LIFE INSURANCE PRACTICE IN TURKEY:

HISTORY and CONSUMER PERCEPTIONS

A THESIS

SUBMITTED TO THE DEPARTMENT OF MANAGEMENT AND
GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
OF BILKENT UNIVERSITY
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

BY
YEŞİM IŞIKLAR
JUNE 1994

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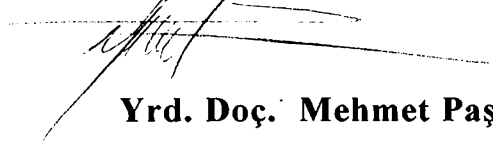I certify that I have read this thesis and in my opinion it is fully adequate, in scope and quality, as a theists for the degree of Master of Business Administration.

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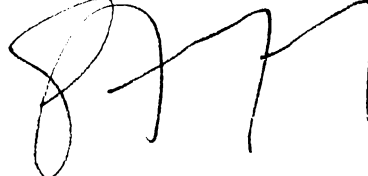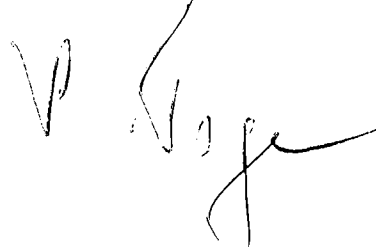
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Yrd. Doç. Gülnur Muradoğlu

Approved for the Graduate School of Business administration.

Prof. Dr. Sübidey Togan

ABSTRACT

LIFE INSURANCE PRACTICE IN TURKEY:

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BY
YEŞİM IŞIKLAR
SUPERVISOR: YRD. DOÇ. MEHMET PAŞA
JUNE 1994

This study focuses on the Life Insurance practice in Turkey, its development through the years and the consumer perceptions.

The nature of the currently operating companies in the sector and their marketing activities are all discussed in the study.

Interviews and a survey are conducted to a predetermined sample in order to understand the users versus non-users attitudes. The results show that the consumers awareness and knowledge about the product is very poor and the sector has important problems. The factors that cause problems in the sector are analysed and some recommendations are given to improve the service quality and success of Life Insurance branch in Turkey.

Key Words: Life Insurance, Public Awareness and Knowledge, Service Quality.

ÖZET
TÜRKİYE'DE YAŞAM SİGORTASI UYGULAMASI:
TARİHİ ve TÜKETİCİ ANLAYIŞI
YEŞİM IŞIKLAR
YÜKSEK LİSANS TEZİ. İŞLETME FAKÜLTESİ
TEZ DANIŞMANI: YRD. DOÇ. MEHMET PAŞA
HAZİRAN 1994

Bu çalışma Türkiye'de Yaşam Sigortası uygulamasını, yıllar içerisinde gelişimini ve tüketicinin algılayışını incelemektedir.

Halen sektörde faaliyet gösteren firmaların durumları ve pazarlama aktiviteleri sorgulanmıştır.

Belirlenen denek grubu üzerinde kullanıcılar ve kullanıcı olmayan kişilerin yaklaşımlarını anlamak için mülakatlar ve bir anket çalışması yapılmıştır. Sonuçlar tüketicinin ürün hakkında bilgisinin ve bilincinin zayıf olduğunu ve sektörde önemli problemler olduğunu göstermektedir. Çalışmada sektörde problemlere yol açan faktörler incelenmiş ve Türkiye'de Yaşam Sigortası branşının servis kalitesini ve başarısını arttıracak tavsiyelerde bulunulmuştur.

Anahtar Kelimeler: Yaşam Sigortası, Toplum Bilinci ve Bilgisi, Servis Kalitesi.

Acknowledgments

TABLE OF CONTENTS

LIST OF APPENDICES

LIST OF TABLES

CHAPTER I.   **INTRODUCTION**

In daily life people face many risks and some of these are threatening. It is almost impossible to get rid of them or at least some of them; therefore, people searched ways to protect themselves from the economic loss of undesired conditions. To do this they found an approach to share the risk and formed pools. This was the initial milestone for the insurance business.

In the economy, insurance business plays a critical role in compensating the risks of transportation, agriculture, industry, trade and other fields, and its role is very important especially in developing countries. For this reason, insurance has become a significant aspect of the social life in protecting our assets. It is also an important indicator of economic growth and wealth. The role of insurance is not only crucial for the coverage of risks but it is also important for its function of providing fund for the economic progress. There are various kinds of insurance. Among them, life insurance is the branch which provides the highest fund, especially in developed economies.

When the historical development of life insurance is analyzed it is seen that insurance business is accepted, despite all rigid cultural values and beliefs throughout the world.

In Europe, this practice has been applied and developed for more than two hundred years. In Turkey, however, its application span is not that long. When we look at the historical and present situation of life

insurance one sees that, it started as a foreign practice and then diversified slowly into the economy. When the development of life insurance and the population growth is compared we can see that the branch of life insurance has not reached its desired level satisfying the needs of Turkey.

When the insufficiency of the social security organizations is considered, private life insurance gains a more significant role in public safety. People with the aim of guaranteeing their future, appraise their savings in various forms of investment alternatives. In fact, these savings provide funds which Turkey needs a lot in investments. In fact, one of the alternatives in question is life insurance. Turkey is a "lower-middle income economy" and is in the process of development with an ever-changing socioeconomic structure, therefore the future development of life insurance is very important. In this development the sophistication of the service provided by companies, the consumer's perception and their knowledge about the product play the most critical role.

Because of the reasons mentioned above I have chosen to write my thesis on "Life Insurance Practice In Turkey". In the first section of the study the historical background and definition of life insurance is analyzed. The risk concept, types of insurance policies, elements of life insurance pricing and development of insurance is discussed. In the second section, the extent and importance of life insurance for economic development is discussed including the economic importance of life insurance, nature of life insurance company's investment activity, advantages of a strong and efficient life insurance market. Third section discusses the life insurance practice in Turkey; the historical background, its potential, Turkey's position in the world insurance sector and development of life insurance through the years. In the fourth section, current companies operating in the

life insurance sector and the services they provide is discussed together with the subjects; life insurance policies and their types, services provided by life insurance companies in Turkey and the marketing stage of life insurance. The views of the society about the life insurance process in Turkey is analyzed with a survey conducted to a defined sample.

Finally some recommendations are given for the development of the sector and life insurance practice.

CHAPTER II. DEFINITION of LIFE INSURANCE and ITS HISTORICAL BACKGROUND

II.1. What Is Insurance

Insurance is a social device in which a group of individuals transfer risk in order to combine experience, which permits mathematical prediction of losses and provides for payment of loses from funds contributed by all members who transferred risk. Those who transfer risk are called insured and those who assume risk are called insurers.(Athearn, 1989).

Insurance is not a new concept, it is thousand years old. Insurance grew from small beginnings based on the fact that one can suffer from many undesired situations in life. In a community where many people live, there exists hazards from which any of them could suffer (for example fire). Some would incur such a loss during the year but the majority would not and if they all contributed some of their money into a pool then there would be a fund to compensate the losers. If they were only a small number in the group the risk of miscalculating the contribution would be very high but as the size of the group increases it becomes more scientific and beneficial. Without insurance there would be no trade, and business could not have developed because many of the risks run by traders are beyond their control and not related with their ability to run their business.

The extent of insurance cover has grown over the last century and many risks that were uninsurable are now the subject of insurance. To the question of "What is insurance" the answer can simply be; insurance is to compensate someone who has suffered a loss; and people find it necessary because a loss can often spell a disaster for an individual. The purpose of insurance is to put the individual back to its, as nearly as possible, financial position he held before he suffered the loss.

II.2.   What Is Insurable

There exists some prerequisites to be insurable, these are;
- It must be possible to measure the loss in monetary terms so that the cost of   replacing the item lost could be defined.
- There must be reasonably large number of similar risks to be insured.
- The loss has to be entirely accidental so far as the insured is concerned.

As the insurance is based on the setting up of pools to which those who have similar risks, if there are insufficient risks then pools cannot be set up (Lawrence, 1991). With the statistical understanding of risk the insured is provided a meaningful level of premium payment.

II.3. Risk Concept

Risk is defined as "The variations in future outcomes that could occur over a specified period of time in a given situation" (Williams C.A.,1989).

Everything surrounding our environment might involve risk including the air we breath and the ground we walk on. Nobody can guarantee that the pollutants in the air will not harm our health. Likewise an earthquake will not destroy our assets like our house, car, etc.

The risks that are probable for someone to face can be classified into two groups; pure risk and speculative risk.

II.3.1. Pure Risk

Risk involving only loss or no loss is pure risk (L. Athearn J., 1989). In pure risk there is a potential of loss but no chance of gain. The potential of collision of one's car is in this category of risk.

II.3.2. Speculative Risk

A speculative risk exists when there is a chance of gain as well as chance of loss (Williams, 1989). Investments are good examples of these types of risks because it may result in a gain or involve in loss, in some or all of the investments.

II.3.3.   Risk Factors of Life Insurance

There are several components examined by life insurers in underwriting life insurance. Basic factors can be classified as;

- The age of the insured (as the future mortality is highly correlated with age),
- The physical condition of a proposed insured ,
- Height, weight, and the distribution of the weight,
- The abnormalities in one or more systems of the body,
- Coronary risk factors,
- Personal history,
- Family history (such as heredity),
- Tobacco use, alcohol and drugs,
- Occupational hazards,
- Hazardous sports,
- Residence

All of these factors are examined by the insurer's as the factor of risk.

II.4.   Types of Insurance Policies

Life insurance policies can be constructed and priced in four different groups. These groups are classified as; Term Life Insurance, Endowment Insurance, Whole Life Insurance and Annuities.

II.4.1.   Term Life Insurance

Term Life insurance pays a predetermined sum to the beneficiary if the insured's death occurs during a set number of years (term of the policy).

II.4.2.   Endowment Insurance

Endowment insurance like term insurance, pays a predetermined sum to the beneficiary if the insured's death occurs during the policy term and additionally, pays the same predetermined sum to the policy owner if the insured survives the policy term.

II.4.3.   Whole life insurance

This type of insurance pays a predetermined sum when the insured dies, regardless of when death occurs. As can be understood term policies have no cash value whereas endowment and whole life policies typically have cash value.

II.4.4.   Annuity

Pays a typically monthly benefit amount to the designated person (the annuitant) usually only if the annuitant is alive. Most annuities are saving

instruments designed to first accumulate funds and then systematically to liquidate the funds, usually during people's retirement years.

These four life insurance classification remain valid today, but it is not always possible to determine at policy issuance the exact class into which some types of policies fall.

II.5.   Elements of Life Insurance Pricing

Defining the insurance premiums is a really important and critical process.   In life insurance there are three pricing objectives;

- The premium rates should be adequate.
- The premium rates should be equitable to the policyholders.
- The premium rates should not be excessive.

The calculation of life insurance rates and values requires information and assumptions regarding;

- The probability of the event insured against occurring.
- The time value of money
- The benefits promised
- Expenses
- Profits and contingencies

Insurance pricing is based on the concept of loss sharing.   Loss sharing in turn involves the accumulation of a fund from amounts paid by the insured to provide benefits to the unfortunate few who suffer loss.   To establish the amount to be charged, the insurer must start with the likelihood of losses in life insurance.   Mortality tables show yearly

probability of death (Appendix 1). The tables constitute the foundation upon which the expected costs of Life Insurance is based. (Black K.;1994)

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II.6. Development of Life Insurance

Life insurance is not new, traditional life insurance came into existence in the 18 th. century and, after term assurance, is the next oldest form of life assurance.

When history and civilization is analyzed it is seen that human reveals a universal desire for security. The beginnings of personal insurance are generally attributed to Greeks. The Greek societies practiced elementary insurance and they gained their greatest popularity during the classical period. After the dissolution of the Roman empire the guilds of the middle age evolved for this need. The guilds, particularly in England provided mutual assistance to their members but their primary purpose was religious, social and economic; not benevolent or relief (Black K., 1994).

After the guilds the English Friendly Societies pioneered the formation of private life insurance in England. They provided insurance protection in limited amounts of persons. The quilds maintained funds to help any of their own members falling on hard times or needing a burial. There was a form of insurance available for ship's masters concerned about loss of life or kidnapping for ransom. The earliest known policy was taken out in 1583 but no doubt the practice existed much earlier than that (Lawrence N., 1991). All these were the proving ground for various forms of insuring organizations and insurance services. The first mutual

assurance company was established in London in 1699 followed by the ones established in other countries that has come during our day.

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CHAPTER III.   THE EXTENT and IMPORTANCE of LIFE INSURANCE FOR ECONOMIC DEVELOPMENT

III.1.   Economic Importance of Life Insurance

As one of the most important barriers for economic development is the insufficiency of savings and being unable to create funds for investment, every tool providing short term and long term funds should be considered vital. Especially life insurance is among the main indicators of economic growth in countries where it is developed. When this sector shows up with a strong position it will be the power for the economic progress.

Life insurance companies have grown to be the major financial institution and play correspondingly important role as financial intermediaries (Black K., 1994).

Life insurances are long term investments and the premiums collected by the companies are used for long-term fund making purposes. Actually this branch is very effective from the macro-economic point of view by the accumulation of small savings.

III.1.1. Savings In developing Countries

The economic prematureness of less developed countries can be realized via many indicators, for example; the amount of per capita income, population growth, the domination of agriculture in the economy, and the insufficiency of funds.

As the income level per capita is not distributed homogeneously in developing countries and the population is mostly in low income range, the public's willingness to make savings decreases. People mostly care about their immediate consumption and postpone their saving plans or they never think about to save, or they consider some investment alternatives which result in the increase of their purchasing power. To motivate the public to make savings there has to be attractive alternatives. One of these alternatives is life insurance but at the moment the practice is unable to collect adequate amounts of savings to accommodate pools. There exists three major ways to transfer the savings into investments , these are;

- Banking System
- Treasury Bills and Bonds
- Insurance Companies

In all developed countries government support insurance, especially the life branch, with the idea that development can only be captured through savings. On the other hand there are many factors affecting savings.

III.1.2.   Factors Affecting Savings

The importance of savings to be transferred into life insurance is very crucial and discussed above. On the other hand, it is not very easy to collect the savings of the public because income distributions and other factors affect savings. Some of these can be listed as below;

- Interest ratios,
- Differences between present and future expected incomes,
- Age distribution of the public,
- Increase in income levels
- Tendency of the population to make savings,
- Migration
- New products introduced to the market

When so many factors are considered the life insurance companies activities become more significant, because in order to attract the attention of the potential customers their investment activities has to be very effective.

