

## STUDY REGARDING THE PERCEPTION AND ATTITUDE OF CONSUMERS IN ROMANIA REGARDING LIFE, HOME AND CAR INSURANCES

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### Abstract

*Insurance is a cornerstone of modern life. Without insurance, many aspects of modern society and the economy of today could not work. Insurance industry ensures that economic, technological, demographic, political and climate risks are covered, these risks changing people's lives into everyday life.*

*The purpose of this paper was to identify the perceptions and attitudes of Romanian consumers regarding the three types of insurance and also which category of the three is the most prevalent. Insurance companies are not sufficiently open and transparent with their customers. For better collaboration with these companies, they should offer Romanians a much more developed education in this field.*

*The objectives of the work were mainly to find out whether people have life insurance, for cars or for the dwelling and what are the most important criteria they can use when they invest in an insurance policy.*

*Concerning the synthesis of the results, after analyzing the answers given by the 201 respondents, it is evident that most of the respondents are female, most respondents have insurance for the motor vehicle, for housing and finally, a small percentage of people said they had a life insurance. The vast majority of respondents are aged between 30 and 49 years.*

*The questionnaire was structured in five parts, which includes general questions on insurance, questions about life insurance, questions about motor insurance, about home insurance and of course knowledge questions. The questionnaire was applied online via <http://www.isondaje.ro/> and also distributed on social networking sites and the results were analyzed using SPSS software version 19.*

*The data in this paper have the potential in the future to use the companies in the field, those companies that are interested in the continuous evolution between them and their most important supplier, the client.*

**Keywords:** insurance, questionnaire, risk, life insurance, home insurance, car insurance

### 1. INTRODUCTION

In Romania, the concept of insurance appeared for the first time in the 14th century, in Transylvania, being attested the first organizations that practiced a form of insurance on the principle of mutual assistance. In the 19th and 20th centuries, as a result of the development of society and the increased complexity of activities, the interest of the population in insurance increased. The first organization whose object of activity was insurance was founded in Braşov in 1744, by the Craftsmen's Association and was called "Fire House", being created by uniting several associations of this type, this association being specialized in insurance life. In the second half of the 19th century and the first half of the 20th century, as a result of the economic development of the country, the insurance sector grew, also with this growth a series of companies were set up, such as: "Transylvania" In 1866, "Dacia" in 1871, its founders being important and essential personalities of political, social and economic life such as Ioan Cantacuzino, Teodor Mehedinteanu and Constantin Boerescu, as well as other companies, over time, insurance companies they diversified their insurance operations, especially in the field of life insurance, having a prosperous financial situation in the first years of the First World War. In Romania, this field of insurance has experienced a slow evolution over time, the main reasons being the political conditions, social conditions and also economic conditions, which have been found in

every period that Romania has gone through, only now this field has reached a significant evolution. [1]

Insurance is a promise of compensation for potential future losses in exchange for a periodic payment. Insurance is designed to protect the financial well-being of an individual, company or other entity in the event of an unexpected loss. Some forms of insurance are required by law, while others are optional. Accepting the conditions of an insurance policy creates a contract between the insured and the insurer. In exchange for payments from the insured (called premiums), the insurer agrees to pay the policyholder a sum of money upon the occurrence of a specific event. In most cases, the policyholder pays part of the loss and the insurer pays the rest. From a financial point of view, it redistributes the costs of unexpected losses. Insurance can be defined from two points of view. On the one hand, insurance is the protection against financial losses provided by an insured. On the other hand, insurance is a device by which the risks of two or more persons or firms are combined by the actual or promised contribution to a fund from which the claimants are paid. [2]

The field of insurance is a very dynamic and comprehensive field, both in terms of quality and quantity, an area whose evolution marks an important economic and technological progress and also the progress of humanity in general. In a world that is constantly changing, a world that is increasingly insecure, an insurance industry, strong and robust and reliable, provides a valuable security base. [3]

