



Article

# Analysis of Matana University Student's Views on Insurance in Indonesia

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**Abstract:** Insurance plays an important role in providing financial security and risk protection; however, participation among young adults in Indonesia remains relatively moderate. This study aims to analyze Matana University students' views on insurance, including their awareness, ownership status, perceived importance, and preferred insurance products. The research employs a descriptive statistical method using primary data collected through online questionnaires distributed to 30 students. Reliability testing resulted in a Cronbach's alpha value of 0.7, indicating acceptable internal consistency, while validity testing confirmed that all questionnaire items met the required standards. The findings reveal that 91% of respondents already own insurance products, with life and health insurance being the most commonly held types. Government-provided BPJS Health emerged as the most preferred insurance product due to affordability and accessibility. Overall, students demonstrate a positive perception of insurance, viewing it as an essential instrument for financial protection, security, and long-term financial planning.

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## 1. Introduction

Insurance, as a financial protection instrument, plays a fundamental role in safeguarding individuals and households from unexpected financial risks. In principle, insurance operates through a risk-transfer mechanism in which policyholders pay premiums to insurance providers in exchange for financial compensation when specific risks occur. As emphasized by McNamara (2020) in *Principles of Risk Management and Insurance*, insurance is designed to reduce the financial burden arising from unforeseen events such as illness, death, accidents, or property loss. In a broader economic context, insurance also contributes to financial system stability by distributing risk across a wider pool of participants. Therefore, understanding public perception of insurance is not only relevant at the individual level but also at the societal level.

In Indonesia, the insurance industry continues to grow alongside increasing public awareness of financial planning and risk management. Nevertheless, levels of insurance literacy and participation among young adults remain relatively moderate compared to other financial products. University students, as part of the emerging educated generation, represent a strategic demographic group whose perceptions may shape future demand and policy orientation in the insurance sector. Within the context of Matana University, whose students come from diverse academic disciplines and socio-economic backgrounds, examining students' views on insurance offers an opportunity to understand how the younger generation interprets financial protection in today's dynamic environment.

Previous studies have highlighted that young people's intention to use insurance products is influenced by financial literacy, trust, perceived benefits, social influence, and cultural context. Research by Susanti and Ardyan (2021) in *Enhancing Young Generation Intention to Use Life Insurance in Indonesia* found that positive perceptions and financial knowledge significantly affect the intention of individuals aged 17–25 to use life insurance products. Similarly, several recent studies (2020–2024) indicate that financial literacy and digital exposure play crucial roles in shaping insurance adoption among millennials and Generation Z in developing countries, including Indonesia. These findings suggest that although awareness is increasing, the depth of understanding and actual participation levels may vary substantially among students.

However, a clear research gap remains. Most empirical studies conducted between 2020 and 2024 focus on general young consumers or urban populations, emphasizing behavioral intention, digital insurance platforms, or financial literacy levels at the national scale. For example, studies published in journals such as the *Journal of Asian Finance, Economics and Business* (2020–2023) and *Sustainability* (2022) predominantly analyze determinants of insurance adoption using structural models, yet they rarely explore in-depth perception-based analysis within specific university environments. Furthermore, there is limited research that specifically investigates how students from a single private university in Indonesia interpret the importance, trustworthiness, and relevance of insurance in their personal financial planning. This gap indicates the need for contextualized research that captures students' subjective views rather than solely measuring intention or literacy levels.

Based on the issues outlined above, this study aims to analyze Matana University students' views on insurance in Indonesia, particularly regarding its perceived importance, influence, and level of ownership among students. By identifying how students understand and evaluate insurance as a financial protection tool, this research is expected to provide insights into the role of insurance within the younger academic community. The findings may serve as a foundation for future collaboration between universities and insurance institutions to enhance financial education initiatives, promote informed decision-making, and strengthen students' awareness of risk management in their financial lives.

## 2. Literature Review

Insurance is widely recognized as an essential component of financial planning and risk management. According to George E. Rejda and Michael McNamara (2020), insurance serves as a mechanism for transferring financial risk from individuals to institutions through premium-based agreements. In modern financial systems, insurance does not merely function as protection but also as a tool for financial stability and economic resilience. Within developing countries such as Indonesia, the development of the insurance sector is closely linked to public trust, literacy, and institutional credibility. Therefore, understanding how individuals perceive insurance becomes an important foundation for assessing market growth and sustainability.