III.1.3.   Functions of Life Insurance

Life Insurance business has many important roles and functions in the economy such as ;from providing capital accumulation to support for the government insuring organizations. Some of these functions can be seen below.

III.1.3.1.   The Function of Capital Accumulation

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Many developing countries like Turkey does not have a developed capital market and therefore there becomes big problems when the subject is to find investable funds. In finding long term investable funds life insurance industry has an important role in providing organizational savings and bringing solution to the demand for funds of the country.

III.1.3.2.   Providing Credit

In many countries the life insurance policy can be deposited. The insured can provide credit through this application.

III.1.3.3.   Providing Economic Security

The main purpose served by life insurance is the protection against financial consequences of death. Economic security can be evaluated only for a particular individual, family, or business at a given point in time. It can be thought as freedom from uncertainty and this is very important for the satisfaction of physiological needs of providing economic security (Black, 1994).

III.1.3.4. Distribution of Risk To International Markets

Insurance is not a country wide practice, it also has an international role. The methodology of insurance is based on diversifying risk. The portfolio of insurance companies enlarge the country boundaries and use reinsurance organizations. Reinsurance is an arrangement by which an insurance company transfers all or a portion of its risk under a contract (or contracts) of insurance to another company. The company transferring the risk is called the creding insurer and the company assuming the risk is called the reinsurer. When there is a claim on a policy, the reinsurer is liable to the creding company not the insured. The insured has a contract with the insurer, not the reinsurer and usually is not informed that reinsurance exists (L. Athearn J., 1989). With this way the risk is diversified to international markets.

III.1.4. Government Insuring Organization

Social security is an insurance branch founded by the government for providing economic security for individuals and families. With this respect it covers the risk of old age, death and disability factors that involve human life quality. Most employees in private sector and most self-employed persons covered by the social security. In Turkey social security is obligatory and the person has no choice.

The insured statutes of a worker determines who in his/her family is entitled to collect these benefits (L. Athearn J., 1989).

In Turkey social security organizations such as Government Retirement Organization and Social Insurance Institute were founded with the aim of providing social benefits within a retirement system for government workers and the self employed. The funds constructed by these organizations pay retirement pension, job disability pension, survivors' pension, work injury etc. as in the foreign practices. The funds formed by these organizations are supposed to be invested effectively in order to compensate risks. But because of the effects of bureaucracy, wrong investments and rapid increasing number of retirees, the social security organizations were not able to grow. Although these organizations were founded earlier than insurance companies they did not have an important place in financial markets. Private life insurance at this point can take away the load of these government establishments and provide the same function together with more efficient use of the accumulated savings to investments.

III.2.   Nature of Life Insurance Companies Investment Activity

Insurance companies for being able to protect the retirees purchasing power against inflation must make qualified investments with high return and lower risk. In determining the investment tools the life insurance company must distribute the risk of the portfolio to different investment tools in order to prevent loss or sink.

Life Insurance company's investable funds arise from both insurance and investment operations. The cash flow from insurance operations arises from the difference between cash receipts and cash disbursements.

Major investment tools, which are diversified in the economy are on real estate (one third), trade industry (one sixth), public projects (one fourth) and in Banks (one third).

The requirements of government necessitates investment on some instruments such as treasury bills and bonds. Life insurance companies can not appraise their sources freely and so effective investment opportunities are lost. As they could not appraise their sources in a profitable way, they are not able to perform their functions satisfactorily.

According to the law stated on 15 th. act of article 7397, companies operating in Turkey can only use four sources of investments. These are;

- Foreign currency which is accepted by the central bank operations.
- Government bills, notes, bonds, income partnership
- Completely or semi-capitalized government foundation stocks
- Real Estate
- Chosen Private sector bonds

Besides these restricted investment tools companies have to invest their blockages to national banks.

When we analyze the investment portfolio of insurance sector it is seen that government bonds carry the heaviness of investment with an increasing trend. In the year 1992 the investment in government bonds constitute 62% of the portfolio whereas private sector bonds and stocks take 16%. Real estate is the second preferred tool of investment after government bonds with 22% (Main Indicators Of Turkish Financial System, 1993).

III.3. Advantages of A Strong and Efficient Life Insurance Market

A well functioning system can provide many benefits for the wealth of the public, these can be classified as;

- Life insurance minimizes worries of the people because it contributes to the protection for future risks. With this it decreases stress and increases social stability.

- Life insurance also reduces the financial burden on the state of caring for the aged or the financially weak because of the death of the family breadwinner.

- Through the accumulation of thousands of people into the same pool life insurers can accumulate these sums to the private and public sector investments.

- With the improvement of the business it can generate employment.

- Life insurance can permit more favorable terms to credit borrowers and can decrease the risk of default.

- Life insurance can also minimize the financial disruption to the business caused by the death of the employee or the owners.

- Life insurance can provide a variable of employee benefit plans and can produce better employee/employer relations.

CHAPTER IV.   LIFE INSURANCE IN TURKEY

IV.1.   Historical Background of Life Insurance in Turkey

Despite the rapid development of insurance in the European countries, insurance issue in Turkey was not apparently seen before the second half of the 19 th. century. On the other hand there were establishments in rural areas with the purpose of providing security, assistance and solidarity among people.

As Turkish people and the government were conservative the sector could not show itself for some time. Firstly established companies in Turkey were three British companies in 1870's. In addition to these British organizations there were other foreign companies who wanted to operate in Turkey and with the acceptance of first fire tariffs, the other branches of insurance could also be seen.

The economic crisis which started during the 1930's, and the 2 nd. World War affected life insurance negatively and till 1950's there was no obvious improvement. The cultural values of the country; the traditions, attitudes, and the religious beliefs of the people also had an important effect in the development of insurance.

IV.2.   Potential of Life Insurance In Turkey

European countries began to be industrialized in the beginning of the nineteenth century and their need for insurance raised, which increased tremendously parallel to banking. Insurance business has more than two hundred years background in Europe and now the sector has its heaviness in the economy. On the other hand, today, in Turkey the sector is immature and in fact its growth has never been proportional with the banking practices of the country.

The demographic characteristics of Turkey is another critical aspect when the potential of the market is considered. When we look at the age distribution we see that 73% of the population is below the age 36; that is the majority of the country consists of young generation. 45% of the population is at 0-18 age range. This situation constitutes a barrier, but also it can be thought as a promising market. If we predict that people above certain age would be suspicious about his/her future, then one can expect that there will be a rapid growth in the demand for Life Insurance in the following years. Besides this age distribution, 41% of the population live in rural areas of the country meaning that reaching and communicating to these people will be advantageous for the development.

When we look at the portion of life insurance in total insurance market it is seen that the percentage of life branch premiums constitute 21.01% of sectors premium production in 1991 but if we look at the post data in 1978 this number was only 5.4% of the total. Life branch premiums has shown a rapid growth since 1985.(Insurance Supervisory Office; 1990)

The economic improvement since 1985 has affected the insurance sector positively and the real growth of the life branch has been higher than

other branches. However, in the last years this growth and premium production have slowed down and the Life Branch's real growth in the year 1992 fell below the sector average (Dünya Gazette, 1993).

IV.3.   Reasons For The Decrease In Premium Production

According to the experts in this field Life Insurance has reached a saturation point and one should not expect the same growth as in the old days, therefore, the decrease in premium production is natural. Whereas there are other important and threatening points which is the cancellation of policies; in the rural areas insurance has been made for large groups but these people could not understand the aim of these policies and did not pay their premiums. This caused many policy cancellations and effected the total success.

Besides these, companies do not show enough care for the education of their staff and this leads to the consumers dissatisfaction. In addition to the sales representatives weak knowledge about the subject, their sticky approach push away the consumer.

There are also well educated and qualified personnel in the sector but because of the transfers among companies the cost of sales representatives has increased and on the other side most of them try to keep the policies they have and do not make much attempt to produce new ones.(İktisadi Araştırmalar Vakfı, 1993).

Also current companies are not interested much in product differentiation and therefore the subject to the consumer has lost its attractiveness. There is a great competition among companies and to attract

the customers they reduce the premiums promising them better service. There is no solidarity among the companies and this affects the overall quality and success of the branch resulting · in decreases in premium production.

IV.4. **Turkey's Position In the World Insurance Sector**

When one looks at the number of insurance companies in the world's Insurance market the poor development of Turkey can be noticed easily. The total number of operating companies in Turkey is 56, which is composed of 4 reassurance companies and 52 insurance companies (Main indicators of the Turkish financial system, 1993), in USA the number is 5138, in Canada 455, in Belgium 314, in Denmark 257 and in France the number is 476.

IV.4.1. **Premiums Received**

When we look at the 1990 values of premiums received among 65 country Turkey is in the 41st. place (Main indicators of the Turkish financial system, 1993) with a total premium of 755 million USD and in life branch the total premium value is 155 million USD. These numbers represent a small portion when compared with the world's insurance market (Appendix 2).

IV.4.2.   Premiums Per Capita

In Turkey the premiums per capita in 1990 is 12.8 USD as total and
2.6 USD in life branch. In Japan, per capita premium is 1.645 USD and in
Switzerland the number is 1.635 USD ((Main indicators of the Turkish
financial system, 1993). In Turkey, total insurance premiums as a
percentage of GDP is 0.8 % and in life branch this ratio is 0.2% (Appendix
3). However, these numbers are quite high in other countries, such as, in
South Korea premiums as percentage of GDP is 9.5%, in South Africa it is
8.5% and in USA it is 8.9%.

IV.4.3.   Real Growth In Life Branch

The world's insurance data shows that the real growth of life branch
in Turkey is 13.1% in 1991, and is in the 43 th. place in the scale. Per
capita premium has increased from 2.6 USD to 2.9 USD in 1991 and with
these Turkey in the world scales has progressed to 48 th. place from 49 th
(Sigorta Dünyası, 1994).

IV.4.4.   Total Premium Production

The ratio of total premium production was 20.53% in 1990 but with
its increase to 21,01% in 1991 Turkey shifted to 43 th place from 46 th.
among 65 country.

IV.4.5. Market Share of Life Branch

When the recent data is analyzed it can be monitored that in 1992 life branch's market share decreased 3.9 points from 19.2% to 15.3% and the real premium production has decreased 7% on TL basis. Another very important and threatening factor is only life branch shows a real decrease. On USD basis the decrease is 4.85% from 227 million to 216 (Sigorta Dünyası, 1994)

IV.5. The Development of Life Insurance In Turkey Through the Years

Among the 56 companies operating in insurance sector; according to their field of operation 11 of them are uniquely involved in life branch and 20 of them are both in life and other branches. When the Turkish population which is more than 60 million is taken into account it can be seen that the current companies can only satisfy and reach a small portion of the potential customers.

Development of life branch in Turkey with respect to the other branches can be seen in the years 1970, 1971 and 1972. During this period there was a considerable improvement in the market share of the life insurance, but after these years it fell to very small ratios (Table 1).

The main reason for the decrease in the ratios lies in the inflation and premium relations. In the 70's premiums had a fixed rate and could not protect its value against inflation with this effect the insured's were not

satisfied and this agitated the reliability of life insurance in consumers minds.

The share of Life insurance branch's direct premiums have been increasing tremendously since 1986, life insurance having a direct premium of 2.6 billion in 1985, has reached 152 billion in 1989 and 847,5 billion in 1991 (Main indicators of the Turkish financial system, 1993).

In the industry's total annual premium life insurance premium income and premium production is in the second place after the accident branch (Table 2). Life insurance has improved and took the second position in 1991. In 1987 its portion was 7.48 % and in 1991 this ratio reached to 21.01 %.

CHAPTER V.   TYPES OF POLICIES and SERVICES
PROVIDED by CURRENT COMPANIES
IN the MARKET

V1.   Life Insurance Policies and Their Types

All over the world life insurance policies are written in order to protect the person or his/her dependents against the risks related with the life of the insured. For this purpose several kinds of policies are used.

In Turkey the sector's heaviness is on endowment policies and most of the products have been introduced to the market with different names but mainly providing the same benefits.

There are seven basic type of policies applied by insurance companies. These are classified on the premium collection styles; single premium payment policies, premiums increasing with fixed rates, premiums that increase according to the insured, yearly insurance, and the most practiced three which are profit share, foreign currency indexed and inflation indexed policies. These three major insurance types are stated below.

V.1.1.   Profit Share Policies

In order to get rid of the effects of inflation and value loss of currency companies produced new types of policies like the profit share

policies. In the profit share policy it is announced that 90-95% of the policy value is given to the insured at the end of the policy term.

This product brought some problems together with its benefits. The average age has been taken as the base of the calculations of the death premiums. This approach was easy to apply but had technical problems; because with this approach the insured whose age is below the average age had to pay more premium. On the other hand, the elder ones whose age is above the average age had to pay less premium; but because of its ease in operations it is still used.

The cancellation of policies caused another problem, it is known that young people have more tendency to leave their policies and older ones try to keep theirs. As a result, the average age of the portfolio increase more than expected. This threatening factor has been perceived by the sector and some companies, regardless of the operational cost, apply different premium rates for each age.

V.1.2.   Foreign Currency Indexed Policies

This type of policy is also processed for the protection of the insured from the value loss of currency and are applied in two ways; one type of policy considers the exchange rate of the current day and makes its transactions accordingly converting to Turkish TL. In the other type The insurance company takes its premiums in foreign currency mostly USD or DM, and pays the promised amounts in foreign currency. But these types of policies are very costly in transactions and operations.

V.1.3.   Inflation Indexed Policies

In inflation indexed policies the premiums are up dated according to the inflation rate each year and the policy is readapted.

V.2.   Life Insurance Companies Operating In the Market and the Services They Provide

The number of companies operating in Life Insurance sector is increasing each day.   Banks operating as insurance agency have its heaviness in the sector and nowadays it is used as a marketing tool to be a member of a bank (Table 3).

Most of these insurance companies provide endowment insurance and diversify their products in seven groups as mentioned before. The detailed analysis of the services provided by these companies and the names of the policies can be seen from Table 7 in detail.

When the products are compared it is seen that AGF Garanti, Emlak Hayat, Güven, Halk Yaşam, İmtaş and Merkez Companies provide foreign currency indexed insurance with two alternatives USD or DM, only İsviçre Sigorta accept other currencies.

The one's operating with foreign currency mostly take the daily currency rates for the base of their operations whereas Merkez and Güven Sigorta accept the rates at the beginning of the year. Ak, Ankara, Güneş Hayat companies provide inflation indexed policies.

All the companies collect their premiums via post or bank except "Anadolu Hayat" only this company provides the consumer the use of the credit cards.