Life insurance is a financial cover for an emergency related to human life, such as death, disability, accident, retirement, etc. Human life is subject to the risks of death and disability caused by natural and accidental events. There is no universal definition of life insurance, but it can be defined as a contract in which the insurer, in exchange for a certain premium, either in lump sums or in the form of any other periodic payment, instead agrees to pay the insured, or for the person for whose benefit the policy is taken, a declared amount of money for the conduct of a particular event that depends on the length of human life. The advantages of life insurance are that, unlike any other regular savings plan, the insurance scheme covers the risk of death. In the event of death, the insurance company pays the full amount insured and helps to reduce uncertainty and security, contributing to peace of mind. As far as the risks of a life insurance are concerned, insurance is currently seen as a luxury on the Romanian market, its cost being high, for young people, the subject is quite difficult and also the lack of trust that people have towards -dream of insurance companies.

Car insurance is a contract between the insured and the insurance company that protects against financial losses. Automated policies contain a variety of coverage that can be purchased according to the needs and desires of the consumer. The insured agrees to pay the premium and, in return, the insurance company agrees to pay for certain expenses as defined in the policy. Having the right to cover insurance can prevent the insured from suffering a large financial loss in the event of a car accident. There are two types of insurance, compulsory insurance and optional insurance. [4] The advantages of a car insurance consist in the fact that having such insurance, the insured person will be saved from very high expenses, which can occur as a result of a natural disaster, such as fire, earthquake, cyclone, landslide, floods, storm, self-ignition and the like. Loss or damage suffered due to anthropogenic activities, such as theft, strike, war or accidents, are covered by the car insurance policy. One risk would be that the insured can pay for his insurance every year and there is no event. Car insurance premiums are an additional cost. [5]

A home is prone to many possible threats, such as fire, theft, burglary and natural disasters such as earthquakes, storms and tornadoes. The only way to protect your home from such unforeseen dangers is a home insurance policy. Home insurance protects the insured from events that damage the home or property. If the insured's home is damaged or destroyed in a fire, for example, then if the insured has the right to insurance it could mean that the insurance provider will pay to replace things and to repair or rebuild your home. The types of home insurance are part of a large range, depending on each company but the main types are the PAD policy which is mandatory and the optional policy, which is different for each company. [6]

The advantages of a home insurance consist in the fact that in case of a natural disaster in which the house and the objects in the house are affected, the insured if he has a home insurance policy, is

compensated according to the damages produced. Another advantage of having home insurance is that it not only protects the building in which you live, but also the property and contents of your home. The home insurance policy provides coverage against damage to your home due to fire, vandalism or other specific events. It also covers loss or damage caused by theft or other covered events. The risk of a housing policy is strictly related to its cost, and the only disadvantage when it comes to decreasing home insurance coverage is the waiver of the first monthly. Depending on where the house is located, home insurance can be quite expensive, this only applies if the house is in an area prone to natural disasters or near the ocean. [7]

## **2. MATERIALS AND METHODS**

### *2.1. The perceptions of Romanian consumers regarding life, home and car insurance*

Consumer perception is both an obstacle and an advantage in the decision-making process on choosing insurance. Choosing to reduce or ignore consumer attitudes towards a particular product or service, while developing a marketing strategy, guarantees a limited success of a company. Differences in attitudes also depend on the sex of the decision makers. Women are more at risk than men. In an initial range, women do not need additional compensation for the introduction of ambiguity, but men. There are also differences in risk-taking, overloading and information processing. It is possible that the attitude was formed as a result of a positive or negative personal experience and other psychological factors besides the common manipulation of the market. [8]

In Romania at the moment, there are seven life insurance companies, sixteen companies that do general insurance, all these companies have generated in recent years, over 1.72 billion euros gross premiums written in general insurance and 451 million euros gross premiums underwritten in life insurance. There are still 300 active intermediaries on the Romanian market. [9]

There are two categories of factors that influence consumers' perceptions of the three categories of insurance: life, car and home insurance, these are internal factors and external factors. External factors include culture and reference groups, and internal factors of influence include perception, learning and motivation. Culture is a factor in influencing consumer behavior, it is a unique model of unique meanings and characterizes and distinguishes a society from other societies. Another external factor are the reference groups, this group is a real or imaginary group, which significantly influences a person's behavior. Perception is an internal factor, it represents what we perceive at a given time, and this depends on the nature of the real stimulus and the background or framework in which it exists. Learning is another internal factor that represents the process by which customers acquire knowledge about buying and consuming. Reasons, another factor that underlies the manifestation of a behavior are determined by a complex of factors of a physical, social, biological nature and that underlie the buying behavior. [10]

