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Selection of Insurance Company Among Variable Unit Life Policy Holders: An Exploratory Factor Analysis

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ABSTRACT

This study delves into the factors influencing the choice of insurance companies by variable unit life (VUL) policyholders, a topic of widespread interest among all policyholders. The research aims to shed light on the buying preferences of VUL policyholders and explore the practical implications that emerge from the study's findings. A total of 277 participants, pre-qualified by enumerators from various bancassurance firms in Davao Region with active VUL policies, were selected through a combination of stratified and purposive sampling techniques. Employing exploratory factor analysis, the study identified critical variables considered by policyholders in their selection of insurance companies. Out of 46 items evaluated by participants, 12 were highlighted, leaving 34 items that revealed eleven dimensions significantly influencing the decision-making process for choosing a life insurance company offering VUL products. The key factors identified include customer service relations, employee expertise, the service culture of the company, product portfolio, marketing activities, product features, the brand name of the company, employee professionalism, company ownership, company tenure, and additional services offered. These elements represent the criteria policyholders prioritize when selecting an insurance company for their VUL policies.

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1. INTRODUCTION

In recent decades, the life insurance sector has witnessed a paradigmatic shift towards Variable Unit Life (VUL) products, catalyzed by evolving consumer preferences and a transformative regulatory landscape (Masud et al., 2021). This shift is emblematic of the broader dynamics at play within the financial services industry, where traditional product offerings are being reevaluated against the backdrop of deregulation, technological advancements, and international market

integration (Cummins & Venard, 2008; Hufeld, Koijen & Thimann, 2017). The transition towards VUL products, in particular, reflects a strategic pivot aimed at capitalizing on emerging growth opportunities within the wealth management domain, underscoring the industry's responsiveness to both market demands and regulatory imperatives.

Despite the insurance industry's growth and evolution, it faces ongoing challenges with consumer dissatisfaction and regulatory oversight, especially notable in the Philippines' expanding insurance market. This situation underscores the urgent need for insights into consumer decision-making (Gutierrez, 2022). Bangko Sentral ng Pilipinas reported that insurance penetration, a key indicator of the sector's GDP contribution, modestly rose from 1.69% in 2020 to 2.03% by the third quarter of 2021, with life insurance holding a 39% market share as of 2019 (Ibañez, 2022). Variable unit-linked insurance (VUL), a significant product in this category, combines life coverage with investment opportunities, akin to mutual funds (Bond, 2023). The Philippine Insurance Commission's data reveals a sector marked by rapid growth (Cudiamat & Siy, 2017) yet burdened by increasing consumer complaints (Araullo, 2024), highlighting the need for research into what drives policyholder satisfaction and loyalty. The mix of growing policy numbers against a backdrop of higher premium income and a minor decrease in total sum assured reflects complex consumer behaviors and market dynamics, necessitating comprehensive scholarly investigation.

Analysis of performance indicators in insurance businesses has resulted in a diverse body of research, highlighting the various aspects of corporate success in the insurance industry (e.g., Ahn & Park, 2023; Fekadu, 2015; Kibicho, 2015; Klumpes & Schuermann, 2011; Miranda & Miranda, 2022). The basis of this study is the belief that a company's financial well-being, determined by its revenue and profitability, is the main indicator of its operational sustainability (Chen & Wong, 2004; Santis, Albuquerque & Lizarelli, 2016). In the Philippines, the implementation of Republic Act No. 275 highlights the idea that an insurer's effectiveness is closely connected to its size, financial stability, and strategic growth plans. This encompasses a comprehensive perspective on performance that goes beyond just profitability to include a wider range of financial and operational standards.

This study endeavors to bridge the aforementioned gap by delving into the determinants that sway policyholders' selection of insurance companies, with a particular focus on Variable Unit Life (VUL) policyholders in the Philippines. It aims to dissect the confluence of factors that guide consumer preferences, extending beyond traditional metrics to include considerations of product innovation, customer service, and regulatory compliance. In doing so, the research seeks to contribute to the broader discourse on insurance market dynamics, offering empirical insights that could inform both industry practice and policy formulation. Through a rigorous analytical lens, this investigation will enhance the understanding of consumer behavior in the insurance domain, providing a foundational basis for future studies and strategic interventions aimed at bolstering policyholder satisfaction and market stability.

