001-15000 and 25 percent made investment on more than Rs. 15000 on life insurance policy. Out of 205 policyholders, 104 agree with policy innovation for investment on life insurance policy. Out of 104 policyholders, 37.5 percent invested on less than Rs. 5000, 25 percent invested on Rs. 5000-10000, 18.3 percent made investment on Rs. 10001-15000 and 19.2 percent made investment on more than Rs. 15000 on life insurance policy. Out of 205 policyholders, 76 are neutral with policy innovation for investment on life insurance policy. Out of 76 policyholders, 40.8 percent invested on less than Rs. 5000, 38.2 percent invested on Rs. 5000-10000, 10.5 percent invested on Rs. 10001-15000 and 10.5 percent invested on more than Rs. 15000 on life insurance policy. Out of 205 policyholders, 12 disagree with policy innovation for investment on life insurance policy. Out of 12 policyholders, 16.7 percent invested on less than Rs. 5000, 41.7 percent invested on Rs. 5000-10000, 25 percent invested on Rs. 10001-15000 and 16.7 percent invested on more than Rs. 15000 on life insurance policy. Out of 205 policyholders, 5 strongly disagree with policy innovation for investment on life insurance policy. Out of 5 policyholders, 40 percent invested on less than Rs. 5000, 40 percent invested on Rs. 5000-10000 and 20 percent invested on Rs. 10001-15000 on life insurance policy.

There is not significant association between policy innovation on life insurance policy innovation and investment decision on life insurance policy ($\chi2=15.616$, df =12, p=0.209). The minimal p-value 0.209 which is greater than 0.05 signifies that there is not significant association between life insurance policy innovation and investment on life insurance policy.

Based on results of chi-square, all hypotheses set in Chapter One are tested and result is summarized in Table 4.

Table 4. Summary of Hypothesis.

Path Hypothesis	Methods of Analysis	P- Value	Results
H1: Significant association between income level of respondents and customer life insurance policy investment.	Chi-square ($\chi2$) test	0.000	H1: Accepted
H2: Occupation directly impact on the customer life insurance investment decision.	Chi-square ($\chi2$) test	0.000	H2: Accepted
H3: There is significant relationship between insurance policy innovation and life insurance investment decision.	Chi-square ($\chi2$) test	0.209	H3: Rejected
H4: Education level of respondents and customer life insurance policy investment decision has significant relationship	Chi-square ($\chi2$) test	0.001	H4: Accepted

1) Researcher shows that many factors affect while respondents invest on life insurance policy like; tax benefit, risk coverage, saving, security with high return, insurance service, life insurance policy innovation, premium charge, company reputation, facility for loan, financial support to dependency and child education and marriage.

2) Researcher found that, the significant association between monthly income level and investment decision on life insurance policy ($\chi2=134.713$, df =12, p=0.000). The minimal p-value 0.000 which is less than 0.05 signifies that significant association between monthly income level and investment on life insurance policy.

3) Researcher found that, the significant association between occupation and investment decision on life insurance policy ($\chi2=47.807$, df =15, p=0.000). The minimal p-value 0.000 which is less than 0.05 signifies that significant association between occupation and investment on life insurance policy.

4) Researcher found that, the significant association between education and investment decision on life insurance policy ($\chi2=27.231$, df =9, p=0.001). The minimal p-value 0.001 which is less than 0.05 signifies that significant association between education level of respondents and investment on life insurance policy.

5) Researcher found that, there is not significant relationship between insurance policy innovation and life insurance investment decision.

6) Researcher found that, there is positive relationship between sex and age group of respondents with investment decision on life insurance policy, but the negative relationship policy innovation and company reputation.

5. Discussions

The study has showed the mixed response while investing in the life insurance policy. According to Chow, et al., [3], in this paper we analyzed social and demographic determinants of life insurance demand in Croatia. The empirical research is based on the survey data collected on the sample of 95 respondents. According to the results, age, employment, and education show statistically significant impact on life insurance demand of households in Croatia. Other examined factors-gender, marital status and number of family members have no influence on the life insurance consumption. Yadav and Tiwari [7], there are many factors which affect customer investment decision in life insurance and from the study it has been concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies. Sahu, Jaiswal and Pandey [4], the consumer's perception towards Life Insurance Policies is positive. It developed a positive mind sets for their investment pattern, in insurance policies. Still some actions are needed for developing insurance market. The major factors playing the role in developing consumer's perception towards Life Insurance Policies are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship. Navarathinam [1], there are many factors which affect customer investment decision in life insurance and from the study it has been concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies. According to Rao P. V. and Sorsa [2], the results age category shows statistically significant impact on the life insurance demand of government employees in Wolaita sodo town, Ethiopia. Other demographic factors – sex, marital status, religion, organization, monthly income, educational level and family size have no influence on the life insurance demand.

The result of the study shows that various demographic factors effect on investment decision of policyholders towards life insurance policy. In this research, researcher included seven demographic factors like Age group of respondents, Sex of respondents, Education level of respondents, Material status of respondents, Family types of respondents, income level of respondents and occupation of the respondents. These demographic factors are independent which affect on investment decision of policyholders towards life insurance policy. This research discussion raises the issue in Nepalese context. The independent variables like sex of respondents, age group, education level, occupation and income level of the respondents have significant relationship with dependent variables investment decision towards life insurance policy while company reputation and life insurance policy innovation have negative relationship. While empirical studies shows company reputation and policy innovation has positive significant relationship but it contrast from this research and this research for company reputation and life insurance policy innovation has negative relationship with investment decision towards life insurance policy.

6. Conclusions

Life insurance is an important form of insurance and essential for every individual. Life insurance penetration in Nepal is very low as compare to developed nation where almost all the lives are covered and stage of saturation has been reached. Customers are the real pillar of the success of life insurance business and thus it's important for insurers to keep their policyholders satisfied and retained as long as possible and also get new business out of it by offering need based innovative products. There are many factors which affect customer's investment decision in life insurance and from the study it has been concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

The study found that the different factors are affecting while respondents invest on life insurance policy like; tax benefit, risk coverage, saving, security with high return, insurance service, life insurance policy innovation, premium charge, company reputation, facility for loan, financial support to dependency and child education and marriage. Among the eighteen life insurance companies in Nepal, Nepal Life Insurance Company is more preferable and trusted life insurance company and respondents liked the endowment policy than the others life insurance policy. The demographic factors like age, occupation, and education show statistically significant association on investment decision of policyholders towards life insurance policy, but policy innovation and investment decision on life insurance policy have no significant relationship. It also found that, there is positive relationship between sex and age group of respondents with investment decision on life insurance policy, but the negative relationship with policy innovation and company reputation.

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