In Romania, the insurance market is dominated by car insurance (73%), of which RCA insurance has 47% and home insurance (40%). In addition to these three insurance sectors, other sectors have seen significant increases as a result of the combined efforts of insurance market players, the best example being health insurance. [11] Insurance is a financial service in which consumption is strongly affected by the characteristics of the potential buyer and his perceptions of the product offered. Motor insurance, with the two components - motor third party liability insurance (RCA) and damages insurance - is the largest line of activity of the general insurance sector in Romania. The present study models the voluntary behavior of consumers to insure the damages caused by motor vehicles by using discrete choice models, hypothesizing a hierarchical decision. The results show that the main factors that affect the perception of purchasing an optional car insurance policy are the preference / risk aversion, the distance traveled by the car, the driver's level of education and the ratio between the driver's income and the car price. Unlike previous studies that estimated the risk profile only by proxy variables without taking into account behavioral aspects, this study successfully integrated the risk profile of policyholders as an autonomous explanatory variable. Because the explanatory variables are representative not only for a specific geographical area, the highlighted behavior can be applied to all cases where the insurance of engine damage is voluntary [12].

The three types of life, home and motor insurance must be constantly growing, as a mature market is clearly based on these categories of insurance. In recent years, consumer protection has become a priority for decision-makers in Romania. In order to accelerate the maturity and development of the insurance market, a joint effort is needed by the supervisory authority and the companies operating in this market. In recent years, in Romania, the insurance market has had a significant growth, with this growth of the market have changed the perceptions and pre-definitions of Romanian consumers. Customers who are part of the insurance market, of any type, want from them especially quality services, a collaboration as transparent and easy as possible in solving claims. Insured persons, or persons wishing to take out an insurance policy, also want their insurance companies to be safe in the market, avoiding possible bankruptcy. Customers' use of digital channels, especially mobile, is growing rapidly, with current players in this market striving to create revolutionary digital experiences. A large number of companies present do not offer value to their customers. Customers who buy insurance policies do not have complicated needs. They want to be able to choose, from a good selection of policies at reasonable prices, accessible to any social status. They want clear information and also smooth interactions. When a client makes a complaint to the insurer, following an event, he often goes through a period of stress and expects the insured to help him and relieve his anxiety. Increasingly, customers want insurers to provide additional services, such as roadside assistance and healthy living advice. [13] In countries and insurance sectors, quality is constantly the element that customers classify as the most important. Most insurers currently operating obtain ratings from their customers. However, quality itself is not a guarantee of loyalty. Customer satisfaction with a company's services is often seen as the key to a company's success and long-term competitiveness. In the context of marketing relationships, customer satisfaction is often seen as a determinant of customer retention. Customer satisfaction is an essential metric for insurance companies to monitor, to assess which areas of their customer service are strong and which areas need improvement to maintain or increase their membership base. [14]

Customer preferences are constantly changing, and organizations are adapting to respond to these changes, to remain competitive and profitable. The insurance industry in Romania has undergone many changes in the last two decades, thus becoming more and more diversified. Operators in the financial industry fight for the same customers and therefore acquiring them at an early age becomes crucial. The continuous change of Romanian customers' preferences in the field of insurance is influenced by various factors such as experience, innovation, learning and the social environment. Some additional factors, such as age and income, could play a decisive role in the choice of services, especially by young people. In addition, access to information and the initiative to receive information about the desired services are also a key aspect in purchasing products and services and building preferences. Moreover, customers' attitudes towards package services are examined, which means that customers are largely positive about packages because they can get discounts, lower prices or simply save money. However, quality is a close second to price and if customers do not receive better quality through a package, they may have a negative attitude. [15]

