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Case Study

Low Life Insurance Demand: Negative Perception, Religious Taboo & Fraudulent Practices

Introduction

The life that we live, the days that we spend, and the moments that we pass; the only certain phenomenon is uncertainty. Humans have always feared the mysterious nature and the ambiguous fate. In ancient times, uncivilized people exercised occult practices of sacrifices as an offering for higher purposes. As human societies shaped up, knowledge and rationale came into play. Our forefathers adopted a reactive approach. Since unwanted natural events can't be controlled for, they tried to control its impact, and that's how the insurance we know now came into being. We 'insured' ourselves by setting aside a sum of money, which can come handy when required the most. Today, professionals do it and surely, in a better way than we could have. We call them 'life insurers', as they manage our risks. As of now, these life insurers have progressed enough to become a worldwide industry.

Life insurance companies base their business models on assuming and diversifying risks. In simple words, they collect money i.e. premium from interested buyers and invest it in different alternative assets to earn a substantial return. In an event of any mishap with the insured, the insurer pays the nominated person by the insured i.e. beneficiary, the sizeable amount i.e. sum assured. Both; the amount of premium and sum assured is pre-decided at the contractual agreement. The amount of premium differs from one person to another, depending on the required sum assured and on the basis of assumed risk that is calculated through the process of underwriting. The frequency of premium payments is based on the type of product selected by the buyer and his convenience.

Currently, in Pakistan and South East Asia, life insurance industry is mainly sales driven by nature. The seller inspires a buyer to initiate a buying process. Therefore, it is often said that "life insurance is sold, not bought". Insurers are represented by sales agents in the local market. They hire sales force which brings-in different customers by thorough persuasion to purchase life insurance policies.

Life insurance industry in Pakistan currently stands far away from its peak, with only 12 per cent of the population being life insured. Among the 12 per cent of life insured population in Pakistan, 7.35 per cent of population is insured through the group (by employers)¹. These group insurance purchases are viewed as 'forced savings' which means that if the employer hadn't offered the life insurance benefit, the employee wouldn't have purchased it. These statistics tell us two important insights:

(1) 88 per cent of the Pakistan's population is not life insured, and therefore untapped market offers life insurance industry an immense potential to grow.

(2) Worrying signs for policy makers to realize that huge proportion of the population is vulnerable if any mishap occurs to the breadwinner of the family.

A question that we must ask ourselves that why 12 per cent is deemed to be a low insured population? Is it because that we all know basic mathematics and 12 per cent represents a smaller proportion out of 100 per cent? Obviously "YES".

What if I tell you that there exists a place where rivers are crystal clear, trees yield twelve kinds of fruit throughout the year, geographical location is exemplary, population corresponds to the resources available, societal rules are ideal and flawless, diseases are zero to minimal, civil administration is incomparable in its performance, pollution free environment exists, economy performs at optimum level and gun laws are inflexible and austere. Does 12 per cent of the life insured population seem low now? "Not Really"

Determining that life insured population is low or high can't merely be associated with the shallow mathematics. It depends on many factors and elements around us that influence our saving motives to purchase life insurance. It also hinges on the kind of analysis or perspective employed to study the life insurance industry.

In a nut shell, analysts comprehensively look out to validate the presence of saving motives that induce general public to purchase the life insurance. These saving motives namely are: precautionary motive, life cycle motive, wealth accumulation motive and bequest motive. It is not mandatory for any of these saving motives to co-exist and be inter-dependent to each other for a single prospect, or in a larger setting i.e. the entire population. Any of these saving motives; if strong enough, can let alone positively influence the decision to purchase life insurance. Analysts also compare metrics such as insured population, life insurance penetration and life insurance density with similar type countries to determine that whether insured population percentage is low or high.

12 % insured population of Pakistan: Low or High?

