Russian Citizens’ Attitude towards Insurance Policies as a Factor of Individual’s Economic Security

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Abstract: In nowadays conditions, insurance provides the opportunity for market system of economic management to work in any state. To provide economic security of the person it is needed to create a mechanism of protection against internal and external threats in modern Russia. That’s why the role of citizens insurance policy is increasing as the most effective risk management institute and achieving safety of health and private property of citizens. The goal of this research is to study Russian citizens’ attitudes towards insurance policy and investment using the conception of personal economic security. The preparatory study stage was focused on theoretical understanding of economic security problems taking insurance field as an example. Empirical research consisted of four stages. There were 1793 people taking part in this research. Results of this study can be proposed in the program of improving the functioning of the insurance market in the Russian Federation in The framework of the strategy of development of the insurance market - 2020. The obtained results can be used in Politics and Economics in the development of a set of measures related to lawmaking, control of financial institutions, promotion of financial literacy of the population, preparation of courses for universities and trainings for participants of the insurance market. The typologies of policyholders which were given can be the basis to create insurance programs for the citizens.

Keywords: insurance behavior, economic security of the person, the typology of the policyholders

1. Introduction

Nowadays in Russia the development of the state insurance policy has entered a period of relative stability. Many years later, against the background of acute social problems and the rapid development of the market economy, the insurance Institute returned to the Russian economy. But there are two problems of our time: the citizens’ lack of insurance and investment culture due to a lack of economic knowledge, financial literacy; the need for consideration of the state institutions in the adoption and implementation of legislation psychological aspects of insurance [1].

Due to the fact that the insurance process itself is largely a psychological category, but still controlled by the state economic policy, we considered it timely and necessary to conduct research in the framework of political and economic psychology and formulated the following research problems. First, it revealed the lack of monitoring of psychological studies of the relationship of citizens to the insurance and investment policy. This monitoring would allow to develop insurance programs subject to the trust and the preferences of citizens to the different insurance products and agents in the insurance market. Secondly, there is a lack of scientific research on the typology of insurance behavior, determining the factors of economic security of the individual in the context of insurance behavior of the citizen.

There was the study of citizens’ attitude to the policy of insurance and investment as a factor of economic security of the individual conducted from 2008-2019. Its’ goal was to study the
psychological attitude of Russian citizens to the policy of insurance and investment as a factor of economic security of the individual.

The study consisted of four stages. The 1st (preparatory) stage, in order to collect the characteristics describing the attitude to insurance policy, the study of clients of insurance companies of St.-Petersburg and Leningrad region was carried out with the help of longitudinal research using the method of observation and semi-structured individual interviews. As the most important determinants influencing the attitude of citizens to the policy of insurance, the preferences of citizens in insurance policy (expediency of insurance, rational its choice of insurance product), perception of risk, financial anxiety and attitude to economic policy in General are defined.

At the second stage of the pilot study, preferences in insurance and financial anxiety of clients of insurance companies from Saint-Petersburg and Leningrad region were measured with the help of author's multifactor inventories.

At the third stage of the study, the characteristics of the citizens' attitude to the economic policy of the Russian Federation and, in particular, to the policy of insurance and investment, taxation, policy of benefits and economic attitude (author's inventory AEP (Attitudes to Economic Policy) O.S. Deyneka and O.V Medyanik) as well as economic attitudes (Inventory of economic attitudes O.S. Deyneka's, E.A. Zabelina's) [4].

At the fourth stage of the study we maid main research on citizens' attitude to insurance policy using author's Inventory PIP (Perception to Insurance Policy).

The design of the present study was based on empirical Dr. O.S. Deyneka's works, which studied the image of the main subject of economic policy (the government) in different periods of Russian society in representatives of different social groups [2,3]. In our study, we combined the inventory and the method of longitudinal observation with semi-structured interview. The inclusion of observation in the study made it possible to make the analysis more correctly by studying certain psychological characteristics of the subject for a long time.

Development of the research scheme was based on the traditions of political and economic psychology school of St. Petersburg state University, Institute of psychology of RAS.

2. Materials and Methods

There was longitudinal study and it lasted for eight years during the period from 2008 to 2016, and included the observation method in combination with the method of interview on the first (preparatory) stage of the research. In total, the sample of the study included 3304 clients of different insurance companies in St. Petersburg and Leningrad region (RESO, Ingosstrakh, ERGO). There were 1 254 people in a group of longitudinal study, who annually extend their previously concluded contracts of insurance.

The use of qualitative method of analysis of insurance behavior for a long time was justified as a condition of preparation for quantitative methods of analysis.

