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Determinants of Life Insurance Buying Behaviour in Malta

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Abstract:

Purpose: *This study aims to examine consumer behavior in the life insurance market, focusing on the factors influencing the selection of life insurance providers, pricing preferences, and the role of external recommendations and cross-selling practices.*
Design/Methodology/Approach: *A quantitative research strategy was adopted, drawing on the methodological approaches of Attard (2019) and Guan et al. (2020). Data were collected using a structured questionnaire administered to individuals who currently own life insurance policies. The target population comprised financially protected individuals who hold life insurance policies guaranteeing beneficiary compensation in the event of death, in line with MFSA (2023) definitions. Descriptive and inferential statistical techniques were employed to analyze the data.*
Findings: *The results indicate that Company A was the most commonly selected life insurance provider, with the majority of respondents paying an average annual premium between €201 and €400. Respondents reported an average income slightly below €19,501. The influence of external recommendations on life insurance choice was relatively limited, with a mean score of 8.24 out of 25 and a standard deviation of 2.11, indicating moderate variability among respondents. In terms of cross-selling behavior, findings reveal that customers were more likely to purchase additional products through their existing banking institution rather than acquiring multiple insurance products from the same insurance provider.*
Practical Implications: *The findings provide valuable insights for insurance companies and financial institutions seeking to refine their marketing, pricing, and cross-selling strategies. Emphasizing bank–insurance partnerships and targeted pricing strategies may enhance customer acquisition and retention.*
Originality/Value: *This study contributes to the limited empirical literature on life insurance consumer behavior by offering evidence-based insights into pricing sensitivity, recommendation influence, and cross-selling tendencies. It provides practical guidance for insurers and policymakers aiming to improve product design.*

Keywords: *Life insurance, consumer behavior, pricing strategy, financial services.*

JEL Classification: *G22, D12, M31, C12, G21.*

Paper type: *Research article.*

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1. Introduction

Insurance activities in Malta have deep historical roots, closely intertwined with the island's maritime trade with other Mediterranean nations (Galea, 2014). According to Galea (2014), this rich tradition dates to the 14th century when Maltese merchants collaborated with Catalan seafarers, blending maritime commerce with the early development of insurance practices. In the early 1990s, Malta established itself as a stable and reputable hub for financial services, with the insurance sector emerging as a crucial pillar of this growth (Zammit *et al.,* 2018; Grima *et al.,* 2020).

By the dawn of the new millennium, Malta's insurance market had seen steady expansion, branching into risk management and broking (Galea, 2014). Meanwhile, mergers and acquisitions involving major United Kingdom insurers transformed many local agencies into Maltese entities, stimulating growth within the domestic life insurance sector (Galea, 2014).

As stated by the Malta Financial Services Authority (MFSA) (2025, pp. 1), *"life insurance offers valuable financial protection in the event of your early death to family members dependent on your earnings."* A study by Attard (2019) investigated life insurance ownership among individuals in Malta, indicating that 60% of the 400 respondents lacked life insurance, while 40% had it. These figures may vary with market demand and bank loan issuance, as life insurance is frequently a prerequisite for securing bank financing (MFSA, 2025).

The Interim Financial Stability Report for 2024, released by the Central Bank of Malta (CBM), indicates a 12% increase in gross written premiums, suggesting a moderate growth in consumer preferences. Notably, there has been a significant shift in these preferences, with index-linked and unit-linked contracts rising by 43.2%, while profit participation insurance declined by 6.7% (CBM, 2024).

Acquiring life insurance is a multifaceted process that is crucial for individual consumers and the broader economic landscape (Ghosh and Sinha, 2023). Consequently, both consumers and insurance providers must develop a nuanced understanding of purchasing behaviour related to life insurance (Bhatia *et al.,* 2021).

Since 2017, a 40% increase in property prices (Borg, 2023) has significantly reduced affordability, prompting many buyers to resort to bank financing (Stivala and Grima, 2022). This surge in loan acquisition has fostered an increased demand for life insurance, as such policies are predominantly purchased to secure financial obligations arising from loans (MFSA, 2025).

Therefore, life insurance companies should be aware of such triggers that affect consumers' buying behaviour to design appropriate policies and marketing tactics that stimulate consumers further (Gaun *et al.,* 2020).

2. Literature Review

Purchasing life insurance differs from buying other products because of its complexity and the use of various terms that require a thorough understanding (Mai *et al.,* 2020). Therefore, it is essential to make an informed purchase decision, choose adequate coverage, understand the contractual terms, and comprehend the rights and responsibilities outlined in the contract (Sanjeewa and Hongbing, 2019).