Are saving motives strong enough? Let's discuss

To evaluate critically, the precautionary motive in a country like Pakistan should trigger higher demand for life insurance for many reasons such as:

Firstly, Pakistani population is deprived of social benefits, unemployment insurance, & sickness coverage which should tempt the public to secure their standard of living and purchase life insurance. Secondly, as per 'Global Terrorism Index', Pakistan ranks number 4 among 163 countries and is considered to be highly afflicted country by terrorism. (Institute for Economics and Peace, 2015). Thirdly, as per 'World Health Organization', life expectancy of an average Pakistani along with physical and mental health ranks to be at 130 with an approximate expected age of 65 years. (World Health Organization, 2016). Furthermore, climatic changes and catastrophes haven't been good friends with the geographical location of Pakistan. Heat wave in 2015, floods in 2010, Hunza lake disaster in 2010, cyclone Yemin of 2007, Parachinar Earth quake in 2005, droughts and famine in interior Sindh's and Baluchistan's scattered regions on yearly basis; and many unreported natural calamities should have stimulated the need to purchase life insurance. (Dawn News, 2011).

On the other hand, rituals and traditions; main drivers for the lifecycle motive, are the main inclinations for Pakistanis which highly influences savings pattern and the demand for life insurance of a nation. Pre-determined gender role for a female and a male in Pakistani society burdens the mission of any family leader and its very participants. Generally speaking, a male dominant father would envision a successful life as: he is debt free at his death, owns shelter on his head, availability of clothing and food resources, all daughters are educated and happily married with sufficient dowry, all sons are able enough to fish on their own, accumulated funds to at least service the expenses after his retirement, and lastly the 'sigh of relief' that he is leaving behind something for his wife and family. Such a family road map and future planning revolving around many responsibilities that can't be neglected, requires the male parent to strategize family objectives with the budget at hand.

The other two saving motives i.e. wealth accumulation and bequest motive have unexceptional significance as compared to the two motives explained above. Reason being, that both motives if viewed from cultural perspective results in a 'diminished responsibility'.

For example, a person would give up his accumulated funds in order to get his daughter married causing the motive to sink, or an another appropriate example should be that a person would care less about bequeathing inheritance if there are pressing problems

that need to be resolved now. However, both these motives can be associated with a particular set of life insurance buyers who aim to accumulate wealth or bequest large sums of money and be life insured at the same time.

In comparison with European and South East Asian countries, is life insured population low in Pakistan? Let's find out

Pakistan's life insurance industry has underperformed as compared with the European life insurance sector. Such a difference can be attributed to many reasons such as infrastructure development, financial literacy, and higher technological frontier etc. On other hand, if life insurance sector of Pakistan is compared with its neighboring countries such as India, Bangladesh, Iran and Sri Lanka; it would be surprising to notice that all countries have shown similar performance except India.

In the light of above information, one should ponder upon that despite such high risk life conditions, having a particular south Asian culture and a demanding life style; why Pakistani population is not inclined towards the purchase of life insurance? And what motivates other nations such as India and United Kingdom who do purchase life insurance?

Answer to the first question can be very extensive but can be summarized as that there could be both; external (such as alternative savings sources, affluent family background etc.) and internal (such as negative perception, religious reasons etc.) factors that undermines the demand for life insurance. Answer to the second; the more relevant question is very general because; everyone wants to secure the future of themselves and their family, maintain the same lifestyle in absence of the breadwinner, and desire to have the ample funds that would suffice at the time of need etc.

Thus, so far, we can conclude that life insured population of Pakistan currently is near to rock bottom level. Despite the presence of strong motives, Pakistanis do not perceive life insurance as a need. Moreover, when compared with countries like United Kingdom, Spain, Germany, France or India who follow Corporatist (Conservative) or Liberal (Anglo-Saxon) welfare models, substantial difference in life insurance demand is quite surprising to be found.

Problem Statement

"Despite the high risk profile of the country, the demand for life insurance is quite low. Knowing that

the saving motives required to derive the life insurance demand are healthy enough, challenge for the life insurers in Pakistan is to discover that whether the need for life insurance is recognized by the general public or not? And if it is recognized, then what is preventing them to purchase life insurance?"