## *2.2. Defining the problem, the research objectives and the method*

The study on the three categories of insurance: life, car and home, confirms that in recent decades this concept has become an increasingly debated topic by scientists and last but not least by managers of companies in worldwide. The vast majority of insurance business has been designed and developed by companies in economically developed countries such as the United Kingdom, Australia, Canada and most recently the United States. The biggest problem in the insurance sector, a problem that most companies in this field face, is represented by the lack of education of the population in Romania, regarding this sector. Although it is a large sector, with a wide range of information, insurers have not gone in the direction of informing Romanian citizens. [16] Education has an extremely important role, because it influences the decision to purchase insurance. On the Romanian insurance market, there is a discrepancy between the high potential demand and the rather low real demand. This discrepancy can be explained by a number of economic reasons, as well as the lack of education in the field. Another problem identified is the difference between potential demand in the insurance market and actual demand; these can be explained primarily by economic factors such as low income levels. Starting from the idea that people with higher education often belong to lower socio-economic groups, various

studies over time have raised the fundamental question of how the public sector should develop programs to ensure access to insurance for all social categories. The main purpose of this study is to understand the preferences of Romanian customers, regarding the three types of insurance: life, car and home insurance and to use these findings to offer insurance companies useful suggestions to keep loyal customers over time. To do this, I proposed three objectives:

- To examine the Romanian insurance market and to carry out a comparative study between life, motor and home insurance.
- Gaining a better understanding of customers' preferences regarding the services offered by insurance companies.
- Providing useful suggestions to insurance companies in light of changing customer preferences.

#### *2.2.1. Sampling plan*

A representative sample was not established for this study, neither as a number of respondents nor as a way to identify them based on the characteristics presented. The questionnaire was posted on social networking sites, to which the respondents had access, and those who wished could answer. Subsequently the data were processed using SPSS. It can be appreciated, therefore, that this research is an exploratory one. Any strategy or decision included in the sampling plan has an impact on the conclusion of a research. In most cases, population research is highly efficient, based on concise information on a market of interest. The sampling plan represents only a part of the entire plan for conducting a research, bringing answers to what needs and desires mean for the population interested in the insurance services sector. Following the analysis made on the questionnaire, the elaboration of the sampling plan includes people aged 18 and over, these people being customers of insurance companies in Romania. Given the short time allocated to this research, the sample was conducted on a number of 201 respondents, who had high school, high school, university and postgraduate studies, with occupations of unemployed, students, employees and even retirees. We note from the sample that most respondents have car insurance.

#### *2.2.2 Data collection and research tool*

Regarding the determination of the main methods of data collection, the most efficient decisions must be taken in order to obtain the data and information of interest as easily as possible. As a method of collecting data for this research, we opted for online questioning and social networking sites, because through this procedure, we achieve a complete picture that includes the research as a whole and supports the discovery of new procedures, such as qualitative nature. We must consider all aspects related to the essence of the data and references resulting from this research.

The instrument for obtaining the data was the questionnaire, as it is an information gathering tool, following which the research is summarized. The structure of the sample must take into account the needs of the respondents as well as the investigator in order to maximize the efficiency of the study. Based on the census, a questionnaire with 24 questions was designed which is divided into five pages, the first page containing introductory information. The number of questions included in the research had a questionnaire duration of 15-20 minutes. When formulating the questionnaire, the wording of the questions was taken into account, this being done in a direct way using tinted questions, closed dichotomies, closed multihotomic questions with single answer, closed multihotomic questions with multiple answers, filter questions, open questions and scale questions evaluation.

### **3. RESULTS**

The information collected was studied using the statistical software SPSS 19. The answers of the questionnaire were entered and coded in the statistical SPSS 19, and the information was then examined through the structure of three stages. In the first part, the research briefly describes the characteristics and demographic features such as: respondents' age, gender, level of education, occupation and monthly income per family (household), which are analyzed using descriptive analyzes. In the second part, we verified the respondents' answers through the likelihood of the Likert

scale, which supported the understanding and perception of knowledge of variables and in the third part two forms of analysis were performed, multi-linear regression analysis and analysis correlation. In order to identify potential mistakes or difficulties in understanding the questions, the questionnaire was pre-tested on a number of 20 people, adults and young students. The opinions of the twenty people eventually led to the partial modification of the questionnaire and its remedy by including additional variables in the satisfaction and importance questions and of course to the redefinition and reformulation of some questions. Following the pre-testing of the questionnaire, the data collection was designed. With the help of the statistical program SPSS 19, we performed the analysis of the obtained results. Despite the fact that the sample size was only 201 people, all 201 questionnaires were validated. Next we will present the interpretation of the obtained results.