The premium collection style also differ among companies, respectively these are; single premium payments, premium increase with fixed proportions, premium increase according to the insured's desire. These three approaches are not preferred by all companies, majority provides the last two alternatives according to what the insured has preferred.

Most of the Insurance companies communicate with the public about the 90-95% profit ratio but this ratio directly decrease when the expenses are deducted. Actually the insured can not get this 90-95% but approximately 50% of the investment income.

The deposit payment at the end of the insurance term also vary among the companies, most of them pay a multiple of the monthly premiums whereas some pay a multiple of the yearly premium rate but of course this multiple is according to the redefined policy.

Most of the companies lend money to the insured after a specific period but this application causes problems because of the misinterpretation of the interest rates. Insured is told that they can take the 95% of the capital in profit margin type policies but actually they can only take 50% of the surrender value; where this value is the amount of lump-sum money the policyholder takes at the end of the insurance term.

The products in the sector cover 18-79 age range but most of the companies make insurance starting from 18 to 65. However, some policies provide the insured the right to transfer the policy to the children who has reached 18. The term of the policy is another criterion in company

operations. Policies can be sold starting from 2 years to 30 years or can be specified according to the insured, but a majority of policies end up with 5-30 or 10-30 years (Table 4).

V.3.   Marketing Stage of Life Insurance In Turkey

The success of a life insurance company reflects the consolidate effort of all the activities of the organization. Marketing is among the major activities of a life insurance company together with its investment and administration activity. Life insurers historically considered marketing to be synonymous with selling but the marketing concept forced the producers to analyze the needs of the potential customers and then make decisions about satisfying their needs. It is now generally agreed that this marketing concept is essential for long-term success in market economies. The concept involves;

• Focusing on consumer needs,

• Integrating all activities of the organization to satisfy these needs,

• Achieving long-term profits through satisfaction of consumer needs

In countries where life insurance is developed, people feel the need to be insured. However in countries like Turkey the proposed insured's are motivated by the sales representatives.

The sector is in the way of development and at this point the important factor is not the number of the policies sold but the number of continuing policies; because word of mouth plays an important role at this stage.

Today a life insurer, to be successful over long term must create satisfied customers and then turn the customers into clients. This is practiced by exclusive agents in Turkey whose relationship with customer is the basis of the satisfaction with the services provided. But the emphasis should be on customer service and quality programs. Effective marketing that is the provision of appropriate products to consumers through an effective distribution system is critical for the well being of a life insurance company (Black K., 1994).

In an insurance company each functional department must understand the role of his or her department in the marketing process and its contribution to the objectives of marketing as overall company goals, but the situation in Turkey is somehow different.

V.3.1.   Marketing Mix of Life Insurance Companies

In Turkey the lack of a marketing concept has its effect on the Life Insurance practice. Most of the companies are sales and profit oriented. In definition of their marketing mix companies put major emphasis on the distribution of the product. Marketing departments in Insurance companies are not specialized in their fields. Few companies in the sector have marketing departments that are involved with public relations, education and promotion.

V.3.1.1.   Distribution Channels

As the present marketing activity of companies are mostly on distribution channels, they can be classified basically in two groups; the ones who have agency distribution system and the ones who are direct sales oriented. Yet, some companies want to apply both systems.

Agency Distribution System; these type of companies base their activities on their agencies and believe that a person's large friend hood is a sufficient prerequisite for being an agency. They try to motivate their agents via visits and technical training, and most of them set goals and quotes for their agents. They think that professional agency distribution is not possible for the present time interval.

Direct Sales Oriented Companies; in such an organization the marketing activity covers all phases from customer definition, need arousal, insuring, follow-up, collection of premiums to payments. They only work with few brokers that are really professional in their fields and believe that insurance can only be sold by such intermediaries. For direct sales oriented companies most agents in the sector can not manage risk effectively and their lack of knowledge causes big problems which damage the development of the whole market. Most of such companies are newly established in this field.

Companies Functioning With Mixed Channels; these are also new established companies that put more emphasis on marketing and want to have the advantage of strong distribution channels. In choosing their agencies they prefer professional agents and try to motivate them through meetings or training programs. The support is mostly given from technical point of view.

Group insurance is preferred by these companies and marketing departments carry out all the activities until the pricing decision. For this reason they try to qualify their marketing staff. ·

V.3.1.2   Product

Life Insurance is a product which provides a vehicle through which individuals can secure their human life values, while seeking their goals with the assurance that their families will not suffer if there occurs death or disability.

The product arises with the arousal of needs. As the basic needs are encountered, the safety need is stated in the second level after basic physiological needs according to Maslow.

The product attributes and specific products served have been discussed before, except the age concept. There are needs that arise according to some specific age group (Table 5). Companies try to provide products in order to answer some or all of these needs.

Some companies such as Anadolu and Başak companies provide insurance under the names as Family Insurance, Better Education For All Children, Better Future For Every Student and Başak Kid.

The products are very similar in the sector and product development activities are not given enough importance. Companies instead of developing marketing plans considering product development to meet the needs of the chosen market, they keep promoting the on going products to existing and saturated market (Term saturated is not mentioned meaning the

number of insured's but the customers that are bored of the sales persons insisting attitude).

V.3.1.3   Communication and Promotion

Promotion and advertising is very important in today's marketing practice. Public awareness should be maximized about life insurance because the concept has not been well communicated. The most effective advertising is the good reputation of companies about the quality of their services, because each satisfied customer brings others, but unfortunately some companies make late or incomplete payments that really damage the sectors overall reputation.

Needs of the potential customers are not analyzed and there does not exist a study to understand their expectations. There does not exist promotion campaigns or the existing ones are very weak.

V.3.1.4.   Pricing Life Insurance

The price deregulation in 1990 started a new edge in the pricing of life insurance. After this announcement the competition concentrated on pricing strategies. Companies used price reductions as their critical marketing tool disregarding other dimensions of the application and the negative effects continued till today. In order to capture more share most of the companies made price reductions and this resulted in loss of profit,

because they were unable to make payments. With this effect the premium ratios and the profitability of the industry could not reach a satisfactory level.

CHAPTER VI. THE VIEWS of the SOCIETY ABOUT LIFE INSURANCE PROCESS IN TURKEY

VI.1. Methodology

In this section, the discussion is on the methodology of the research conducted to understand the Turkish consumers' perception on Life Insurance.

The most important reason to do research on Life Insurance is to understand to whom this service has been reached and how.

The research design is based on exploratory studies seeking insights into the general nature of the problem, the possible decision alternatives and relevant variables that need to be considered. The research method is flexible and qualitative (Aaker D.A., 1986). A literature survey was made as the first stage of exploratory study which helped to formulate specific questions and also achieve new insights about the problem situation. The facts gathered from the literature survey was the basis of the interviews held with different groups in order to form the questionnaire. These direct interviews were the most important phase of the research as for the determination of information needs. The emphasis was on the richness and depth of the information gathered from the respondents.

The interviews were conducted in such a manner that respondents would not only give simple "Yes" or "No" answers but also their opinions about the subject.

VI.2. Research Process

Research purpose was to gain an understanding about the problem of the "Underlying reason for the Turkish consumer's indifference to Life Insurance products and services".

Research Objective was to find out the reasons for the poor development of Life Insurance.

The methods used for data collection was to find out correct answers to the questions stated below, having satisfactorily defined the research problem. The list of information needs becomes a starting point from which the survey questions are selected. These questions are:

- Do they have information about life insurance?
- Are they familiar with the services provided by life insurance companies?
- Do they regularly make savings?
- Are the users satisfied with the product?
- What factors affected the decision making of the users?
- Do they see Life Insurance as a tool of security?
- Do they know the difference between Life and Health Insurance?

The study is designed to find out about the underlying reasons for the Turkish consumers' indifference to Life Insurance products and services. It is assumed that in Life Insurance, purchase behavior is not only affected by variables such as income but also by the correct knowledge about the product, the sales representatives, economic conditions (e.g., high inflation) etc.

VI.3.　　　Questionnaire Design

The <u>research instrument</u> was a questionnaire with 23 questions. The questions were chosen to understand the consumers' attitude about the product and their knowledge. The questions are easy to answer, and in the study time consuming questions are avoided.

The interviews conducted, provide the base to construct the questionnaire. The questions asked in these interviews were most of all to figure out the consumers' security needs and their saving habits. 18 people were interviewed from different age groups and the interviewees were chosen from different educational backgrounds in order to get an unbiased data. To guide the interview the researcher had some questions that were prepared before and they were asked to each respondent. The interview time differed between 5 to 17 minutes according to the respondent's time limitations. In order to prevent the response errors due to willingness of the respondent some interviews finished after the answers of the predetermined questions were taken (Table 6).

The survey questionnaire has been conducted in two sections; questions about the current users and the non-users. After answering some common questions the non-users were asked to skip some questions which are closely related to understand the user's perception and satisfaction about the service. The last section of the questionnaire consists of personal information about the income, age, education etc.

After designing the questionnaire it was distributed to 21 people to pretest the questionnaire. At the end they were also asked to criticize the questions that were not clear or specific. Following the evaluation of these answers the questionnaire is corrected and redesigned to be distributed to

other respondents. Finally some small changes were made and it became ready to the designated sample.

Identification Of Respondents; the sample is chosen to represent the population of interest, that is, the portion who is not very rich or poor. This criteria was considered in choosing the population of interest because, in Turkey Life Insurance companies believe that income level of the public is the most important barrier for the development of the branch whereas there exists other important aspects. The demographic characteristics are taken as the base of the sample. As it is not possible to study a complete population, a representative sample has been drawn. The sample size is chosen with the consideration of the limited resources and the time constraint. Due to the effect of the non-response factor on the questionnaire especially in mail survey the sample size was maximized.

The contact method is chosen as mail survey. There is consistent evidence that mail surveys yield more accurate results among those completing the survey because the questionnaire is answered at the respondent discretion (Aaker D.A., 1986). Of course the absence of an interviewer means lack of control on a number of variables;

- The identity of respondent,
- Whom the respondent consults for help,
- The speed of the response,
- The order in which the questions are exposed and answered,
- Respondent's understanding of the questions.

To cope with non-response error a stamped empty envelope with the address written on it and the questionnaire cover letter; explaining the research objective, by whom and for what purposes it is conducted, how the

concerned person is reached are mailed together with the questionnaire. Also in order to prevent the failure of the study some questionnaires are distributed by acquaintances in the driven boundaries of the study and collected afterwards.(Appendix 5)

The mail questionnaires have been randomly distributed to the mail boxes of the buildings at the south of Ankara including the areas Ayrancı, Çankaya, Gazi Osman Paşa, Oran in a mail questionnaire format. In each building 5 to 7 questionnaires have been put in mail boxes, in order not to bias the result.

300 questionnaires have been distributed by mail approach and 200 have been given to those who are supposed to bring back after they are responded.

From the 300 mail questionnaires the return rate has been very low (only 9%, 27 questionnaires). On the other hand a big portion (172 questionnaires) out of 200 has been returned. A total number of 199 questionnaires turned back, since 7 of them were not valid, 192 questionnaires in the study have been evaluated and interpreted.

VI.4. Findings

In this section the results of the questionnaire are discussed. In the interpretation of the results the personal interviews are also taken in consideration. In fact, most of the questions in the questionnaire have interrelationship and the decision making of the consumer is affected by all of the factors.

From the valid 192 questionnaires, 18.7% of the sample have private life insurance.

These people are in the category of passive learners in passive receiver mode, they do not search for information as it will be seen from the other data.

The chosen sample is familiar with insurance concept because almost all of the respondents in the sample has been involved in at least one or more branches of insurance. Only 4.6% of the sample do not have any kind of insurance. Sample's 84.3% are insured by SSK or other social institutions of the Turkish Republic. Among the branches 25% of the respondents prefer accident insurance. This is the most preferred branch all over Turkey in private insurance practice and the chosen sample also reflects this result. When the sample is analyzed, it is seen that 84.3% of it does not make a free choice, just on the contrary, they are obliged to accept the insurance provided by a government institution. In fact; 18.7% of the sample have private life insurance, 11% have home insurance, 6.25% have fire insurance and 6% have health insurance when the data is analyzed separately. 59.3% of the sample have more than one type of insurance (Table 7).

Turkish consumer is not familiar with making long term savings (such as; paying money for a period such as 10, 20 years and getting the benefit at the end of term as in Life Insurance) , they usually save money to raise funds for their needs or buy an asset if they are to make long term investments. Among the respondents 63% make regular savings; most preferred saving tool is foreign currency with 65.6% and respectively the other tools are; bank interest, real estate, treasury bonds and stocks. The presented data show that there exist several investment activities of the

consumers, nevertheless among these activities there does not exist life insurance (Table 8).

When questions 4 and 14 about the security aspect of Life Insurance are analyzed it is seen that 32.8% of the sample are indifferent to whether life insurance provides good security or not. On the other hand 50% of the sample think that this branch provides a service to protect the insured and his/her dependents. When the answers of the fifth question is evaluated it is seen that 49.9% of the sample think that companies operating in this branch do not introduce themselves effectively and the product is not promoted sufficiently in the sector. 43.6% believe that they do not have enough information about the product (Table 11).

In question 6 life insurance products have been listed and the respondents have been asked to chose one or more boxes but most of them have chosen family insurance and private accident insurance. In question 16 the services provided by these products are listed and within the alternatives a property of health insurance is included. Most of the respondents marked the alternative "Providing security to the family breadwinner dependents in an unexpected death situation", whereas 28.15% of the sample have chosen that "Life insurance pays health expenses"; which shows how the public's mind is confused about the services (Table 9).

The aim of question 15 is to find out whether consumer thinks that life insurance and health insurance provide the same service or not. 34,3% of the respondents are not sure about the service and 10,8% think that they provide the same service; which is a considerably high proportion when the demographic characteristics of the sample is analyzed; because most of the respondents are high school or university graduates (Table 11).

When 18.7% (The ones who have life insurance) are examined interesting results are gathered. There are respondents that have been involved with the product for five months 'and there are also other respondents that have been involved for six years. The other piece of information obtained is most of the insureds (63.6%) decided to own insurance by themselves and the remaining portion are insured by the company they work for. From the group who decided to own life insurance by themselves 36% are influenced by friends and relatives, and 54% were influenced by a sales representative. It is interesting that none of the respondents marked an alternative such as television add, newspaper or magazine, reveals there does not exist an organized marketing activity in the sector.

While buying the policy 72.2% of the respondents considered the value loss of the currency and chose alternatives to protect themselves. 45.4% chose policies with regular premium increases, 27.2% chose increase premiums when they want to, 18.1% chose inflation indexed policy and 9.3% chose foreign currency indexed policy.