Background

There could be many reasons preventing the potential customers to purchase life insurance. These reasons are grouped into broad categories which are as follows:

(1) Mindset, priorities and preferences

Did you even wonder, "what is the value of human life?" If yes, then you are around good people. In 1983, US President, Ronald Regan wrote, "The real question is not when life begins, but: what is the value of human life?". If we extend the same question for the 21st century, I rather should ask "Do our lives have equal value"?

Priorities and preferences of any nation shape its societal values and improve the culture on its own. For example, pricing of papers at high dollar value in some countries to reduce the consumption and consequently to save trees, countries limited in resources subsidizing the couples for 2 children decision, promoting cheap solar panel technology, not accepting higher tax revenues from industries that use coal as an energy source, fighting against STDs (sexually transmitted diseases), prohibition for pharmacies to supply medicines without a prescription from a certified medical practitioner, mandatory education, ending child labor, and above all, truly valuing the human life for what it is worth. Each year in developed countries, policymakers enhance the criteria to evaluate the worth of human life by setting higher frontier than before to help the nations achieve progression, betterment and prosperity.

Sad reality about the Pakistani nation is that billions are expensed and spent on the short lived joys. Most of our troubles are due to poor implementation, wrong priorities and unattainable targets. It is true to large extent that the priorities and preferences of Pakistani public haven't been close to where it ought to be. Carefree stance towards the "value of human life" is not only exhibited by the public. Policy makers have also failed to mark any promising effort. For example, low taxes on demerit goods, failure to ban the usage of betel nuts, inability to reduce pollution, homicide, natural causes, accidental deaths, and victims of terrorism or suicides are the major drivers of the high

death rate in Pakistan. Repetition of deaths around the country with similar or identical causes is a solid evidence of no concrete actions is taken either by the government on the federal level, by the public on the local front or by individuals on their own. Turning a blind eye from all fronts combined with little awareness, plain stupidity, and lack of education clearly endorses no to little value of a human life to others.

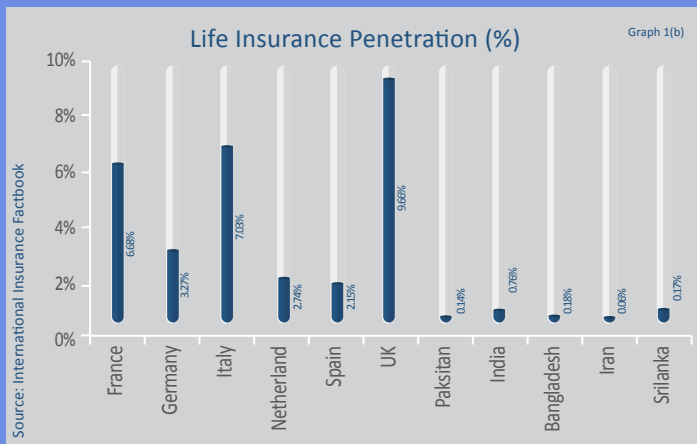
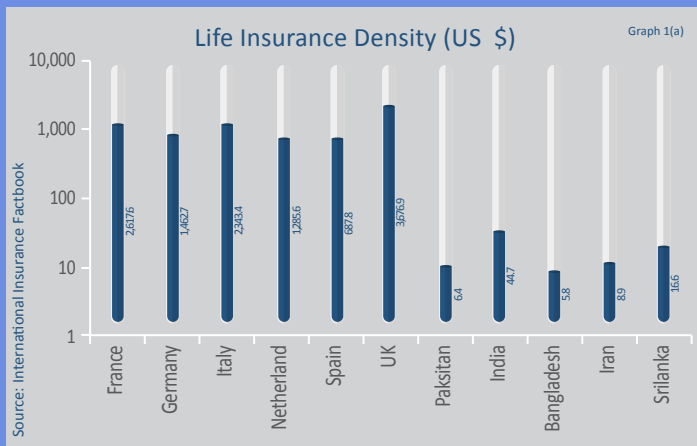
The very same mind set is also inflicted towards the lack of demand for life insurance or any other type of insurance. Cost incurred to ensure safety measures, indemnify oneself from the uncertain future losses is contemplated as a loss deal. For example, the installation of fire extinguishers is viewed as an unnecessary expense by many people, reason being that they expire after a certain period of time without being used for once. People who do not insure their cars, superstitiously believe that 'occurrence of mishap' and 'being insured' are mutually exclusive. Once we are insured, nothing goes wrong and premium payments seem like waste of money, and at the very moment when we are not, mishaps look out for us; trying to reach us badly. Such superstitious people rather take chances by avoiding insurance than opting for it.

