

FACTORS INFLUENCING THE CHOICE OF THIRD PARTY LIABILITY MOTOR INSURANCE AMONG ACADEMIC STAFF IN LAGOS STATE, NIGERIA.

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Abstract

The coverage of the Third Party Liability (TPL) motor insurance is limited when compared with the third party liability, fire & theft and comprehensive coverage. Notwithstanding this limitation, vehicle owners seem to still prefer the third party liability motor insurance policy. This study seeks to identify the major factors responsible for this sentiment. 300 academic staff across five tertiary institutions in Lagos were engaged in this study. Data were gathered with the use of structured questionnaire, 146 copies of the questionnaires were duly completed and found useful for the study. The data were analysed by conducting factor analysis and testing three hypotheses using correlation analysis with the aid of Statistical Package for Social Sciences (SPSS), version 20. The study found significant positive relationship existing between family size, price of insurance, number of vehicles owned and marital status and the choice of TPL motor insurance policy among academic staff of higher institutions in Lagos State. The findings of the study reflected that TPL motor insurance is preferred because it is cheap and its purchase will not mainly hinder the attainment of the needs of any family members. It is recommended that safety of life and properties other than price of motor insurance should be considered when making motor insurance policy choice and that there is need to review the law of motor insurance with the aim of expanding the mandatory minimum coverage to cater for the life and properties of the insured.

Keywords: Economic Factors, Family Size, Motor Insurance, Third Party Liability.

1. Introduction

Research into the factors influencing consumers' choice has garnered a lot of attention in the theoretical and empirical literatures since about 300 years ago (Bray, 2008). While some of these studies were directed at the financial services segment of the economy, only a handful focused on the insurance sector (Badru, Yusuf & Isola, 2013; Awunyo-Vitor, 2012; Ibiwoye, Ideji & Oke, 2010). However, there seems to be paucity of research on consumers' choice of Third Party Liability (TPL) motor insurance. This notwithstanding, Desrosiers (2012) observes that the findings of available studies have broadened the perception of individual insureds to look beyond the expected utility theory in making insurance buying decisions.

The main purpose of motor insurance policy is to indemnify the insured against loss or damage, including third party liability risks arising out of or in connection with the use of motor vehicle (Oluoma, 1999). Apart from generating the highest premium income in the non-life sector, motor insurance seems to be the most sought after insurance product (Kwiecien & Poprawska, 2011). This is affirmed by Borda and Jedrychowska (2012) that motor insurance is responsible for about 30.3% of the total premium income generated in the non-life business across Europe. Similarly, the gross premium income of motor insurance accounts for about N44.7 billion, representing 27.4% of the total N163.2 billion that accrued to the Nigerian non-life insurance market in 2011 (Nigerian Insurers Association, NIA, 2011).

The relevant statutes in Nigeria, Motor Vehicles Third party insurance Act of 1945 and Road Traffic Act of 1972 / 1974 made it compulsory for all motorists to take at least the road traffic act only cover, which grants protection to the insured for bodily injury or death caused a third party through the former's negligent actions (Motor vehicles (third party insurance) Act, 1945). However, Aduloju (2008) observes that the road traffic act only cover is no longer made available in the insurance market as it remains an issue for academic discussion only. As a result, the third party only policy is now being considered by Nigerian drivers as the most appropriate to fulfil the various legal provisions. The Insurance Act 2003 tends to support this view in section 68 (1) that "no person shall use or cause or permit any other person to use a motor vehicle on a road unless a liability which he may thereby incur in respect of damage to the property of third parties is issued with an insurer under this act."

TPL motor insurance covers loss to third party health and property due to accident cause by the driver or owner of a vehicle (Gonulal, 2010). This author further noted that the coverage is designed to prevent any grievance that

third parties could face, due to lack of solvency of the first party who caused bodily injury or property damage following a road accident. Akintayo (2004) summarises the third party policy as covering the following;

- a) The insured's legal liability to third parties in respect of any damages to the property of such third parties and for any injury or death to third parties from the use of the motor vehicle.
- b) Solicitors fees for the legal representation of the insured or his driver at any judicial proceeding arising from an accident which may give rise to a claim under the policy and any other expenses of the insured authorized by the insurer preferably in writing.

