

# An Assessment of Insurance Service Sector in Nigeria

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## ABSTRACT

This research extensively investigates insurance services in Nigeria. By conducting a comprehensive review of academic journals from various databases, the study explores several subjects related to the Nigerian insurance service, using keywords such as: attitudes, risk perception, marketing strategies, regulatory factors, and customer behaviour. The findings underscore the significance of positive attitudes towards insurance and the role of trust, confidence, and awareness in driving the adoption of insurance. Socio-cultural factors and religious beliefs also play a role in shaping insurance preferences, especially regarding Takaful services. Effective marketing strategies, high-quality services, and strong customer support are essential for raising awareness about insurance and fostering customer engagement. The study also highlights the challenges faced by the insurance industry, including operational efficiency, regulatory limitations, and market expansion. The potential solutions of micro-insurance and bank assurance models are explored to extend insurance coverage to underserved populations. Policymakers can use the insights provided to develop suitable regulatory frameworks that promote trust and accessibility within the insurance sector. The conclusions drawn from this literature review enhance our understanding of the dynamics of the insurance industry and offer guidance to practitioners, policymakers, and researchers to improve customer satisfaction, expand market reach, and achieve sustainable growth in the industry.

**Keywords:-** customer behaviour, insurance, attitudes, trust, risk perception, marketing strategies, regulatory factors,

## INTRODUCTION

Since the indigenization of the insurance industry in the early 1970s, the insurance service industry has remained a crucial sector of the Nigerian economy (Makwe, Ibechiale & Obiaga, 2021). This industry has played a significant role in reducing the outflow of resources from Nigeria, maintaining a balanced payment system, and fostering the development of the capital market (Ogbeide et al., 2022). It serves as a major institutional investor in the capital market, offering a means to raise funds for both the public and private sectors of the economy. In today's interconnected global economy, the insurance sector plays a crucial role in risk management, safeguarding individuals, businesses, and society against potential financial losses. Various factors, including socioeconomic, psychological, cultural, marketing, and regulatory frameworks, influence people's utilization of insurance services and their perceptions, emotions, and behaviours towards insurance-related products or services. Insurance serves as a lens through which individuals perceive and respond to insurance services.

The establishment of a well-structured insurance sector and the efforts of its participants have significantly contributed to the promotion of insurance awareness among businesses, households, and individuals. This cultural shift has resulted in decreased risk levels, fostering confidence among enterprises and individuals and consequently stimulating economic growth. These positive outcomes have been facilitated through direct investments, both in terms of equity and loans, in industrial enterprises. The aforementioned indicates the indispensable role of the insurance sector in fostering economic development and unlocking the full potential of Nigerians (Ogbeide et al., 2022). Nevertheless, according to Yahaya et al. (2022), the Nigerian

insurance sector is characterized by low levels of patronage. This can be attributed to various factors, as a significant number of Nigerians are either unaware of or neglect the potential of insurance products in mitigating their financial risks. Limited awareness regarding the functions of insurance products further contributes to this situation.

In brief, the functions of insurance can be viewed from two angles: primary functions and secondary functions (NAICOM, 2011; Fashagba, 2018). The primary function involves providing compensation to those who experience unexpected losses, benefiting numerous stakeholders through this mechanism. The individual gains a sense of security, knowing that acquiring an insurance product acts as a protective barrier against potential misfortunes. This compensation not only alleviates the financial burdens of the affected parties but also aids in making investments, ultimately contributing to the nation's development across various businesses, regardless of their scale (Ogbeide et al., 2022).

The Nigerian insurance industry consists of 71 companies, comprising 43 non-life underwriting firms, 26 life insurers, and 2 reinsurance companies (Adedipe & Dallah, n.d). Many of these insurance companies are based in Lagos, a thriving commercial hub and one of Africa's rapidly growing cities. Consequently, it is crucial to comprehend how various factors influence individuals' adoption of insurance services in Nigeria. The nation's diversity, with numerous ethnic groups possessing distinct cultural practices and beliefs, provides an excellent opportunity to explore and evaluate the interplay between these determinants and the usage of insurance services.