Destructive mindset, illicit priorities and irrational preferences; all are the signs of regressive nations and economies. What causes them? Unreasonable way of thinking, frustration, income disparity, difference of life choices between the rich and poor, lack of education or financial literacy and somewhat the failure of religious preachers to deliver the correct message.

I believe that the most appropriate reason for not recognizing the life insurance as a need could be the degenerated mindset and the substandard outlook towards life of the general public.

(2) Religion

Lack of life insurance demand in Muslim countries of South East Asia² such as Pakistan, Bangladesh and Iran is mostly associated with rigorous and stringent beliefs that have been conveyed from time to time. Rejection of life insurance among Muslims is mostly due to any of the two reasons that are (1) Purchasing insurance shows distrust in God (2) Purchasing conventional insurance results in the indulgence of interest. The first reason dismisses the life insurance concept on baseless grounds whereas the second rationale is truly worth debating.



(2a) Religion – Buying insurance shows distrust in God

Much of the general public who really need life insurance coverage for themselves and the family, avoid life insurance purchases because they believe that the concept of life insurance contradicts with main tenants of Islam. Opposely in essence, life insurance is more like identical to the fundamentals of compensation and shared responsibility among the society where all Muslims agree to indemnify each other against unpredicted financial losses; eventually benefitting the Muslim families financially.

Muslim Jurists condemns the purchase of life insurance because it expresses the distrust towards God’s schemes. In layman terms, according to many religious scholars; “a person buying a life insurance contract believes that in case of his death, God is not going to help out his family and that is why the buyer insures his death”. Opposing argument in the favor of life insurance is that the life insurance cannot insure death. It rather insures the financial losses borne by widows and orphans of the family due to breadwinner’s death. In fact, life insurance ensures considerable protection for the off spring of the deceased, which is encouraged in Islam.

(2b) Religion – Buying Insurance leads to indulgence of Riba

The other reason to reject life insurance, which is much stronger, is that the conventional life insurance does

not comply with the rules of Sharia. The commandments of Islam and Qur’anic teachings strongly admonish Muslims to refrain from interest indulging contracts. Since conventional insurance premium is invested in Riba based assets and sizable return is paid in case of claim, therefore conventional life insurance is absolutely impermissible and forbidden for the believers. An appropriate solution is an alternative that puts forward the idea of investments in riba free assets, complying the rules of Sharia.

(3) Defamed Image and Negative Perception of Life Insurance Business

I always believe that every story has three sides to it: your side, my side and what really happened: the truth. We live in a society where rumors become the facts within twinkle of an eye, may be because people quote the incidents as if they were witness to it. A lie told often enough becomes the truth and this is how liars create “the illusion”.

Somewhat same thing has happened with the Life Insurance in Pakistan, mainly because as per Insurance Ordinance it is the contract of utmost good “faith” – that can be breached. Large sums of money are involved therefore both parties have strong incentives to manipulate and deceive the other. Having said that, responsibility to fulfill the contract in true spirit lies on the shoulders of both parties; not just the client.

One of the many reasons for sluggish expansion of life insurance business is the ugly image painted by the general public or its past or current clientele who actually are the biggest ambassadors of any business these days. Conversations that are general in nature tend to stereotype by encompassing and judging all the life insurers and all the aspects of life insurance business, which is unfair. It means that dissatisfied people do not vent off their aggression and anger to criticize any particular aspect, rather they generalize the business. Even if they criticize the life insurers for any particular point of view, the other listener does not spread the word the same way he heard.

The defamation and poor perception of a life insurers are results of many factors that play unique roles in their own capacity. Each of these factors have somehow not reacted in the favor of life insurance. How so? Let us view each factor separately.