82.8% of the respondents state that they are not informed about the policy after they have purchased it. Those who have been insured by their company mention that they know nothing about the service, this is of course not the weakness of the insuring company but the point to be considered is that, these people are so uninterested in such a security tool, which they may need in the future. They also mention that they would not prefer this product because investing the same amount of money in other investment tools will be much more efficient. Some other interesting data collected are; a current user who has been paying his premiums regularly for 3 years does not think that the product will provide him a benefit at the end.

Another insured, who makes regular savings and pays her premiums for one year, mentions that she does not know the benefits that she will get.

63.6% of the respondents think that the product can be advised to relatives or friends, whereas 36.3% do not think of advising the product to anyone. When word of mouth is considered, this 36.3% is a very critical number, because a person can influence many other potential buyers (Table 10).

The ideas of consumers about the product according to different criteria varies, for example 55% of the respondents think that it is difficult to make payments. 57,1% of the respondents find the product meaningless when the inflation is considered and 27,6% is unresponsive whether he/she can afford the products (Table 11).

All these findings are important when the demographic characteristics are analyzed. The age distribution of the sample accumulates between 26-35 and 46-55 age ranges. 69.7% of the respondents are married and 29.8% has an income level greater than or equal to 25 million TL. 68.7% are living in the house they own. Most of the respondents are high school or university graduates, a small portion of 6.4% have an education level of secondary school or below (Table 12).

The data shows that income level is not the most crucial factor in the poor development of insurance, because the income distribution of the sample is higher than the average income level when Turkey is considered, which is 13.385.035 TL. per capita for the year 1992 according to the State Institute of Statistics.

When insurance ownership and income levels are analyzed, it is observed that the majority of the insureds have an income level between 15-20 million TL. and 22.5% of the insured sample have 15 million TL. or less

income. On the other hand when the total sample's income distribution is observed (29.8% of sample's monthly income is higher or equal to 25 million TL.) these ratios are quite low showing that income level can not be the most significant reason for the insufficiency in premium production (Table 13).

Another interesting data gathered from the survey results is the education level and insurance ownership relation; 58.3% of the Life Insurance owners are secondary or elementary school graduates, and 28.2% are university graduates (Table 14). This may bring another dimension to the sectors activities, showing that the product can reach different groups if it is successfully promoted.

Different age groups are also subject of insurance but 33.3% of the sample are in 26 - 45 age group. Although a big portion of the sample is in 46 - 55 range the proportion of insureds in this group is only 25% (Table 15).

Saving habits of the sample is a good model of Turkish consumer, 65.6% of the sample prefer foreign currency but among the ones who prefer this tool only 14.2% owns life insurance (Table 16). This can be a good opportunity for insurance companies if they can attract the interest of these groups and convince them that life insurance can also be an instrument to invest in foreign currency.

The results that tend to be the profiles of purchasers versus non purchasers show that there exist important weaknesses in the overall activity of the sector and some recommendations are given in the next section.

CHAPTER VII. CONCLUSIONS and RECOMMENDATIONS

This chapter deals with several recommendations and conclusions for the present situation of the life insurance in Turkey and consumers' perception. The goal of the recommendations is to try to maximize the success of life insurance practice in Turkey.

In countries where the public is conscious about life insurance a consumer deals with different phases of purchase decision. Many individuals shop carefully before deciding on the type and amount of life insurance to buy and from whom to buy it, but making a wise life insurance purchase decision is not easy. The individual first decides whether any life insurance is needed. If the insurance is necessary, the amount of the premium must be decided. Next, the buyer seeks a policy that seems reasonably priced in relation to other policies. However, the situation in Turkey is completely different, usually the insurance company has to push the product and when the buyer is at the stage of decision making, he or she usually takes peer opinions of those who have some experience with the product. Abroad consumer is aware of the cost and quality differences, whereas in Turkey the buyer is unaware of these and is engaged in little comparison; especially when the Turkish consumers lack of interest in the product is taken into account. Therefore the companies have to carry the burden of increasing the product quality and initiating interest and awareness to the public. This can be done mainly in two ways; by the

external activities of the organizations (mainly marketing) and by the internal activities.

VII.1.   Companies External Activities

In a life insurance company's external activity, a push strategy is carried out, trying to base most of the activity via sales force directed at channel intermediaries to induce them to order and carry the product and promote it to the end users (Kotler, 1991)

Most of the companies presently operating in the sector do not have a promotion budget to use in their operations, but base the heart of their activity on the sales representatives. Usually the sales force cost is established first because much of this is fixed cost. The remaining promotion activity such as advertising is not carried out in an organized manner.

Advertising; is among the tools preferred by the companies but except Anadolu Hayat company this tool is not used continuously to build long term image for the product. Whereas advertising is an efficient way to reach numerous geographically dispersed potential buyers, especially in Turkey. To build an image of the product, or to increase the knowledge and awareness of the product, country wide programs can be organized. For example, through advertising, it is possible to reach potential buyers who are geographically dispersed. Yet, although advertising is the tool preferred by all companies, it is quite costly. For this reason, companies which do not want to suffer from the high cost of TV ads, can prefer newspaper and magazines to advertise their products at a lower cost. In other words, long-

term, well-organized campaigns making promotions via multi media can be very successful in increasing the knowledge of the consumer.

Similarly, the cooperation of the companies in the sector can be another alternative to make the product successful in the development stage public. In short a joint advertising program can lead to the evolution of the branch. Getting the right information will effect the buyers attitude towards the product and increase their confidence to life insurance, that may lead to behavioral change.

In life insurance advertising companies has to perform functions listed below;

Awareness Building; the prospect is expected to be aware of the product and the companies in the sector, so that he/she will not refuse the sales representative. Furthermore, the sales representative should not spend too much time describing the product.

Comprehension Building; most of the companies introduce new products with different names but most of them provide the same service, but actually the underlying service in most of them is the same. This is only used as a marketing tool, unfortunately this causes confusion in consumers mind as can be observed in the survey results. Therefore the main attributes of life insurance has to be explained by advertising and put in clear understanding in consumers memory.

Reassurance; advertising can remind customer how the insured get their money at the end of the policy term or retirement, or how they pay the promised lump sum in an unexpected death situation. In this way the consumer will be reassured about his/her purchase. But together with this, the control mechanism of the sector has to function well because late or incomplete payments by insurance companies or causing difficulty in

making the payment to the insured spread of bad reputation and damage people's trust in the product.

Public Relations; the importance of public relations in companies except for the ones which are newly established is not realized. Marketers in the sector tend to ignore public relations. Yet, at the development stage a public relations program coordinated with other promotion mix elements can be extremely effective in increasing the credibility of the product.

Sales Promotion; sales can be promoted via many activities; for example through contests or such activities, which can give true information about the product and attract the attention of the consumers. They can be used to create stronger and quicker response. Such activities have to be supported by other marketing activities in order to create long term interest.

Personal Selling; This is the most effective and most preferred tool in the promotion of life insurance. At the stage of the buying process, building up the buyers preference, conviction and action are all effected by the company sales representative. This personnel has to be qualified and well equipped, because personal selling permits all kinds of relationship. The representative has to make the buyer feel the need of such a product or at least must raise a question in the buyers mind. The sales person has to evaluate the customer needs and understand what he/she really wants (maybe life insurance as an investment tool, security or support for children's future activity). With this understanding in mind a sales strategy has to be developed. After determining the strategy it should be communicated to the buyer trying to be a problem solver. To be able to do this the quality of the sales personnel is very important, he/she should be qualified and talented.

VII.2. Companies Internal Activities

The role of sales personnel has been discussed above. To these people continuous education and training has to be given, because they are the ones in direct contact with the customer, introducing risk and other threatening factors that life insurance is involved with. At the moment, companies try to use cheap and unqualified personnel, which is very risky at this evolution stage. The sales employee plays a vital role in the consumers attitude towards the product. Moreover, a person's views can influence 10 to 15 people. This shows the importance of role of word of mouth. As there does not exist an insurance school or faculty that gives insurance education at academic level, companies in the sector have to compensate for this niche. This might be handled by the company's themselves or by taking the support of the government and establishing insurance schools; because in countries where the practice has its heaviness in the economy the insurance staff's success is inevitable.

Product development; is another aspect of the companies internal activity. In a life insurance company product development must reflect and integrate many elements. Products have to be created to facilitate the achievement of the life insurer's goals, and the product line will ultimately reflect the company's character. The product must be designed with concern for the needs of the public. The process of product development includes product design and implementation. It is a continuos process and needs modifications at different stages. However, in Turkey the concept is not practiced as it should be. Many companies introducing new products to the market actually make small changes in the product's characteristics and copy the existing product. Companies have to give emphasis to this subject

especially in a highly inflationary environment such as Turkey. Products compensating for risk have to be developed and introduced to the market.

After sales service is also very important. Companies have to provide information about the policy and other renovations. Most of the insured think that they are left alone after they have purchased the policy. The sector's first policy will end in 1995. Providing periodic information about the service they will receive during the policy term, its benefits and other facts are very important in order to assure the insured and make them feel confident about what they are paying for.

The collection problem involving premium should be solved. Company managers say that the premium collection of the sector is not satisfactory but when the way the premiums are collected is taken into consideration it won't be a surprise to see that it has not reached the desired level. The main problem in collection is that in order to pay their premiums people have to wait in the bank or post offices spending a lot of time in the queues. This is among the important problems that has to be dealt with, because most of the people do not want to suffer in order to pay money. Only two companies in the sector has provided the ease of using credit cards, other companies also have to offer the convenience of using credit cards.

Agency system is another point when the development of life insurance is considered. Agency education and control is inevitable. Lack of control has pushed some agencies to operate in a manner to damage the insurance practice, especially in rural areas. The staff has to be educated and the agencies should only deal with insurance business.

APPENDICES

APPENDIX I

MORTALITY TABLE

Age X	Survivor Lx	Death dx	Prob. Living qx	Prob. Dying px
0	10,000,000	70,800	0.007080	0.992920
1	9,929,200	17,475	0.001760	0.998240
2	9,911,725	15,066	0.001520	0.998480
3	9,896,659	14,449	0.001460	0.998540
4	9,882,210	13,835	0.001400	0.998600
5	9,868,375	13,322	0.001350	0.998650
6	9,855,053	12,812	0.001300	0.998700
7	9,842,241	12,401	0.001260	0.998740
8	9,829,840	12,091	0.001230	0.998770
9	9,817,749	11,879	0.001210	0.998790
10	9,805,870	11,865	0.001210	0.998790
11	9,794,005	12,047	0.001230	0.998770
12	9,781,958	12,325	0.001260	0.998740
13	9,769,633	12,896	0.001320	0.998680
14	9,756,737	13,562	0.001390	0.998610
15	9,743,175	14,225	0.001460	0.998540
16	9,728,950	14,983	0.001540	0.998460
17	9,713,967	15,737	0.001620	0.998380
18	9,698,230	16,390	0.001690	0.998310
19	9,681,840	16,846	0.001740	0.998260
20	9,664,994	17,300	0.001790	0.998210
21	9,647,694	17,655	0.001830	0.998170
22	9,630,039	17,912	0.001860	0.998140
23	9,612,127	18,167	0.001890	0.998110
24	9,593,960	18,324	0.001910	0.998090
25	9,575,636	18,481	0.001930	0.998070
26	9,557,155	18,732	0.001960	0.998040
27	9,538,423	18,981	0.001990	0.998010
28	9,519,442	19,324	0.002030	0.997970
29	9,500,118	19,760	0.002080	0.997920
30	9,480,358	20,193	0.002130	0.997870
31	9,460,165	20,718	0.002190	0.997810
32	9,439,447	21,239	0.002250	0.997750
33	9,418,208	21,850	0.002320	0.997680
34	9,396,358	22,551	0.002400	0.997600
35	9,373,807	23,528	0.002510	0.997490
36	9,350,279	24,685	0.002640	0.997360
37	9,325,594	26,112	0.002800	0.997200
38	9,299,482	27,991	0.003010	0.996990
39	9,271,491	30,132	0.003250	0.996750

40	9,241,359	32,622	0.003530	0.996470
41	9,208,737	35,362	0.003840	0.996160
42	9,173,375	38,253	0.004170	0.995830
43	9,135,122	41,382	0.004530	0.995470
44	9,093,740	44,741	0.004920	0.995080
45	9,048,999	48,412	0.005350	0.994650
46	9,000,587	52,473	0.005830	0.994170
47	8,948,114	56,910	0.006360	0.993640
48	8,891,204	61,794	0.006950	0.993050
49	8,829,410	67,104	0.007600	0.992400
50	8,762,306	72,902	0.008320	0.991680
51	8,689,404	79,160	0.009110	0.990890
52	8,610,244	85,758	0.009960	0.990040
53	8,524,486	92,832	0.010890	0.989110
54	8,431,654	100,337	0.011900	0.988100
55	8,331,317	108,307	0.013000	0.987000
56	8,223,010	116,849	0.014210	0.985790
57	8,106,161	125,970	0.015540	0.984460
58	7,980,191	135,663	0.017000	0.983000
59	7,844,528	145,830	0.018590	0.981410
60	7,698,698	156,592	0.020340	0.979660
61	7,542,106	167,736	0.022240	0.977760
62	7,374,370	179,271	0.024310	0.975690
63	7,195,099	191,174	0.026570	0.973430
64	7,003,925	203,394	0.029040	0.970960
65	6,800,531	215,917	0.031750	0.968250
66	6,584,614	228,749	0.034740	0.965260
67	6,355,865	241,777	0.038040	0.961960
68	6,114,088	254,835	0.041680	0.958320
69	5,859,253	267,241	0.045610	0.954390
70	5,592,012	278,426	0.049790	0.950210
71	5,313,586	287,731	0.054150	0.945850
72	5,025,855	294,766	0.058650	0.941350
73	4,731,089	299,289	0.063260	0.936740
74	4,431,800	301,894	0.068120	0.931880
75	4,129,906	303,011	0.073370	0.926630
76	3,826,895	303,014	0.079180	0.920820
77	3,523,881	301,997	0.085700	0.914300
78	3,221,884	299,829	0.093060	0.906940
79	2,922,055	295,683	0.101190	0.898810
80	2,626,372	288,848	0.109980	0.890020
81	2,337,524	278,983	0.119350	0.880650
82	2,058,541	265,902	0.129170	0.870830