Expanding upon this, the regulatory structure overseeing the insurance sector in Nigeria has experienced ongoing modifications due to the growth of the social security system and government participation in offering private insurance services. Despite the optimistic prospects for the Nigerian insurance industry, obstacles remain in terms of the adoption of insurance products or services, particularly concerning the marketing system (promotional mix) and the cultural attitudes of the market. These factors have a significant impact on the consumption of insurance products (Enitilo et al., 2017). The challenges faced by the insurance industry in Nigeria are further intensified by the attitudes and cultural perspectives of Nigerians towards insurance products and services. According to the AM Best news report (2020), the current low insurance penetration levels have had an adverse impact on the demand for insurance and the overall value of insurable assets. Additionally, the adoption of insurance services is influenced by a variety of cultural attitudes and beliefs, which play a crucial role in shaping individuals' inclination to interact with insurance products.

Comprehending the interplay among these factors and the utilization of insurance services in Nigeria holds significant implications for insurance providers, policymakers, and researchers. By delving into the intricate dynamics involving cultural values, norms, and attitudes towards insurance, this study seeks to uncover the determinants that impact patterns of insurance consumption. Ultimately, the findings aim to inform the development of customized strategies aimed at enhancing insurance adoption and bolstering financial resilience in Nigeria.

This paper offers a thorough examination of the determinants that shape the adoption of insurance services in Nigeria, emphasizing their influence on insurance patronage and the potential consequences for the insurance industry.

## **RESEARCH APPROACH**

This study encompasses an extensive review of existing empirical and conceptual literature concerning the determinants that impact the adoption of insurance services in Nigeria. The literature review was conducted through a comprehensive search across various academic databases, including Google Scholar, Research-

Gate, Central and Eastern European Online Library (CEEOL), Semantic Scholar, Social Science Research Network (SSRN), and DOAJ. The search utilized keywords such as “factors,” “insurance services,” “patronage,” “influence,” “marketing,” “regulatory framework,” “attitudes,” and “Nigeria.” The search was restricted to English publications between the years 2000 and 2023.

## LITERATURE REVIEW

Insurance services have not gained widespread acceptance, particularly in developing countries (Yusuf & Gbadamosi, 2009). In the case of Nigeria, this lack of enthusiasm has sparked significant interest among experts, practitioners, academics, and researchers, who seek to delve deeper into the phenomenon, particularly examining the cultural factors that influence the adoption of insurance products.

### *Attitude and Determinants of Insurance Purchase*

Yusuf et al. (2009) examine the perspectives of Nigerians regarding insurance services and investigate the impact of marketing strategies on reshaping these negative perceptions. A comprehensive empirical survey was conducted, involving 392 participants from the general public, including both insured and uninsured individuals. The study reveals the influence of various demographic factors on attitudes towards insurance companies and their services. It emphasizes the significance of these findings for insurers, emphasizing the need to develop effective marketing strategies that can enhance patronage and positively transform the perception of insurance services.

Ajemunigbohun et al. (2020) explore the impact of risk attitude on the market share of small and medium enterprises (SMEs) in Lagos, as well as the correlation between insurance patronage and financial earnings. The study unveils a notable yet limited influence of SMEs' risk attitude on their market share. Furthermore, it highlights a significant but moderate relationship between insurance patronage and the financial earnings of SMEs. The authors propose the implementation of robust risk management strategies to address economic downturns and advocate for stakeholder collaboration in integrating insurance education into the curriculum, fostering the growth and development of Nigerian youth.

Kehinde and Sharofiddin (2021) examine the factors that contribute to the acceptance of Takaful services in Nigeria. The study identifies several key factors, including Shariah view, locality, consumer acceptance, service quality, attitude, awareness, subjective norm, and perceived behavior control, as determinants that influence the level of awareness and acceptance of Takaful in Nigeria. The authors underscore the importance of policymakers and stakeholders in disseminating adequate information about Takaful services to the general public, aiming to foster its implementation and development.