2. RESEARCH METHOD

2.1 Research Design

This research employed a descriptive exploratory factor analysis approach to identify the influencing factors on variable unit life (VUL) policyholders' choice among life insurance companies. Factor analysis is utilized to cluster interrelated variables into broader, foundational variables. Essentially, this method aims to simplify the data's complexity by reducing its dimensionality, thereby facilitating the interpretation of a new, lower-dimensional space. These new dimensions are thought to represent the underlying factors that were present in the original dataset (Yong & Pearce, 2013), aiming to account for the observed variables' variance through latent factors (Jöreskog, 2007; McDonald, 2014). Therefore, factor analysis not only clarifies the dataset but also provides valuable insights that can be applied in further analysis (Bartholomew, Knott & Moustaki, 2011; Howard, 2016).

2.2 Research Respondents

The participants in this study comprised 277 individuals currently holding active Variable Unit Life (VUL) policies. Based on the survey, this cohort is predominantly female (85.2% of the total

sample), primarily consisted of young professionals aged between 20 to 30 years (31.8% of respondents), and possessing a monthly income bracket of 17,000 to 20,000 (35.4% of the study's respondents). A significant portion of these policyholders (approximately 52.3%), reported having between zero to one dependent. Building on the insights provided by Przybytniowski (2017) and corroborated by the 2013 annual report from the Insurance Commission, it is noted that these young professionals exhibit a marked inclination towards securing insurance policies, particularly VUL products. This preference is attributed to their relatively lower daily financial obligations, coupled with a desire to secure their financial future early in their careers.

The selection process for these respondents was meticulously executed through a combination of stratified random and purposive sampling techniques, focusing exclusively on individuals with active VUL policies. The scope of this study is inherently linked to the level of participation and cooperation from the policyholders towards the research instruments. Assistance was sought from the bancassurance channels within various partnering banks across Davao Region of the Philippines to purposively identify and pre-qualify participants based on the financial advisors' client records, ensuring a focused examination of individuals with existing VUL policies under their respective bancassurance firms.

2.3 Research Instruments

The study began by employing a qualitative methodology, utilizing a focus group discussion (FGD) with 10 young professionals. All participants had maintained a variable unit life (VUL) insurance policy for a minimum of one year. The selection of this demographic was deliberate in order to obtain valuable information from persons who are actively involved with VUL insurance policy. This will allow us to understand the various experiences, perspectives, and priorities that influence their satisfaction and preferences towards VUL policies. The productive conversation facilitated by the FGD was crucial in extracting important themes and variables, which then guided the creation of a complete collection of item statements. The item statements, which capture the nuanced experiences and aspirations of policyholders, served as the foundation for the survey questionnaire. The goal was to combine qualitative insights with quantitative analysis in order to thoroughly examine the decision-making factors of VUL policyholders.

The shift to the quantitative phase involved the careful development of a survey instrument using the item statement pool obtained from the FGD. The method entailed a meticulous evaluation of content validity by a panel of experts, including experienced researchers, industry professionals, and academicians. They assessed the relevance and clarity of each item. The collective examination guaranteed that the survey would comprehensively encompass the crucial elements that impact policyholder satisfaction and preferences. Following the initial test, a following pilot study was conducted with a specific set of VUL policyholders to further improve the survey questions. This involved clarifying any uncertainties and boosting the accuracy of the instrument in capturing the preferences of policyholders.

The survey's reliability was thoroughly evaluated using Cronbach's alpha to guarantee internal consistency among the 46 items, indicating the instrument's dependability in measuring the targeted constructs. The computed alpha value was 0.878, interpreted as good. After incorporating pilot comments, the survey was distributed to a larger group of VUL policyholders.

2.4 Data Collection Procedure

After completing the qualitative phase of the study, the data gathering process for the second phase was carefully strategized and carried out to guarantee the precise acquisition of VUL policyholders' preferences and criteria for decision-making. Based on the knowledge acquired from the qualitative phase, a survey questionnaire was created based on a carefully selected set of item statements that were reviewed and approved for content and construct validity by a group of industry experts and academics. The main objective was to objectively evaluate the characteristics identified in the focus group talks that have an impact on the selection of variable unit life insurance plans.