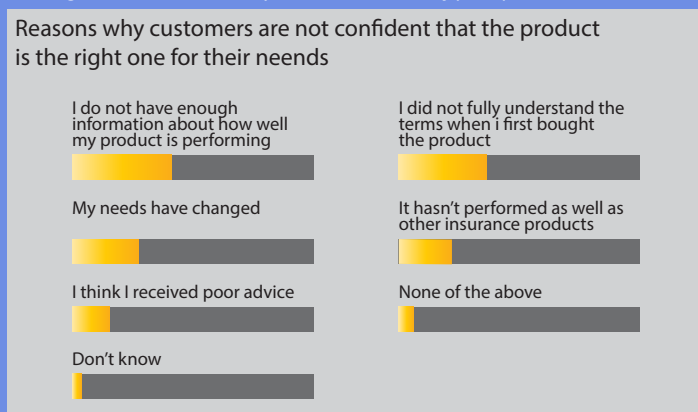
(3a) Post Purchase Dissonance

Post purchase dissonance refers to the feeling of regret or repentance. Such feelings develop during and after purchase of high-end expensive products that are acquired. It is mainly due to forced or hasty decisions,

and at times when adequate research about the product to be bought is not done.

In life insurance industry, sales agents actively pursue customers. During persuasion, agents highlight promising value, unrealized need of it, overall benefits etc.; in short all possible merits that accomplishes sale and commission for him but also raises the bar of customers` expectations. On other hand, buyers of life insurance policy believe the sales agent at face value and do not investigate about the product by themselves. There always are untold clauses that sales agent filter selectively. Buyers do not bother reading fine prints of policy documents during free look period. At discovering about hidden clauses through experience, policyholders react furiously and adopt exit strategy by using full surrender option or silent treatment i.e. lapsation. As a result, customer ends up being dissatisfied or counters post purchase dissonance. Consequently, both dissatisfaction and post purchase dissonance act as a grapevine, harming the general perception of life insurance.³

2. Image below shows many inherent causes of post purchase dissonance.



Note: There is a fine line that distinguishes misselling from hiding information. If an agent conceals vital information from client, it is not termed as misselling. It is the responsibility of buyer to carefully read terms & conditions, and to understand them with clarity. However, if an agent lies or cheats, it certainly falls in the misselling category.

(3b) Nature of Life Insurance Business

Life insurance industry in Pakistan follows Competitive Oligopoly market structure. There are few sellers and large number of buyers, which clearly explains the upper hand of producers or sellers. Therefore, corrective mechanism, better services, meeting ethical standards and good governance are not obligations rather compulsions for insurance companies because cost to bear; in case of non – compliance, is insignificant as compared to the aggregate gross premiums written in

favor of insurance business. As a result, willingness to provide high quality services may vary from one insurer to another, depending on the size of the portfolio and the ability of the insurer to deal with it. But out rightly blaming the life insurers is also unfair. For example, operational services in the life insurance industry involves documentation, paperwork and largely depends on the ability of the client to convey his problems and comprehend the guidelines provided by the staff members.

If there exists a wide gap of communication, then inefficiencies such as delayed responses, failure to explain guidelines, operational barriers, call-waiting, indifferent and inattentive attitude towards customers, poor communication skills, lack of empowerment and knowledge, inadequate customer data or under usage of it, inconvenient access to support, and many service related nuisances that are quite common can sum up to dissatisfy customers in effect. Such customers do not wish to carry long term relationships with company, and will escape the contracts if not sooner, then later.⁴ It should also be expected that dissatisfied clientele will badmouth about the insurer, hence defaming the life insurance business and perhaps, not categorically blaming any particular life insurer for its services.

3. With help of Likert scale with range from 1 (strongly disagree) to 5 (strongly agree), below table exhibits that out of 67 respondents, many think that poor complaint handling influences perception of life insurance organization.