2.2 Consumers' Income

Income acts as an external stimulus to consumer behaviour as it is an environmental factor (Guan *et al.,* 2020). Li *et al.* (2007), Aguis (2023), and Haider and Shamsuzzama (2017) found that household income positively affects the demand for life insurance, as higher income enables individuals to purchase it. Additionally, Segodi and Sibindi (2022) found that as income increases, demand for life insurance products among consumers in the developing economies of Brazil, Russia, India, China, and South Africa also increases.

This occurs again because higher income increases the affordability of insurance premiums (Thanga *et al.,* 2023). Low- and medium-income earners may struggle to make monthly payments and therefore may be deterred from purchasing life insurance (Lajuni *et al.,* 2020). This was also noted by Segodi and Sibindi (2022), who stated that the price of life insurance may be unaffordable for low-income earners, as income affects how much consumers are willing to pay.

2.3 Insurance Premium

The price of an insurance product often reflects the level of protection it offers (Gaun *et al.,* 2020). Karudaman and Yilmaz (2014) argue that price is an indication of quality and stated that price is the most tangible element of the marketing mix for financial services institutions. Li (2021) found that the premium negatively correlates with life insurance purchase intention, as demand for life insurance declines when prices rise.

Similarly, Haider and Shamsuzzama (2017) argue that the cost of a policy is expected to negatively affect consumers' behaviour regarding life insurance products, as lower premiums lead to increased demand for life insurance, as more individuals can afford it.

Gaun *et al.* (2020) challenge this conclusion by finding that consumers are more likely to buy life insurance at lower prices if the insurer provides adequate coverage for the premium paid. Auf *et al.* (2018) reconfirm this argument, showing that low prices significantly increase purchase intention in Saudi Arabia, as Islam promotes moderate pricing.

2.4 Risk Coverage

Segodi and Sibindi (2022) believe that the sense of protection among family members was one of the most significant drivers of life insurance purchases. Additionally, Ramyashree (2024) found that risk coverage was the most predominant reason consumers invest in a life insurance policy, indicating that broad risk coverage is a vital factor for consumers.

This is also stated by Tati and Baltazar (2018), who found that risk coverage is the primary reason policyholders purchase life insurance in Hyderabad. Guan *et al.* (2020) discussed how the product being offered, i.e., the protection one receives when the primary income earner is lost, positively affects consumer behaviour. Moreover, Dash and Sood (2013) found that consumers perceive risk coverage to be a crucial aspect in their buying decisions.

2.5 Customer Loyalty

Chi *et al.* (2009) discuss how purchase intention increases with greater brand loyalty, as loyalty is a repurchase commitment, with consumers buying from their favourite brands, and is associated with perceived quality and brand awareness.

Ainiyah *et al.* (2020) discuss the comparatively low level of customer loyalty within the life insurance industry, which is attributed to the complexity and intangibility of the product, making the role of the insurance agent vital for enhancing retention, clarifying any doubts, and fostering customer relationships. This is further emphasised by Alok and Srivastava (2013), who state that insurance agents are crucial to building long-lasting relationships with consumers, thereby increasing cross-selling.

Conversely, in their studies, Sahu *et al.* (2009) found that consumer loyalty has the highest positive impact on consumers' behaviour when considering the choice of life insurance. Venkatesan and Jacob (2019) found a positive relationship between customer loyalty and customer retention, which often leads to increased profitability.

2.6 Recommendations by Peers

Since life insurance is an intangible product, recommendations from others significantly influence purchase behaviour, as favourable recommendations increase consumers' perceptions of a product and decrease customers' negative feelings (Mai *et al.,* 2020; Vella *et al.,* 2020).

In Surabaya, word of mouth was also found to correlate positively with purchase intention, as an increase in word-of-mouth advertising is accompanied by a corresponding rise in interest in purchasing the product (Liftiana and Pemuda, 2023).

Modern consumers often make purchasing decisions based on others' recommendations, making it a prominent criterion when choosing an insurance product (Prokopjeva *et al.,* 2021). Moreover, Wisankosol (2021) explains that word of mouth has a positive and significant impact on purchase decisions for life insurance products, as family and friends are more likely to influence one's decision.

2.7 Education and Awareness

Sahu *et al.* (2009) found that service quality, ease of procedure, level of satisfaction, brand image, and consumer relationships also affect consumer buying behaviour. Lajuni *et al.* (2020) found that consumer knowledge significantly affects consumer behaviour in the life insurance sector, as it influences consumer attitudes. Beyond informal learning through educational campaigns, Li *et al.* (2007) and Kjosevski (2012) further found that consumers' educational level positively affects demand for life insurance, as it fosters a greater desire to avert risk and safeguard dependents.

In Malta, there is minimal research on the life insurance industry and its consumers. Attard (2019) examined the reasons consumers purchase life insurance, offering insights into factors that motivate them, such as financial risk and protection for dependents. Dimech (2011) studied consumer awareness of life insurance, shedding light on Maltese consumers' understanding of life insurance products.