The survey was conducted among a wider, stratified random sample of VUL policyholders to guarantee a comprehensive representation of various demographic factors, such as age, gender,

income, and the length of time they had held a VUL insurance. By implementing stratification, the sample was made to accurately reflect the larger population of VUL policyholders, hence improving the capacity to apply the findings to a wider context. The survey was mostly administered face-to-face to ensure faster retrieval of the responded survey questionnaires. This was done to safeguard the confidentiality of respondents and maintain the integrity of the data. The utilization of this digital method enabled the effective gathering of data and provided respondents with the freedom to participate at their own leisure, hence enhancing the probability of achieving greater response rates. To accommodate participants who have restricted internet access or a preference for older means, we provided paper-based versions of the survey through bancassurance partners and direct mailing. This approach ensured that all participants could engage in the survey, promoting inclusion.

In order to enhance the rate of response and guarantee a thorough dataset, several reminders were dispatched to potential respondents, and modest incentives were provided as a token of appreciation for their time and contribution upon completing the survey. After being gathered, the survey responses were carefully categorized and inputted into IBM-SPSS Version 20. This phase centered on utilizing exploratory factor analysis to systematically assess the impact of different qualities on policyholders' decision-making processes. The quantitative analysis played a crucial role in confirming the theme constructs discovered in the qualitative phase and in measuring their influence on policyholder preferences. This analysis provided a strong empirical basis for the study's conclusions and recommendations.

2.5 Data Analysis

The application of EFA in this study involving these statistical tools—the KMO index, Bartlett's test of sphericity, communalities, and the rotated component matrix—provides a methodical approach to understanding the data's underlying structure and determining the factors that influence VUL policyholders' selection of life insurance companies.

Exploratory factor analysis (EFA) is a powerful statistical approach used in the study to identify the underlying structure of a large set of variables. It is particularly useful when the research is exploratory in nature, as it helps in discovering patterns and defining the factor structure without imposing a predefined structure on the outcome. EFA is applied to reduce the data to a smaller set of summary variables and to identify the underlying relationships between measured variables (Yang, 2005). Statistical tests under EFA used in this study included:

Kaiser-Meyer-Olkin (KMO) Index. The Kaiser-Meyer-Olkin (KMO) index is a measure of sampling adequacy that indicates the proportion of variance among variables that might be common variance (Williams, Onsman & Brown, 2010). The KMO index is a statistic that ranges from 0 to 1, with values closer to 1 suggesting that a factor analysis may be appropriate. A KMO value greater than 0.6 is generally considered acceptable to proceed with an EFA (Shrestha, 2011). A high KMO value indicates that the sum of partial correlations is relatively low, meaning that the variables share something in common and thus factor analysis should yield distinct and reliable factors (McCoach et al., 2013).

Bartlett's test of sphericity. Bartlett's test of sphericity is another diagnostic measure used to assess the suitability of the data for factor analysis (O'Brien, 2007). This test examines the hypothesis that the correlation matrix is an identity matrix, which would indicate that the variables are unrelated and therefore unsuitable for structure detection (Shrestha, 2011). A significant Bartlett's test (p-value < 0.05) suggests that the correlation matrix is not an identity matrix and that there are relationships between the variables that factor analysis could uncover.

Communalities. Communalities are initial estimates of the shared variance in each variable that is accounted for by the extracted factors (Schreiber, 2021). In EFA, communalities indicate how much of the variance in each variable is explained by the factors. Initially, communalities are set equal to 1, but as factors are extracted, the communalities are updated to reflect the variance accounted for by the factor solution. High communalities suggest that the factor solution is well-fitting and that the factors explain a large portion of the variance in the data.

Rotated Component Matrix. The rotated component matrix, which typically follows a varimax rotation, is used to interpret the factors (Sass & Schmitt, 2010). Rotation is a method used to simplify the structure of the factors, making it easier to identify which variables are contributing most to each factor (Richman, 1986). The rotated component matrix shows the loadings of each variable on the factors, with higher loadings indicating a stronger relationship with the factor. This matrix is essential for understanding the composition of the factors and for naming them according to the variables that load most heavily on them.