Okonkwo and Fiiwe (2018) analyze the obstacles encountered by insurance intermediaries and other support service providers in Nigeria. Despite the country's low insurance penetration rates and issues related to intermediary malpractices, the study emphasizes the growing significance of insurance brokers and agents within the Nigerian insurance sector. The authors attribute this trend to the increasing awareness of insurance, regulatory enhancements, the emergence of new risks, and the nation's expanding economy.

Nkwor and Ozor (2022) concentrate on the limited utilization of insurance services by Micro, Small, and Medium Enterprises (MSMEs) in Nigeria. The study examines the influence of regulatory origins and trust on MSMEs' consumption of insurance. The authors contend that the adoption of the Western insurance business model in Nigeria, which fails to align with the values and societal orientation of consumers, contributes to the subdued interest in insurance. They propose regulatory reforms that incorporate traditional insurance systems and adopt a consumer-centric approach to product design, with the aim of increasing the adoption of insurance by MSMEs. Additionally, they suggest leveraging traditional trust-building institutions to enhance consumer trust in insurance services.

Yahaya et al. (2022) investigate the factors that drive the patronage of motor vehicle Takaful (Islamic insurance) among members of the National Association of Road Transport Owners-Petroleum Tanker Drivers (NARTO-PTD) in Kano State. The study employs the Taro Yamane sample size formula and randomly selects 178 respondents using a simple random sampling technique. The research employs the Partial Least Square-Structural Equation Modeling (PLS-SEM) method to test the hypotheses. The findings reveal that perception, religiosity, and awareness have a significant influence on motor vehicle Takaful patronage. The study suggests that Takaful companies should develop strategies to engage religious individuals and attract those with less religiosity by organizing educational programs in religious institutions. Additionally, policies should aim to enhance the perception of NARTO-PTD members towards Takaful services.

Maiyaki and Ayuba (2015) conduct a comparable study to investigate the factors that shape consumers' attitudes towards the patronage of Takaful services in Kano Metropolis. The researchers utilize a structured questionnaire to collect data from 384 respondents. The findings of the study indicate that awareness, perception, trust, and confidence exhibit significant associations with consumers' attitudes towards Takaful services patronage. The authors propose the implementation of attitudinal change campaigns and the implementation of robust marketing strategies to enhance awareness and foster trust and confidence in Takaful services.

Additionally, Dandago et al. (2020) conducted a study to investigate the factors influencing the patronage of Takaful services among entrepreneurs in SabonGari market of Kano metropolis, Nigeria. The study reveals that religiosity, trust, confidence, and awareness have a predominantly positive and significant impact on the patronage of Takaful services, with a significant level of 0.05. The three explanatory variables were able to account for 58% of the variation in the dependent variable.

To gain insights into consumers' perspectives on insurance purchasing, Badru et al. (2013) conducted a study examining the socio-cultural factors that influence insurance patronage among Nigerians, with a focus on Lagos State. The findings indicate that a considerable number of insurance users in Lagos possess a good understanding of insurance policy language, hold positive values and norms, and that their religious beliefs do not have a negative impact on their willingness to patronize insurance services. Therefore, there is a potential to influence Nigerians, particularly those residing in Lagos, to engage with and utilize insurance services.

Kelikume and Otonne (2022) conducted a literature review that offers valuable insights for the insurance industry in Nigeria. The study specifically examines the determinants of home and property insurance in Lagos Metropolis. The findings indicate that risk attitude and aversion, as well as low levels of education and literacy, have a positive and significant influence on the demand for home and property insurance. On the other hand, the inadequate management of primary risks by insurance companies has a negative and significant effect on insurance demand. Interestingly, factors such as culture, religion, the quality of service provided by insurance operators, and other economic factors were not found to be significant determinants of home and property insurance demand. Therefore, the study suggests that insurers should consider different risk attitudes when designing insurance packages and prioritize accountability and transparency in fulfilling their obligations to reduce concerns about underperformance and mitigate basic risks.

