Perception of Insurance According to Generation Z Teacher Candidates

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Abstract: Insurance at this time is very necessary for the community because of the many problems that occur both in the form of property and health-related losses. Significant problems with unbalanced growth rates resulting in inequality and affecting carrying capacity. The impact of this problem makes humans respond by means of insurance. But does generation z, especially prospective teachers, have insurance or is the unawareness of generation z in insurance. So, qualitative research methods with descriptive research types.

Keywords: insurance perception, generation z, teacher candidates.

1. INTRODUCTION

These modern times with uncertain climate change are full of all kinds of risks and dangers that occur. Humans themselves will never know what will happen tomorrow because the future is uncertain, so uncertainty is always related to risk (Beale, 2006)(Concina, 2014)(Esposito, 2022). Risks that will occur in the future no one will bear the risk, except ourselves(Hindriks & Veluwenkamp, 2023). If a risk is borne alone, one of the efforts can be to save, because the risk that occurs exceeds. Meanwhile if the risk is shared or transferred is expected in the event of a disaster, then the reduced economic value or family welfare can be guaranteed (replaced), as well as the loss of function of an object can be replaced as well(Khaled & Mcheick, 2019). The way that we can bear our own risks is by setting aside half of our assets to bear our needs in an uncertain future, because no one can know when the disaster will come.

The various risks that occur to every human being are one of the things that we cannot avoid anywhere and anytime, but most humans do not know when, where, and how much risk will occur often with the times. The losses incurred are not only in the form of economic or mental losses for those affected by the disaster. Therefore, public awareness both independently and from other factors in anticipating the risks around them is an interesting phenomenon because each community has its own ways to deal with it both in a modern way, namely insurance.

In an effort to fulfil the needs of life, humans will always be in contact with each other, as well as with nature. In this day and age, interactions between humans and humans with the surrounding nature (environment) have become increasingly complex where all these relationships are called 'events'.

Some events are intentional and some are unintentional. Examples of intentional events include parties, meetings, buying and selling, building bridges and so on. While unintentional events such as fires, riots, collisions, natural disasters such as: floods, earthquakes, landslides and so on. Unintentional events such as the above sometimes cause a loss that must be borne, this is referred to as Risk.

Risk is the essence of Insurance, where insurance fulfils some of the needs of individuals and businesses for economic / financial security from the possibility of exposure to risk. Insurance is also a method of transferring / transferring risk, this means that a person / company can transfer part / all of the impact of existing losses if the risk arises, to the shoulders of someone / another company, so that the losses that arise later do not affect their activities or financial condition. This way of transferring risk can be said to be a Risk Transfer Mechanism.

When you transfer risk to another party, you are transferring the financial responsibility for that risk to another party, generally on a fee basis. The most common way for individuals, families and companies to transfer risk is by purchasing insurance coverage. It is in this method of Risk Transfer that the Insurance Industry works, where a person/company can transfer part/all of its risks to an insurance company by purchasing an insurance policy according to the type of risk it faces.

From the explanation of Risk and Insurance above, it is clear that public knowledge related to insurance must be built as early as possible, because in fact based on data from the National Literacy and Inclusion Survey Results (SNLIK) in 2022 conducted by the Financial Services Authority (OJK), it is known that the level of financial literacy, especially in the field of Insurance is still considered low(Keuangan, 2022a)(Keuangan, 2022b). Indeed, in percentage terms there was an increase from 19.40% in 2019 to 31.72% in 2022. Although there is an increase, it is still considered low because it is still below 50% (Keuangan, 2022a).
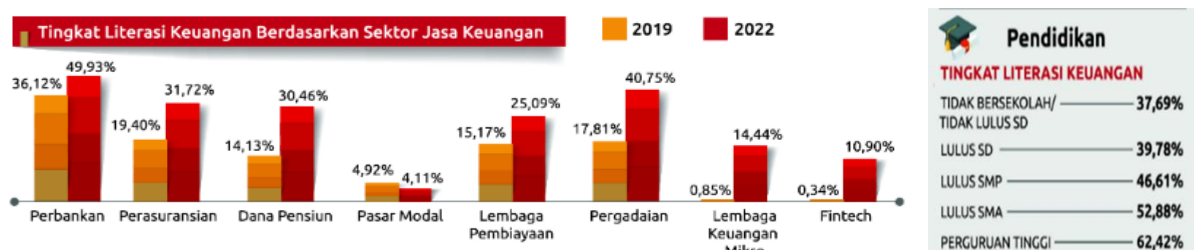
Graphics 1. financial literacy level by financial services sector