2.6 Ethical Considerations

The objective of this study is to provide relevant insights for insurance firms and policyholders in a most discreet manner. The results are anticipated to be advantageous for insurance firms as they would illuminate the criteria that policyholders take into account when picking an insurer. Additionally, this information will assist policyholders in making well-informed choices regarding their insurance provider.

In order to uphold the ethical standards of the research, the University of the Immaculate Conception Ethical Review Committee conducted a thorough assessment of the study, with particular emphasis on maintaining the anonymity of the acquired data and ensuring the professional handling of all findings and discussions. This assessment highlights the dedication to safeguarding the interests of all parties included in the study, guaranteeing that the research is carried out with regard and thoughtfulness for the confidentiality and respectability of participants. This ethical oversight ensures that the study's advancements in comprehending the dynamics of the life insurance industry in the Philippines are accomplished without sacrificing the ethical principles crucial to scholarly research.

3. RESULTS AND DISCUSSIONS

3.1. Testing the Suitability of the Data for Factor Analysis

The suitability of the data for factor analysis was verified by employing the Kaiser-Meyer-Olkin Measure (KMO) of Sampling Adequacy and Bartlett's Test of Sphericity. The KMO index, which measures the extent to which the variables share common variance, obtained a value of 0.809, as shown in Table 1. The result is well over the minimum threshold of 0.5, as recommended by Field (2000), which indicates that the sample size is sufficient for the study. In addition, the Bartlett's Test of Sphericity yielded an estimated chi-square value of 8232.74 with 1035 degrees of freedom, and a significance level below .001. This result not only provides evidence for the factorability of the correlation matrix, as it is significantly below the $p < .05$ criterion, but also verifies the existence of organized relationships among the variables (Young & Pearce, 2013). Based on these findings, it may be inferred that the sample size is adequately large compared to the number of scale items, and the relationships between items are strong enough to continue with factor analysis (Pett, Lackey, & Sullivan, 2003).

Table 1. *KMO and Bartlett's test*

Measure	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.809
Bartlett's Test of Sphericity (Approximate χ^2)	8232.74
Degrees of Freedom (df)	1035
Significance (p-value)	< .001

3.2. Item Extraction in Exploratory Factor Analysis

In preparation for exploratory factor analysis (EFA), the reliability of the data was first established. The EFA was conducted in response to modifications in the items and responses, with the aim to discern the factor structure of the scale. Field (2000) notes that orthogonal rotation in EFA results in

uncorrelated factor scores, which can be beneficial in addressing multicollinearity issues in multiple regression analyses.

Table 2 illustrates the initial communalities obtained from the EFA. Communalities represent how much of each item's variance is explained by the factors, with a higher value indicating a greater amount of variance accounted for. The predetermined threshold for item retention was a communality of 0.6; thus, items with initial communalities below this value were discarded. This resulted in the exclusion of 12 items, including statements about agent-client relationships, customer service clarity, the efficacy of support service groups, and the importance of product flexibility. Conversely, 34 items exhibited adequate patterned coefficients for retention, ranging from 0.614 to 0.894, which suggests a substantial shared variance explained by the factors.

The EFA process led to retaining items that reflect a broad array of considerations for insurance policyholders, such as the professionalism of agents (item 13, communality of 0.829), the effectiveness of company communication (item 39, communality of 0.768), and the satisfaction with formal feedback processes (item 42, communality of 0.894). These findings suggest that policyholders place significant value on the transparency, reliability, and responsiveness of insurance companies when selecting and maintaining variable unit life insurance policies.