Ishola et al. (2022) conducted a study to explore the impact of socio-economic status, trust in the insurance company, and knowledge/awareness of insurance products on the intention to purchase children's educational insurance policies. The results revealed that customers' socio-economic status, trust in the insurance company, attitude towards children's educational insurance policies, and knowledge/awareness all played a significant role in influencing and predicting the intention to purchase such policies. Socio-economic status, trust, and attitude were found to be strongly associated with behavior. Therefore, marketers targeting Nigerian consumers with insurance services should consider integrating fundamental

psychoanalytical factors into their marketing strategies. This approach would facilitate the acceptance of insurance products by the public, highlighting the perceived benefits and rewards associated with them.

Alaka et al. (2021) conducted a study to examine the influence of socio-economic and demographic factors on insurance buying behavior, specifically focusing on the perceptions of selected SMEs in Lagos, Nigeria. The findings underscore the significance of socio-economic and demographic factors in shaping the evaluation of insurance purchases among SMEs in Lagos. The study suggests that insurance providers in Nigeria should customize insurance products in a manner that is both attractive and affordable to SME operators/owners, thereby aligning with their socio-economic and demographic risk attitudes. Additionally, SME operators should consider shifting their inclination towards managing risks on their own to relying on insurance providers for comprehensive business, economic, and financial security. These implications highlight the need for similar studies to be conducted in other industries within the country to gain a broader understanding of the subject.

Adamu (2016) employed Ajzen's theory of planned behavior (TPB) to explore the acceptance and utilization of insurance services in Northern Nigeria. The study revealed that negative attitudes and limited awareness were significant factors contributing to the low patronage of insurance services. However, religious values, subjective norms, and behavioral control did not appear to play a significant role in the low acceptability and patronage, aligning with the findings of Badru et al. (2013). Nevertheless, the study identified different demographic factors and their impact on individuals' attitudes towards insurance companies and services. Furthermore, Owolabi and Agboola (2018) investigated the influence of consumers' attitudes on the purchase of insurance products in Nigeria. Their findings demonstrated a significant association between customers' attitudes and insurance products, as well as between product awareness and pricing. The study also highlighted the considerable influence of insurance product promotion on consumers' purchasing behavior. The authors recommended that insurance companies prioritize the delivery of reliable and dependable services, streamline bureaucratic procedures, and implement measures to enhance product awareness and patronage.

Banjo et al. (2022) conducted a study to investigate consumers' perceptions regarding the acquisition of life insurance policies in Lagos State. Their research unveiled a robust positive association between culture, religion, and the patronage of life insurance policies. This discovery highlights the influential role of cultural and religious factors in shaping individuals' inclinations towards insurance products. In light of these findings, the authors put forth a recommendation for life insurance advertisements to be more informative and tailored to enhance public awareness and accessibility to life insurance. Enitilo et al. (2017) conducted a study to examine the impact of promotional activities on consumers' engagement with insurance business in Ado-Ekiti Metropolis, Nigeria. The research utilized a sample of 373 questionnaires collected from a population of 19,998 insurance customers in Ado-Ekiti metropolis. The findings of the study revealed a robust and favorable correlation between media advertising and consumer patronage. Additionally, the research highlighted a significant influence of personal selling on consumer patronage. Furthermore, Enitilo et al. (2017) found a notable association between sales promotion and consumer patronage of insurance businesses in Ado-Ekiti Metropolis. The study emphasized the significance of comprehending essential factors like culture, trust, information technology, publicity, and customer relationship strategy in order to facilitate effective insurance operations.

### ***Role of Insurance in the Economy***

Oluwabiyi et al. (2022) underscore the significance of insurance in the development of nations and its substantial role in the global economy. However, insurance market penetration in Nigeria lags behind that of other African countries. The study aims to identify areas for improvement by assessing the dimensions of customer relationship marketing and its impact on insurance market penetration specifically in Lagos State. Through a survey method, data collected from 1,650 consumers were analyzed using descriptive and

inferential statistics. The findings demonstrate that relationship marketing has a significant influence on insurance market penetration in Lagos State. The study concludes that customer awareness, trust, service quality, product innovation and customization, and customer satisfaction are crucial predictors of insurance market penetration, highlighting the importance of implementing relationship marketing strategies within the insurance sector.