TPL motor insurance policy is less valuable to insurance buyers (Cannon, Cipriani & Bazar-Rosen, 2014). The coverage does not adequately protect the policyholder from the losses that could arise from the usage of motor vehicle. This is because it does not cover damage to the properties/vehicle of the insured or bodily injury and/or death suffered by the insured or other occupants of his vehicle. Notwithstanding this limitation, Nigerian motorists, particularly those occupying the lower and middle class on the economic scale continue to demonstrate their preference for the third party policy. The implication of this is that the life and properties (vehicles) of most Nigerian motorists, majority of who fall below the upper economic cadre remains unprotected from road crash losses.

According to Thomas (2014), Nigerian drivers obtain third party policy, and they do so to fulfil legal requirements and avoid being embarrassed by law enforcement agents. Other motives capable of influencing the preference for particular type of insurance are embedded in socio-cultural, demographic and economic factors (Badru et al., 2013; Curak, Dzana & Pepur, 2013; Awunyo-Vitor, 2012; Ibiwoye et al., 2010).

1.1 Objectives of the Study

This study seeks to identify the most influential variables on the choice of TPL motor insurance among academic staff of tertiary institutions in Lagos State. Specifically, the study shall identify:

1. The specific socio-cultural factors that significantly influence the choice of TPL motor insurance among academic staff of tertiary institutions in Lagos State.
2. The specific economic factors that significantly influence the choice of TPL motor insurance among academic staff of tertiary institutions in Lagos State.
3. The specific demographic factors that significantly influence the choice of TPL motor insurance among academic staff of tertiary institutions in Lagos State.

2. Review of Empirical Studies

Traditional economics describes utility theory as the foundation of consumers' decisions about preference for products (Bray, 2008). This theory views consumer as a "rational economic man" whose perception about future outcomes dictates his choice of products (Bray, 2008). Modern researchers in consumer behaviour have however, broadened the knowledge about the factors that influence buyers' decisions to include some variables. Empirical investigations by previous researchers cut across the key factors that form the focus of this present study.

Socio-cultural Factors

Decisions about what to or what not to consume tends to be socially and culturally constructed. Socio-cultural factors can be described as a combination of the cultural and social system of a people. According to Akhter and Sumi (2014) socio-cultural setting consists of all the fundamental conditions and influences which form the personality of an individual and potentially affect his attitude, behaviour and decisions.

Schalkwyk (2000) views culture as the whole complex of distinctive spiritual, material, intellectual and emotional features that characterised a society or a social group. It comprises of knowledge, belief, art, morals, customs, and any other capabilities and habits acquired by members of a society (Lawan & Zannat, 2013). Lawan and Zannat (2013) submit that culture comprises of beliefs and values that shape a range of specific attitudes which affect the way consumer behaves in specific consumption situations. Cultural beliefs and values are passed from one generation to the other but subject to modifications by specific social institutions including schools, government, mass media, religious organisations, reference groups among others. Social factors play key role in consumers buying decisions. They include individual aspects and experiences that influence lifestyles like personality, religion, family, wealth among others. The key socio-cultural factors that shape buyers behaviour and decisions range from culture, sub-culture, family and reference groups (Oyedijo et al 2010; Kotler & Keller, 2009).

Culture is a key motivator of insurance consumption. This is gathered from the result of a study carried out by Treerattanapun (2011) across 82 countries to examine whether culture influences the consumption of non-life

insurance. The author reports that cultural belief is a strong determinant of non-life insurance products. Eck and Nizovtsev (2006) have also shown a similar relationship between culture and the demand for life insurance. This is revealed in their study among Latin Americans and the Caribbean. The study specifically point to religion (catholic faith) as the most significant cultural variable that determines life insurance purchase among the study population.