Factors	5	4	3	2	1
Poor complaint handling	16 (23.9%)	26 (38.8%)	23 (34.3%)	2 (3%)	0 (0%)
Mis-selling by sales agent	4 (6%)	16 (23.9%)	26 (38.8%)	11 (16.4%)	10 (14.9%)

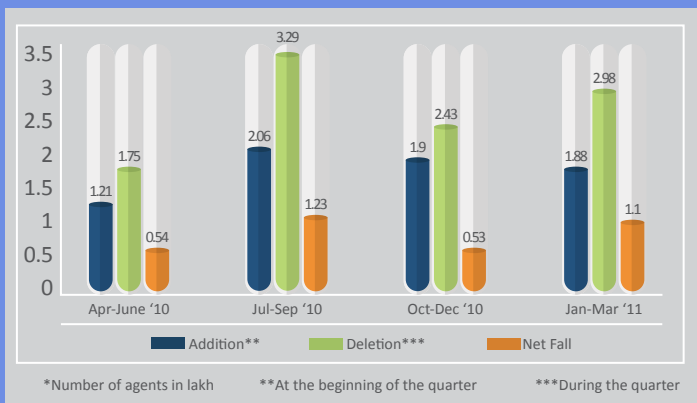
Source: Research data (2012)

(3c) Death of Honest & Qualified Agents

In life insurance industry, any company is represented by its sales force in local market whose main job is to bring in premium business. Its sales force is well trained and have acquired background knowledge of different intangible products that are proposed to the customer. Due to huge reliance on an intermediary, qualifying criteria to become a sales agent is not very stringent. Standards such as education and experience are usually set at low levels, which allows the general public to become the 'sales agent' within no time. As a result, anyone can qualify to become an agent, whether he or she possesses selling skills or not. Therefore, both, entry and exit of agents in sales

force is quite random in nature.⁵ Profession of a sale agent is a target oriented job. Requirement to do a certain business within specified time has to be met. Salaries of agents are predominantly based on commission which depends on targets provided to them by the company. Targets are both in terms of monetary value as well as numbers which are required to be achieved. Agents are on their toes to make maximum sales, therefore under pressure and time bounded constraints, they tend to sell wrong products; regardless of what is required by the customer. There are stronger chances that sales agent may commit something that insurer does not promise to honor. This is one of the major reasons for poor perception of insurance among the general public. Such instances lead to misselling, churning or rebating, which hurts the reputation of life insurers badly. Since, 'art of selling' is a unique set of skills that not everyone owns, most of the agents are more likely to quit within a year. During this whole time, whatever policies they had sold, become orphan.

4. South Asian countries have the similar trend in this regard. Given below image reflects inflows and outflows of agents for a single year in India.



(3d) Misselling

Insurance is a business of selling commitments. Promising something that company doesn't wish to honor is termed as misselling. Misselling is not unique to insurance and is likely to happen where intermediary is involved in selling process. True definition of misselling differs from the one used today. As per correct definition, free from connotation and interpretations, misselling means selling a product by painting a wrong image of it, or recommending different product than what was asked for! It may include providing false or impractical information. Why misselling occurs in first place?

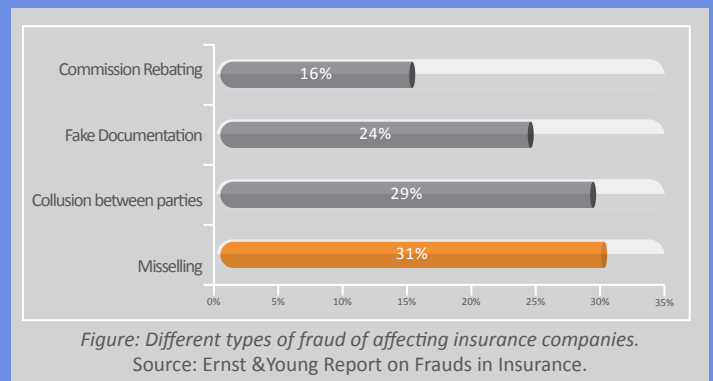
- Insurance products are complex in nature. Information asymmetry between the policyholder and the insurer lead to such controversies. Policy documents are full of

jargons which makes it beyond the comprehensive ability of the insured to interpret the real meaning.