83	1,792,639	249,858	0.139380	0.860620
84	1,542,781	231,433	0.150010	0.849990
85	1,311,348	211,311	0.161140	0.838860
86	1,100,037	190,108	0.172820	0.827180
87	909,929	168,455	0.185130	0.814870
88	741,474	146,997	0.198250	0.801750
89	594,477	126,303	0.212461	0.787539
90	468,174	106,809	0.228140	0.771860
91	361,365	88,813	0.245771	0.754229
92	272,552	72,480	0.265931	0.734069
93	200,072	57,881	0.289301	0.710699
94	142,191	45,026	0.316659	0.683341
95	97,165	34,128	0.351238	0.648762
96	63,037	25,250	0.400558	0.599442
97	37,787	18,456	0.488422	0.511578
98	19,331	12,916	0.668150	0.331850
99	6,415	6,415	1.000000	0.000000

TABLO:IV.5/A - ÜLKELER İTİBARİYLE PRİM ÜRETİMİ (1990)
Table IV 5/A - Premiums Received in World's Insurance Markets (1990)

IRA Rank	ÜLKE ADI Country	TOPLAM PRİM ÜRETİMİ Total Premiums Received			HAYAT DIŞI DALLAR Non - Life			HAYAT DALI Life		
		PRİMLER (MİLYON $) Premiums (Million $)	PAYI Share (%)	REEL BÜYÜME Real Growth (%)	PRİMLER (MİLYON $) Premiums (Million $)	PAYI Share (%)	REEL BÜYÜME Real Growth (%)	PRİMLER (MİLYON $) Premiums (Million $)	PAYI Share (%)	REEL BÜYÜME Real Growth (%)
1	ABD (USA)	482.108	35,6	1,0	276.352	42,6	(1,0)	205.756	29,1	3,7
2	JAPONYA (Japan)	278.273	20,5	(4,5)	74.994	11,6	3,9	203.279	28,7	(7,2)
3	İNGİLTERE (Great Britain)	101.716	7,5	1,2	36.071	5,6	(0,2)	65.645	9,3	2,6
4	B.ALMANYA (W.Germany)	92.451	6,8	3,5	56.867	8,8	2,5	35.584	5,0	5,1
5	FRANSA (France)	74.317	5,5	0,9	35.236	5,4	2,5	39.081	5,5	(56,0)
6	SSCB (USSR)	36.326	2,7	0,7	16.969	3,5	7,0	19.357	2,7	(6,1)
7	KANADA (Canada)	31.829	2,3	3,9	15.823	2,4	1,1	16.006	2,3	6,9
8	İTALYA (Italy)	30.223	2,2	8,0	22.558	2,6	9,8	7.665	1,1	11,0
9	G.KORE (South Korea)	27.405	2,0	24,7	5.011	0,8	25,3	22.394	3,2	24,5
10	HOLLANDA (Netherlands)	24.101	1,8	9,2	11.627	1,8	(0,3)	12.474	1,8	19,9
11	AVUSTURALYA (Australia)	23.157	1,6	8,7	10.663	1,6	(2,9)	11.494	1,6	12,9
12	İSVİÇRE (Switzerland)	19.637	1,4	(1,2)	8.666	1,3	1,7	10.971	1,6	(3,4)
13	İSPANYA (Spain)	16.801	1,2	5,6	12.114	1,9	9,9	4.687	0,7	(4,2)
14	İSVEÇ (Sweden)	11.351	0,8	(19,3)	5.450	0,8	(4,8)	5.901	0,8	(29,3)
15	G.AFRİKA (South Africa)	10.862	0,8	2,2	2.161	0,3	(4,2)	8.701	1,2	4,0
16	FİNLANDİYA (Finland)	9.439	0,7	13,4	3.063	0,5	3,4	6.376	0,9	19,0
17	BELÇİKA (Belgium)	8.674	0,6	3,6	6.163	1,0	5,2	2.511	0,4	0,1
18	AVUSTURYA (Austria)	8.291	0,6	1,8	5.708	0,9	4,4	2.583	0,4	(3,7)
19	TAYVAN (Taiwan)	6.842	0,5	13,3	2.064	0,3	13,2	4.778	0,7	13,3
20	DANİMARKA (Denmark)	6.266	0,5	3,6	3.665	0,6	(0,5)	2.601	0,4	9,9
21	NORVEÇ (Norway)	5.468	0,4	0,1	3.349	0,5	(2,9)	2.119	0,3	5,2
22	HİNDİSTAN (India)	4.634	0,3	15,6	1.547	0,2	18,0	3.087	0,4	14,5
23	İRLANDA (Ireland)	4.313	0,3	(5,7)	1.747	0,3	2,3	2.566	0,4	(10,5)
24	İSRAİL (Israel)	2.887	0,2	1,1	1.824	0,3	(3,7)	1.063	0,2	10,5
25	ÇİN (PR China)	2.826	0,2	16,9	2.232	0,3	15,5	594	0,1	22,5
26	YUGOSLAVYA (Yugoslavia)	2.780	0,2	37,7	2.722	0,4	35,9	58	0,0	268,5
27	MEKSİKA (Mexico)	2.616	0,2	1,6	1.664	0,3	0,0	952	0,1	4,4
28	BREZİLYA (Brasil)	2.522	0,2	10,7	2.201	0,3	7,5	321	0,0	39,9
29	PORTEKİZ (Portugal)	2.173	0,2	16,2	1.655	0,3	11,6	518	0,1	33,9
30	YENİ ZELANDA (New Zealand	1.717	0,1	(1,9)	776	0,1	4,5	941	0,1	(4,2)
31	İRAN (Iran)	1.640	0,1	47,2	1.466	0,2	52,6	174	0,0	13,7
32	TAYLAND (Thailand)	1.461	0,1	27,9	676	0,1	28,9	785	0,1	27,0
33	MALEZYA (Malaysia)	1.316	0,1	18,0	733	0,1	18,2	583	0,1	17,7
34	SİNGAPUR (Singapore)	1.150	0,1	15,9	504	0,1	10,1	646	0,1	21,0
35	YUNANİSTAN (Greece)	1.045	0,1	10,4	608	0,1	7,0	437	0,1	15,5
36	ENDONEZYA (Indonesia)	945	0,1	35,4	706	0,1	26,5	239	0,0	22,3
37	ARJANTİN (Argentina)	864	0,1	(64,2)	771	0,1	(65,7)	93	0,0	(43,4)
38	VENEZUELLA (Venezuela)	859	0,1	(3,2)	810	0,1	(2,4)	49	0,0	(14,9)
39	ÇEKOSLOVAKYA (Czechoslo	831	0,1	(6,7)	550	0,1	(7,1)	281	0,0	(5,9)
40	FİLİPİNLER (Philippines)	760	0,1	5,6	306	0,0	7,7	454	0,1	4,2
41	TÜRKİYE (Turkey)	755	0,1	37,8	600	0,1	28,4	155	0,0	92,7
42	ŞİLİ (Chile)	748	0,1	17,9	302	0,0	(0,6)	446	0,1	35,1
43	POLONYA (Poland)	738	0,1	69,7	684	0,1	90,9	54	0,0	(29,2)
44	MACARİSTAN (Hungary)	648	0,0	3,3	500	0,1	11,6	148	0,0	(17,4)
45	KOLOMBİYA (Colombia)	639	0,0	0,9	524	0,1	0,9	115	0,0	0,9
46	FAS (Morocco)	507	0,0	(0,1)	408	0,1	(1,8)	99	0,0	7,8
47	CEZAYİR (Algeria)	462	0,0	(5,5)	452	0,1	(5,7)	10	0,0	5,4
48	IRAK (Iraq)	460	0,0	(31,3)	347	0,1	(25,2)	113	0,0	(45,1)
49	LÜKSEMBURG (Luxembourg)	449	0,0	15,0	299	0,0	8,3	150	0,0	31,0
50	MISIR (Egypt)	367	0,0	(4,6)	300	0,0	(5,7)	67	0,0	0,8
51	PAKİSTAN (Pakistan)	350	0,0	2,2	178	0,0	0,4	172	0,0	4,3
52	ZİMBABVE (Zimbabwe)	313	0,0	(5,1)	110	0,0	(4,9)	203	0,0	(5,2)
53	ROMANYA (Romania)	222	0,0	(0,4)	138	0,0	(0,8)	84	0,0	0,3
54	KENYA (Kenya)	212	0,0	10,1	172	0,0	10,1	40	0,0	10,0
55	NİJERYA (Nigeria)	211	0,0	6,2	178	0,0	6,0	33	0,0	7,3
56	LİBYA (Libya)	210	0,0	5,6	205	0,0	5,3	5	0,0	18,0
57	TUNUS (Tunisia)	198	0,0	12,5	182	0,0	11,5	16	0,0	24,9
58	İZLANDA (Iceland)	197	0,0	2,7	191	0,0	2,5	6	0,0	7,9
59	FİLDİŞİ SAH.(Ivory Coast)	196	0,0	(13,6)	172	0,0	(14,8)	24	0,0	(4,5)
60	KIBRIS R.K.(Cyprus)	157	0,0	9,1	84	0,0	7,7	73	0,0	10,8
61	PANAMA (Panama)	147	0,0	9,8	86	0,0	(4,7)	61	0,0	40,6
62	URUGUAY (Uruguay)	129	0,0	(6,2)	105	0,0	(6,3)	24	0,0	(5,7)
63	KAMERUN (Cameroon)	127	0,0	(14,2)	104	0,0	(16,9)	23	0,0	(0,1)
64	KUVEYT (Kuwait)	106	0,0	(69,3)	87	0,0	(63,2)	19	0,0	(82,7)
65	DOMİNİK (Dominican R.)	104	0,0	(7,4)	80	0,0	(4,8)	24	0,0	(15,2)
	DÜNYA TOPLAMI *World's Total*	1.355.728	100,0	1,0	648.456	100,0	1,5	707.272	100,0	0,6

KİŞİ BAŞINA DÜŞEN PRİM (ABD $)
Premiums Per Capita (USA $)

SIRA / Rank	ÜLKE ADI / Country	TOPLA / Total	HAYAT DIŞI / Non-Life	HAYAT / Life
1	İSVİÇRE (Switzerland)	2926.6	1291.5	1635.1
2	JAPONYA (Japan)	2252.5	607.0	1645.5
3	ABD (USA)	1928.7	1105.5	823.1
4	FİNLANDİYA (Finland)	1901.1	616.9	1284.2
5	İNGİLTERE (Great Britain)	1775.1	629.5	1145.6
6	HOLLANDA (Netherlands)	1613.2	778.3	834.9
7	B.ALMANYA (W.Germany)	1462.8	899.8	563.0
8	İSVEÇ (Sweden)	1326.1	636.7	689.4
9	FRANSA (France)	1316.7	624.3	692.4
10	AVUSTURALYA (Australia)	1296.7	623.9	672.8
11	NORVEÇ (Norway)	1289.7	789.8	499.9
12	IRLANDA (Ireland)	1232.2	499.2	732.9
13	DANİMARKA (Denmark)	1219.0	713.1	505.9
14	KANADA (Canada)	1216.6	594.8	621.7
15	LÜKSEMBURG (Luxembourg)	1167.5	777.3	390.2
16	AVUSTURYA (Austria)	1075.4	740.3	335.1
17	BELÇİKA (Belgium)	868.3	616.9	251.4
18	İZLANDA (Iceland)	756.6	734.0	22.7
19	G.KORE (South Korea)	640.5	117.1	523.4
20	İSRAİL (Israel)	619.5	391.3	228.1
21	İTALYA (Italy)	524.2	391.2	132.9
22	YENİ ZELANDA (New Zealand)	512.5	231.6	280.9
23	İSPANYA (Spain)	431.3	310.9	120.3
24	TAYVAN (Taiwan)	338.2	102.0	236.2
25	SİNGAPUR (Singapore)	325.8	186.7	139.1
26	G.AFRİKA (South Africa)	307.7	61.2	246.5
27	KIBRIS R.K.(Cyprus)	224.3	119.4	105.0
28	PORTEKİZ (Portugal)	206.3	157.1	49.2
29	SSCB (USSR)	126.1	58.9	67.2
30	YUGOSLAVYA (Yugoslavia)	116.7	114.3	2.4
31	YUNANİSTAN (Greece)	103.9	60.5	43.5
32	MALEZYA (Malaysia)	73.7	41.0	32.7
33	MACARİSTAN (Hungary)	61.4	47.4	14.0
34	PANAMA (Panama)	60.6	35.7	24.9
35	ŞİLİ (Chile)	56.8	23.0	33.8
36	ÇEKOSLOVAKYA (Czechoslova	53.1	35.1	17.9
37	LİBYA (Libya)	46.2	45.1	1.1
38	VENEZUELLA (Venezuela)	43.5	41.0	2.5
39	URUGUAY (Uruguay)	41.8	34.1	7.7
40	ZİMBABVE (Zimbabwe)	32.2	11.4	20.8
41	MEKSİKA (Mexico)	30.4	19.3	11.1
42	İRAN (Iran)	29.0	25.9	3.1
43	ARJANTİN (Argentina)	25.7	22.9	2.8
44	TAYLAND (Thailand)	25.5	11.8	13.7
45	IRAK (Iraq)	24.4	18.4	6.0
46	TUNUS (Tunisia)	24.2	22.2	2.0
47	FAS (Morocco)	20.1	16.2	3.9
48	KOLOMBİYA (Colombia)	19.4	15.9	3.5
49	POLONYA (Poland)	19.3	17.9	1.4
50	CEZAYİR (Algeria)	19.2	18.8	0.4
51	BREZİLYA (Brasil)	16.8	14.6	2.1
52	FİLDİŞİ SAH.(Ivory Coast)	15.5	13.6	1.9
53	DOMİNİK (Dominican R.)	14.3	11.1	3.3
54	TÜRKİYE (Turkey)	12.8	10.2	2.6
55	FİLİPİNLER (Philippines)	12.4	5.0	7.4
56	KAMERUN (Cameroon)	10.7	8.8	2.0
57	ROMANYA (Romania)	9.6	5.9	3.7
58	KENYA (Kenya)	8.4	6.8	1.6
59	MISIR (Egypt)	6.9	5.7	1.3
60	ENDONEZYA (Indonesia)	5.3	3.9	1.3
61	HİNDİSTAN (India)	4.6	1.9	2.7
62	PAKİSTAN (Pakistan)	3.1	1.6	1.5
63	ÇİN (PR China)	2.5	2.0	0.5
64	NİJERYA (Nigeria)	1.8	1.5	0.3

PRİM URETİMİNİN MİLLİ GELİRE ORANI (%)
Premiums as Percentage of GDP (%)