Igoni et al. (2020) conducted a study to examine the influence of insurance investments on economic growth in Nigeria. Their research findings indicate that insurance investments in government securities, stocks, and bonds did not contribute to the expansion of goods and services in the Nigerian economy. This implies that factors other than economic growth may play a role in shaping the preference for TPL (Third Party Liability) motor insurance. The study suggests that insurance companies should align their products with the evolving market conditions, lower entry barriers, establish effective regulatory frameworks, and demonstrate a strong commitment to enforcement in order to address the challenges identified.

Mohammed and Mukhtar (2012) conducted a study that examined the potential of micro-insurance in rural areas of Nigeria, focusing on Kebbi State as a case study. The research involved gathering data from 190 respondents through structured questionnaires and analyzing it using a logit regression model. The findings revealed that factors such as income level, educational attainment, property ownership, and the availability of infrastructural facilities in rural areas significantly influenced the prospects of micro-insurance. Based on these findings, the study recommended several strategies. These include considering the income levels of rural residents when determining insurance premiums, prioritizing efforts to provide basic education in rural areas, conducting mobilization and awareness campaigns prior to introducing micro-insurance, and placing greater emphasis on agricultural micro-insurance due to farming being the primary occupation in rural Nigeria.

Ujunwa and Modebe (2011) conducted a review that examined the historical perspective of the operational efficiency of the Nigerian insurance industry. The study traced the roots of insurance in Nigeria back to 1918 when marine insurance played a dominant role in the economy. However, despite this long history, the research revealed that the operational efficiency of the sector remained below optimal levels. The study identified various challenges, including an unfavorable macroeconomic environment, a deficient regulatory framework, and a general lack of trust in insurance companies among the market participants. Nevertheless, the authors emphasized that these challenges were not insurmountable and proposed strategies to enhance the operational efficiency of the Nigerian insurance industry.

### ***Marketing Strategy for Insurance Service Patronage***

Bassey et al. (2016) conducted a study that examined the effectiveness of opinion leadership as a solution for marketing life assurance products in Nigeria. The research involved surveying 150 insurance practitioners from five major insurance firms based in Lagos. The results demonstrated that the successful implementation of opinion leadership strategies had several positive outcomes, including an expansion of the customer base, improved purchasing decisions, increased word-of-mouth referrals, reduced customer attrition, and enhanced customer confidence and trust. The study also identified several challenges that could hinder the successful implementation of opinion leadership, such as ineffective marketing strategies, limited knowledge of the insurance market, inadequate market research, inflexible marketing approaches, and a lack of commitment from top management. To address these challenges, the study recommended raising awareness about the significance and practicality of opinion leadership in the Nigerian insurance industry.

Nwora (2018) conducted a study examining the marketing implications of the revised operational guidelines on the bank assurance referral model in Nigeria. The research revealed that the bank assurance referral model has a substantial impact on customers' adoption of insurance products. Furthermore, the influence of

this model is moderated by customer loyalty and the perceived service quality of banks. In light of these findings, the study suggests that insurance companies planning to establish bank assurance relationships in Nigeria should carefully select banks with a substantial number of loyal customers and a reputation for delivering high-quality services.

Oluwabiyi et al. (2022) examine the impact of relationship marketing on customer perception of insurance in Lagos State. The research findings demonstrate a significant correlation between relationship marketing and customer perception of insurance. The study highlights the crucial role of customer awareness, trust, service quality, product innovation and customization, and customer satisfaction in shaping customer perception. In light of these findings, the study recommends that insurance companies implement relationship marketing strategies to effectively influence customer perception and foster increased patronage.

Joseph and Ankoh (2022) investigate the impact of insurance management information systems on enhancing insurance services in Nigeria. The research reveals that the utilization of various types of information systems, including transaction processing systems, decision support systems, office automation systems, expert systems, and personal/work group information systems, plays a significant role in deepening insurance services. The study emphasizes the importance of insurance companies adopting and updating their information systems to ensure effective and efficient delivery of services.