These studies, although significant, do not address the complex nature of consumer preferences towards life insurance providers. Therefore, there remains a lack of understanding of why consumers choose one life insurance provider over another, resulting in a gap in the local and international literature on the subject.

3. Methodology

This study aimed to identify the factors influencing Maltese consumers' decisions when selecting a life insurance provider. Therefore, the hypotheses tested in this study were grounded in the literature.

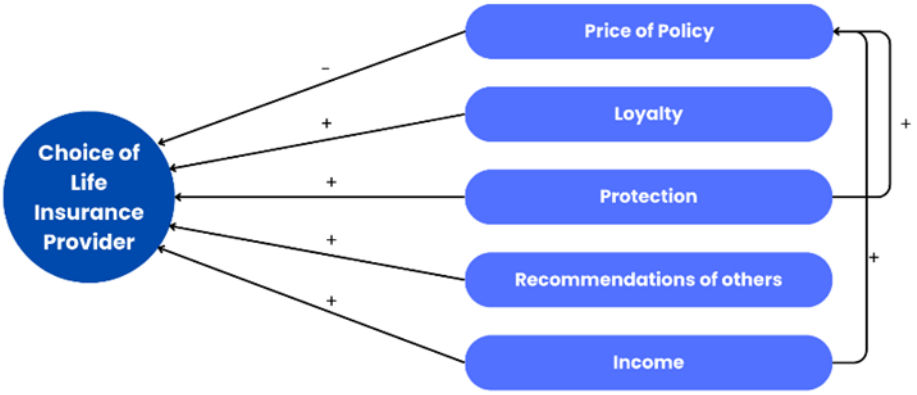
3.1 Research Design

A quantitative research strategy was adopted, following the work of Attard (2019) and Guan *et al.* (2020). The target population for this research consisted of individuals who own life insurance, are financially protected in the case of death, and are promised that their beneficiaries will be paid (MFSA, 2023). Life insurance policyholders are defined by Naeem (2024, p. 4) as *"The person who owns the policy and pays the life insurance premiums".*

Therefore, people whose lives were insured needed to make payments to their life insurance company (MFSA, 2023), which could be made either as a one-time payment or as yearly payments.

Participants were recruited following ethical clearance using convenience sampling via an online self-administered questionnaire, primarily distributed through platforms such as Facebook and Instagram. The selection of social media platforms was influenced by their widespread popularity, which enhances accessibility for the set target audience. 235,506 lives were insured in 2023, representing the study population. The questionnaire addressed variables (Figure 1) identified in the literature by prior authors as proven to affect the choice of life insurance providers.

Figure 1. *Dependent and Independent Variables*



Source: *Own study.*

3.2 Data Analysis

After cleaning and transforming the raw dataset, statistical analyses were conducted to address the research question. A normality test was first performed to assess the data's distribution. Since the data did not follow a normal distribution, nonparametric tests, including Spearman's correlation and Chi-square tests, were performed using IBM SPSS Statistics version 29. This software was selected for its user-friendliness and reliability in conducting statistical procedures.

4. Research Results and Discussion

The collected data are summarised in Table 1, providing a descriptive statistical overview of the key factors identified in Figure 1. The results indicate that the most common life insurance provider was Company A, with an average annual price of €201-€400. Respondents had an average income of just below €19,501.

On average, respondents gave a score of 8.24 out of 25 for the influence of external recommendations on their decision to choose life insurance, with a standard deviation of 2.11, indicating moderate variability. The mode for cross-selling and purchasing other products showed that customers were more likely to be susceptible to cross-selling with their existing bank than to buy different insurance products from the same company.

Table 1. *Descriptive Statistics of the main variables*

Descriptive Statistics

		Life Insurance Provider	Income	Cross Selling	Other Products	Price	Recommendations
N	Valid	104	104	104	103	104	105
	Missing	1	1	1	2	1	0
Mean		2.01	1.92	.51	.43	2.06	8.2388
Median		1.00	2.00	1.00	.00	2.00	8.2105
Mode		1	2	1	0	2	7.40[a]
Std. Deviation		1.397	.634	.502	.497	.761	2.11412
Skewness		1.137	.062	-.039	.299	-.098	.282
Std. Error of Skewness		.237	.237	.237	.238	.237	.236
Minimum		1	1	0	0	1	.00
Maximum		5	3	1	1	3	14.45

a. Multiple modes exist. The smallest value is shown

Source: *Own study.*

Moreover, Table 2 shows that, among respondents, death risk coverage was the most common choice, with 80% indicating it is included in their policy. Other benefits, such as accidental death benefit (0.48), critical illness coverage (0.22), and retirement benefit (0.25), also scored high. Conversely, the survival benefit, with a mean of 0.06, the child benefit, with a mean of 0.09, and disability cover, with a mean of 0.13, were even more limited, suggesting that most life insurance plans held by participants were basic.