- Insurance products are marketed aggressively. Most people fall for money trap that promises doubling the money in 5 years.
- Not everyone is financial literate. People are not aware of their financial goals which results in failure to analyze their needs and select products that should suit them. Instead, they help the agent achieve his goals rather than theirs.
- Many agents do not take this profession seriously. Their failure to understand the product and its covenants result in conveying wrong information to others.
- Reward system of agents creates an incentive to cheat and involve in unethical practices. Agent will earn more if he directs the client towards a plan that requires higher minimum premium payment, regardless of what client's needs are.

It is perceived that misselling has caused more damage to the life insurance business than any other factor. Reason being that it has ignited the fire of 'trust deficit'; which is a main ingredient for any life or non-life insurance business to thrive.⁶ It is quite unjust for the life insurance industry as a whole and also for those sales agents who are honest in their dealings.

5. A questionnaire survey exhibits different types of frauds prevalent in insurance industry pertaining to malpractices.



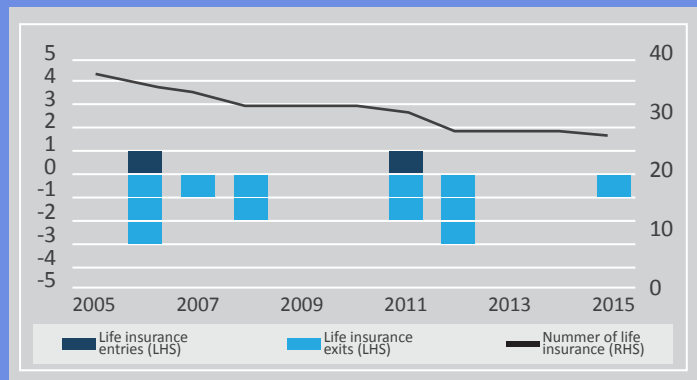
(4) Macroeconomic Factors

Not all factors can be controlled by the insurer. Many factors for instance employment, inflation and real income level are such in nature that impact life insurance demand indirectly. Macroeconomic factors are more renowned among other external factor for low life insurance demand. For example: high poverty level and low purchasing power dismiss many potential prospects who really need and may purchase life insurance. Likewise, when overall economy strengthens, influx of new customers is noticeable in the circle of life insurance. On the hand when overall economy

weakens, two-fold impact is observed. (1) fall in life insurance demand (2) exiting of current customers by lapsing their policies.

Life insurance industry is hurt most when economy is engulfed in recession. During financial turmoil 2008, ability of the general public to initiate and hold the life insurance contracts i.e. pay regular premium diminished widely. As a result, insurers did not collect as much premium as they forecasted, causing detrimental effects on insurer's profitability.⁷

6. Life insurance industry is hurt most when an economy is engulfed in recession. During financial turmoil 2008, the ability of policyholders to pay regular premium diminishes widely. As a result, insurers do not collect as much premium as they forecast, causing detrimental effects on insurer's profitability. The picture below illustrates that three big life insurers exited life insurance industry from 2007 till 2009.



(5) Alternative Investment Choices

With recent global growth, investment options have also broadened. Formerly, banks, saving certificates, shares investment and life insurance policy were traditional instruments people had relied on. Now a day, financial markets have extended in multi directions. Today, blend of finance world with marketing and sales disciplines; offer numerous opportunities to public where they can make quick return with minimal risks. With such a cut throat contest, it is reasonable to say that life insurance businesses have survived through tough times because they do not only compete among themselves, rather they struggle against financial industry all over the world. Amidst such circumstances, lack of life insurance demand, or movement of potential clientele from one insurer to another or towards non-insurer is reasonably possible.

Options and Implications

Calling key parties for collective action

Charity begins from home. The first step is always about self-evaluation. Scope to come up with rectification measures for all the parties involved are limited. Not a single stakeholder can mend all the obstacles stimulating the life insurance demand, even if it wants to. But stakeholders can pursue active partnerships among

themselves, in order to synergize much needed top-managerial approaches to restore the demand for life insurance to its expected level.