The method of longitudinal research made it possible to obtain data on the process of socialization of policyholders, stable psychological characteristics of behavior. Rationality, risk, financial anxiety, attitude to insurance policy and insurance trust were the criteria for the classification of types of insurance behavior. Further, the method assumed the description of insurers by types characterized by relatively homogeneous characteristics determined by socio-economic and psychological characteristics of their behavior in the insurance market. Each type of insurance behavior included expressed signs or a set of symptoms, which were developed and numbered for further interpretation of the results.

The study assessed the attitude of citizens to insurance as a financial institution in General, legislative initiatives in this area of economic policy, the measure of loyalty to an insurance company and its proposed insurance products, revealed both positive and negative views on the work of insurance structures.

For a sample of the organization of the method in the preparation of the map of observation of the behavior of policyholders was taken construct Observation Maps D. Stott [6]. Monitoring chart for insurance behavior included five symptom complex of insurance behavior.
In the second stage to improve the reliability of the data obtained by the method of longitudinal observation on the first stage of the research was performed methodological and empirical part of the research program related to the development and testing of quantitative methods for the study of psychological and psycho-political characteristics of the relationship of citizens to the policy of insurance.

To solve the purposes set in the pilot study, in accordance with the conceptual scheme of the study, two authors’ inventory were developed (“Preferences of citizens in insurance policy”, “Financial anxiety”), some of the statements which were then included in the version of the main study of the 4th stage.

The design of the study which was developed at the 2nd stage was based on the results of a longitudinal study of the behavior of policyholders and was aimed to identify preferences in insurance policy (expediency and benefit of insurance), susceptibility to risk (acceptance, transfer, risk avoidance). The surveys were posted on the SurveyMonkey online survey platform (https://ru.surveymonkey.com).

The inventory "Insurance policy preference questionnaire" is designed to study the marketing preferences of respondents in insurance The contents of the questionnaire included the following political-psychological phenomena: the request of citizens to state control over the insurance market participants; principles of interaction between citizens and agents of the insurance market (banks, insurance companies); the ratio of citizens to insurance institutions; the priorities in the policy of insurance; the rationality of choice of insurance products, attitude to risk and responsibility in the insurance sector. Introduction to design the study of this technique is justified by the need to confirm two criteria: 1. rationality (rationality of insurance (benefit); rationality of choice (price, availability, service), 2. risk (risk susceptibility, acceptance, transfer, risk avoidance). 55 clients of different insurance companies of St. Petersburg and Leningrad region("RESO","ERGO RUS", "Ingosstrakh") including 32 women and 23 men aged mainly 25-45 years with a subjective average and high-income level, took part in the survey of citizens’ preferences in the insurance policy.

The second inventory named "Financial anxiety" was filled with statements which were reflecting psychosomatic personality disorders that characterize financial anxiety. Insurance of risks by a citizen is a basic cause of concern and anxiety for personal economic security. Some common signs of financial anxiety included statements which concerned feelings of depression or anxiety about finances, worries of embezzlement, loss of funds, the need to be frugal, discomfort and ambivalence in relation to the growth of wealth, the problems of transferring financial risks to the business of intermediaries, the inability to change the financial behavior of the volatility of the family budget. The statements were selected taking into account the accentuated mental forms of behavior associated with the problems that a person may face in economic and economic life.

The inventory is designed to study the psychological and clinical aspects of financial anxiety of consumers of the insurance market and other manifestations of economic life. The foreign community of experts in psychology and psychiatry identifies financial anxiety as part of a generalized anxiety disorder, but has not recognized it yet as an official diagnosis. 53 clients of different insurance companies of St. Petersburg and Leningrad region took part in the survey on financial anxiety, 26 of them were women and 27 men aged mainly from 25-45 years with a subjective average and high income.

The purpose of the 3rd stage of the study was to study the psychological and political background of the attitude of Russians to economic policy [2,3,4] in the context of insurance, as well as tax, social policy benefits, attitude to charity and the quality of economic life. The rationale for the choice of the empirical base of the study was the analysis of both domestic and foreign studies on the development of problems of citizens’ attitude to economic policy and its institutional economic fragments: insurance, investment, taxation, etc.

Our study of attitudes to economic policy and reforms on the example of the insurance industry was conducted in 2018, when citizens were most acutely aware of the aggravation of foreign policy and sanctions pressure from Western countries.

On the 4th stage of the study, the AEP questionnaire included three sets of statements: on the attitude to insurance and investment, on taxes and benefits, and on the quality of life.