Meanwhile, based on the level of education, the overall level of financial literacy (including the field of insurance) for people with tertiary education is only 62.42% in 2022(Keuangan, 2022a).

One of the reasons the insurance literacy index is still low could be due to the wrong mindset of the community about insurance(Harrison et al., 2022)(Kakar et al., 2022). This misunderstanding and mindset of the community regarding insurance can cause the community to be unaware of the importance of insurance itself. Something needs to be done to make people more aware of the importance of insurance and change the wrong mindset. One of the actions that can minimise this is the holding of socialisation or literacy activities regarding the concept of insurance itself. Insurance literacy activities can be carried out through many channels such as through formal education so that people have been educated since they were in school, or can also be started through the general public, especially people with certain segments to be more focused and educated about the importance of insurance. One of the people with certain segments is teachers.

Quoted from OJK, teachers are one of the agents of change and agents of development who are expected to provide education, convey education, and information about financial services (including the insurance sector)(Keuangan, 2022a)(Peraturan Otoritas Jasa Keuangan Nomor 51 /POJK.03/2017 Tentang Penerapan Keuangan Berkelanjutan Bagi Lembaga Jasa Keuangan, Emitten dan Perusahaan Publik, 2017). As one of the components of education actors, it is important to educate teachers to be more financially literate(Keuangan, 2022b)(Republika, 2023). This can make teachers more informed and educated about finance (De Beckker et al., 2019) (Yulianto, 2022)(Machinna Sampigethaya et al., 2023). If teachers already know the basic concept of insurance and can educate it to the surrounding environment such as to students and also their families, it will indirectly slowly increase the overall community insurance literacy index to be even better.

This is also in line with the target of the Indonesian National Financial Literacy Strategy (SNLKI) for 2021 - 2025 which targets a number of priority targets that must be given literacy and one of them includes teachers. Quoted from the Indonesian National Financial Literacy Strategy (SNLKI), the 2021-2025 SNLKI priority targets are as follows:

Figure 2. Priority Goals of Indonesia's National Financial Literacy Strategy 2021 - 2025
(Source: SNLKI 2021 - 2025)(Strategy & Literacy, 2025).

The job of a teacher is a type of job that is quite attractive to many people from various generations. One of them is Generation Z (Gen Z), which is part of the society born between 1997 and 2012, has unique characteristics that are different from previous generations. They tend to focus on innovation, convenience, and security. However, research on their insurance perceptions is still limited. A study shows that generation Z has a positive perception of the insurance industry, but the details still need to be clarified.

Based on the description above, it shows that insurance literacy and perception greatly influence Generation Z's use of insurance. Generation Z is more concerned with lifestyle than self-protection with insurance, so the need for literacy about insurance is very important.

2. LITERATURE REVIEW

According to Mc Dowell and Newel (2013), there are two aspects behind the occurrence of perception, namely:

1. Cognitive

How to think, recognise, interpret, and give meaning to a stimulus, namely an individual's view based on information received by the five senses, experience or what is seen in everyday life.

2. Affective

The way individuals feel, express emotions towards stimuli from within themselves so that they affect their perceptions.

3. Evaluation

How to evaluate newly acquired knowledge or understanding based on their own subjective standards or criteria, even when the subject is the same but individual judgements differ, resulting in perception being subjective.

According to Chen & Volpe (1998) the level of financial literacy is divided into three groups, namely:

1. <60% which means individuals have low knowledge of finance. In their research, Chen & Volpe found that people who have a lower level of literacy tend to have negative views and inappropriate opinions about finance and tend to decide inappropriate things related to finance.