Religion has been found to significantly influence peoples' choice of financial assets. Li and Zhu (2016) investigate the relationship between religion and the purchase of financial assets among the Chinese population. The results show a direct and positive relationship between peoples' religious beliefs and their willingness to hold financial assets. In Kenya, Masese (2013) was able to establish the importance of religious belief as a factor that influences the uptake of life insurance. The study which is designed to identify factors that determine the consumption of life insurance alluded that a significant positive relationship exists between religion and embracement of life insurance. In another study conducted to find the factors influencing preferences for Takaful products among Muslims in Malaysia, Mansor, Masduki, Mohamad, Zulkarnain and Aziz (2015) holds that Malaysian Muslims have positive perception and positive attitude towards Takaful.

Ishaque and Tufail (2014) have found that family size is critical to purchase decision making. This is similar to the outcome of Fletschner and Kenney (2014) in their study on rural women's access to credit, savings and insurance. The study reveals that responsibility imposed on rural women as a result of family size is a factor for determining their financial services need and ability to obtain it. The size of the family determines the perception and subscription to health insurance among residents of Lucknow region, India. Mathur, Paul, Prasad and Das (2014) discover that families with large number of dependants demonstrate low propensity to subscribe to health insurance compare to household with lesser dependants.

Based on the insight drawn from the literature, the first hypothesis for this study is formulated as follows:

Ho (1): No specific socio-cultural factors significantly influence the choice of TPL motor insurance among academic staff of tertiary institutions in Lagos State.

2.2 Economic Factors

There is a direct link between consumers' economic condition and their buying propensity (Nagarkoti, 2009). Indeed the decision of a consumer about the choice of product to be purchased would greatly be influenced by income and other financial resources. It is in this connection that Yakup and Jablonsk (2012) submitted that producers of income-sensitive commodities take cognisance of consumers' income, savings and interest rates. As observed by Rani (2014) consumers with high income and savings will naturally choose more expensive products when compare to their counterparts with low income and savings.

Sen (2008), in his study conducted to investigate the key determinants of life assurance consumption among selected Asian economies, ascertains that gross domestic savings, level of financial sector development and inflation are the major variables linked to income as a determinant of life insurance consumption. In a similar study, Odemba (2013) finds, among other variables, that high cost of insurance and delay in claims payment are the two influential factors on life insurance purchase in Kenya. In another study by Huber, Gartzert and Schmeiser (2015) to investigate the relationship between price presentation and consumer choice of life insurance products in Germany. The study reveals that price bundling and price optic are not directly related to consumer evaluation and purchase intention of life insurance.

Income has been found to be a significant determinant of insurance consumption. This is indicated in the result of a study conducted by Luciano, Outreville and Rossi (2015) that examined the influence of microeconomic variables on life assurance demand among the population of Italy. The study also found family structure and employment status of buyers as significant correlates of insurance consumption. In a related study conducted in Ghana to investigate the extent to which some selected socio-economic and demographic variables determines insurance patronage, Fofie (2016) identified consumer income as the key factor hindering Ghanaians from subscribing to insurance policies.

Another study conducted by Tadesse and Brans (2012) to discover the factors that determine demand for microinsurance in Ethiopia confirms the substantiality of consumer income in influencing purchase of insurance. The study reveals that low-income Ethiopians are positively disposed to microinsurance consumption if made affordable to them. Notwithstanding the findings of these empirical investigations, Matul, Dalal, De Bock and Gelade (2013) argued that low premium does not always translate to increase in demand. The authors provide

evidence to show that the total cost of insurance includes other costs implicitly incurred by insureds without which the benefits of insurance might not be fully obtained.

Based on the insight drawn from the literature, the second hypothesis for this study is formulated as follows:

Ho (2): No specific economic factors significantly influence the choice of TPL motor insurance among academic staff of tertiary institutions in Lagos State.

2.3 Demographic Factors

Demography is a study of the characteristics of human populations, such as size, growth, density and distribution (Ahmad, Hasmah & Norhaslina, 2010). It is the statistical analysis of the number of people who live in a particular area with respect to their age, income and wealth and how they are utilised (Clara, 2006). Ahmad, Hasmah and Norhaslina (2010) have included variables such as age, sex, occupation, academic attainment and family size as demographic factors. Aloom and Lawan (2013) described demographic factors as internal variables that are significant to buying behaviour. The authors observed that a shift in age, gender, and income distribution are capable of expanding consumption choices.