Financial literacy has consistently been identified as one of the most influential factors affecting insurance adoption. Research by Bongomin et al. (2020) published in the *Journal of Asian Finance, Economics and Business* shows that financial literacy significantly influences financial inclusion and product adoption among young adults. Similarly, a study by Grohmann (2021) in the *Journal of Consumer Affairs* highlights that individuals with higher financial literacy demonstrate stronger financial planning behavior, including risk mitigation through insurance products. These findings indicate that knowledge and understanding are key determinants in shaping positive attitudes toward insurance participation.

In addition to literacy, trust and perceived value play central roles in influencing insurance usage. Susanti and Ardyana (2021), in their study examining Indonesian youth, found that perceived benefits and institutional trust significantly affect the intention to purchase life insurance. Their findings emphasize that young consumers are more likely to adopt insurance products when they perceive clear value and reliability from providers. Furthermore, research published in *Sustainability* by Chen et al. (2022) demonstrates that customer perception and behavioral analysis are increasingly important in sustainable insurance development, particularly in identifying potential clients and long-term participation trends. These studies suggest that psychological and perceptual factors are as important as financial capability.

Recent literature (2020–2024) also highlights the growing role of digitalization in shaping insurance perception among Generation Z and millennials. Digital platforms, social media exposure, and fintech integration significantly influence awareness and accessibility of insurance products. According to research published in *Heliyon* (2023), digital financial education positively moderates the relationship between financial literacy and financial product adoption among young adults in Southeast Asia. This suggests that students' exposure to digital financial information may strengthen or reshape their perception toward insurance products.

Despite these contributions, limited studies specifically explore perception-based analysis within a single university context in Indonesia. Most prior studies focus on intention models, structural equation modeling, or national survey data. There remains a gap in localized, perception-driven research that captures how students interpret the importance, relevance, and necessity of insurance in their personal lives. Therefore, this study contributes to the literature by providing contextual insight into Matana University students' views on insurance,

complementing existing findings on literacy, trust, and behavioral intention with a focused institutional perspective.

### 3. Materials and Methods

This research uses descriptive statistical methods by describing data structures such as frequency, average, and data distribution. Thus, the research objective of seeing how the level of awareness of students on the Matana campus about insurance will be achieved from the results of descriptive statistical analysis. This analysis will be carried out with the help of *R software*, which analyzes each question so as to produce an overview of the distribution of respondents.

#### 2.1. Scope of Research

The research place chosen is the Matana campus environment, with research time from December 11, 2023 to December 15, 2023. The reason for choosing a place on the Matana campus is to see in the immediate environment whether they understand insurance. The sampling technique used is *purposive sampling* where the sample taken is the result of the researcher's consideration which is deemed sufficient to answer the objectives of the study. Usually this sampling technique is used to evaluate a problem.

#### 2.2. Research Data Source

Data used in this study is primary data collected through *google forms* distributed to Matana campus students. The questions given to respondents are about awareness of insurance, insurance benefits, and types of insurance. Thus, researchers will measure the level of awareness of students at the Matana campus about insurance. The sample taken by the researcher was 30 samples in accordance with the guidelines for the number of samples, namely 30 to 500 samples (Resce 1975).

#### 2.3. Data Collection Technique

The data collection technique used in this study was a questionnaire. A questionnaire is one of the data collection techniques that contains several questions that need to be answered by respondents or research subjects. The questions asked can be open or closed in addition, the questionnaire does not only contain questions but can also be a statement. Information collection is done by distributing questionnaires online.