Sogunro and Abiola (2014) examine the assessment of customer satisfaction regarding life insurance products in Lagos State. The research demonstrates that policyholders commonly express dissatisfaction with life insurance products due to specific attributes associated with each product. The findings underscore the importance for insurance companies to enhance the quality of their products in order to align with customer expectations and enhance overall satisfaction levels

Idris et al. (2012) conducted an empirical study to evaluate the effectiveness of marketing communication mix elements in selected insurance companies in Nigeria. The research involved a survey of 20 insurance companies randomly selected from Lagos, Ibadan, Port-Harcourt, and Abuja. The findings indicated that advertising, personal selling, and public relations were regarded as highly significant by insurance service marketers in Nigeria. Direct marketing was also acknowledged as valuable in improving service delivery, while sponsorship and sales promotions received comparatively lower acceptance. The study underscored the importance of leveraging marketing communication elements effectively to provide information, create awareness, shape attitudes and perceptions, establish a positive industry image, and foster brand loyalty.

#### *Framework and Regulation of Insurance Service*

Onyekonwu et al. (2019) provide insights into the challenges associated with unregulated drug use within the Nigerian health sector. The study underscores the significance of establishing an effective healthcare system and enhancing access to health insurance as key measures to tackle these problems. It highlights the limited availability of healthcare services and the widespread presence of unlicensed healthcare providers resulting from poverty, low literacy rates, and inadequate health insurance coverage. The authors advocate for the expansion of health insurance programs and the reinforcement of regulatory agencies to promote efficient service provision and discourage individuals from seeking care from unlicensed providers.

Oluwabiyi et al. (2022) examine the determinants affecting the selection of Third Party Liability (TPL) motor insurance among academic staff members in Lagos State. The research acknowledges the relatively limited scope of TPL motor insurance compared to other coverage options available. However, despite this constraint, vehicle owners, particularly academic staff, still exhibit a preference for TPL motor insurance. The study involved surveying 300 academic staff members from five tertiary institutions in Lagos, utilizing structured questionnaires for data collection. Through factor analysis and correlation analysis, the study identifies various factors influencing the choice of TPL motor insurance, such as family size, insurance

price, number of vehicles owned, and marital status. The findings indicate that the affordability of TPL motor insurance and its minimal impact on meeting the needs of family members contribute to its preference. The study recommends considering factors beyond price when selecting motor insurance policies and suggests a review of motor insurance regulations to broaden coverage and ensure protection for insured individuals and their properties.

## RESULTS AND ANALYSIS

The reviewed literature offers valuable knowledge on different facets of insurance purchasing behavior, the economic impact of insurance, and marketing approaches to encourage the uptake of insurance services in Nigeria. The findings underscore the significance of comprehending consumer attitudes, awareness, perception, trust, religiosity, risk attitudes, and socio-economic factors in shaping insurance purchasing behavior. Furthermore, the studies emphasize the importance of effective marketing strategies, relationship marketing, customer satisfaction, and the utilization of information systems to enhance the promotion of insurance services.

**TABLE 1 LIST OF KEY PAPERS REVIEWED BETWEEN 2009 – 2022.**

Author and Date	Keywords
Yusuf et al., (2009)	Attitude, Insurance, Marketing
Ajemunigbohun et al., (2020)	Risk attitude, Insurance patronage, Financial earnings, SMEs
Kehinde and Sharofiddin (2021)	Takaful services, Acceptance, Shariah, Service quality, Awareness
Okonkwo and Fiiwe (2018)	Insurance intermediaries, Support service providers, Challenges, Insurance industry
Nkwor and Ozor (2022)	Insurance consumption, MSMEs, Regulatory origin, Trust
Yahaya et al., (2022)	Motor vehicle Takaful, Determinants, Perception, Religiosity
Maiyaki and Ayuba (2015)	Takaful services, Attitudes, Trust, Confidence