SIRA / Rank	ÜLKE ADI / Country	TOPLA / Total	HAYAT DIŞI / Non-Life	HAYAT / Life
1	G.KORE (South Korea)	11.6	2.1	9.5
2	G.AFRİKA (South Africa)	10.6	2.1	8.5
3	İNGİLTERE (Great Britain)	9.7	3.4	6.2
4	IRLANDA (Ireland)	9.5	3.8	5.6
5	ABD (USA)	8.9	5.1	3.8
6	JAPONYA (Japan)	8.8	2.4	6.4
7	HOLLANDA (Netherlands)	8.6	3.9	4.2
8	İSVİÇRE (Switzerland)	8.0	3.5	4.5
9	AVUSTURALYA (Australia)	7.6	3.6	3.9
10	FİNLANDİYA (Finland)	6.5	2.1	4.4
11	FRANSA (France)	5.9	2.8	3.1
12	B.ALMANYA (W.Germany)	5.7	3.5	2.2
13	İSRAİL (Israel)	5.7	3.6	2.1
14	KANADA (Canada)	5.5	2.7	2.8
15	ZİMBABVE (Zimbabwe)	5.2	1.8	3.3
16	AVUSTURYA (Austria)	5.0	3.4	1.6
17	NORVEÇ (Norway)	4.9	3.0	1.9
18	İSVEÇ (Sweden)	4.8	2.3	2.5
19	LÜKSEMBURG (Luxembourg)	4.8	3.2	1.6
20	DANİMARKA (Denmark)	4.5	2.6	1.9
21	TAYVAN (Taiwan)	4.4	1.3	3.1
22	BELÇİKA (Belgium)	4.1	2.9	1.2
23	YENİ ZELANDA (New Zealand)	4.0	1.8	2.2
24	PORTEKİZ (Portugal)	3.4	2.6	0.8
25	İSPANYA (Spain)	3.3	2.3	0.9
26	SİNGAPUR (Singapore)	3.2	1.4	1.8
27	İZLANDA (Iceland)	3.2	3.1	0.1
28	MALEZYA (Malaysia)	3.1	1.7	1.4
29	ŞİLİ (Chile)	3.0	1.2	1.8
30	PANAMA (Panama)	3.0	1.7	1.2
31	SSCB (USSR)	2.9	1.4	1.6
32	ÇEKOSLOVAKYA (Czechoslov	2.9	1.9	1.0
33	KIBRIS R.K.(Cyprus)	2.8	1.5	1.3
34	İTALYA (Italy)	2.6	2.0	0.7
35	KENYA (Kenya)	2.6	2.1	0.5
36	URUGUAY (Uruguay)	2.1	1.8	0.4
37	FİLİPİNLER (Philippines)	2.0	0.8	1.2
38	FAS (Morocco)	1.9	1.5	0.4
39	MACARİSTAN (Hungary)	1.9	1.5	0.4
40	VENEZUELLA (Venezuela)	1.9	1.8	0.1
41	TAYLAND (Thailand)	1.8	0.8	1.0
42	DOMİNİK (Dominican R.)	1.8	1.4	0.4
43	KOLOMBİYA (Colombia)	1.8	1.4	0.3
44	HİNDİSTAN (India)	1.7	0.6	1.1
45	YUGOSLAVYA (Yugoslavia)	1.6	1.6	0.0
46	YUNANİSTAN (Greece)	1.6	0.9	0.7
47	FİLDİŞİ SAH (Ivory Coast)	1.6	1.4	0.2
48	TUNUS (Tunisia)	1.5	1.4	0.1
49	CEZAYİR (Algeria)	1.4	1.4	0.0
50	BREZİLYA (Brasil)	1.4	1.2	0.2
51	POLONYA (Poland)	1.2	1.1	0.1
52	MEKSİKA (Mexico)	1.2	0.7	0.4
53	ROMANYA (Romania)	0.9	0.6	0.3
54	ENDONEZYA (Indonesia)	0.9	0.7	0.2
55	MISIR (Egypt)	0.9	0.7	0.2
56	PAKİSTAN (Pakistan)	0.9	0.5	0.4
57	ÇİN (PR China)	0.9	0.7	0.2
58	ARJANTİN (Argentina)	0.8	0.7	0.1
59	KAMERUN (Cameroon)	0.8	0.6	0.1
60	TÜRKİYE (Turkey)	0.8	0.6	0.2
61	NİJERYA (Nigeria)	0.8	0.7	0.1
62	IRAK (Iraq)	0.7	0.5	0.2
63	LİBYA (Libya)	0.6	0.6	0.0
64	İRAN (Iran)	0.3	0.3	0.0

TABLO:IV.6 - SİGORTA DALLARI İTİBARİYLE DİREKT PRİMLERİN DAĞILIMI
Table:IV.6 - Share of Insurance Branches by Direct Premiums

(MİLYAR TL.)
(Billion TL.)

SİGORTA DALLARI / Insurance Branches	1986 TUTAR Amount	1986 ORAN Share (%)	1987 TUTAR Amount	1987 ORAN Share (%)	1988 TUTAR Amount	1988 ORAN Share (%)	1989 TUTAR Amount	1989 ORAN Share (%)	1990 TUTAR Amount	1990 ORAN Share (%)	1991 TUTAR Amount	1991 ORAN Share (%)	1992 TUTAR Amount	1992 ORAN Share (%)	1992/9 (*) TUTAR Amount	1992/9 (*) ORAN Share (%)	1993/9 (*) TUTAR Amount	1993/9 (*) ORAN Share (%)
YANGIN / Fire	51.7	27.01	83.3	26.70	144.9	25.33	259.1	24.92	438.1	19.81	632.5	15.68	1212.7	14.82	878.7	15.42	1953.6	16.77
NAKLİYAT / Transportation	47.2	24.64	65.6	21.02	105.3	18.41	161.3	15.51	268.5	12.15	407.2	10.10	752.8	9.21	534.4	9.38	1046.5	8.98
KAZA / Accident	68.5	35.78	116.2	37.24	236.9	41.40	406.8	39.13	961.4	43.48	1916.8	47.52	4168.4	51.01	2814.8	49.40	6169.0	52.09
MAKİNA-MONTAJ / Engineering	12.1	6.32	20.7	6.63	28.9	5.05	49.4	4.75	68.3	3.09	132.7	3.29	250.3	3.06	173.6	3.05	381.5	3.27
DOLU / Hailstorm	1.0	0.52	1.6	0.50	3.1	0.54	5.8	0.56	16.7	0.75	35.1	0.87	39.0	0.48	36.0	0.63	64.9	0.56
HAYVAN ÖLÜMÜ / Livestock	0.4	0.23	1.3	0.43	3.3	0.57	5.2	0.50	6.1	0.28	13.9	0.35	37.9	0.46	21.4	0.38	40.3	0.35
HASTALIK / Sickness											48.1	1.19	141.3	1.73	97.7	1.71	241.0	2.07
HAYAT DIŞI TOPLAM / Total of Non-Life	181.0	94.50	288.6	92.52	522.4	91.31	887.7	85.38	1759.1	79.56	3186.2	78.99	6600.5	80.77	4556.6	79.97	9796.8	84.08
HAYAT / Life	10.5	5.50	23.3	7.48	49.7	8.69	152.0	14.62	451.9	20.44	847.5	21.01	1571.4	19.23	1141.5	20.03	1854.3	15.92
TOPLAM / Total	191.5	100.00	312.0	100.00	572.1	100.00	1.039.7	100.00	2.211.0	100.00	4.033.7	100.00	8.171.9	100.00	5.698.1	100.00	11.651.1	100.00

(*) Alınan primler (direkt primler + reasürörlere plasmanlar)
(*) Premium received (direct premiums + reinsurer premiums)

59

APPENDIX 5

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22/4/1994

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Sayın Katılımcı;

Elinizdeki anket **Bilkent Üniversitesi İşletme Fakültesi Yüksek Lisans Tez Çalışması** *için hazırlanmıştır. Araştırmanın amacı Türk Halkının Yaşam Sigortasına olan ilgisini belirlemektir.*

Çalışmanın yararlı ve güvenilir olması açısından bu anket Ankara'nın çeşitli semtlerindeki apartmanların posta kutularına rastgele bir şekilde bırakılmıştır. Katılımınız tezin tamamlanması için çok önemlidir.

Ekte bulacağınız sorulara vereceğiniz yanıtlar, diğer yanıtlarla birlikte bir bilgi bankası oluşturmak amacıyla kullanılacaktır, bu nedenle İsim ve Soyadı belirtmenize gerek yoktur.

Zarfın içinde çeşitli soruların yer aldığı anketle birlikte üzerinde pul bulunan bir zarf bulacaksınız. Anketteki soruları yanıtladıktan sonra zarfa koyarak üzerinde belirtilen adrese postalamanızı rica etmekteyim.

Araştırmaya göstermiş olduğunuz ilgi ve değerli katılımınız için şimdiden Teşekkür ederim.

Yeşim Işıklar

1. Aşağıda belirtilen sigorta türlerinden hangisine sahipsiniz?
(Birden fazla şık işaretliyebilirsiniz)

☐ SSK veya Emekli Sandığı   ☐ Kasko
☐ Özel Yaşam sigortası   ☐ Ev Sigortası
☐ Sağlık Sigortası   ☐ Yangın   ·
☐ Hiçbir sigortam yok   ☐ Diğer (Lütfen belirtiniz)_____

2. Tasarruflarınızı genellikle ne şekilde değerlendirirsiniz?
(Birden fazla şık işaretliyebilirsiniz)

☐ Borsa   ☐ Döviz
☐ Altın   ☐ Banka Mevduatı (Faiz vs.)
☐ Gayrimenkul   ☐ Evde bir miktar biriktirim
☐ Fon veya Devlet Tahvili   ☐ Diğer (Lütfen belirtiniz)_____

3. Düzenli olarak tasarruf yapar mısınız?

☐Evet   ☐Hayır

4. Aşağıda belirtilen cümleyi göz önünde bulundurarak fikrinize uygun olan kutuyu işaretleyiniz.

"Yaşam sigortası kişinin kendisinin veya ona bağımlı kişilerin korunmasına yönelik bir hizmet sunar."

Kesinlikle Katılmıyorum	Katılmıyorum	Belki	Katılıyorum	Tamamen Katılıyorum
1☐	2☐	3☐	4☐	5☐

5."Yaşam sigortası ve vereceği hizmetler firmalar tarafından yeterince tanıtılıyor."

Kesinlikle Katılmıyorum	Katılmıyorum	Belki	Katılıyorum	Tamamen Katılıyorum
1☐	2☐	3☐	4☐	5☐

6. Yaşam sigortası aşağıda belirtilen ihtiyaçlardan hangisini karşılayacak ürünler sunar?
(Birden fazla şık işaretliyebilirsiniz)

☐ Kadına özel emeklilik güvencesi   ☐ Her çocuğa daha iyi eğitim güvencesi
☐ Aile sigorta güvencesi   ☐ Çocuk sigorta güvencesi
☐ Ferdi kaza güvencesi   ☐ Dövize endeksli birikim
☐ Enflasyona endeksli birikim   ☐ Diğer (Lütfen belirtiniz)_____

Yaşam Sigortanız yoksa ! aradaki soruları atlayarak 14. sorudan yanıtlamaya devam ediniz.

7. Ne kadar süredir yaşam sigortası sahibisiniz? (Belirtiniz)

Yıl_____   Ay_____

8. Nasıl yaşam sigortası sahibi oldunuz?

☐   Çalıştığım şirket yaptırdı
☐   Ailem yaptırdı
☐   Kendiniz yaptırmaya karar verdiniz
☐   Diğer (Lütfen belirtiniz)_____

9. Kendiniz yaptırmaya karar verdiyseniz, karar vermenizde aşağıdakilerden hangisi etken oldu?   (Birden fazla şık işaretliyebilirsiniz)

☐   Arkadaş, tanıdık
☐   Akraba
☐   Televizyon yayınları
☐   Gazete ve dergiler
☐   Sigorta firmasından bir temsilci
☐   Diğer (Lütfen belirtiniz)_____

10 Sigortanız hakkında sigorta acentası tarafından yeterince bilgilendiriliyor musunuz? (Ne zaman dolacağı veya ne durumda olduğu gibi.)

☐Hayır   ☐Evet

'Evet' ise belirtirtiniz _____

11. Yaşam sigortası yaptırırken paranın değer kaybını göz önünde bulundurdunuz mu?

☐ Hayır   ☐ Evet

12. Paranın değer kaybını göz önünde bulundurduysanız bu etkiyi azaltmak için siz ya da sigorta acentanız nasıl bir önlem aldınız ? (Birden fazla şık işaretliyebilirsiniz)

☐   Dövize endeksli sigorta tercih ettim
☐   Enflasyona endeksli sigorta tercih ettim
☐   Düzenli olarak prim oranları arttırılıyor
☐   İsteğe göre primler ayarlanıyor
☐   Diğer (Lütfen belirtiniz)_____

13. Yakınlarınıza ve arkadaşlarınıza yaşam sigortası yaptırmalarını tavsiye eder misiniz?
☐Evet   ☐Hayır

3

14. "Yaşam sigortası iyi bir güvencedir."

Kesinlikle Katılmıyorum	Katılmıyorum	Belki	Katılıyorum	Tamamen Katılıyorum
1□	2□	3□	4□	5□

15. "Yaşam sigortası ve sağlık sigortası aynı hizmeti verir."

Kesinlikle Katılmıyorum	Katılmıyorum	Belki	Katılıyorum	Tamamen Katılıyorum
1□	2□	3□	4□	5□

16. Aşağıda sıralanan özelliklerden hangisi ya da hangileri yaşam sigortasının sağladığı hizmetler arasında bulunur? (Birden fazla seçenek işaretliyebilirsiniz)

- □ Ev satın almak için birikim sağlar
- □ Araba satın almak için birikim sağlar
- □ Zamansız ölüm durumunda eş ve çocuklara güvence sağlar
- □ Sağlık giderlerini karşılar
- □ Belli bir dönem sonunda emeklilik maaşı bağlar
- □ Belli bir dönem sonunda toplu para verir
- □ Hiçbiri yaşam sigortasının sağladığı hizmetler arasına girmez
- □ Diğer (Lütfen belirtiniz)_____   _____

17. Yaşam sigortasıyla ilgili olarak aşağıda I'den V'e kadar belirtilen düşüncelerin sizin fikirlerinize ne derece uygun olduğunu sağ tarafta gösterilen cetvel üzerindeki sayının üzerini işaretliyerek belirtiniz.