The highest category of people who participated in this questionnaire are females, with a percentage of 55.78% while males are found in a lower percentage of 44.22%. A justification in this regard may be the fact that in general women have a greater openness to such research and of course another justification would be the fact that the share of women in Romania is higher than that of men. In order to have a more accurate analysis of the age variable, we divided the respondents into four age groups. The first group includes people under the age of 30, they are 26.53%; the second age group includes people between 30 and 49 years old, and has the highest percentage of 51.70%. The third group consists of people aged 50-65 and are in percentage of 20.41%, and the last group, which has the lowest percentage is 1.36% and represents people who are aged over 65 years. Another socio-demographic variable that we took into account in the analyzes, is the level of education. Thus, three categories were formed: postgraduate studies, university and high school studies. Most of the population has a university degree with a percentage of 68.03%. In second place, as a percentage, were people with high school education, 23.81% and in last place in number, with a percentage of 8.16% people with postgraduate studies. Another variable that can influence the client's behavior in terms of purchasing and even holding an insurance policy is occupation. Most of the respondents are people who work for various companies, in percentage of 36.05%, followed by people who are self-employed in percentage of 26.53%, respondents who work for the Romanian state are in percentage of 23, 13%, students represent a slightly lower percentage of only 10.20%, retirees represent a percentage of 2.73% and last but not least, the lowest percentage is held by the unemployed in a percentage of 1.36%.

We analyzed whether the respondents have life insurance, for car or home as well as other categories of insurance and of course if they do not have insurance. Out of the total number of respondents, these being 201 people (Table 1), 54 of the respondents claim that they have not concluded an insurance policy. Thus, most people claim to have a car insurance, in number of 128 respondents, followed by respondents with home insurance in number of 89, and people who have life insurance are in number of 35, were not mentioned other types of insurance categories.

|                | <b>Yes, life insurance</b> | <b>Yes, motor insurances</b> | <b>Yes, home insurance</b> | <b>No</b> | <b>Others insurances</b> |
|----------------|----------------------------|------------------------------|----------------------------|-----------|--------------------------|
| <b>Valid</b>   | 35                         | 128                          | 89                         | 54        | 0                        |
| <b>Missing</b> | 166                        | 73                           | 112                        | 147       | 201                      |

**Table 1.** Insurances distribution

Regarding the degree of satisfaction regarding the settlement of the claim file, the percentages of those who are satisfied, respectively very satisfied are in percentages of 30.14% and 21.92%. Undecided people, unfortunately, comprise the most respondents, 31.5%. Dissatisfied or dissatisfied people have a fairly high percentage of 16.44%. So, if we look at this analysis as a whole, insurance companies should question and fix the problem, or try to thank the undecided, because it is the group that would make a big difference and it is even simpler to satisfy. In order to see where the customers' dissatisfaction comes from, we made an analysis where this aspect is pursued. The most common

reasons for dissatisfaction are the longtime of solving the existing insurance 28.79%; small amount of compensation 15.15% and last but not least, defective communication 6.06%. The difference of up to 100% is given by people who claim that they have no dissatisfaction, 50%. In addition to this analysis, after seeing the main reasons that lead to customer dissatisfaction with insurance companies, we found that 22.86% had to change their insurance company due to the way the claim was resolved.

The following is an analysis of life insurance, and the intentions of respondents if they do not yet have such insurance. Thus, only 24.14% claim that they have taken out a life insurance policy and are convinced that it is a very good choice. The highest percentage is held by those who do not have life insurance but intend to take out one, 59.31%. At the other extreme, with the lowest percentage, 16.55% are those who do not have life insurance and are not interested in such a product. The analysis shows us that the person puts a great emphasis and price on their own life, in the following we will be able to observe what types of life insurance the respondents have or have had. Analyzing the results, most 75% do not seem to have life insurance. Of the remaining up to 100%, a percentage of 6.25% opted for a life insurance with capital accumulation for children, 4.86% for a life insurance with a savings plan and also to the same extent, the respondents they also chose life insurance in case of illness. With a percentage of 3.47%, there are 2 types of insurance, the classic one and the life insurance in case of accident. The insurance with the lowest percentage is the one with investment specificity with 2.08%.

