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Does the Maslowian Theory of Hierarchy of Needs Explain the Perceived Insurance—Buying Apathy of Nigerians?

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Abstract

The paper seeks to establish whether Maslowian theory of hierarchy of human needs, in concert with other factors, could be a valid explanation for the observed poor insurance buying behaviour of most Nigerians. Relying mainly on literature evidence it was observed that, given the poverty level in the country, an average Nigerian would be concerned more with his existential needs than bother about security needs, to which insurance buying decision relates. Therefore the paper contends that Maslowian theory, might have partly explained the observed apathy towards insurance products. Furthermore, the study noted that the fatalistic attitude of the adherents of the country's dominant faiths, Islam and Christianity, together with the autochthonous age-long quasi-insurance institutions in the country jointly undermine insurance-appetite of the insuring public. The paper therefore concludes that stimulating demand for insurance will not come easily just by increased legislations as has been done hitherto by the regulatory body. Rather, this would require a mix of strategies including, improving the image of insurance companies in public consciousness via prompt settlement of all genuine claims, creatively aligning the local insurance institutions into the mainstream insurance system and finally putting in place an effective public policy framework that not only reduces governance-induced corruption but also would encourage income redistribution to the poor.

Keywords

Nigerian Insurance, Maslowian Theory of Hierarchy of Human Needs, Poverty, Quasi-Insurance Institutions

1. Introduction

Modern insurance practice was alien to African culture and remained so until the arrival of British colonial masters who extended commercial insurance protection to British trading companies operating in Africa (Okonkwo & Okeke, 2019). From outset, it seems, commercial insurance practice in Nigeria, took on the toga of an elite indulgence restricted to only expatriates, small segment of city dwellers and their businesses. What played out in the end was a business phenomenon that cut off a large swathe of the rural population. It has remained so decades after the exit of the expatriate insurance investors. The enduring deficient demand for insurance services in Nigeria remains a cause of concern to both industry operators and policy makers. In advanced societies, growth of the insurance industry, measured in terms of premium income, is heavily dependent on consumers who buy through volition and less on legislative support. This behavioural pattern may not be unconnected with the fact that insurance buying in those societies sprouted out of their primordial cultural practices which facilitated it's intergenerational transmission. Hence "modern insurance", in those countries, is merely a refinement of deeply ingrained culture. Thus, insurance purchase is neither triggered by legislative promptings only nor is it permanently hamstrung by poor macroeconomic indicators.

Nigeria casts a different scenario. She remains one of the least developed insurance markets in Africa and indeed, the world, with a premium per capita of \$8.9 and a penetration rate of 0.6% (Nweke, 2012a). In a desperate search for increased premium records, industry managers lay emphasis on enacting new compulsory insurance regulations and how to enforce existing ones. For instance, the Market Development Restructuring Initiative (MDRI) was introduced in 2015 by the National Insurance Commission, NAICOM, the market regulator (Nweke, 2012b). Its primary goal was to increase market penetration through the introduction of new compulsory insurances and to implement existing ones. Even when a case could be made for these covers, the approach followed by insurers in stimulating demand via compulsory insurances is simply self-serving. This approach reflects a business mindset espoused by Kunreuther & Freeman (1997) who once quipped that it is a known fact that the direct approach to creating demand for insurance is to make it compulsory. The contexts are however different. In Nigeria, for example, the regulator and the seller presume that weak legislative environment and poor enforcement mechanism only, account for the poor insurance penetration and low contribution to the country's GDP (Nweke, 2012c). These attempts to turn things around via increased legislations never seem to have extracted more than marginal results (Popoola, 2012). Industry observers, however, argue that stimulating demand for financial services, especially insurance, may not come cheaply just by legislative tinkering. Knowledge of the factors that create apathy for insurance products seems a natural starting point. This is the argument advanced by this paper. In particular, the paper sets out to investigate whether or not Maslovian theory of hierarchy of needs, in conjunction with other factors, has any explanatory powers for the perceived low patronage of the insurance industry by Nigerians. The rest of the paper is organised as follows. Part II explains Maslow's theory and possible hints of poverty in the polity, mostly literature evidence. Part III zooms on the intrinsic nature of insurance service and the lingering image problem of the industry that impinge on its appeal to the public while Part IV reviews some socio-cultural and quasi-insurance institutions in Nigerian that compete with insurance and how they could be mainstreamed into the conventional insurance practices for increased premium generation. Part V concludes the paper.