The first block of the questionnaire was used to study respondents’ confidence in economic policy in General and in the insurance system in particular. For example, respondents were asked to assess the degree of agreement with the statements that the state, as a guarantor, needs to strictly control financial institutions (insurance companies, banks, pension Fund); studied insurance preferences (choice of compulsory and voluntary types of insurance, insurance planning, abandonment of insurance activities); estimated confidence in market agents.

With the help of the second block of the questionnaire, the attitude to tax and social policy was studied. Respondents were asked to assess the degree of confidence in the modern tax system. Some of the allegations concerned corruption components of the system, for example, "Taxes - a feeding trough for officials." Social policy was presented by statements concerning the issue of benefits for the poor, etc.

The third block of the questionnaire was devoted to the subjective assessment of the quality of life and economic and psychological adaptation of the Respondent.

The questionnaire combined the attitude to some internal political problems of the country and the idea of financial management of the citizen.

The study involved 127 citizens (actual and potential policyholders) of the Russian Federation (including 87 citizens of St. Petersburg and 40 from other regions of the Russian Federation). The sample included 82 women and 45 men aged 18 to 68 years, i.e. it was heterogeneous. Respondents were represented by consumers of insurance services and citizens not related to insurance activities.

On the 4th stage of the study (2019), we developed an inventory to measure citizens’ perception of insurance policy (PIP), which was created on the basis of previous inventories, the materials of theoretical analysis and longitudinal study and is intended for practical use.

According to the analysis of theoretical concepts and empirical researches themselves the inventory of PIP included five main directions:

- expediency of insurance (benefit). Citizen’s perception of insurance policy (PIP) is based on the assessment of the feasibility and necessity of purchasing insurance products. The assessment of expediency is determined by the list of assumed risks, taking into account the probability of their occurrence and the awareness of losses that can occur under adverse circumstances;
- rationality of choice (price, availability, service). Rationality largely depends on the marketing preferences of the consumer, which is determined by the benefits of purchasing an insurance policy, economic patriotism, financial literacy (education) of the citizen;
- risk susceptibility (acceptance, transfer, risk avoidance). This indicator is determined by the individual aspect of the citizen’s susceptibility to risk especially who the citizen is ready to transfer responsibility for the preservation of his property in case of danger: the state, insurance companies, relatives and friends or himself;
- financial anxiety (internal feeling of economic security, financial uncertainty). Characteristics of financial anxiety become a component of general subjective citizens’ perception of insurance. The PIP inventory also reflects the positivity and negativity of the individual’s thoughts and expectations about his financial future, taking into account the manifestation of anxiety and anxiety for his stability and the experience of satisfying consumption in the insurance sector;
- perception of insurance policy (insurance trust, psychological background, conditions, settings). It is based on the General subjective trust of citizens not only to insurance institutions, but also to the economy in common. This indicator reflects the attitude to the state as a guarantee of stability in the economy and a regulator of economic institutions. The study involved 304 citizens (actual and potential policyholders) of the Russian Federation.

3. Results and Discussion
The program of the research of the attitude is developed and approved of citizens to the insurance policy, which included the design of the longitudinal research using the method of observation and semi-structured individual interviews with insurance clients companies and more scale multifactor questionnaire of citizens’ preferences in insurance policy, financial anxiety, attitudes citizens to the policy of insurance and investment (the questionnaire AEP) in combination with tested questionnaires of other authors-methods of economic attitudes (Deyneka, Zabelina), the scale of tolerance-intolerance identity uncertainty, scale life satisfaction (Diner) for both topical and potential policyholders.

The results of the study of the attitude of Russian citizens to state insurance and investment showed a contradictory attitude of citizens to insurance policy and lack of psychological readiness to shift economic risks to insurance companies.

The use of the term "Economic security" is justified personality as a long-term state of personal financial stability provisions for the manifestation of external and internal threats to the personal financial sovereignty, independence, capacity for economic development that provides the opportunity to meet and expand economic need.

Longitudinal monitoring of the behavior of insurance consumers services allowed to develop a typology of policyholders, which included four types: rational, anxious, trustful, risky. Describe there are also four types of strategies of insurance behavior [2]: rational and alarming, rational-risky, anxious-trusting, risky-trusting.

Factor structure of preferences in insurance policy, obtained on the sample of actual policyholders, contains the factor market installation, the paternalistic factor installation factor tentatively-search activity, the factor of financial literacy, factor of the reasons constraining insurance policy. Cluster analysis of empirical data confirmed the presence of three types of policyholders: "Supporter of market economy", "Paternalists" and "Neutral". "Paternalists" link the problems of the insurance industry and distrust of insurance companies with poor state control of activities insurance companies and other financial institutions, as well as the lack of fair distribution of income of the population. For such citizens the need to adopt fair economic policies is important laws."Supporter of market economy" distance themselves from the request for state control. The third category - "Neutral" - are those insurers who are clearly not trust market institutions, but also to the role of the state are without special hope.