Sen (2008) found that demographic variables including life expectancy, young and old dependency ratio, adult literacy rate and rate of urbanization are significant determinants of life insurance demand. In another study conducted in India to investigate the factors influencing the choice of health insurance policy subscription, Tanuj, Ujjwal, Himanshu and Subodh (2015) discover that demographic variables including the insured's age, size of dependants and higher medical expenditure are significant and positively related to the purchase behaviour of individuals about health insurance.

Demographic attributes like age, marital status, academic qualification and employment status have been found to be positively related to the enrolment for health insurance in Ghana. This constitute the outcome of a study conducted by Owusu-Sekyere and Chiaraah (2014) to examine the factors that influence the adoption of health insurance by Ghanaians.

Age and gender status have significant influence on consumers' conduct towards financial services. In a study aimed at investigating consumers' response to financial investment, Bulsara, Desai and Miniaoui (2015) report that age and gender are among the major factors affecting financial investment behaviour among Indian populace.

The choice of insurance has been found to be influenced by gender status. This is reflected in the outcome of a research conducted by Luciano, Outreville and Rossi (2016). The study is aimed at examining the gender-based differences in microeconomics determinants in life insurance consumption in Italy. The results show that men are more disposed to insurance purchase than female.

Insurance purchase decision could be affected by marital status of consumers. This is contained in the findings of Fofie (2016) that marital status, among other demographic variables is positively and directly related with insurance consumption in Ghana. This result corresponds with the findings of Loke and Goh (2012) who found marital status as a significant determinant of the demand for life insurance in Malaysia..

Based on the insight drawn from the literature, the third hypothesis for this study is formulated as follows:

Ho (3): No specific demographic factors significantly influence the choice of TPL motor insurance among academic staff of tertiary institutions in Lagos State.

2.4 Conceptual Framework

Substantive research efforts, both within and outside the shore of Nigeria have been invested into investigating the factors that determines consumers' preference for some products over others. Empirical results show that cultural, economic, personal, as well as product attributes are the key variables influencing consumers' choice of tangible products (Malasi, 2012; Oghojafor, Ladipo, and Rahim, 2012; Lawan and Ramat, 2013). However, similar studies conducted for non- financial services have found price, service quality, promotion and brand image as the primary factors usually considered by service consumers (Chintan, 2012).

Some related researches have been carried out in the financial services sector. The outcomes seem to generate further questions. Factors including peer influence, income level, savings level, cost of service, service quality, and service providers' image appears to be the most significant variables considered by bank customers when making their choices (Chigamba & Fatoki, 2011; Inganga, Njeru, Ombui, & Tirimba, 2014; Awan & Azhar,

2014). Specifically for insurance, previous studies have identified the key variables that determine consumers' choice. Hussels, Ward and Zurbruegg (2005), concluded that economic, political/legal, and social factors are the key factors that insurance buyers considered in making their choice of products.

The conceptual framework summarised how socio-cultural, demographic and economic variables influence the preference for third party liability motor insurance among the four motor insurance options by private vehicle owners.