2. 60% - 79% which means individuals have moderate financial knowledge. Individuals who are in the moderate category can be said that they have knowledge but are less skilled in managing their personal finances (Akmal & Saputra: 2016).

3. 80% which indicates that individuals have high financial knowledge. Quoted from PISA (Programme for International Student Assessment) in 2012, a high level of financial literacy is not only related to assets owned but also in terms of managing expenses (debt), so individuals who are more financially literate will choose to get lower interest rates and avoid paying additional fees.

4. Concluding from the above, it can be said that a person who has a higher level of financial literacy will be better able to manage his/her financial needs in daily life for the welfare of life for the future.

Based on opinions according to experts, it can be concluded that insurance perception is a person's vision or view that can increase buying interest against the background of cognitive and affective aspects useful for getting insurance perceptions according to generation z prospective teachers in this study.

3. METHODS

This research uses qualitative research methods with descriptive research types. Qualitative research is basically research that uses deductive and inductive approaches. This approach begins with a theoretical framework, expert ideas, and researchers' understanding based on experience which is developed into a problem and its proposed solution, and justified in a report in the form of empirical supporting data (verification).

4. RESULTS

The results of the research were all respondents who were teachers in a total of 29 respondents. Of the 29 people, the data received by the author was 16. Of the 16 data, there was data that could not be processed because the respondents did not fill in the data correctly

so that some of the data was considered inappropriate and did not represent the research needs. Thus, the number of questionnaires that can be processed is 16 questionnaires.

This questionnaire has a total of 10 closed statement items consisting of two indicators, namely knowledge and skills. There are 5 statement items for knowledge indicators and 5 statement items for skill indicators. In this questionnaire the author uses a Likert scale of 1 to

1. Knowledge Indicator

The first indicator is Assuration Literacy Knowledge. There are 5 statement items that measure the level of teacher literacy regarding their knowledge. For these 5 statement items, the author wrote statements related to basic knowledge of insurance literacy. In each of these statement items, respondents chose one option that best suited their respective circumstances. The criteria chosen by respondents consisted of 3 options, namely Agree, Undecided, and Disagree.

Table 1. Respondents' Responses Regarding Knowledge of Insurance perceptions

No	Statement	Response		
		Agree	Undecided	Disagree
1	Insurance competition activities increase my knowledge about insurance	16		
2	Insurance competitions open up my insights regarding insurance	16		
3	Insurance competitions open up insights into the importance of insurance education	16		
4	The insurance competition opened my perception of insurance	16		
5	The insurance competition added my knowledge to teach in class	16		

From the data above, in the first statement to the fifth statement, 100% of respondents or 16 people gave respondents agreed.

2. Skill Indicators

The second indicator is Insurance Literacy Skills. There are 5 statement items that measure the level of teacher literacy regarding their skills. In each of these statement items, respondents chose one option that best suited their respective circumstances. The criteria chosen by respondents consisted of 3 options, namely Agree, Undecided, and Disagree.

Table 2. Respondents' Responses Regarding Skills from the perception of Insurance

No	Statement	Response		
		Agree	Undecided	Disagree
6	The competition increased my knowledge in managing risk in my daily life.	16		
7	The competition opened my mind that insurance can also be used as a financial investment instrument.	16		

8	The competition made me understand the various insurance products that can be used to fulfil my life and property protection needs.	16		
9	Insurance competitions entice me to have an insurance policy	12	4	
10	Insurance competition allows me to assess a healthy insurance company	15	1	

From the data above, in the sixth statement to statement 10, 100% of respondents or 16 people gave respondents agreed. However, in statement 9, 75% or 12 respondents agreed and 25% or 4 respondents were undecided. In the tenth statement there were 94% or 15 respondents agreed and 6% or 1 respondent was undecided.