		Kesinlikle Katılmıyorum	Katılmıyorum	Belki	Katılıyorum	Tamamen Katılıyorum
I.	Ödemeleriyle uğraşmak gözümde büyüyor	1	2	3	4	5
II.	Maddi olarak karşılıyamıyacağım birşey olduğunu düşünüyorum	1	2	3	4	5
III.	Ne olduğu hakkında yeterince bilgi sahibi değilim	1	2	3	4	5
IV.	Verdiği ürün ya da servisi anlamsız buluyorum	1	2	3	4	5
V.	Enflasyon karşısında çok değersiz olduğunu düşünüyorum	1	2	3	4	5

18. Yaşınız;

□ 18 - 25   □ 26 - 35   □ 36 - 45   □ 46 - 55   □ 55 - 65

19. Medeni hâliniz;

□ Evli   □ Bekar   □ Dul

20. Bakmakla yükümlü olduğunuz kimseler;

□   2 veya daha az
□   3-4 kişi
□   5 ve üstü

21. Ailenizin aylık toplam net geliri;

□   10 milyon TL veya daha az
□   10 - 15 milyon TL
□   15 - 20 milyon TL
□   20 - 25 milyon TL
□   25 milyon TL ve üstü

22. Eğitim durumunuz;

□   Ortaokul ve altı
□   Lise
□   Üniversite
□   Yüksek Okul ve Üstü
□   Eğitiminiz devam ediyorsa belirtiniz_____

23. Oturduğunuz ev;

□ Kendinize ait   □ Kira   □ Diğer

Katılımınız Ve Gösterdiğiniz İlgiden Dolayı Teşekkür Ederim.

5

TABLES

TABLE 1

RATIO OF LIFE INSURANCE PREMIUM PRODUCTION IN THE INSURANCE SECTOR (IN THOUSANDS)

YEARS	SECTOR	LIFE BRANCH	LIFE/SECTOR %
1970	563.741	60.904	11
1971	743.711	95.883	13
1972	978.828	152.816	16
1973	1.298.816	166.869	13
1974	1.632.476	185.606	11
1975	2.063.624	182.184	9
1976	2.722.834	180.442	6
1977	3.678.397	199.011	5
1978	5.108.594	276.811	5
1979	8.146.766	350.212	4
1980	15.027.357	427.427	3
1981	22.850.726	663.191	3
1982	33.873.392	911.573	3
1983	46.311.286	1.079.736	2
1984	85.283.422	1.136.212	1
1985	123.816.255	2.633.640	2

İktisadi Araştırmalar Vakfı   Türkiye'de Hayat Sigortalari
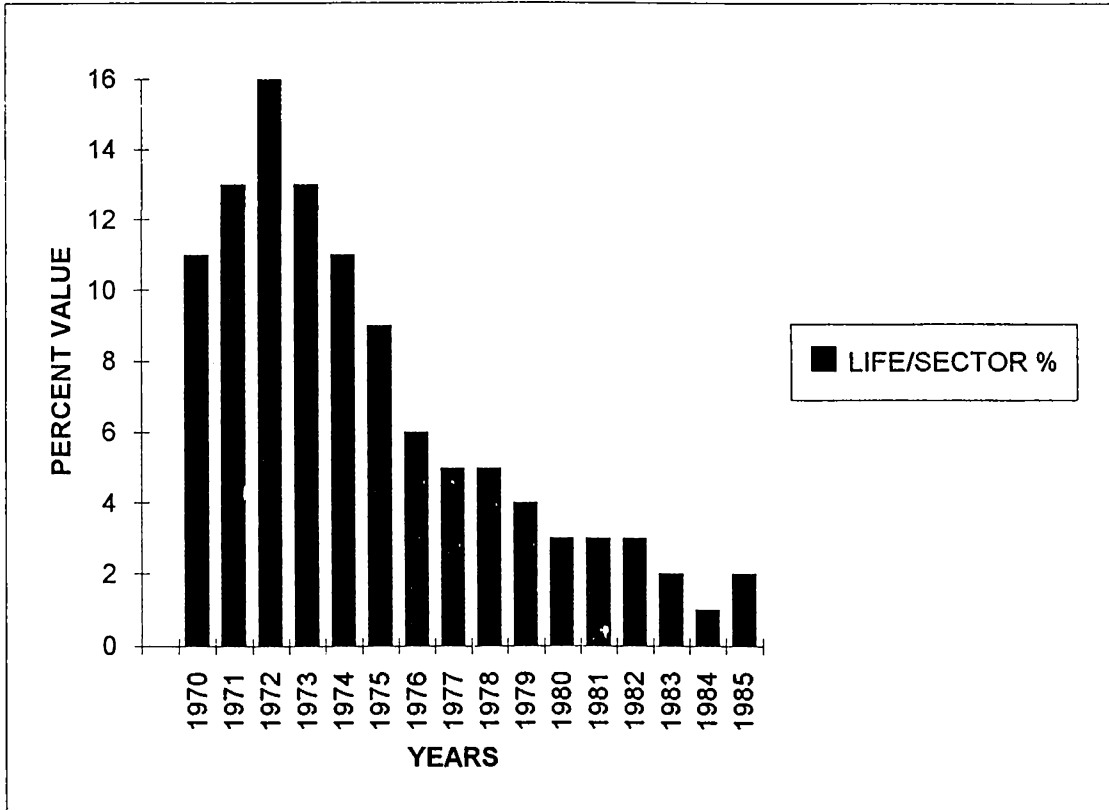
TABLE 2

SHARES OF VARIOUS INSURANCE BRANCHES IN THE INDUSTRY'S TOTAL ANNUAL PREMIUM INCOME (IN PERCENTS)

YEARS	TRANSPORTATION	FIRE	ACCIDENT	LIFE
1987	21,02	26,7	37,24	7,48
1988	18,48	25,42	41,54	8,36
1989	15,52	24,92	39,13	14,62
1990	12,15	19,82	43,47	20,43
1991	10,1	15,68	47,52	21,01

Insurance Supervisory Office   1991 Report
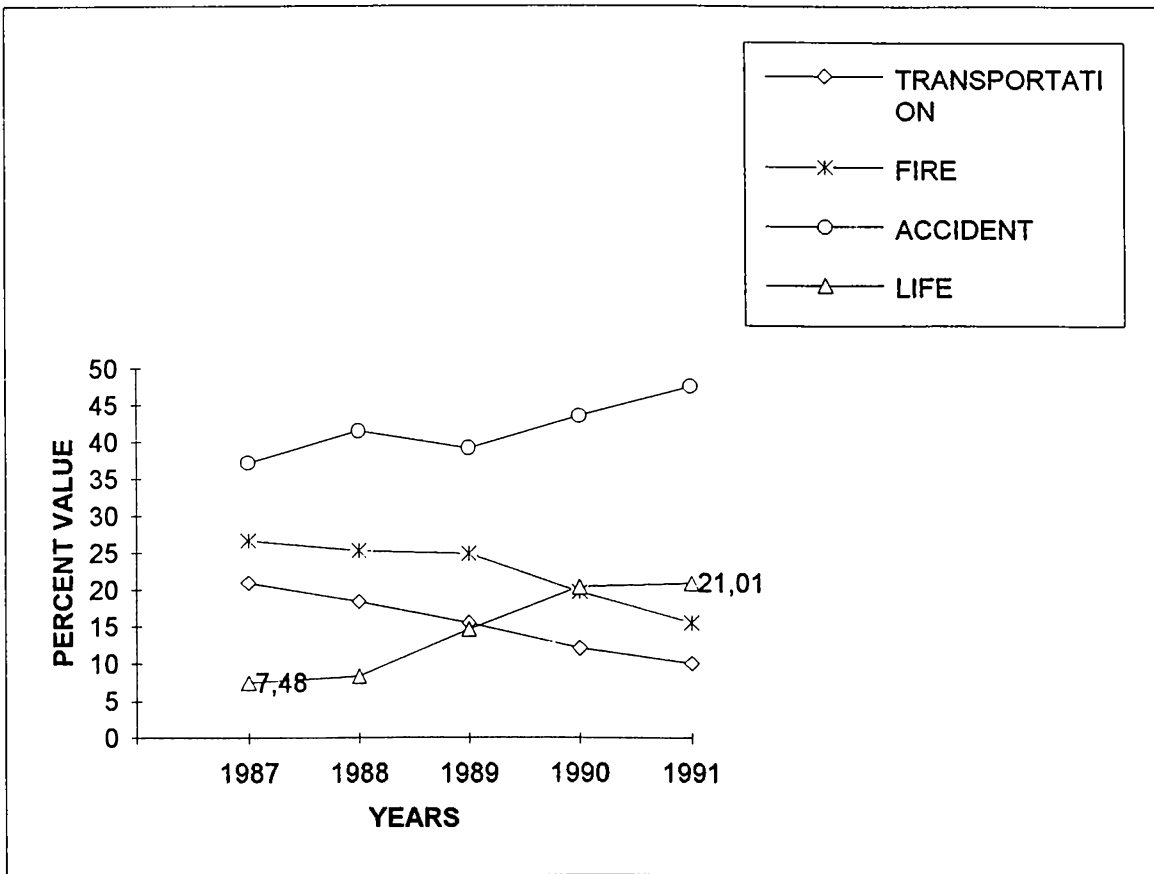
TABLE 3

BANKS AND HOLDING COMPANIES OPEARTING AS INSURANCE AGENCIES

INSURANCE COMPANY	RELATED BANK
AGF Garanti	Garanti Bank
Ak Sigorta	Akbank
American Life	
Anadolu Hayat	İş Bankası
Bayındır Sigorta	Bayındır Holding
Birlik Sigorta	
Başak Sigorta	Ziraat Bank
Batı Sigorta	Tütüncüler Bank
Emek Hayat	İktisat Bank
Güven Hayat	Vakıflar Bank
Güven Sigorta	Emlak Bank
Generali	
Halk Yaşam	Yapı Kredi Bank
İmtaş	
İsviçre Sigorta	Türk Ekonomi Bank
Merkez Sigorta	Esbank
Nordstern	
Oyak Sigorta	Emlak Bank
Ray Sigorta	Deniz Bank
Rumeli Hayat	
Şark Hayat	Koç American
Şeker Sigorta	

TABLE 4
COMPARATIVE ANALYSES OF LIFE INSURANCE PRODUCTS

Companies & Products	Foreign Currency Indexed	Inflation Indexed	Single Premium Payment	Premium Increase wrt Ins.	Fixed premium Increase	Premium Collection Style	Premium Collection Periods	Age Range	Policy Term
AGF Garanti									
Döv.En.Bir.G.Hayat	$,DM					B,P	3,6,12	18-64	3-
AK Sigorta									
AK Hayat Emeklilik		X				B,P	3,6,12	18-60	3-
Anadolu Hayat									
Aile Sigortası				X		B,P,CC	1,3,6,12	18-54	11-
Geleceğin Sigortası				X		B,P,CC	1,3,6,12	18-59	11-30
Her Çocuğa D. İyi E.				X		B,P,CC	1,3,6,12		11-30
ANKARA Sigorta									
Geleceğinizin G.S.H.		X				B,P	3,6,12	18-55	10-30
BAŞAK Sigorta									
Başak Çocuk				X		B,P	3,6,12	18-60	10-25
BATI Sigorta									
Yarınlarla El Ele					X	B,P	3,6,12	18-65	10-30
EMEK Hayat									
Dövize Endeksli H.	$,DM					B,P	3,6,12	18-65	10-30
Universal Hayat				X		B,P	3,6,12	18-65	10-30
GÜNEŞ Hayat									
Enf. End. Hayat S.		X				B,P	3	18-60	10-25
Vakıf Emeklilik				X		B,P	3,6,12	18-60	5-25
GÜVEN Sigorta									
Güvenle Yarınlara	$,DM					B,P	3,6,12	18-55	10-30
GENEL Sigorta									
%20 Otomatik Prim					X	B,P			
HALK Yaşam				X					
Kadına Özel Emeklilik						B,P,CC	1,3,6,12		10-20
Yıllık Yaşam						B,P,CC		18-79	1
Dov. End. Emeklilik	$,DM					B,P,CC			2-20
Kar. Pay. Süper Y. S.					X	B,P,CC		18-60	5-
IMTAŞ Hayat							IMM.		
Güvenceli Yaşam						B,P	3,6,12	18-64	1
Güvenceli Emeklilik				X		B,P		18-60	5-30
%30 Prim A. Emeklilik					X	B,P	3,6,9,12		
Güçlü Yaşam Sig.				X		B,P	IMM.	18-60	5-30
Dövize End., Tek Prim	$,DM					B,P		18-60	5-30
İsteğe Bağlı Prim A.				X		B,P		18-55	5-30
İSVİÇRE Sigorta	OTHER								
Yaşam ve Artırım S.						B,P	3,6,9,12	18-55	3-
MERKEZ Sigorta									
Döv.En.%95 K.P.Em.s	$,DM					B,P	1,3,6,12	18-60	10-30
%50 Otomatik P. Art.					X	B,P	1,3,6,12	18-60	10-30
Tek Prim %95 Kar P.			X			B,P	IMM.	18-60	10-30
RAY Sigorta									
%95 K. P. Tas. Hay.				X		B,P	1,3,6,IMM	18-55	10-30
ŞARK Hayat							3.6.12		
Birleşik Y. S.				X		B,P	3.6.12	18-65	10-30
Özel Emeklilik S.				X		B,P		18-60	INS.
Yıllık Hayat Sigortası						B,P		18-75	
ŞEKER Sigorta									
Şeker Güvence S.						B,P	3.6.12	18-55	10-30

69

TABLE 5

Needs With Respect To Age Groups

| 0-6	Children Expenses Health Safety for the children
7-18	Educational expenses Health Safety for the children
19-25	University Education Starting work Marriage Car House Master education Protection for spouse, person and the children
26-45	Starting work Post university education House Summer house Car Vacation Marriage Health Protection for spouse, person and the children
46-65	Retirement income Care for the aged Summer house Car Vacation Money for the hobbies Health Protection for spouse, person and the children

TABLE 6

INTERVIEW PERIODS AND CHARACTERISTICS OF THE RESPONDENTS

Name	Occupation	Age	Time (min.)	Education
Ebru Auf	Sales Rep.	26	10	University
Salih Gündüz	Sales Ass.	28	15	University
Filiz Akdoğan	Office Cleaning	24	5	High School
Işık Acar	Communication Man.	26	7	University
Cumhur Çeken	District Manager	31	9	University
Kutlay Çeviker	Lawyer	35	15	University
Derya Güçlü	Cleaner	40	10	Secondary School
Yasemin Güçsav	Housewife	52	13	High School
Ogan Öztunalı	Medical Doctor	28	7	University
Emre Erbaş	Office Employee	25	8	High School
Gazi Arslan	Accountant	43	9	High School
Cem Güner	Office Boy	28	9	High School
Erol Köprücü	District Manager	32	10	University
Neslihan İskit	Product Manager	40	11	University
Feyza İşbilen	Secretary	20	12	High School
Cahit Ulutaş	Own Business	55	13	High School
İbrahim Sezgin	Own Business	62	15	University

