

**RELATIONSHIP BETWEEN MACROECONOMIC
VARIABLES WITH DEMAND FOR LIFE INSURANCE IN
MALAYSIA:
“A STUDY ON LIFE INSURANCE INDUSTRY IN
MALAYSIA”**

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اُنُوَرْسِيْتِي تِكْنُوْلُوْجِي مَرَا

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ABSTRACT

This study is undertaken to examine the demand for life insurance in Malaysia from the macroeconomic perspective. This study further examines the relationship between income, price of insurance, interest rate and inflation with the demand for life insurance industry in Malaysia. This study was done because the macroeconomic variable has an important influence on life business and this area has not been greatly researched in Malaysia. All the data used are in annual basis range from year the 1971 until year 2005. In analyzing the data, Multiple Linear Regression Model is used. The major findings of this study indicate that income and price of insurance are two important macroeconomic variables associated with the demand for life insurance industry in Malaysia, meanwhile, another two variables which are interest rate and inflation shows that they have insignificant relationship with the demand for life insurance industry in Malaysia.

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