The factor structure of the financial anxiety questionnaire included factors affecting situational behavior that is associated with the loss of money, experiences of their deficit, awareness of investment risks, needs insurance coverage, financial optimism. Financial anxiety and uncertainty triggers consumer interest in insurance and investment products that can give him confidence in tomorrow and get rid of the feelings of ruin or loss of property.

Analysis of gender differences in attitudes towards economic policy showed that women have higher social internality than men. They are more likely to attribute blame for the problems in the country's economy citizens and more trust the policy pursued state. Women, unlike men, advocate for targeted assistance in preferential security policy. They believe that benefits should be received only families in need. Women are more prone to stability and conservatism, trusting and "socially naive", men-more are prone to risk and rational strategies in economic behavior.

Empirical research has shown that tolerant (positive) the attitude of citizens to insurance is a factor of increase economic security and tolerance to the economic situation uncertainty: more tolerant to uncertainty citizens will find themselves more satisfied with economic policy of their country. As there is a relationship between satisfaction life and attitude to economic policy: the higher satisfaction with life, the more positive attitude to the results economic policy in Russia.

The results of the study conducted on a sample of relevant and potential policyholders, confirmed the typological differences, obtained in the study of current policyholders. The typology dividing citizens into "Paternalists" is confirmed", "Supporter of market economy" and "Neutral" in relation to different aspects economic policy, including insurance was made.

On the basis of the theoretical analysis the generalizing the structure of the concepts of insurance behavior of a citizen in modern market economy, where the basis of perception of
financial well-being is the economic security of the individual. A conceptual framework is proposed for the model of studying insurance behavior as a factor of economic security of person. The author's vision of the key elements is proposed effective insurance policy, taking into account the psychological aspects of modern Russia.

On the basis of the generalized structure of the concepts of insurance behavior and the empirical study of the attitude to politics insurance designed tiered structure that favors formation of insurance trust of citizens, including the block of financial anxiety, the unit value of insurance coverage, block financial literacy, insurance culture, economic security unit persons (in the context of insurance trust).

Factor analysis of the data PIP Inventory was used to validate the proposed blocks. We have identified the 5 most interpretable factors, including the opinion on the approval of 1 of 33.

Thus, the structure of the attitude to insurance policy included 5 factors that describe 41.25% of the obtained variance and empirically proved the correctness in the choice of the structural foundations laid initially in the PIP Invention. Factor analysis and identified with the help of it the structure of the respondents had sent the basis for the selection of the typology of the respondents: "Financial anxiety", "Prosecuting authorities", "Supporter of market economy", "Active policyholders" and "Paternalist". Next, consider the significant differences between these types and other variables in the PIP Inventory. The analysis of the data showed that there are no significant differences between the choice of insurance products and the presence of financial anxiety of the individual and citizens who accuse the government of the implementation of economic policy. Significant differences were observed between the choice of the insurance product and those groups that combined the features of the market behavior factor ("Supporter of market economy"), the expediency of insurance ("Active policyholders") and the perception of risk ("Paternalists").

"Supporter of market economy" using rational strategies in economic behavior, they are not characterized by market strategies in behavior, they are not characterized by rational attitudes. The "Supporter of market economy" using rational strategies in economic behavior, there were more those who prefer to buy insurance policies OSAKO, KASCO, real estate insurance. "Active policyholders" - buy expensive voluntary insurance programs (real estate insurance, hull insurance, VHI, life insurance). "Paternalists" are much less likely to participate in the active consumption of insurance products.

Significant differences were found in 5 risk perception factors ("Paternalists") between those who work for state-owned enterprises and those working in the commercial sphere. Among the "paternalists" are more those who work in the public sector and less those who work in the commercial sector.

There were significant differences in the 3 factors of market behavior ("Active policyholders") and the assessment of subjective income. Those citizens who assess their income as low, rarely use market strategies in behavior, they are not characterized by rational attitudes. There are more middle-income citizens who adopt market economic policies.

The following distribution found differences in financial anxiety ("Financial anxiety") between the poorest and the wealthiest groups, starting with those "who can buy, for example, basic household appliances".

Those experiencing financial anxiety and uncertainty are more among those who are experiencing financial difficulties and whose families have enough money only for food. Respondents from families with average incomes and above showed less financial anxiety and concern for their future.