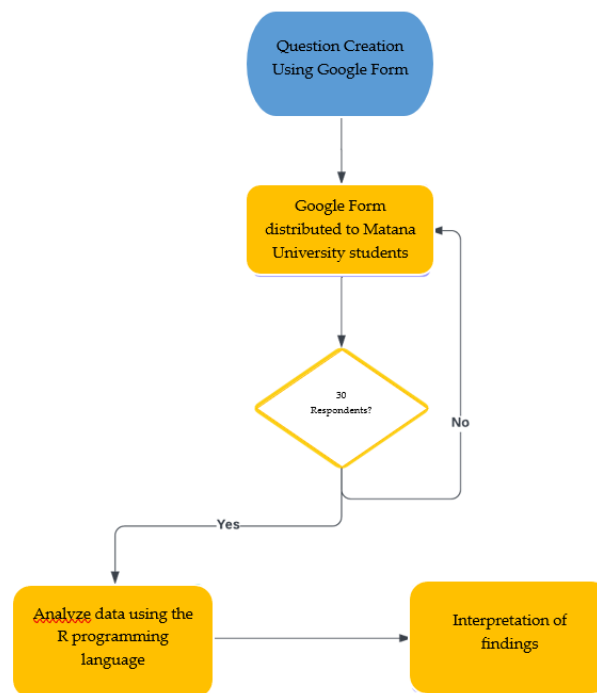


**Diagram 1.** Research flow

### 3. Results

#### 3.1. Reliability Test

Reliability is an important concept in the world of measurement because it measures how consistent the results of a measurement are over time. Measurements that have high reliability indicate that the results are reliable and consistent. Usually, reliability is measured using a reliability coefficient, which reflects how well the measurement results are reliable. Reliability coefficients theoretically range from 0.00 to 1.00. However, it is rare to achieve a perfect value of 1.00 due to factors that can affect the consistency of measurement results.

It is important to note that a reliability coefficient value that is negative or less than zero is not meaningful in the context of reliability measurement. This is because negative values are not possible in reliability, and the presence of such negative values indicates a serious problem in the measurement process. In addition, a perfect reliability coefficient is also very rare in real measurements because measurements are often affected by various variables that are difficult to control.

In a research context, the *internal consistency* method is often used to measure reliability. This method involves dividing a test or measurement instrument into two comparable parts and then comparing the results. In this way, the researcher can evaluate the extent to which the measurement results are consistent between the two parts. This method gives a good idea of how well a measuring instrument can give consistent results under different conditions. The process to conclude whether the data is reliable or not, later it is necessary to calculate the alpha coefficient value with Cronbach's reference value, which for this study, the researcher determines the minimum level of 0.6 to say the data is reliable.

The results of reliability testing using Excel tools show that the alpha coefficient value reaches 0.7 or equivalent to 70%. This shows that the data under study

has passed the reliability test, because this value exceeds the minimum threshold required, which is more than 0.6. In accordance with research from Kaplan and Saccuzo as mentioned in Ety Rochaety's book, they mentioned that the range of coefficient values that are considered good ranges from 0.70 to 0.80.

From the results of the reliability evaluation using the Excel tool, it can be concluded that the alpha coefficient reached a value of 0.7 or 70%, which indicates that the data under investigation has passed the reliability test. This indicates that the data has adequate reliability as it exceeds the minimum threshold required, which is more than 0.6. In accordance with the findings of Kaplan and Saccuzo recorded in Ety Rochaety's book, it is stated that the range of coefficient values considered optimal ranges from 0.70 to 0.80.

### 3.2. Data Validity Test

Data validity is an indication of the extent to which a measurement tool is able to measure the aspects to be studied. In the context of this research, construct validity was chosen as a method to assess the validity of the data. Construct validity itself is a conceptual framework used to measure a concept or phenomenon. Furthermore, the steps in construct validity consist of several stages, but the main focus in this research is on the first step. This first step involves finding theoretical definitions related to the research, particularly in understanding the theory that has been proposed by Hiebert and Carpenter.

In the context of searching for construct validity, the first step is related to finding the definition of the theory related to the research subject. In this case, this research refers to the theory of understanding that has been proposed by Hiebert and Carpenter. If in this process there is congruence and consistency between the various interrelated components of the construct, it can be concluded that the construct has an adequate level of validity to be used in measurement.

It is important to remember that construct validity is not limited to just one step. Although this research focuses on the initial step associated with Hiebert and Carpenter's definition of theory, the subsequent steps in ensuring construct validity are equally important. These later steps can involve pilot testing the measurement tool, further analysis of inter-component consistency of the construct, and testing for external validity to ensure that the measurement tool truly represents what the researcher is trying to measure.

Using the help of the *excel* application, the calculation results for numerical data or questions are as follows:

**Table 1.** Data Validity Test

| Questions | Correlation Value | R Table Value |
|-----------|-------------------|---------------|
| Item 1    | 0.7723            | 0.355         |
| Item 2    | 0.7706            | 0.355         |
| Item 3    | 0.8400            | 0.355         |

To determine whether the question posed is valid or not, you must make a reference value or r table value as a decision tester to take steps whether a question is valid or not. In this study, the critical value or reference value is 0.355 and it can be seen that all the choreographed values of the three numerical questions are more than the critical value. This means that all these questions are valid and have met the assumptions of validity.

