

Spotlight on insurance (Part IV)

A look at property and travel insurance

Part III of Information International's insurance survey explores the smaller categories of property and travel insurance. According to the survey, which was based on a population proportionate sample of 400 respondents across Greater Beirut, only a small percentage of residents have some form of property insurance, with less than 3% covered against fire, theft or natural hazards, as shown in Graph 1. The majority of policy holders insured themselves personally, rather than securing coverage through work or other means.

The majority of those who don't have any property insurance were simply uninterested in such coverage. Other respondents said they could not handle the expense, while still others considered it a waste of money. The results indicated a lack of awareness about such coverage and its benefits.

In terms of geographical distribution, those residing in Aley were the most likely to be insured, perhaps due to high rental and ownership by Gulf citizens in the area, followed by residents of Beirut, Baabda and Metn. Distribution by age indicated that coverage was found mostly in the 35-44 age bracket. Those in the 22-34 age bracket came next, followed by those aged 45-54 and 55-64.

A correlation between income and property insurance was also detected, with an increased proportion of the insured found at progressively higher income levels.

Respondents were asked to rank the importance of factors when purchasing property insurance, with results by the percentage of respondents shown in Graph 2. When calculated on average, on a scale of 1 to 3 (3 being the most important), company reputation was rated the highest at 2.61, followed by policy coverage at 2.59 and price at 2.56. The ease in dealing with the insurance company came next at 2.55, while the size of the company was rated at 2.32. Having personal contact with the company was the least important factor at 2.21.

Travel

The least significant insurance category in terms of insurance market revenues was travel insurance. A mere 1.5% of respondents said they purchase travel insurance, while the majority said they do not travel or were not interested in purchasing insurance for their trips.

As shown in Graph 3, the most important factor when purchasing travel insurance was policy coverage. It ranked an average of 2.47 on a scale of 1 to 3, followed by company reputation at 2.49, ease in dealing with the company at 2.45, price at 2.42, company size at 2.28 and, finally, personal contact at 2.15.