There were significant differences in the attitude to economic policy ("Accusing the authorities") in relation to the assessment of the socio-economic status of the family. Citizens whose families are middle-income and above-average are more likely to blame the government for the economic problems of the country and are dissatisfied with the consumer situation in the country. Influence of typological features of personality on the choice of compulsory or voluntary insurance programs.

In order to predict the influence of typological features on the choice of compulsory and voluntary insurance programs, an analysis was carried out using logistic regression, a method of constructing a linear classifier that allows to estimate the probability of belonging of objects to classes where the dependent variable took values 0 if the Respondent did not use optional insurance
programs, and 1 if used. The calculation removed the scores of 20 respondents who had no insurance experience at all.

The compulsory programs included, conditionally, insurance programs, where the policyholder is forced to purchase an insurance policy at the request of banks or other structures: mortgage insurance (the policyholder is forced to purchase a mortgage insurance policy at the request of the Bank when obtaining a loan for an apartment or house), travel insurance for traveling abroad (the policyholder is forced to present it when obtaining a visa) and mandatory insurance program. All other programs (KASCO, real estate, life, accident, VHI) are included in the block of voluntary types of insurance, which are purchased at the request of the insured.

As a result of this work, the following final model was formulated (table 1).

**Table 1.** Influence of typological features of personality on the choice of compulsory or voluntary insurance programs (N=304)

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.44293</td>
</tr>
<tr>
<td>&quot;Financial anxiety&quot;</td>
<td>-0.08752</td>
</tr>
<tr>
<td>&quot;Blaming authorities&quot;</td>
<td>0.20463</td>
</tr>
<tr>
<td>&quot;Supporter of market economy&quot;</td>
<td>0.60533</td>
</tr>
<tr>
<td>&quot;Active policyholders&quot;</td>
<td>0.94361</td>
</tr>
<tr>
<td>&quot;Paternalistic&quot;</td>
<td>-0.21668</td>
</tr>
<tr>
<td>Pseudo R-squared</td>
<td>0.26</td>
</tr>
</tbody>
</table>

Note: p<0.001 - ***

The results of the regression analysis showed, that it is more likely that respondents included in the number of "relevant insurers" and "supporter of market economy" prefer the program of voluntary insurance. Thus, the possibility of a positive attitude of citizens to the insurance policy will be higher mainly among citizens who has already had experience with the insurance sector and citizens working in the commercial sector of the economy, using rational and market strategies in their economic behavior.

To sum up the main results of the analysis of the attitude of citizens in insurance policy, we can make the following conclusions.

Nowadays citizens relation to insurance policy are divided:
- paternalistic citizens- those who often work in the public sector, do not trust insurance institutions, considering it impractical to transfer their property and non-property risks on the shoulders of business, insurance companies and other agents of the insurance market. They believe that all insurance contingencies should be the responsibility of the state and prefer to limit consumption by buying only compulsory insurance programs, such as OSAGO.
- the next category of citizens- those who work mainly in commercial sector, with middle income.

They approve market policy of the state and increase the consumption of insurance products, including voluntary types of insurance. Their main strategies in making insurance-rationality in making decisions.
- most financially anxious citizens were those who have low subjective income and not participating in insurance activities. Those citizens who assess their income as low, rarely use market strategies in behavior, they are not characterized by rational attitudes.
- among the citizens who accuse the government and politicians, there are more those who are dissatisfied with economic policy as a consumer. And more often it is citizens with average and above average income. But these citizens are less likely to experience financial anxiety for their future.
-there is a category of citizens for whom insurance today is the main strategy for the preservation of all unforeseen situations. They acquire not only compulsory insurance programs, but also voluntary ones.

4. Conclusions

Thus, insurance trust is a necessary component of the investment behavior of consumers. Citizen needs not only knowledge, but also faith in making serious long-term decisions to shift the risk to the insurance market agents.

It is necessary to stimulate the increase of financial literacy of citizens with materialistic attitudes, to increase trust to Insurance Institute and to develop rational qualities of the citizens’ economic behavior.

Acknowledgments: The study took into account the recommendations of the Department of social and economic psychology of the University of Gottingen (Dr. Katharina Gangl, Georg-August-University Gottingen, Georg-Elias-Müller-Institute of Psychology, Department of Economic and Social Psychology), the Federal network methodological center of the Moscow State University within the project of the Ministry of Finance of the Russian Federation and the world Bank "Promotion of financial literacy and development of financial education in the Russian Federation" (Dr. S.A. Belozerov). Parts of scientific research were performed at the Scientific Park of St.Petersburg State University "Center for Sociological and Internet Research" (Dr. V.N Minina, S. M. Snopova, D. Yudina) and The American psychological Association in the analysis of journal article about standards for qualitative primary and mixed research methods.

6. References