Table 2. *Initial Communalities of the Items*

	Item Statements	Coefficient	Decision
1.	Agent promotes harmonious and friendly relation with the clients.	0.587	Discarded
2.	Approachable and available agents whenever needed by the clients.	0.693	Retained
3.	Advisor explains clearly the policy to the client.	0.673	Retained
4.	Agent provides tailored fit product suggestion to the client.	0.772	Retained
5.	Agents are well knowledgeable about the product portfolio.	0.695	Retained
6.	Customer service has the ability to understand the unique nature of client's concerns.	0.664	Retained
7.	Customer service has the ability to provide clear answers to client's question and clarification.	0.567	Discarded
8.	Support service groups are knowledgeable about the product.	0.750	Retained
9.	Support service groups have the ability to provide solutions that work.	0.511	Discarded
10.	Customer service is prompt in addressing issues.	0.630	Retained
11.	Policy reviews to clients are done regularly by agents.	0.578	Discarded
12.	Product updates are provided by agents to clients.	0.679	Retained
13.	Agents exhibit professionalism in maintaining confidentiality about pertinent information on clients.	0.829	Retained
14.	Agents Introduce resale activity for growing needs of clients.	0.614	Retained
15.	Agents handle queries of clients about other insurance companies.	0.787	Retained
16.	Company's total asset determines the company's stability.	0.623	Retained
17.	Industry ranking of the life insurance company affects preference of the policy holders.	0.617	Retained
18.	Past performance of the company affects preference of the possible client.	0.661	Retained
19.	Variety of product policy offered justifies the capability of the company to fulfill its contracts to policy holder.	0.749	Retained
20.	Product flexibility is one consideration in choosing a product offered by a specific company.	0.504	Discarded
21.	Product endowment is enough to cover intended purpose.	0.723	Retained
22.	Company's advertisement affects in buying decision.	0.709	Retained
23.	Agent's ability to suggest products are realistic.	0.535	Discarded
24.	Annual policy status is consistently delivered on time.	0.721	Retained
25.	Company website is user friendly.	0.652	Retained
26.	Payment centers are accessible.	0.508	Discarded
27.	Product advantages and disadvantages are properly disclosed.	0.515	Discarded
28.	Ownership of companies matters.	0.664	Retained
29.	Tie up banks are important in selecting a life insurance company.	0.528	Discarded
30.	Agents are always available for queries.	0.703	Retained

Table 2 (continuation). *Initial Communalities of the Items*

31.	Reputation of the company over a period of time matter.	0.826	Retained
32.	Recommendation of a friend and relatives matter.	0.812	Retained
33.	Comments of other people about their personal experience on the company have significant effect to selecting a company.	0.720	Retained
34.	Image of the company has bearing on decision of choosing life insurance companies.	0.689	Retained
35.	Payment terms of products are flexible enough for amendments.	0.814	Retained
36.	Office infrastructure affects buying decision.	0.668	Retained
37.	Company contact information is made public.	0.550	Discarded
38.	Tenure of the company in the market affects choosing a company to trust.	0.485	Discarded
39.	Communication of the company to its existing and prospect clients is effective.	0.768	Retained
40.	Transparency of the company's income statement is a great value proposition for choosing a better company.	0.708	Retained
41.	Company's debt and borrowing ratings have significant effects in selecting an insurance company.	0.655	Retained
42.	Formal feedback process for any inquiries by the client is satisfactory.	0.894	Retained
43.	Company fulfills their promise to their policy holder based on the agreed policy contract.	0.848	Retained
44.	Annual profit increase or decrease affects decisions in choosing particular company.	0.829	Retained
45.	Product presentation to client by the agent has a great value.	0.728	Retained
46.	Diversification of company's investment is important	0.489	Discarded

3.3. Derivation of the Number of Factor Structure

Table 3 presents the results of the total variance explained by an exploratory factor analysis using principal component analysis as the extraction method. The table displays the eigenvalues, the percentage of variance attributed to each component, and the cumulative percentage of variance explained. The first component accounts for the largest portion of the variance (10.807%), followed by subsequent components which explain progressively smaller portions of the variance. The first component's eigenvalue is 4.971, indicating its significance in the data structure. Collectively, the eleven components explain 69.307% of the total variance in the dataset, with each component contributing to the cumulative percentage of variance explained.