### 3.3. Descriptive Analysis

During this research, which was filled out by 30 Matana University students from various study programs and various semester levels, it was found that the average respondent was 20 years old. This is in accordance with the target to be achieved in this research which focuses on the aspect or scope of students only. More clearly to see the distribution of age data from respondents can be proven through visualization or bar charts as follows:

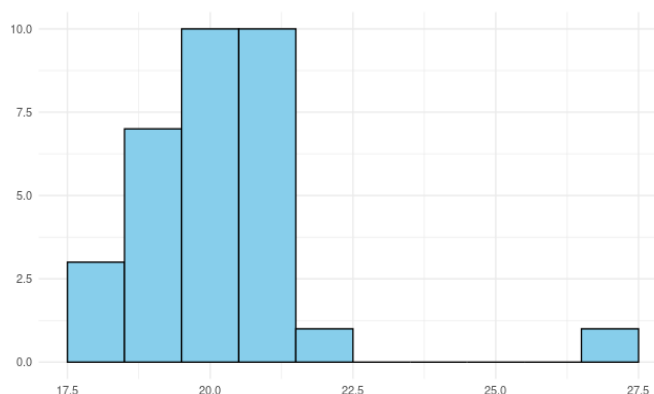


**Figure 1.** Age Distribution of Survey Respondents

Then, researchers wanted to see the proportion or comparison of respondents based on gender, where gender in this case consists of women and men and it turns out that based on the results more women are respondents in this survey.

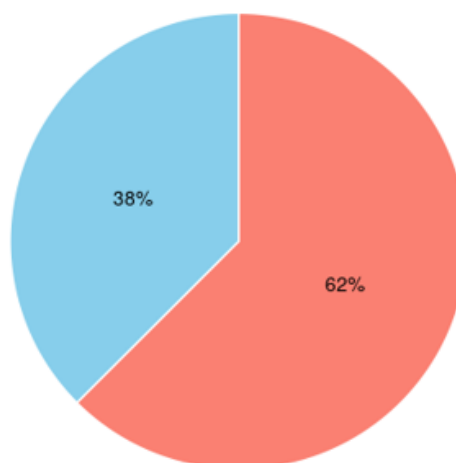


**Figure 2.** Proportion of Respondents by Gender

Based on this graph, there is information and conclusions that can be drawn, where the most respondents are women with a value of 62% and this can happen because the average student at Matana University is female. And then an analysis will be carried out from the survey data regarding whether the respondent already has an insurance product or not, this is quite important to provide information on whether Matana students already have insurance or not. If in general more are have, then the understanding of insurance in the context of Matana University

students is quite good. The results of this analysis are presented in the form of a graph as follows:

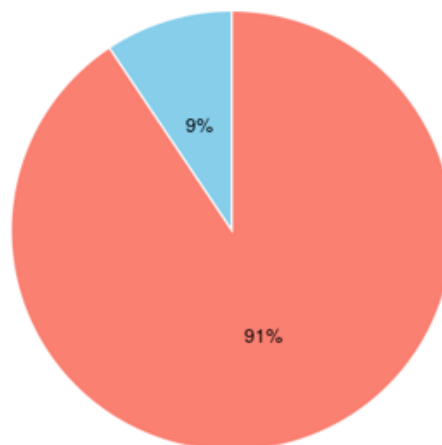


**Figure 3.** Proportion of Insurance Ownership

Based on the graph above, it is known that more respondents already have insurance products and this is evidenced by the very far percentage results. Respondents who have insurance have a percentage of 91% and for those who do not or do not have only 9%, this is worth 9: 1 and with this it can be said that respondents are quite familiar with insurance because they already have the product directly.