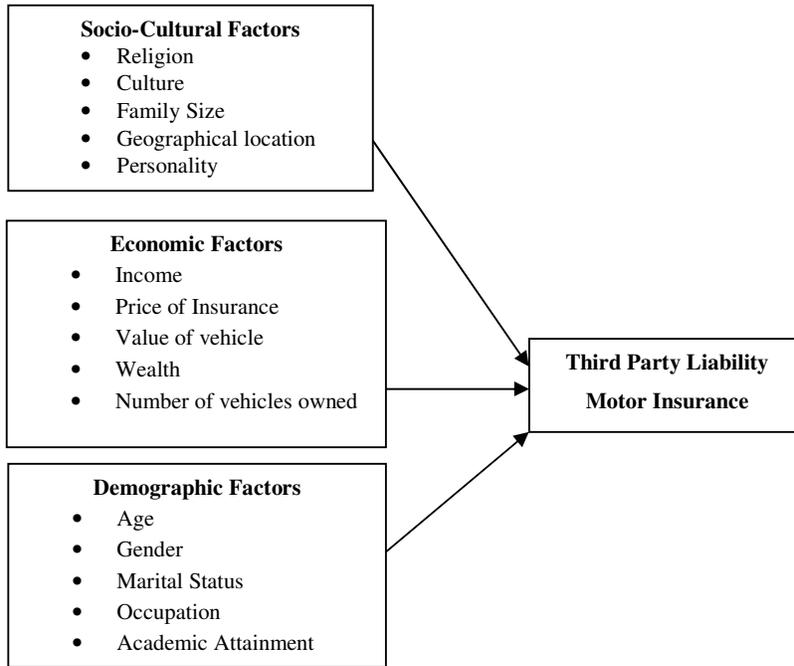


Figure 1: Conceptual Model

Source: Adapted by the Researcher (2016)

3.0 Data and Methodology

This research was carried out in Lagos metropolis. This is because private vehicle ownership in Lagos State is higher than commercial vehicle ownership with an annual increment rate at geometric progression (Lagos State Ministry of Economic Planning and Budget, 2013). In addition, tertiary institutions which are the focus of this study are largely concentrated in Lagos metropolis compare to other cities in Nigeria. This research is explorative in nature. The choice of explorative research was inspired by the main objective of this study which was to find out the factors that motivate motorists to choose TPL motor insurance over other motor insurance types (particularly comprehensive).

The population of this study is all academic staff across tertiary institutions in Lagos State. Academics were preferred because of their perceived high level of education which is expected to directly broaden their insurance awareness rate. Furthermore, most of the people in this category seem to have their vehicles registered and insured. The major sampling technique adopted for this study is the multi-stage sampling. As illustrated in figure 2 below, five tertiary institutions (University of Lagos, Lagos State University, Yaba College of Technology, Lagos State Polytechnic and Adeniran Ogunsanya College of Education) were randomly selected at the initial stage. At the second stage, three Faculties/Schools were randomly selected from these tertiary institutions. Thirdly, simple random sampling technique was used to choose two academic departments from each of the three Faculties/Schools per higher institution. A quota of 10 academic staff was allocated to each randomly selected academic department. This amounts to 300 academic staff that formed the sample size.

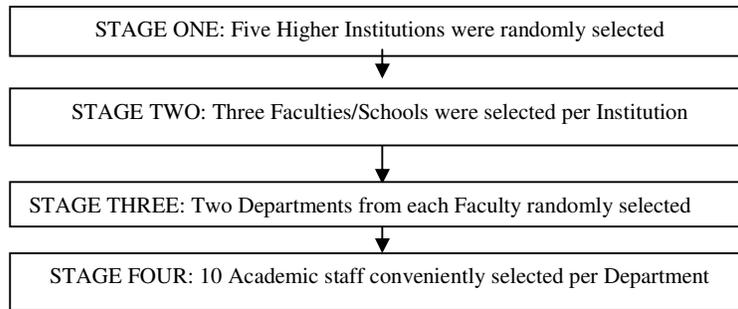


Figure 2: Sampling Technique

Source: Researcher (2016)

Data were gathered through the use of structured questionnaires designed by the researcher. Copies of the questionnaire were personally administered by the researcher with supports of 4 trained research assistants. Out of the total questionnaire administered, 146 duly completed copies were retrieved and found useful. The questionnaire is divided into four sections (A-D). Section A seeks personal information about the respondents while sections B, C, and D elicit the opinion of respondents about what influence their choice of TPL motor insurance policy. Data analysis was carried out with the use of descriptive statistics, factor analysis and Pearson product moment correlation.

4.0 Results and Discussion

The data generated for this study were analysed and the hypotheses tested with the aid of Statistical Package for Social Sciences (SPSS), version 20.