Table 3. *Total Variance Explained*

Component	Eigenvalues	% of Variance	Cumulative %
1	4.971	10.807	10.807
2	4.356	9.470	20.278
3	3.778	8.213	28.491
4	3.206	6.970	35.462
5	2.991	6.501	41.963
6	2.624	5.704	47.667
7	2.573	5.593	53.260
8	2.297	4.992	58.253
9	2.011	4.373	62.625
10	1.630	3.544	66.170
11	1.443	3.137	69.307

Upon confirming the existence of eleven factors within the dataset, the 46 items underwent rotation to facilitate a more interpretable factor structure. Rotation in factor analysis, particularly the orthogonal rotation using the Varimax method as applied in this study, serves to simplify the factor solution and enhances interpretability by assuming no correlation between the factors (Beavers et al., 2019; Meyers, Gamst & Guarino, 2016). The process of rotation modifies the pattern of factor loadings, which are correlations between the variables and the factors, indicating the extent to which each variable contributes to the factor it is associated with (Schmitt & Sass, 2011).

In this study, the VARIMAX rotation was adopted because it isolates the extracted factors, as suggested by principal component analysis which dictates that the initial factor should account for the maximum variance, often resulting in many variables having high loadings on the first factor and lower on subsequent factors (Field, 2000). Such a scenario can complicate the interpretation of factors, but rotation ameliorates this by optimizing the factor loading patterns. Consequently, specific items clustered distinctly within certain factors. For instance, items 42 to 45, along with items 39, 40, and 41, loaded strongly onto the first factor, demonstrating high factor loadings between 0.655 and 0.894. Similarly, items 4 through 7, as well as items 1 and 2, aligned significantly with the second factor, with loadings from 0.567 to 0.772. This pattern of item-factor alignment continued across all identified factors, with each item loading significantly onto a single factor and not cross-loading to others, ensuring clear and non-overlapping factor interpretation.

The rotation thus confirmed that the eleven factors in Table 4 provided an adequate explanation for the study's variance. The table illustrating the rotated factor structure, which is not presented here, would reveal that each variable loaded exclusively onto one factor, a clarity achieved by suppressing communalities below 0.6 from the display as per Field (2005). This suppression strategy aids in simplifying the factor interpretation, with the high loadings indicating that each item meaningfully contributed to the definition of its respective factor or dimension.

In the study's findings, the first factor identified as "*Customer Service Relation*" underscores the critical nature of effective communication and transparency in insurance services (Khan, 2013; Rashidi, 2012). Policyholders notably prioritize efficient feedback mechanisms, as indicated by the high factor loading (.894) of the item emphasizing satisfaction with inquiry responses. The significance policyholders place on insurers' adherence to promises and financial transparency is evident through notable loadings of .848 and .708, pointing towards a demand for integrity and clear disclosure in insurance operations.

The second factor, termed "Employee Expertise," captures the essence of personalized and competent service as a determinant in choosing insurance services (Gidhagen & Gebert-Persson, 2011; Ngoima, 2013; Stempel, 1993). The item reflecting the agent's ability to offer tailored advice to the client, with a loading of .772, along with the agent's deep knowledge of product options at .695, highlights the policyholder's preference for adept and individualized guidance. This factor is pivotal in fostering trust and ensuring that policyholders are well-informed in their insurance decisions.

Regarding the third factor, "Company Service Culture," the findings reveal policyholders' expectations for a robust and supportive corporate environment (Obalola, 2008; Siddiqui & Sharma, 2010). The value placed on knowledgeable support staff, indicated by a .750 loading, and the company's historical performance with a .661 loading, reflect the weight given to a culture of reliability and customer support in maintaining client loyalty and satisfaction. Meanwhile, factors such as "Product Portfolio Mix," "Marketing Ability," and "Product Features" emphasize the importance of diverse and adaptable product offerings (Sherrick et al., 2003), flexible payment terms (Akotey, Osei & Gemegah, 2011; Boateng & Awunyor-Vitor, 2013), and substantial coverage (Schoen & DesRoches, 2000) to meet policyholders' specific needs and financial objectives. "Company Brand Name" and "Employee Professionalism" emerge as the seventh and eighth factors, highlighting the importance of a company's long-standing reputation (Okhrimenko & Manaienko, 2019) and the professional conduct of its employees (Doiron, Jones & Savage, 2008; Haron, Ismail & Razak, 2011) in maintaining client confidentiality and providing regular updates, which are integral to building a trusting relationship.