Table 2. *Descriptive Statistics of Risk Benefits*

Descriptive Statistics

		Death Risk Coverage	Accidental Death Benefit	Critical Illness Coverage	Survival Benefit	Disability Cover	Child Benefit	Retirement Benefit
N	Valid	105	105	105	105	105	105	105
	Missing	1	1	1	1	1	1	1
Mean		.80	.48	.22	.06	.13	.09	.25
Median		1.00	.00	.00	.00	.00	.00	.00
Mode		1	0	0	0	0	0	0
Std. Deviation		.402	.502	.416	.233	.342	.281	.434
Minimum		0	0	0	0	0	0	0
Maximum		1	1	1	1	1	1	1

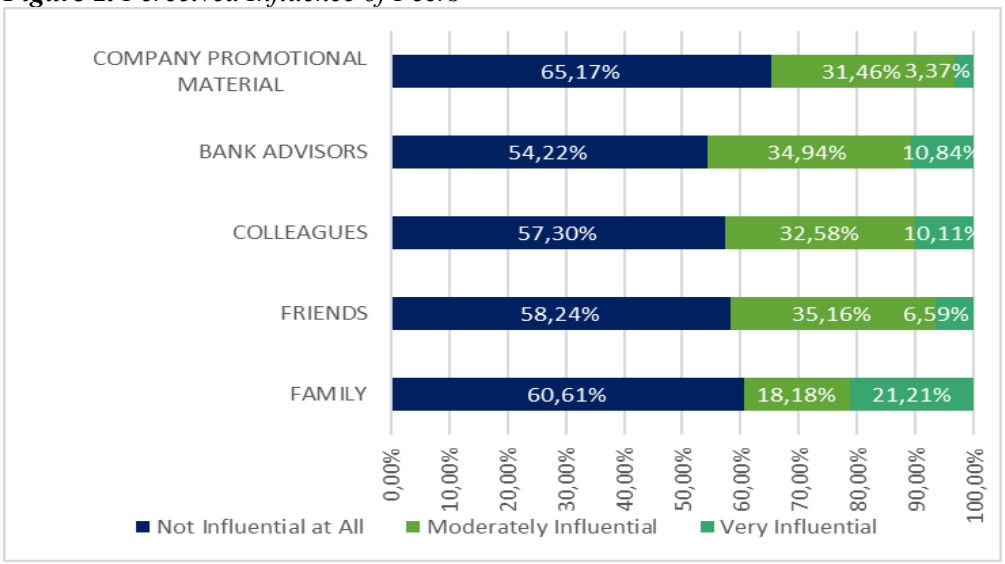
Source: *Own study.*

5. Preliminary Analysis

Figure 2 illustrates the level of influence exerted by different recommendation groups on consumers. Overall, among all influences, family is perceived as the most significant factor in determining a person's choice of life insurance provider, aligning with the study by Lim *et al.* (2020).

Following family, bank advisors are noted for their impact, as they are viewed as knowledgeable and often employ cross-selling techniques. In contrast, company promotional materials rank as the least influential factor, suggesting that companies need to refine their marketing strategies and target consumers more effectively.