TABLE 7

Types of Insurance Policies Owned By The Respondents

Kind Of Insurance	Number	% of Total
Social Security Institutions	162	84.3
Private Life Insurance	36	18.7
Health Insurance	18	9.3
Accident Insurance	48	25
Home Risks	21	10.9
Fire Insurance	12	6.25
Not Insured	9	4.7
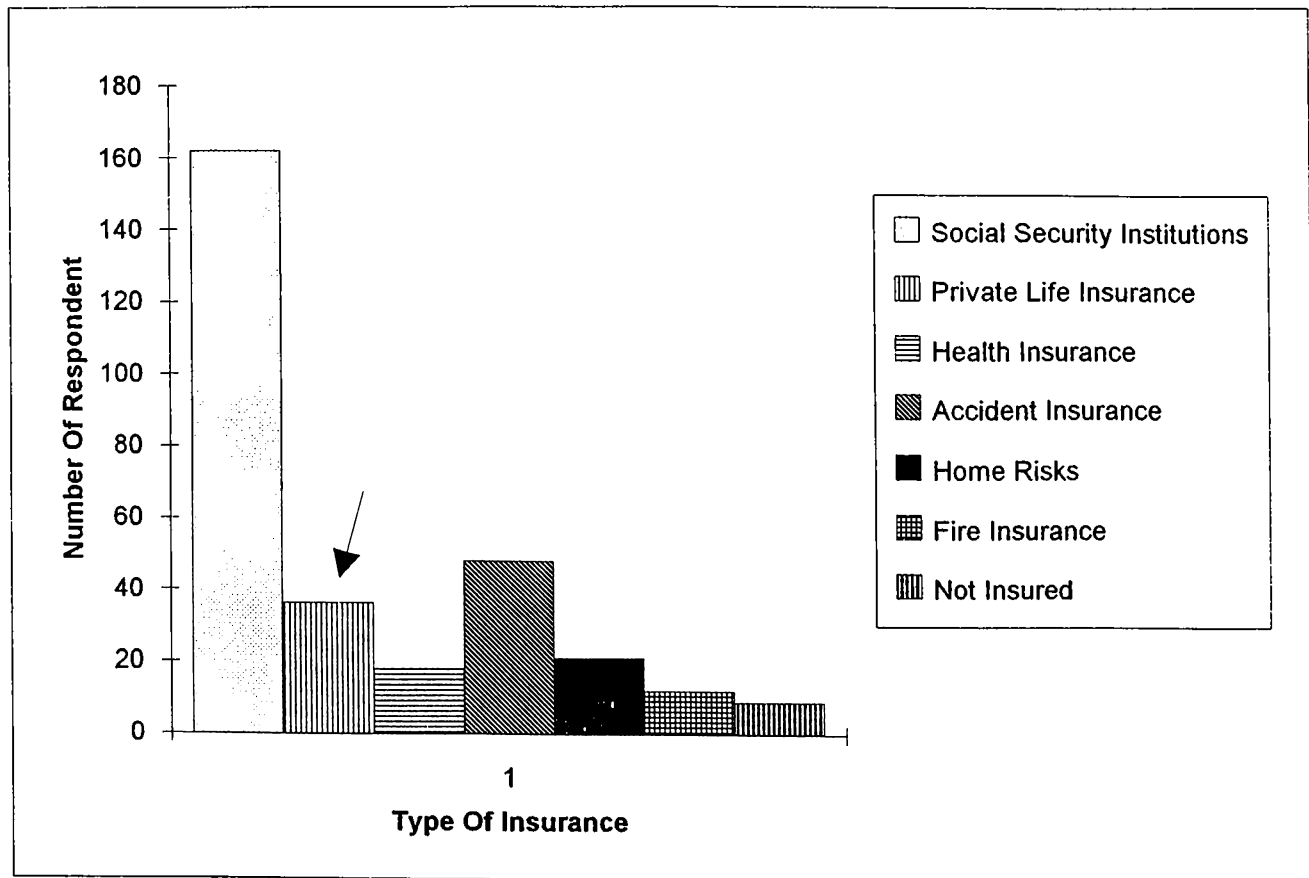
Each item has to be considered seperately because respondents were asked to mark more than one alternative.

TABLE 8

Saving Instruments of Respondents

Investment Tool	Number of Respondents	% of Total
Gold	33	17.1
Real estate	42	21.8
Treasury Bonds	39	20.3
Foreign currency	126	65.6
Bank Interest	87	45.3
Stocks	18	9.3
Save at home	30	15.6
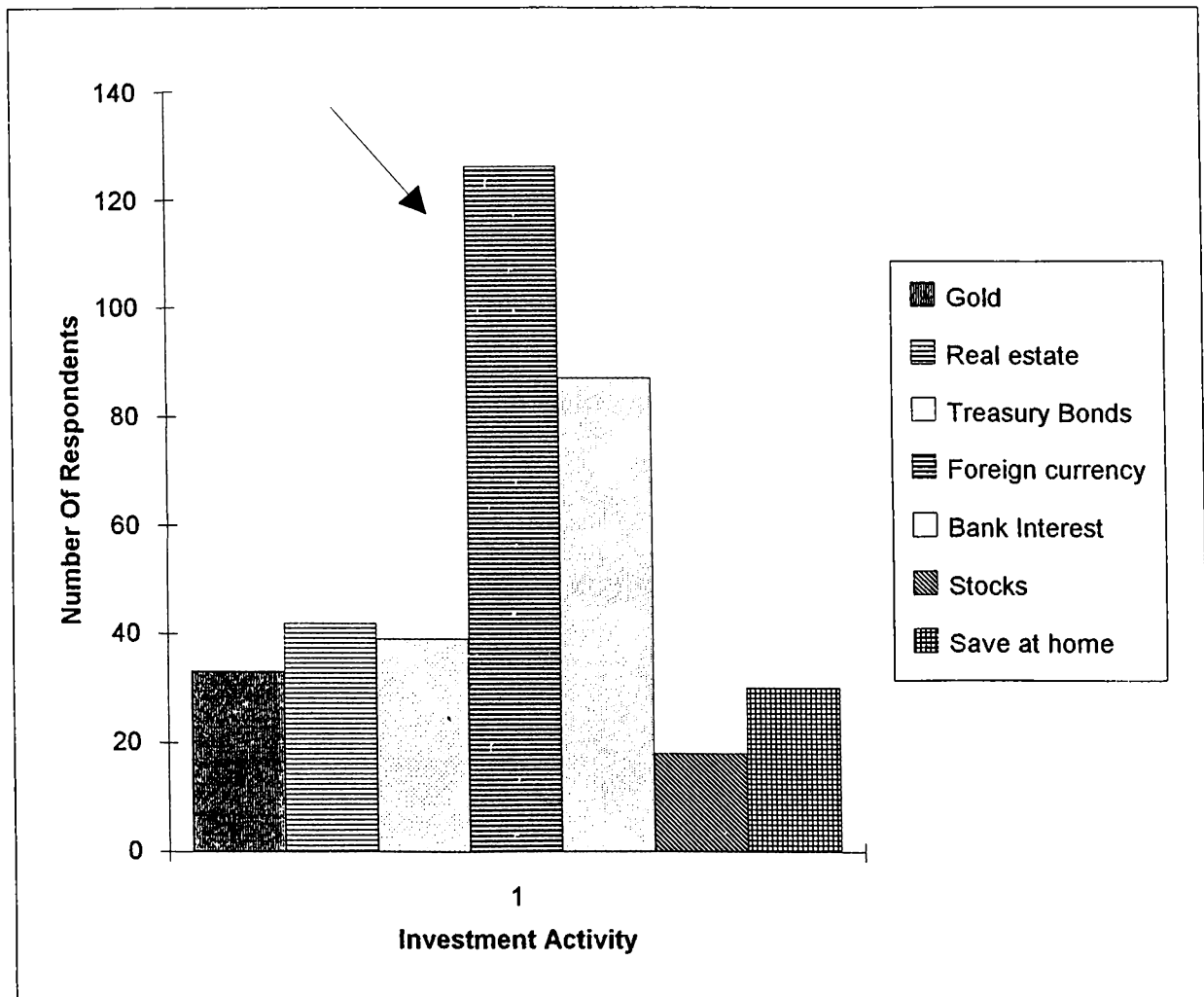
Each alternative has to be considered as a seperate item, because respondents chose more than one alternative.

TABLE 9

Consumers Knowledge About Life Insurance Products and Services
Below mentioned percentage of respondents do NOT think that life insurance provides the stated service

Products	% Percent Values
Retirement guaranty for women	61
Family life security	48,5
Private accident insurance	51,4
Better education for every children	68,8
Protection for the dependents in case the family breadwinner dies	25
Gives lump sum money at the end of the policy term	48,2
Gives retirement salary	50

TABLE 10

LIFE INSURANCE USER'S SPECIFIC INFORMATION

THE WAY LIFE INSURANCE IS OBTAINED	Company the person works	Personal decision
Percentage of purchasers	36.4%	63.6%

FACTORS EFFECTING PERSONAL DECISION	Percentage of purchasers
Friends	27%
Relatives	9%
Sales representative of company	54%
TV adds	0
Newspaper and magazines	0

PURCHASERS THINKING ABOUT THE VALUE LOSS OF CURRENCY	Consider value loss	Does not consider
Percentage of purchasers	27.3%	72.7%

PROTECTION TOOL FOR VALUE LOSS OF CURRENCY	Percentage of purchasers
Foreign currency indexed policy	9.3%
Inflation indexed policy	18.1%
Regular premium increases	45.4%
Premium increases when desired	27.2%

PURCHASERS THINKING FAVORABLE ABOUT THE PRODUCT	63.6%
PURCHASERS THINKING UNFAVORABLE ABOUT THE PRODUCT	36.3%

TABLE 11

IDEAS OF THE SAMPLE ABOUT THE PRODUCT

IDEA	STRONGLY DISAGREE	DISAGREE	NÒT SURE	AGREE	STRONGLY AGREE
I DON'T WANT TO DEAL WITH PAYMENTS	7.2%	15%	22.8%	35.3%	19.7%
I DON'T THINK THAT I CAN AFFORD IT	18.7%	22.3%	31.4%	17.5%	10.1%%
I DON'T KNOW ENOUGH ABOUT IT	6.2%	21%	26.5%	28.4%	17.9%
THE PRODUCT OR THE SERVICE IS MEANINGLESS	12.9%	36.9%	23.8%	16.6%	9.8%
IT HAS NO VALUE AGAINST INFLATION	2.9%	9.5%	30.5%	23.4%	33.7%
LIFE INSURANCE PROVIDES A SERVICE TO PROTECT THE PERSON OR HIS/HER DEPENDENTS	4.6%	17.1%	21.8%	50%	7.8%
LIFE INSURANCE IS A GOOD SECURITY	9.3%	21.8%	32.8%	23.4%	7.8%
LIFE INSURANCE AND ITS SERVICES ARE SUFFICIENTLY PRESENTED BY COMPANIES	6.2%	43.7%	23.4%	18.7%	6.4%

TABLE 12

PERCENTAGE VALUES OF THE SAMPLE CHARACTERISTICS
((Percent Values)

AGE DISTRIBUTION					
Age range	18 - 25	26 - 35	36 - 45	46 - 55	56 - 65
	15.8%	26.5%	21.8%	25%	10.9%

NUMBER OF DEPENDENTS THE RESPONDENTS HAVE	
2 or less	65.1%
3 - 4 person	32.5%
5 or more	2.4%

MONTHLY NET INCOME OF THE RESPONDENT'S FAMILY	
10 million TL or more	12.5%
10 - 15 million TL	15.6%
15 - 20 million TL	20.3%
20 - 25 million TL	21.8%
25 million TL or more	29.8%

EDUCATION LEVEL OF THE RESPONDENTS	
Elementary or secondary school	6.4 %
High school	15.6%
University	20.3%
Master's or higher	21.8%
Still student	35.9%

LIVING IN THEIR OWN HOUSE	68.7%
RENT	14%
OTHER	17.3%

MARITAL STATUS OF THE RESPONDENTS		
Married	Single	Divorced
69.7%	14.7%	15.6%

TABLE 13

INCOME LEVEL and LIFE INSURANCE OWNERSHIP

INCOME LEVEL	% Value wrt the sample	Number wrt the sample	% Value who owns Life Insurance	Absolute number who owns Life Insurance
10 ml. TL. or less	12.5	24	12.5	3
10 - 15 ml. TL.	15.6	30	10	3
15 - 20 ml. TL.	20.3	39	30.8	12
20 - 25 ml. TL.	21.8	42	7.1	3
25 ml. TL. or more	29.8	57	26.3	15

Note: Sample's 36.4% is provided Life Insurance by the company they work for and 15.4% of 15-20 Income group is formed by these respondents. Also in 25 or higher Income group 5.3% of the sample is formed by these respondents.

TABLE 14

EDUCATION LEVEL and LIFE INSURANCE OWNERSHIP

EDUCATION LEVEL	% Value wrt the sample	Number wrt the sample	% Value who owns Life Insurance	Absolute number who owns Life Insurance
Elementary School or lower	6.4	12	58.3	7
High School	15.6	30	20	6
University	20.3	39	28.2	11
Master or Higher	21.8	42	21.4	9
Still Student	35.9	69	4.34	3

TABLE 15

AGE INTERVAL and LIFE INSURANCE OWNERSHIP

AGE INTERVAL	% Value wrt the sample	Number wrt the sample	% Value who owns Life Insurance	Absolute number who owns Life Insurance
18 - 25	15.8	30	20	6
26 - 35	26.5	51	13.7	7
36 - 45	21.8	42	33.3	14
46 - 55	25	48	25	9
56 - 65	10.9	21	0	0

TABLE 16

TYPE OF SAVING and LIFE INSURANCE OWNERSHIP

TYPE OF SAVING	% Value wrt the sample	Number wrt the sample	% Value who owns Life Insurance	Absolute number who owns Life Insurance
GOLD	17.1	33	9.1	3
REAL ESTATE	21.8	42	7.1	3
TREASURY BOND	20.3	39	18	7
FOREIGN CURRENCY	65.6	126	14.2	18
BANK INTEREST	45.3	87	17.2	15
STOCKS	9.3	18	16.6	3
SAVE AT HOME	15.6	30	26.6	8

NOTE: In this questions respondents were asked to choose more than one alternative, therefore the reader has to consider each item by its own as a separate data.

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