Author and Date	Keywords
Badru et al., (2013)	Socio-cultural variables, Insurance patronage, Lagos
Kelikume and Otonne (2022)	Home and property insurance, Risk attitude, Non-performance, Insurance demand
Dandago et al., (2020)	Takaful patronage, Entrepreneurs, Religiosity, Trust, Awareness
Ishola et al., (2022)	Children's educational insurance, Socio-economic status, Trust, Knowledge
Alaka et al., (2021)	Socio-economic factors, Demographic factors, Insurance buying behaviour
Adamu (2016)	Acceptance, Patronage, Attitudes, Marketing strategies
Owolabi and Agboola (2018)	Consumers' attitudes, Insurance products, Promotion, Buying behaviour
Banjo et al., (2022)	Life insurance policies, Perceptions, Culture, Religion

Author and Date	Keywords
Enitilo, Ajayi, and Famuagun (2017)	Promotional activities, Consumer patronage, Insurance business
Oluwabiyi et al., (2022)	Insurance market penetration, Customer relationship marketing
Igoni et al., (2020)	Insurance investments, Economic growth
Mohammed and Mukhtar (2012)	Micro-insurance, Rural areas, Prospects
Ujunwa and Modebe (2011)	Nigerian insurance industry, Operational efficiency
Bassey et al. (2016)	Opinion leadership, Life assurance products, Marketing
Nwora (2018)	Bank assurance, Referral model, Customer patronage
Joseph and Ankoh (2022)	Insurance management information systems, Service deepening
Sogunro and Abiola (2014)	Customer satisfaction, Life insurance products
Idris et al., (2012)	Marketing communication mix, Insurance companies

**Source: Researcher's compilation**

Furthermore, the studies conducted by various authors, including Yusuf et al. (2009), Ajemunigbohun et al. (2020), Kehinde and Sharofiddin (2021), Okonkwo and Fiiwe (2018), Nkwor and Ozor (2022), Yahaya et al (2022), Maiyaki and Ayuba (2015), Badru et al (2013), Kelikume and Otonne (2022), Dandago et al.

(2020), Ishola et al. (2022), Alaka et al (2021), Adamu, (2016), Banjo et al (2022), and Enitilo et al. (2017), offer valuable insights into the attitudes and determinants influencing the purchase of insurance in Nigeria.

These studies provide insights into the diverse range of factors that impact consumer attitudes towards insurance, including demographic variables, risk attitude, religiosity, awareness, perception, trust, and socio-cultural factors. The findings underscore the significance of employing effective marketing strategies, implementing regulatory reforms, involving consumers in product design, and leveraging traditional institutions that foster trust to enhance the adoption of insurance and challenge negative perceptions. The studies emphasize the importance of policymakers, stakeholders, and insurers prioritizing initiatives aimed at raising awareness, improving education, and enhancing service quality to stimulate the acceptance and utilization of insurance services.

The studies conducted by Oluwabiyi et al (2022b), Igoni et al (2020), Mohammed and Mukhtar (2012), and Ujunwa and Modebe (2011) provide valuable insights into the contribution of insurance to the economy and its effects on economic growth, prospects of micro-insurance, and operational efficiency within the Nigerian insurance industry.

These studies underscore the significance of insurance in fostering nation-building and promoting economic development. They investigate the influence of insurance investments on economic growth, the potential of micro-insurance in rural areas, and the imperative of operational efficiency within the insurance sector. The findings highlight the importance of customized insurance products, strong regulatory frameworks, and initiatives to enhance financial literacy and infrastructure in rural regions. These measures are crucial for advancing insurance penetration and facilitating economic growth.

These studies conducted by Basse et al. (2016), Nwora (2018), Oluwabiyi et al (2022a), Joseph and Ankoh (2022), Sogunro and Abiola (2014), and Idris et al. (2012) examine various marketing strategies employed to promote the patronage of insurance services in Nigeria. These studies underscore the significance of opinion leadership, relationship marketing, marketing communication mix elements, customer satisfaction, and information systems in driving the uptake of insurance services. The findings emphasize the importance of effectively implementing opinion leadership, adopting customer-centric relationship marketing strategies, and utilizing diverse marketing communication channels to enhance customer perception, satisfaction, and the overall deepening of insurance services.