Figure 2. *Perceived Influence of Peers*

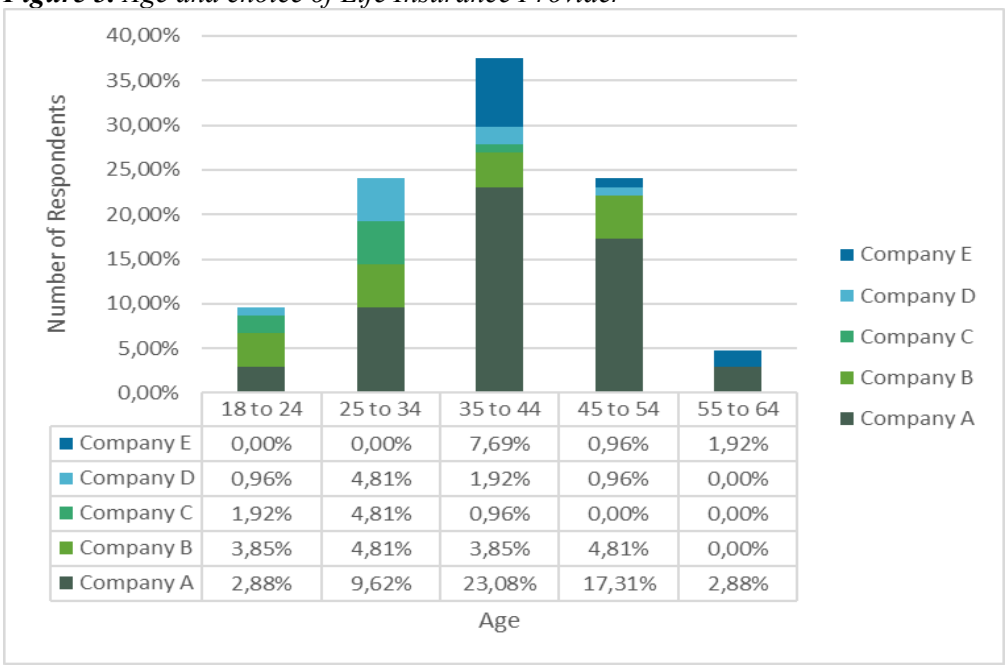


Source: *Own study.*

In addition to peer influence, the respondent's age may also affect their decision about the life insurance provider, as depicted in Figure 3. Life insurance was predominantly purchased by consumers aged 35 to 44 years, because most respondents fall within this age bracket. Company A appears to be particularly favoured by participants aged 35 and over. This company has been operating locally for several years, a time when competition was relatively limited.

Therefore, this may suggest that this choice was made among this cohort due to the absence of competition at the time they purchased life insurance. Newer alternatives may not be as recognised amongst older clients, as they may find it challenging to switch to different life insurance companies. In contrast, younger policyholders seem to lean toward Companies B and C, likely due to their attractive and affordable bundles that appeal to this demographic.

Figure 3. *Age and choice of Life Insurance Provider*



	18 to 24	25 to 34	35 to 44	45 to 54	55 to 64
Company E	0,00%	0,00%	7,69%	0,96%	1,92%
Company D	0,96%	4,81%	1,92%	0,96%	0,00%
Company C	1,92%	4,81%	0,96%	0,00%	0,00%
Company B	3,85%	4,81%	3,85%	4,81%	0,00%
Company A	2,88%	9,62%	23,08%	17,31%	2,88%

Source: *Own study.*

Age may not only influence the choice of life insurance, but also the type of life insurance consumers chooses, as depicted in Figure 4. Respondents aged 18 to 24 primarily opt for whole and universal life insurance, where whole life insurance is characterised by its permanence, providing coverage regardless of when death occurs, settling debts accordingly (MFSA, 2025).

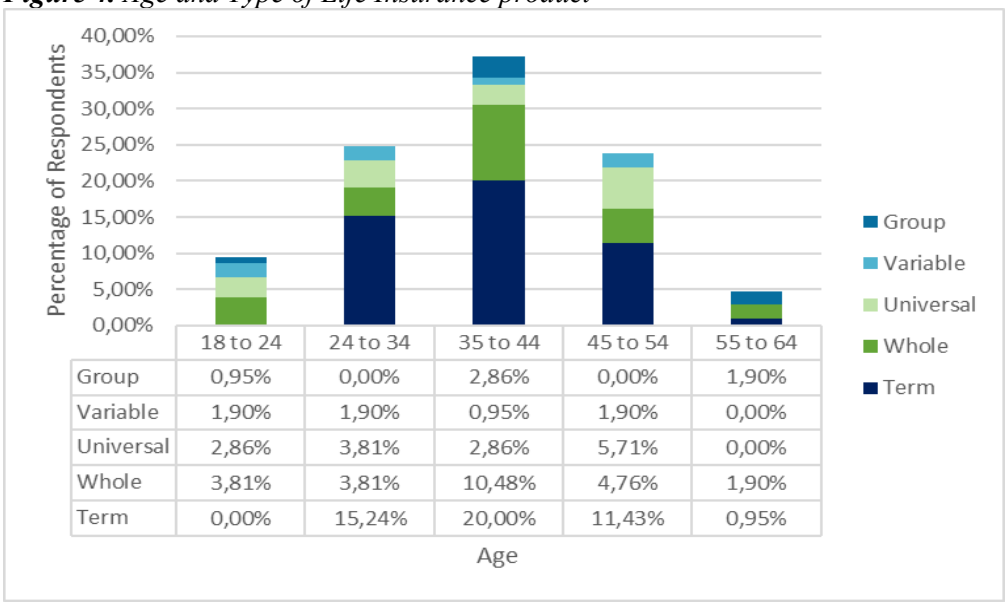
Moreover, universal life insurance is also permanent but offers more flexible premium payments (Kagan, 2023). This trend suggests that younger individuals are more likely to purchase life insurance based on personal choice rather than obligation, likely due to a lower likelihood of having loans or dependents and instead decide for themselves to insure their lives.

In contrast, individuals aged 24 and older exhibit a notable shift toward term life insurance, with the highest percentage observed in the 45- to 54-year-old age group. Term life insurance is designed to cover a specific period, often aligned with loan repayment timelines (Kagan, 2022).

The increased interest in term life insurance among this age group suggests that loan balances influence their purchasing decisions. Once the loan is repaid, the policy is likely not to be renewed.