As for the next, researchers want to explore what types of insurance are owned by respondents, in general, life insurance is the most widely owned by the community because it is the most common and most needed type. What about students at Matana University. The following graph will illustrate the types of insurance owned by students:

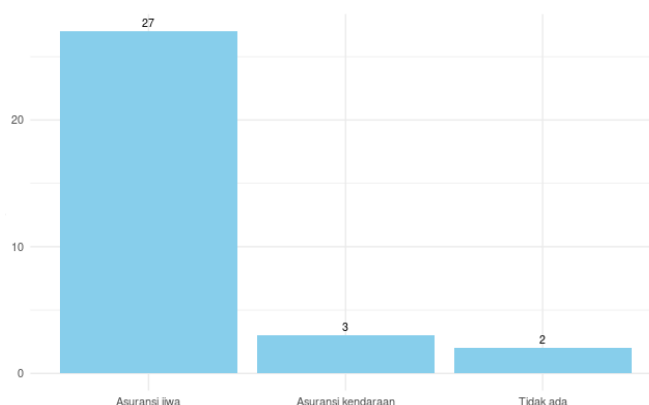


**Figure 4.** Type of Insurance Owned by Respondents

Based on this graph, it can be seen that the type of insurance most owned by students is life insurance. This indicates that students or respondents prefer life insurance as their priority because the body or soul is more important to

prioritize. In general, life insurance is the most widely owned product because of its more frequent needs and uses.

So, if it is divided into several types, what brand or *brand of* insurance is the choice for students at Matana University and to answer this can be concluded from the following graph:

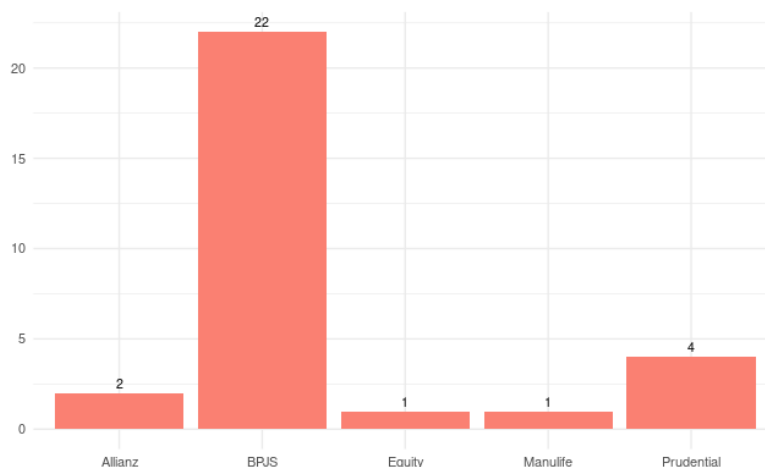


**Figure 5.** Brand of Insurance by Respondents

It can be seen and concluded that BPJS Health or official products from the Indonesian government are the most preferred products for respondents, namely Matana students. This can happen because BPJS is a direct product of the government, so the price is cheaper and easier to be owned by anyone who is included in Indonesian citizens.

#### 4. Discussion

In the research survey, there is one scope of questions which relates to the reasons why respondents are interested in having insurance products, where for the average answer is the guarantee provided by the insurance related to health, life and what they have. Especially for BPJS, which is the insurance product most chosen by respondents, it is said that with the existence of BPJS for the lower middle class people, they can feel protection for their lives, especially for medical expenses. However, it is still a problem, namely a long process and cannot be handled directly.

Respondents said that the existence of insurance makes their lives calmer because there is already protection and as *protection* for unwanted things in the future. In addition, not only life benefits, but with insurance the respondents also feel that they benefit from the bonuses offered by the insurance and the bonuses are very attractive to customers. Then, respondents can also cash out the policy, so this is one way to *save money* with the concept of investment.

Something that should be discussed in this research is how much is spent by students for each insurance and how the impact they feel specifically in their lives. It is hoped that there will be further research that helps answer these issues to examine more deeply the aspects of insurance among students.

## 5. Conclusion

Based on the results of this study, it can be concluded that Matana University students demonstrate a positive and well-developed perception of insurance as a financial protection instrument. With 91% of respondents already owning insurance products—primarily life and health insurance—the findings indicate a relatively high level of awareness and acceptance among students. Insurance is perceived not only as a security mechanism against future risks but also as part of financial planning and investment strategy. The dominance of BPJS Health reflects students' preference for accessible and affordable protection schemes. Overall, this study confirms that insurance plays an important and influential role in students' financial perspectives, while also highlighting opportunities for further research exploring deeper behavioral and economic impacts of insurance ownership among university students.

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