5. DISCUSSION

1. Scale Likert

The Likert scale is a scale used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena (Sugiyono: 2013). The Likert scale was chosen by the author to collect respondents' attitudes and behaviour. This scale is used to understand respondents' views and perceptions of something. From the respondent's side, this scale is also easy to understand so that the respondent can also have enough varied choices to adjust the most appropriate to his condition. This scale also allows respondents to choose to be neutral rather than having to choose an alternative that does not reflect their thoughts. The Likert scale distributed by the author consists of 2 indicators, namely knowledge indicators and skill indicators that the author gets from OJK.

2. OJK Measurement Scale

The measurement scale from OJK is used by the author as an interpretation of the understanding of the respondents based on the responses given. To categorise this, the author uses the OJK measurement scale described in the previous chapter. The OJK measurement scale is divided into four categories, namely: i. *Well Literate*

ii. *Sufficient Literate*

iii. *Less Literate*

iv. *Not Literate*

3. Quartile Deviation

Determining the level of perception of insurance in generation z teacher candidates was carried out using the quartile deviation approach. This approach is used because the level that the author will use is divided into 4 levels. With the number of 10-item statements, 16 respondents, the level of insurance perception which is divided into 4 categories with a Likert

scale range of 1 to 3, the interval of each level of insurance perception will be determined. To determine the interval, it starts by finding the minimum and maximum value of each statement item or indicator to be sought. The calculation method is:

Minimum Score = (lowest score) x (Respondents) x (statement items)

Maximum Value = (highest score) x (Respondents) x (statement items)

Interval (4 categories) = (Max Value - Min Value): 4

With the calculation above, an interval of 4 categories was found to be grouped into 4 levels. For grouping into 4 levels, the author takes the levels from OJK, namely the level of not literate, less literate, sufficient literate, to the level of well literate.

4. Analysis Of Insurance Perceptions

As explained in the results above earlier that to find out the level of perception of insurance on generation z prospective teachers, researchers distributed questionnaires with 2 indicators, namely knowledge and skills. The level of insurance literacy is grouped into 4 categories (not literate, less literate, sufficient literate, and well literate).

Determination of the level of insurance perception of knowledge indicators is carried out using the quartile intersection approach. For the knowledge indicator, there are a total of 5 statement items with 16 respondents and the level of literacy (insurance perception) which is divided into 4 categories with a scale range of 1 to 3. The calculation method is as follows:

Minimum = 1 x 16 x 5= 80

Maximum = 3 x 16 x 5 = 240

Interval (4 categories) = (Max - Min) : 4 = 40

Based on these calculations, the interval in the 4 categories is 40. Then the division of the 4 categories is clearly as follows:

a. Not literate : 40-80

b. Less literate : 80-120

c. Sufficient literate : 120-160

d. Well literate : 160-240

Table 4.3. Tabulation of Insurance Perspective Indicator Data

Respondent Code	Insurance Perception					totally
	1	2	3	4	5	
1	3	3	3	3	3	15
2	3	3	3	3	3	15
3	3	3	3	3	3	15
4	3	3	3	3	3	15
5	3	3	3	3	3	15

Respondent Code	Insurance Perception					totally
	1	2	3	4	5	
6	3	3	3	3	3	15
7	3	3	3	3	3	15

6. CONCLUSION

In this section, the author presents brief conclusions derived from the research results, along with suggestions for advanced researchers or general readers. The conclusion may review the main points of the paper but should not replicate the abstract.

Additionally, the author should identify the major flaws and limitations of the study, which may affect the validity of the findings and raise questions from readers. These limitations require critical judgment and interpretation of their impact. The author should address the question: Is this a problem related to error, method, validity, or other factors?

LIMITATION

It is inevitable that your research will have some limitations, and this is normal. However, it is critically important to strive to minimize the scope of these limitations throughout the research process. Additionally, you need to acknowledge your research limitations honestly in the conclusions chapter.

Identifying and acknowledging the shortcomings of your work is preferable to having them pointed out by your final work assessor. While discussing your research limitations, do not merely list and describe them. It is also crucial to explain how these limitations have impacted your research findings.

Your research may have multiple limitations, but you should discuss only those that directly relate to your research problems. For example, if conducting a meta-analysis of secondary data was not stated as your research objective, there is no need to mention it as a limitation of your research.

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