Results in Figure 5 show that death risk coverage is the most chosen protection benefit across all life insurance providers, with a percentage of 75% or higher. This is followed by accidental death benefits, suggesting that many policyholders hold basic life insurance policies.

Figure 4. *Age and Type of Life Insurance product*



	18 to 24	24 to 34	35 to 44	45 to 54	55 to 64
Group	0,95%	0,00%	2,86%	0,00%	1,90%
Variable	1,90%	1,90%	0,95%	1,90%	0,00%
Universal	2,86%	3,81%	2,86%	5,71%	0,00%
Whole	3,81%	3,81%	10,48%	4,76%	1,90%
Term	0,00%	15,24%	20,00%	11,43%	0,95%

Source: *Own study.*

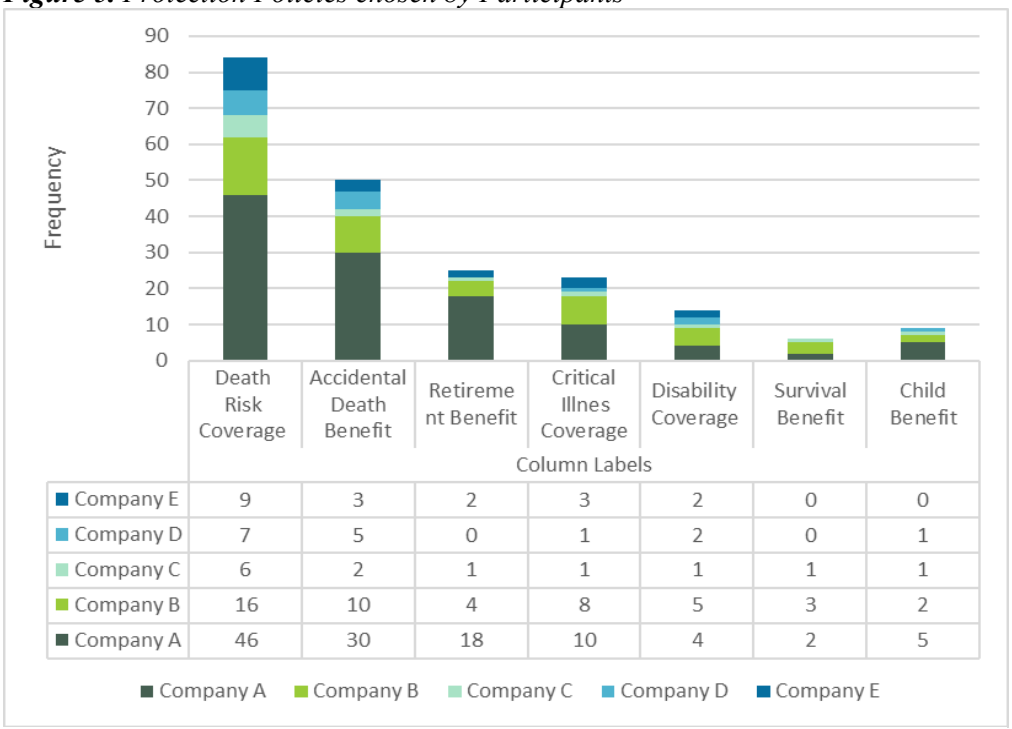
This suggests that core life protections rank highest in priority for most policyholders, reflecting that when individuals pursue life insurance, their primary concern is ensuring the financial security of their dependents in the event of death, whether from natural causes or accidents.

Additionally, it indicates that more specialised coverages, such as critical illness, survivor benefits, child benefits, and disability coverage, are often regarded as secondary priorities.

However, respondents with Companies A and B have shown a moderate uptake of these additional protection benefits. Therefore, the choice of insurance company depends on the benefits covered by the premiums clients pay.

This study indicates that death risk coverage and accidental death coverage represent the primary protection benefits held by policyholders. However, secondary protection benefits may affect policyholders' buying decisions, as companies A and B are popular for critical illness coverage.

Figure 5. *Protection Policies chosen by Participants*



Source: *Own study.*

5.1 Financial Considerations in Selecting Life Insurance Services

Prior authors acknowledge that premium prices significantly affect the choice of life insurance. This was empirically tested through a correlation analysis on SPSS. Since the significance values of the Shapiro test were below 0.05, the null hypothesis was rejected, suggesting that the data is not normally distributed. Given the data distribution, the Chi-Square test was performed (Table 3).

Table 3. *Chi-square test for 'Life Insurance Provider' against 'Price'*

Chi-Square Tests			
	VALUE	DF	ASYMPTOTIC SIGNIFICANCE (2-SIDED)
PEARSON CHI-SQUARE	3.727[a]	8	.881
LIKELIHOOD RATIO	3.788	8	.876
LINEAR-BY-LINEAR ASSOCIATION	.000	1	.996
N OF VALID CASES	104		

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is 2.08.