Regarding the people who have a MTPL insurance, most of them think that it is a very good measure, 82.31%, the rest of the answers have a much lower weight, in percentage of 8.84% claim that another member of the family deals with this aspect, 4.76% said they own one but do not agree with its obligation. Fewer respondents do not have such insurance and do not want to buy one in the future, they prefer to drive without RCA insurance. Among the optional insurances, the most common is the CASCO insurance. Asked if they own one, most respondents said no, due to the price being too high; they have a percentage of 45.58%. Most people have a CASCO insurance, some have bought it because they think it is necessary 34.01% and 13.61% have one being obliged in one way or another to lease. The remaining 6.80% are not interested in such optional insurance.

Regarding the distribution of people who have a home insurance. The population is divided into two groups, those who have an insurance policy, and those who do not have an insurance policy. Holders have a share of 61.9%, I think it is necessary, and people who have not completed one, did not do so for two reasons: 36.05% do not have but are thinking of concluding one and 2, 04% consider it an unnecessary expense. Given that people have taken out home insurance, an interesting aspect to find out is how they protect their home. A first way would be the mandatory PAD policy, chosen by 46.94% of respondents; another way includes the PAD policy and the optional insurance, chosen by 16.33% of the respondents. The third category of people chose not to protect their home, the latter claim that they have no insurance and have a percentage of 36.73%.

Table 2 shows the distribution of participants in the questionnaire regarding their gender, The answers are multiple (each person has the opportunity to have several types of insurance) so we have 13 people who are female and have a life insurance and 22 males who have life insurance. There are 74 females with car insurance and only 53 males. As for those who have a home, there are 48 females and 41 males. The questionnaire was also attended by people who do not have insurance.

| Type of insurance | Female | Male |
|-------------------|--------|------|
| Life              | 13     | 22   |
| Motor             | 74     | 53   |
| Home              | 48     | 41   |
| Without insurance | 20     | 34   |

**Table 2.** The relationship between the person's sex and the type of insurance

Regarding the correlation between the occupation of each employee and the insurances that each holds. (Table 3) It was found that budget employees and freelancers are equal to 12 life insurance policies followed by those employed in companies with only 8 respondents and students, unemployed and pensioners who have only one respondent. After the analyzes, it was found that most respondents who have car insurance are employed by companies followed by freelancers with 36 respondents, the budget employees being only 23 people, the students are 14 and very many small retirees with only 3 respondents and students ranking last with two insurances. Home insurance is numerous among self-employed people with a number of 31 respondents followed closely by company employees and budget employees, and a small number of retirees, namely 4 respondents. The very small number was registered for students and unemployed with only one respondent.

| Type of insurance        | Occupation |                       |            |         |            |         |       |
|--------------------------|------------|-----------------------|------------|---------|------------|---------|-------|
|                          | Budgetary  | Employed in companies | Freelancer | Student | Unemployed | Retired | Total |
| <b>Life</b>              | 12         | 8                     | 12         | 1       | 1          | 1       | 35    |
| <b>Motor</b>             | 23         | 49                    | 36         | 14      | 2          | 3       | 127   |
| <b>Home</b>              | 23         | 29                    | 31         | 1       | 1          | 4       | 89    |
| <b>Without insurance</b> | 54         |                       |            |         |            |         |       |

**Table 3.** Correlation between the occupation and the insurances

Regarding the correlation between the type of life insurance and the occupation of each respondent, the most common types of life insurance are those that have capital accumulation for the child; they are employed by the state, namely 8 in number. The next one is the one that has a savings plan and is chosen by those who are self-employed, on the 3rd place is the insurance in case of accident with 4 respondents who are employed at companies. Only one person who is a student and answered the questionnaire has a life insurance with investment specific, a single unemployed person who answered that he has a life insurance in case of illness and a pensioner who has life insurance with a savings plan. The number of people who do not have life insurance is very high among those who are employed in companies followed by freelancers.