4.1 Results of Factor Analysis

Socio-Cultural Factors

The suitability of the data for each factor analysis was assessed. Inspection of the correlation matrix revealed that there is the presence of many coefficients of 0.3 and above. The Kaiser-Meyer Olkin (KMO) value of 0.68 (which exceed the recommended value of 0.6) and Barlett’s Test of Sphericity of 0.000 shows that the result is statistically significant. Principal Components Analysis (PCA) revealed the presence of 1 component with Eigen value of 1.912. This extracted component explains 38.2% of the variability in the original 5 variables. The extracted component representing Socio-cultural factors is family size.

4.1.2 Economic Factors

The suitability of the data for each factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of 0.3 and above. The KMO value of 0.887 and Barlett’s Test of Sphericity of 0.000 show that the result is statistically significant.

The PCA revealed the presence of 2 components with Eigen value of 1.607 and 1.492. These extracted components explain 61.98% of the variability in the original 5 variables. To aid in the interpretation of these two components, Oblimin rotation was performed, which revealed the presence of simple structure with both components showing strong loadings. The extracted components representing economic factors are price of insurance and number of vehicles owned.

4.1.3 Demographic Factors

The suitability of the data for each factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of 0.3 and above. The KMO value of 0.825 and Barlett’s Test of Sphericity of 0.000 shows that the result is statistically significant.

The PCA revealed the presence of 1 component with Eigen value of 2.736. This extracted component explains 54.72% of the variability in the original 5 variables. The extracted component representing demographic factor is marital status.

4.2 Test of Research Hypotheses

Table 1: Correlation Analysis

Correlations		Third party liability insurance	Family size	Price of insurance	Number of vehicles	Marital status
Third party liability insurance	Pearson Correlation	1	.294**	.495**	.335**	.334**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	146	146	146	146	146
Family size	Pearson Correlation	.294**	1	.253**	.193*	.350**
	Sig. (2-tailed)	.000		.002	.019	.000
	N	146	146	146	146	146
Price insurance of	Pearson Correlation	.495**	.253**	1	.233**	.148
	Sig. (2-tailed)	.000	.002		.005	.075
	N	146	146	146	146	146
Number of vehicles	Pearson Correlation	.335**	.193*	.233**	1	.442**
	Sig. (2-tailed)	.000	.019	.005		.000
	N	146	146	146	146	146
Marital status	Pearson Correlation	.334**	.350**	.148	.442**	1
	Sig. (2-tailed)	.000	.000	.075	.000	
	N	146	146	146	146	146

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey, 2017

Correlation analysis was performed between the dependent variable (TPL motor insurance) and the extracted factors for each of the independent variables. Pearson product-moment correlation coefficient was used to test the three hypotheses. The analysis revealed that significant positive relationships exist between TPL motor insurance and the extracted factors. The relationship between family size, a dimension of socio-cultural factor and TPL motor insurance is positive and significant ($r = 0.294$, $n = 146$, $p < .0005$); The relationship between price of insurance, a dimension of economic factor and third-party liability motor insurance is positive and significant ($r = 0.335$, $n = 146$, $p < .0005$); Also, the relationship between number of vehicles owned, another dimension of economic factor and third-party liability motor insurance is positive and significant ($r = 0.334$, $n = 146$, $p < .0005$); And lastly, the relationship between marital status, a dimension of demographic factor and TPL motor insurance is also positive and significant ($r = 0.495$, $n = 146$, $p < .0005$). The implication of this result is that all the three null hypotheses stated above should be rejected and the alternative hypotheses should be accepted.

4.3 Discussion of Findings

The outcome of the analysis shows family size as the key socio-cultural component that significantly influences the choice of TPL motor insurance among academic staff in Lagos State. The number of persons in a family seems to be directly related to the household’s cost of living. Hence, large families will likely spend most of their earnings on basic needs including food, shelter, and clothing among other needs. Hence, the choice of motor insurance policy, like that of other secondary needs will greatly be influenced by the available income after meeting all other basic needs. Considering the high rate of poverty in Nigeria, couple with the continuous rise in cost of living, vehicle owners are likely to prefer third party liability motor insurance policy since it is relatively cheaper than alternative policies.