Source: *Own study.*

Table 4. *Cross Tabulation for 'Life Insurance Provider' and 'Price'*

Life Insurance Provider * Price Crosstabulation					
Count					
		PRICE			Total
		€0 - €200	€201 - €400	€401 - €600+	
LIFE INSURANCE PROVIDER	Company A	13	28	17	58
	Company B	5	7	6	18
	Company C	3	2	3	8
	Company D	3	4	2	9
	Company E	3	3	5	11
Total		27	44	33	104

Source: *Own study.*

The Chi-square test returned a significance value of 0.881 for the association between the premium paid and the choice of life insurance. Since the significance value exceeds the 0.05 threshold, the null hypothesis was not rejected, indicating no statistically significant relationship between the variables. Therefore, it can be concluded that the premium paid does not significantly influence the selection of life insurance providers.

This finding may be attributed to insurance companies' tendency to maintain similar pricing structures, thereby mitigating price wars and avoiding premium reductions aimed at capturing market share. Therefore, this led respondents not to base their decision about which insurance to choose on the annual premium.

To delve deeper into the subject, additional statistical tests were conducted to examine whether respondents' income affects their choice of life insurance provider.

Table 5. *Chi-square test for 'LIFE INSURANCE' against 'INCOME'*

Chi-Square Tests			
	VALUE	DF	ASYMPTOTIC SIGNIFICANCE (2-SIDED)
PEARSON CHI-SQUARE	17.718[a]	8	.023
LIKELIHOOD RATIO	17.983	8	.021
LINEAR-BY-LINEAR ASSOCIATION	4.046	1	.044
N OF VALID CASES	104		

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is 1.31.

Source: *Own study.*

The Chi-square test returned a significance value of 0.023 for the association between income and the selection of life insurance. Since this significance value is below the 0.05 threshold, the null hypothesis is rejected, indicating a statistically significant relationship between the two variables.

Table 6. *Cross Tabulation for 'LIFE INSURANCE' and 'INCOME'*

Life Insurance Provider * Yearly Income Crosstabulation					
Count					
		YEARLY INCOME			Total
		€0 - €19,500	€19,501 - €49,500	€49,501 - €60,000+	
LIFE INSURANCE PROVIDER	Company A	12	40	6	58
	Company B	6	10	2	18
	Company C	4	3	1	8
	Company D	3	3	3	9
	Company E	0	6	5	11
Total		25	62	17	104

Source: *Own study.*

Median income earners favour Company B, while Company A is preferred across all income brackets. Therefore, it can be concluded that insurance companies may adopt market segmentation through income as they target diverse cohorts of individuals.

These findings align with the conclusions of Gao and Thongsiri (2025), who argue that price is the least influential factor in life insurance decision-making. Moreover, Segodi and Sibindi (2022) highlighted a significant relationship between income and the demand for life insurance products in developing countries.

5.1 Behavioural Tendencies in Repeat Selection of Life Insurance Firms

To examine whether having other insurance products with the same company affects the choice of life insurance company, a Chi-square test was used since the data were not normally distributed. The Chi-square test yielded a significance value of 0.123 (Table 7) regarding the association between having other insurance products with the company and the choice of life insurance.

Since the significance value exceeds the 0.05 threshold, the null hypothesis is not rejected, indicating no statistically significant relationship between the variables. Therefore, participants were not more inclined to select a life insurance provider simply because they already hold other policies, such as motor or health insurance, with the same company.

Table 7. *Chi-square test for 'LIFE INSURANCE' against 'LOYALTY'*

Chi-Square Tests			
	VALUE	DF	ASYMPTOTIC SIGNIFICANCE (2-SIDED)
PEARSON CHI-SQUARE	7.264[a]	4	.123
LIKELIHOOD	7.559	4	.109

RATIO			
LINEAR-BY-LINEAR ASSOCIATION	1.639	1	.200
N OF VALID CASES	103		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 2.99.

Source: *Own study.*

Table 8. *Crosstabulation for 'LIFE INSURANCE' and 'LOYALTY'*

Life Insurance Provider * Loyalty Crosstabulation				
Count				
		LOYALTY		Total
		No	Yes	
LIFE INSURANCE PROVIDER	Company A	28	30	58
	Company B	14	4	18
	Company C	5	2	7
	Company D	4	5	9
	Company E	8	3	11
Total		59	44	103

Source: *Own study.*

Since having other insurance products with the company had no effect, the study investigated the efficacy of cross-selling strategies between banks and life insurance companies. Since the data were not normally distributed, a Chi-square test (Table 9) was again used to test the above hypotheses.