#### 4. DISCUSSION

The insurance field is a vast field, without which, we consider that we would not have a quiet life. In this study we followed the perception and attitude that Romanian consumers have on insurance, especially on three categories of insurance, such as: life insurance, car and home insurance. We considered that these three categories of insurance are the most essential for a person's life, and some of them are mandatory. We developed the questionnaire so that it is accessible to all potential respondents. Considering the short time allocated to this research, in the end the questionnaire was completed by a number of 201 respondents, who had high school, high school, university and postgraduate studies, with occupations of unemployed, students, freelancers, employees at companies, state employees and including retirees. Following the questionnaire, it was noted that most respondents have car insurance, this type of insurance being the most widespread among Romanian citizens with a share of 128 respondents who have car insurance, followed by home insurance, where a number of 89 respondents gave an affirmative answer and followed by life insurance, where only a number of 35 respondents answered, out of a number of 166 respondents. Out of a total of 201 respondents, 54 stated that they do not have any insurance so far and no respondent listed any other type of insurance than those mentioned in the questionnaire.

The main purpose for this study was to understand what are the preferences and at the same time what is the concept of Romanian customers in the field of insurance and especially life insurance, for vehicles and health. Following this study, companies have the opportunity to see customer dissatisfaction to improve their services and also their dissatisfaction, to further satisfy them. This way they can keep their local customers and attract new ones. To achieve all this we chose three objectives, these being achievable of course, in the long run. One of the objectives would be the fact that it is necessary to examine in detail, the Romanian insurance market and to carry out a comparative study between life, motor and home insurance, in order to realize which of the three insurances is the most common used among Romanians and why other types of insurance are neglected. A second objective would be to obtain a better understanding, customer preferences and attitudes regarding products and services offered by insurance companies in Romania, to identify why some customers prefer the services and products of one company, to the detriment of another company. In the questionnaire, respondents had the opportunity to choose from a wide range of companies. A final, long-term goal would be to provide useful suggestions to insurance companies in light of changing customer preferences. Regarding the way in which respondents purchase their insurance policy, most respondents stated that they buy their insurance policy from an insurance agent, a factor could be the fact that they have more confidence in an insurance company and more little trust in people outside the company, such as in this case the insurance broker. The aspect that analyzes the degree of satisfaction regarding the settlement of the claim file, is seen by the respondents as an indifferent, undecided aspect, it having the highest percentage of 31.5% being followed by dissatisfied people who also have a rather significant share. If we look at this analysis as a whole, these insurance companies should ask themselves a question and fix the problem, or try to thank the undecided, because it is the group that makes a big difference, being much simpler than satisfied. The most common reasons for dissatisfaction of customers who have insurance regarding the settlement of claims are primarily the longtime of settlement of the claim; also another reason is the small or partial value, which the companies offer when compensating the claim and a last reason stated by the respondents, is the poor communication with the person representing the insurance company. Out of the total number of respondents, half of them, in a percentage of 50%, answered that they have no dissatisfaction, related to the settlement of the claim file. Regarding the possession of a life insurance, more than half of the respondents stated that they do not have a life insurance, instead they think that in the future to purchase such insurance, in much smaller percentages they answered those who currently have life insurance and those who do not.

The most common types of insurance are: life insurance with capital accumulation for the child and life insurance in case of illness. Regarding compulsory car insurance, MTPL insurance, a very large and gratifying number of respondents said that they have car insurance and consider it a very good measure for car insurance, becoming a necessity. Although this type of MTPL insurance is mandatory, on the Romanian territory, a rather small but important percentage of respondents do not have a compulsory insurance. Unfortunately, the analysis of CASCO insurance is not as positive as in the case of CAR, a significant percentage of people, 45.58%, do not have CASCO insurance and consider it too expensive although it would be useful for their car, and a lower percentage of respondents, 34.01%, also have optional insurance. The aspect that analyzes the possession of a home insurance, is seen by the respondents as a necessity, a rather high percentage of 61.90%, of those surveyed confirm that they have a compulsory home insurance.