The last three factors identified, Factors 9 to 11, are deemed invalid due to being single-item factors. This lack of multiple variables sharing common dimensions means these factors fail to represent a comprehensive construct (Bandalos & Finney, 2018), limiting their usefulness in generalizing policyholder behaviors or attitudes. Thus, while items such as "Ownership of companies matters," "Tenure of the company in the market affects choosing a company to trust," and "Agents handle queries of clients about other insurance companies" may hold individual significance, they do not form robust factors in the context of this study's factor analysis.

Table 4. *Rotated component matrix*

Items	1	2	3	4	5	6	7	8	9	10	11
Formal feedback process for any inquiries by the client is satisfactory.	.894										
Company fulfills their promise to their policy holder based on the agreed policy contract.	.848										
Annual profit increase or decrease affects decisions in choosing particular company.	.829										
Communication of the company to its existing and prospect clients is effective.	.768										
Product presentation to client by the agent has a great value.	.728										
Transparency of the company's income statement is a great value proposition for choosing a better company.	.708										
Company's debt and borrowing ratings have significant effects in selecting an insurance company.	.655										
Agent provides tailored fit product suggestion to the client.		.772									
Agents are well knowledgeable about the product portfolio.		.695									
Approachable and available agents whenever needed by the clients.		.693									
Advisor explains clearly the policy to the client.		.673									
Customer service has the ability to understand the unique nature of client's concerns.		.664									
Support service groups are knowledgeable about the product.			.750								
Past performance of the company affects preference of the possible client.			.661								
Customer service is prompt in addressing issues.			.630								
Company's total asset determines the company's stability.			.623								
Industry ranking of the life insurance company affects preference of the policy holders.			.617								
Variety of product policy offered justifies the capability of the company to fulfill its contracts to policy holder.				.749							
Annual policy status is consistently delivered on time.				.721							
Company website is user friendly.				.652							
Payment terms of products are flexible enough for amendments.					.814						
Comments of other people about their personal experience on the company have significant effect to selecting a company.					.720						
Image of the company has bearing on decision of choosing life insurance companies.					.689						
Office infrastructure affects buying decision.					.668						
Product endowment is enough to cover intended purpose.						.723					
Company's advertisement affects in buying decision.						.709					
Reputation of the company over a period of time matter.							.826				
Recommendation of a friend and relatives matter.							.812				
Agents are always available for queries.							.703				
Agents exhibit professionalism in maintaining confidentiality about pertinent information on clients.								.829			
Product updates are provided by agents to clients.								.679			
Agents Introduce resale activity for growing needs of clients.								.614			
Ownership of companies matters.									.664		
Tenure of the company in the market affects choosing a company to trust.										.685	
Agents handle queries of clients about other insurance companies.											.787

4. CONCLUSION

The study aimed to delineate the factors influencing policyholders' choices when selecting a variable unit life (VUL) insurance company in Davao Region. Through multivariate analysis employed in this study, eleven distinct dimensions emerged, reshaping the understanding of what drives

policyholder preferences. These dimensions encompass a range of elements from customer service relations, which include the quality of feedback and promise fulfillment, to the expertise of employees, denoting the value of personalized service and product knowledge. The cultural approach of a company's service, the diversity of the product portfolio, and the efficacy of marketing activities were also identified as influential factors. The features of the products offered, the reputation symbolized by the company's brand name, and the professionalism of the employees further contribute to the decision-making process. Each dimension was substantiated by items with significant factor loadings, which presented a clear picture of the attributes that resonate with policyholders.

On the other hand, ownership structure, the company's market tenure, and the breadth of other services offered round out the list of critical considerations for policyholders.

These findings reflect the multifaceted nature of customer decision-making in the insurance market and underscore the importance of a holistic approach by insurance providers in addressing the varied needs and expectations of their clients.

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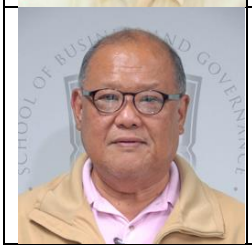

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