Table 9. *Chi-square test for 'LIFE INSURANCE' against 'CROSS-SELLING'*

Chi-Square Tests			
	VALUE	DF	ASYMPTOTIC SIGNIFICANCE (2-SIDED)
PEARSON CHI-SQUARE	41.863[a]	4	<.001
LIKELIHOOD RATIO	52.951	4	<.001
LINEAR-BY-LINEAR ASSOCIATION	2.612	1	.106
N OF VALID CASES	104		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 3.92.

Source: *Own study.*

The results of the Chi-square test indicated a significance level below 0.001, indicating a statistically significant relationship between these two variables. Hence, it is affirmed that cross-selling significantly influences consumers' choice of life insurance providers, suggesting that bank recommendations play a pivotal role in

shaping client decisions. As shown in Table 10, cross-selling affected mainly policyholders from Companies A and E, primarily due to the strong ties between life insurance providers and their banks.

Table 10. *Crosstabulation test for 'LIFE INSURANCE' against 'CROSS-SELLING'*

Life Insurance Provider * Cross Products Crosstabulation				
Count				
		CROSS PRODUCTS		Total
		No	Yes	
LIFE INSURANCE PROVIDER	Company A	17	41	58
	Company B	18	0	18
	Company C	5	3	8
	Company D	9	0	9
	Company E	2	9	11
Total		51	53	104

Source: *Own study.*

Interestingly, despite respondents reporting that their primary bank does not directly influence their choice of life insurance provider (Figure 2), the bank they chose had an indirect influence or unconscious bias at play. It implies that while consumers may perceive their choices as autonomous, these decisions are likely influenced by factors such as familiarity, trust in their primary bank, and the convenience of bundled financial services.

This behavioural discrepancy underscores the substantial yet nuanced impact of institutional relationships and existing customer-provider dynamics on decision-making, even when individuals are not consciously aware of these influences. Cross-selling strategies implemented by banks can prove effective, even when consumers do not overtly acknowledge their influence.

6. Conclusion, Proposals, Recommendations

Results revealed that the most common reason for purchasing life insurance is that it is often mandatory with a bank loan, highlighting a tendency to acquire policies out of necessity rather than choice. The participants perceived family influence as the most influential factor in choosing among providers, whereas companies' promotional materials were perceived as the least persuasive.

Younger policyholders, especially those aged 18 to 24 years, tend to select products such as whole and universal life insurance, indicating a preference for voluntary participation.

The primary benefits sought by most policyholders are death and accidental death coverage, while specialised protections are secondary. Older age groups, particularly those aged between 45 and 54 years, favour term life insurance, often linked to loan

repayment obligations. Satisfaction levels are generally neutral among the providers, although clients of certain companies tend to be more satisfied than those of others.

Unlike popular perception, the premium paid for life insurance has been proven not to be a significant factor affecting policyholders' choice of providers. However, their gross yearly income significantly affected their choice. A market segmentation by income was identified in the results, with specific companies more prevalent among diverse participant groups.

The concept of customer loyalty was first assessed by asking whether participants held other products with the same insurance company, which proved to be insignificant. However, cross-selling strategies employed by banks significantly influenced providers' choices, leading policyholders to select insurance companies that partner with the bank on their home or property loan.

Given that income significantly influences the selection of a life insurance provider, insurers should further segment their market. Special attention should be directed towards low-income earners, as this study indicates they are frequently underserved in the Maltese market. Insurers can introduce simplified insurance plans that feature minimal requirements, lower premiums, and flexible payment options to target such consumers. These products can be positioned as essential financial tools for long-term protection and wealth-building, even with modest contributions.

Bank partnerships play a crucial role in influencing life insurance decisions, as banks are often viewed as trusted financial advisors. Emerging insurance companies should partner with banks to gain recognition, while existing life insurance providers should partner with additional banks to increase their market share. Bundled products are to be developed by integrating life insurance offerings directly into the banking system. By capitalising on banks' existing relationships with customers, insurers can significantly increase their reach.

Life insurance companies should focus on new loan applicants and first-time homebuyers. This is especially important since the results demonstrate that most clients do not change their life insurance company once they start consuming from one. Younger cohorts appear to prefer whole and universal life insurance products, which may be an effective strategy for market penetration.

Additionally, second-time homebuyers represent a valuable opportunity, as this research indicates that most respondents are neutrally satisfied with their current life insurance provider but remain with them to avoid the burden of switching.

Given the lack of loyalty in this market, implementing the right strategies and incentives could encourage second-time buyers to consider switching providers for their new life insurance.

This study effectively addressed the research question by identifying policyholders' income and ongoing cross-selling as key factors influencing the selection of life insurance providers in Malta. The literature review established a robust theoretical framework that illuminated global trends and behaviours within the insurance sector.

The chosen methodology facilitated the collection of relevant data, while the subsequent analysis provided clear insights into the emerging patterns from the results. These findings were then leveraged to formulate practical recommendations for insurance providers.

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