The result shows consistency with earlier studies. It supports the findings of Mathur et al., (2014) who reports that families with large number of dependants in Lucknow region, India demonstrate low propensity to subscribe to health insurance compare to household with lesser dependants. Also, Fletschner and Kenney (2014) discover that responsibility imposed on rural women as a result of family size is a factor for determining their financial services (insurance inclusive) need and ability to obtain it.

For the economic factor, two principal components (Price of insurance and number of vehicles owned) were extracted as significant influencers of consumers' choice of third party liability motor insurance. Firstly, product affordability in terms of price is an important determinant of choice of product among alternatives. Insurance, been a normal good and which responds positively to the basic theory of demand and supply, seems not to be an exception. As identified above, TPL motor insurance policy is the cheapest of the three types of motor insurance policies available in the market. This underscores the reason why it is most preferred by motorists, particularly private vehicle owners. The result is supported by the findings of Huber et al., (2014) that there exists direct relationship between price and purchase intention of life insurance among the German population.

The analysis also shows that academics who are owners of more than one vehicle will prefer TPL motor insurance policy. Academics in this category have alternatives and therefore, may likely not bother about the possible loss of use of a particular vehicle in the fleet as a result of road crash. These are unlike persons without alternative vehicles who will prefer to safely maintain their only vehicle by considering a policy with a wider coverage. Individuals with substitute vehicles belong to the group of motorists who obtain TPL motor insurance policy basically not for the purpose of ensuring financial protection but rather to fulfil legal requirements and avoid being on the wrong side of the law.

The results further reveal that marital status is the primary component of demographic factor that has significant relationship with TPL motor insurance policy. Specifically, the findings indicate that motorists who are single will obtain the third party policy when compare to their married counterparts. Unmarried motorists have no dependants. This also implies less responsibility on them and exposes them to less potential liabilities. Motorists in this group might not be motivated to obtain wider coverage since they are likely not to have any direct survivor in case of any untoward eventuality traceable to their vehicle usage.

The result of this analysis gained the backing of the findings of previous researches. Fofie (2016) found that marital status is key among other demographic variables that are positively and directly related with insurance consumption in Ghana. Similarly, Loke and Goh (2012) found marital status as a significant determinant of the demand for life insurance in Malaysia.

5. Conclusion, Policy Implications and Suggestion for Further Studies

The findings of this study create a basis for a number of conclusions. The results identify the significance of the influence of family size, price of insurance, number of vehicles owned and marital status as the major elements that prompt the consumption pattern of relatively educated Nigerians, as it concerns the choice of TPL motor insurance. The findings fundamentally reflect the prevailing economic challenge in Nigeria since third party policy, the cheapest of the motor insurance class is most preferred by even academic staffs despite their perceived relative economic stability. The outcome implies that Nigerians, specifically academic staff of higher institutions attach more importance to life's basic requirements than luxuries and they will consider a product option that will not deter them from satisfying the basic necessities of life..

Based on the findings of the study, the researchers hereby identify the following policy implications:

- i. Individuals and families need to be educated on the economic implications of building large families since this appears to be a fundamental hindrance to providing quality life including obtaining wider motor insurance coverage for the benefit of the same family members.
- ii. Motorists, particular academic staff of higher institutions should look beyond price before deciding on the purchase of motor insurance. Safety of their life and properties, including that of other road users should be put into cognisance when choosing motor insurance coverage.
- iii. In addition, vehicle owners need to prioritise their lives above mere properties (Motor Vehicles). This is because having an alternative vehicle is not a guarantee that the owner is immune from bodily injuries or even death due to negligence on the road. Therefore, comprehensive policy should be considered as the most appropriate since its coverage also includes protecting the insured's life and properties.

- iv. Regulatory authorities and relevant industry stakeholders should begin to consider a review of the minimum motor insurance coverage as prescribed by law with the aim of expanding same to include covering the life and properties of the insured.

Future studies should consider including other category of staff in higher institutions. Moreover, higher institutions outside Lagos state could be incorporated by future researchers to extend the study. A similar study among other private vehicle owners outside the wall of higher institutions and another one among commercial drivers will be necessary for the purpose of objective comparison.

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