## **5. CONCLUSIONS**

We believe that this research work may be of interest to insurance companies, as the data presented in this study may be useful in the future to raise awareness of consumers' perceptions of the three categories of insurance.

The research we propose has certain limitations in it, regarding the results we obtained from the illustration. These limitations lead us to propose future research directions. During this research we encountered some problems that limited our research. First of all, the Romanian population did not fully understand the concept of insurance, they have a poorly developed education in this direction,

therefore we tried to decompose the concept in operational terms to maintain their understanding and to obtain research results. The sample also illustrated the over-representation of women, which could have influenced the results to a greater or lesser extent. Secondly, the fact that we did not provide a definition of the concept of insurance to the participants. The reason why we did not do this is due to the fact that one of our research objectives was to find out what the consumer's perception is about the three types of insurance, life, for vehicles and housing in Romania. It would have been interesting for this questionnaire to be organized in a different way, so that respondents were first asked about their perception of the three categories of insurance and then given a definition of insurance, which they could have used as a starting point to answer the rest of the questions. However, the whole process could have been complicated, as the course of the questions was set from the beginning. Third, the sample size that was used to collect the data was only 201 participants. The sample was smaller due to exploratory research, as well as limited resources, including research, for data collection. Although this was done using quota sampling, which allowed for a wider range of age groups and a gender division, it would be interesting to conduct the study again in the future but with a larger number of respondents. A larger sample size could be significant from a data analysis perspective, as a larger sample could identify the relationships between components that have less significance or produce different final components to represent the field of insurance. Fourth, a significant limitation would be the fact that this questionnaire was created and applied only online. For this reason, the response rate was approximately low, as this mode of application does not allow for face-to-face interaction with the respondent and at the same time the fact that through this mode of application of the questionnaires, there is a risk of having a higher degree of responses from respondents who are part of a particular social environment and disadvantage other categories of respondents. Another limitation would be that the social meaning of insurance includes ideas that to some extent reflect the conceptualization introduced by previous theoretical models. However, this paper suggests that the transformation of theoretical models into tools that address stakeholders' perceptions of insurance requires further examination and validation through contextual approaches. Finally, an important limitation of this research relates to the sample used. Due to the practical difficulties associated with using probabilistic sampling, a non-probabilistic comfort sample was adopted. It is important to note, however, that the research sample is composed of people with a high level of education and opinion formers. For a relatively old research object, such as insurance in Romania, it is reasonable to assume the relevance of understanding the reactions of opinion formers, because their attitudes and behavior could in the future exert an influence on society as a whole. According to the data, consumers' perception of insurance is generally low. This finding calls for future research in this area. In order to examine the reality, the clients' awareness regarding the insurance field in Romania, a larger study could be carried out with a focus on this industry. The results of the study would be of great importance and interest for these insurance companies as well as for other companies with other fields of activity. This study provides a valuable basis for further investigation of the moderating effect of the perceptions that Romanian consumers have on insurance. The findings also have practical implications that adhere to potential directions for companies to communicate insurance activities and services more effectively in the future, to create a differential advantage and to maximize business profitability.

Future research may be conducted based on the findings of this study. In the future, in order for this study to be enriched, additional research should be carried out regarding the perceptions of stakeholders regarding the services in the field of insurance offered by Romanian companies as well as by companies from other European countries. This research could develop information on important insurance objectives or activities for organizations, both for insurance and for those active in other areas of activity, depending on the stakeholders that organizations want to influence. Given that the results of consumers' level of skepticism about insurance term information were somewhat ambiguous, future research could focus on analyzing the factors that influence consumer skepticism about insurance perceptions and how companies might overcome this problem. Moreover, future research could focus more on the characteristics of the three types of insurance, life, motor and home insurance and compare the three types of insurance in Romania with the same types of insurance in other countries. The results of this research done with the three categories of insurance are similar to other

studies in which other population samples were used. Therefore, it would be useful to investigate whether insurances in Romania are as advantageous as those in other countries.

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