To begin with corrective action, it is an imperative to understand the (1) root causes for each of the problems hindering the growth of life insurance demand and (2) determining the group or groups who are in such a position to directly influence it. What is left in between is a strategical answer of how you do it! Studying how foreign life insurance industries have dealt with 'like' problems that we face today can be of high help. Problems faced by Pakistan's life insurance industry specific to the culture, customs, traditions and practices are to be repaired in a different manner, keeping in mind the psyche and behavioral conditioning of its general public.

Solutions and Rectification Measures

Since this case study is a thorough attempt to guide all the stakeholders towards the resolution of the problem of low insurance demand, therefore without directions that should be explored further, this case study is deficient and unfinished. Let us view that in what directions all the parties are required to work on:

- Awareness about the life insurance products specifications, how do they function and its maintenance.
- Life insurance purchases should be inspired by the motives. Selling should be based on needs, rather than targets, by using Big Data Techniques
- Transparency for clients & minimizing the role of sales agent, by changing the traditional business model.
- Jargon free, friendly, easy to understand and bilingual communication from the life insurer.
- Financial advisors on the inside of the life insurance company to prevent the clients from all sorts of miscommunication.
- Punishments by law to prevent fraudulent activities arising from both clients & the sales force. Forfeiting the entire premium or firing the sales agent is not the appropriate solution anymore.
- Undertaking by the client that he will not cheat, manipulate or plan to deceive.
- Federal or provincial policies requiring all citizens to be life insured with at least minimum possible sum coverage.
- Setting up separate tribunals, courts, ombudsman and complaint dealing offices at national level to contain the sentiment of 'trust deficit'

- Flexible products that can absorb the impact of change in macroeconomic variables
- Creating awareness about Takaful and Islamic insurance.
- Spreading the knowledge of life insurance in younger minds through the addition of life insurance courses in university curriculum
- Persuading the government to remove withholding tax on life insurance premium.
- Ensuring the quality of sales force.
- New product innovations catering to the special kids with needs, old age care, burial or final expenses, and sporty clients.
- Coming up with the products that reward consumers for improving their health in form of lower mortality rates.

Conclusion

We started off our analysis with an agenda that required us to determine that whether 'the need for life insurance' exists in our country or not. Highlighted motives which are inspired from: the culture that we are part of, the life style that we enjoy, and the circumstantial factors that revolve around us, should stimulate and trigger the exceptional life insurance demand. Regrettably, it is not the case. The predicament is that no concrete measures have been taken by any of the stakeholders in this regard. Not to discourage that if efforts have been really made to enhance the life insurance demand, collective action and synergized strategy is missing yet!

Speaking of collective action and synergized strategy, it should be highlighted that all stakeholders agree with the troubling low life insurance demand. However, the perceived rationale behind it and the responsibility share for each of them put the life insurance industry in the phase of 'quandary'.

The rationale behind the low life insurance demand varies from one stakeholder to another. Each party has its own story, incorporating the episodes of either blaming the other stakeholder, or recognizing the problems but aren't resourceful enough to resolve it, or having the capacity to fix the issues but do not have any legal and ethical responsibility to do so, or fulfilling the responsibility on their part but with a snail's pace, or identifying the problem but will not respond or react because it doesn't pertain to them.

I feel that it should be brought to light that rationale behind the low life insurance demand and assumed responsibility share differs among stakeholders due to

different past experiences they have had in the past. Such contrasting stance towards a serious issue cannot be merely attributed to the laziness of one party and the industriousness of other. There is definitely more to it that needs to be unearthed.

So, am I devising the disheartening notion that life insurance industry is doomed? Of course not! Believe me, it's the need of the public. It is always going to exist as long as people live for too long or die too early. Furthermore, emphasis on capturing the need with new techniques and strategies can change the outlook for life insurance industry in Pakistan by 2025.

We; as insurers, consumers, employees, shareholders, key industry players, regulatory bodies, and analysts want to know that are we all willing to work together in order to diminish the 'bad reputé' life insurance industry has got in its name? Are we seriously looking forward to decontaminate the life insurance industry from malpractices and fraudulent activities? We surely do not want the 'trust deficit' sentiment among our customers. A lot has to be done before it is too late.