This body of literature emphasizes the importance of comprehending consumer attitudes, awareness, perception, trust, religiosity, risk attitude, and socio-economic factors in influencing insurance purchase behaviour. It also underscores the significance of marketing strategies, relationship marketing, customer satisfaction, and information systems in facilitating the promotion of insurance services and stimulating insurance penetration within the Nigerian market. These findings offer valuable insights for insurance companies, policymakers, and stakeholders to devise effective marketing strategies, implement regulatory reforms, and adopt customer-centric approaches that can enhance insurance adoption and foster economic growth in Nigeria.

## CONCLUSIONS

This research examines various aspects that influence and shape the patronage of insurance services in Nigeria. It encompasses areas such as attitudes towards insurance, perception of risk, patterns of insurance patronage, marketing strategies, regulatory factors, socio-cultural variables, religiosity, trust, and customer behavior. The findings of this study offer valuable insights into comprehending the intricacies of the insurance industry and provide practical information that can benefit practitioners, policymakers, and researchers in the field. A key recurring theme in the literature is the impact of attitudes and perceptions on the consumption of insurance. Numerous studies emphasize the importance of favorable attitudes towards

insurance in promoting patronage and acceptance. Trust, confidence, and awareness of insurance products and services are identified as influential factors in individuals' decision-making processes. Moreover, the socio-cultural environment and religious convictions are found to shape insurance preferences, particularly in relation to Takaful (Islamic insurance) services.

Another significant aspect examined in the literature is the influence of marketing and promotional activities on insurance purchasing behavior. The literature highlights the importance of employing effective marketing strategies, such as communication mix, opinion leadership, and promotional activities, to raise awareness about insurance and foster customer engagement. Additionally, the quality of services and support offered by insurance intermediaries and providers emerges as a crucial factor that significantly impacts overall customer experience and satisfaction.

The study also provides insights into the obstacles and hurdles encountered by the insurance industry. Challenges such as operational efficiency, regulatory limitations, market penetration, and customer relationship management are identified as critical areas that demand focus and enhancement. Moreover, the studies delve into the potential of micro-insurance and bank assurance models in expanding insurance accessibility to underserved communities and rural regions. The literature clearly indicates that the insurance industry is characterized by dynamism and ongoing evolution. The findings underscore the importance of conducting continuous research and fostering innovation to effectively respond to the changing needs and preferences of consumers. Policymakers can leverage these insights to establish suitable regulatory frameworks that promote trust, transparency, and ease of access within the insurance sector.

The findings substantially contribute to enhancing our comprehension of the challenges and prospects within the insurance industry, thereby laying the groundwork for subsequent research and advancement. By taking into account the principal themes and recommendations emphasized in the literature, stakeholders in the insurance sector can strive towards augmenting customer satisfaction, expanding market penetration, and fostering sustainable growth within the industry.

## **POLICY IMPLICATIONS AND RECOMMENDATIONS**

Comprehending the cultural perspectives regarding the adoption of insurance services in Nigeria holds immense importance for both insurance companies and policymakers. The literature review provides the following recommendations:

### ***Increased awareness and education***

Steps should be taken to enhance knowledge and enhance financial literacy concerning the advantages of insurance products.

Public awareness campaigns and educational initiatives should be directed towards the wider population to debunk misconceptions, enhance comprehension, and encourage the uptake of insurance.

### ***Building trust and confidence***

Insurance providers must exhibit transparency, ethical conduct, and dependable service provision to cultivate trust among prospective policyholders. Partnering with community leaders, religious organizations, and consumer protection agencies can contribute to the establishment of trust.

### ***Tailoring products to local needs***

Insurance companies should develop insurance products that are tailored to the unique cultural context of Nigeria. This can involve creating customized insurance solutions that integrate traditional social support systems, thereby bridging the divide between existing cultural attitudes and the adoption of insurance.

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