2. Maslowian Theory and Insurance Buying Behaviour

This section is broken into two sub segments. The first leg explains Maslows theory. The second part gleans the literature for hints of poverty and how it could have affected insurance purchase. **(a) Explaining the Maslowian Theory.** The theory paints a picture of a human being, not as an empty organism, but an active being whose behaviour is being shaped by some potent forces (Maslow, 1970 as cited in Osuji (2007). He calls these forces organismically based needs (Osuji, 2007). He postulates that unsatisfied needs motivate, i.e. these needs create tension within the organism and serve as a force to direct behaviour towards the reduction of the tension. Maslow conceives a five-level need arrangement in some order of prepotency. The needs structure casts a form of a pyramid rising from the base to the tip as shown in **Figure 1** below. Arranged in that order he formulates the principles under which they operate thus: 1) It is only when a person has reasonably satisfied a basic and pressing need that the next level of need emerges (Kotler, 1988: 187); 2) deprivation of a satisfied need best equips one to seek a way to restore the gratification of the need in future (Osuji, 2007); 3) when basic needs have been taken care of, people are healthy and motivated to achieve their highest potential in life.

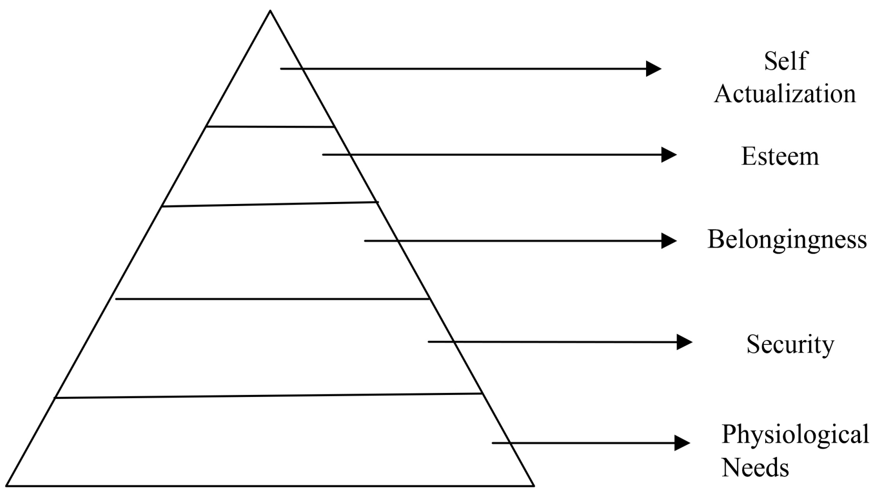

Figure 1. Maslow's Hierarchy of needs. **Source:** From Motivation and Personality, by Abraham H. Maslow, 1970.

Physiological needs constitute the most basic needs for organism's survival. They include food, clothing, water, sex, air and elimination of waste (Osuji, 2007). These are the needs that make earthly existence possible. They are so fundamental that their denial ensures that all human faculties are directed towards their satisfaction. Kotler (1988: 187) and Kotler & Armstrong (2005: 51) postulate that a man who is chronically hungry has a whole philosophy of life woven around food. According to them, he dreams about food and fantasizes about food. In fact, higher order needs, such as security, belongingness, esteem, temporarily, seem not to matter. Satisfaction of physiological needs equips one to proceed to the next level, namely, safety or protection need (e.g. insurance purchase), which make for self-preservation. When safety or protection need is gained, effort is directed to the love and belongingness needs. There is a natural desire to be loved and appreciated by all humans. This affection need draws one to be part of a group and to experience sharing within peer groups and the general community. These in practice find expression in the array of kinship groups, to which one may belong as an organism. The next rung in the hierarchy is the esteem needs. Esteem represents the typical human desire to be accepted and valued by others (Wikipedia, n.d.). Osuji (2007) opines that esteem needs result in self-respect, self-confidence and feeling of fullness. People often engage in a profession or hobby to gain recognition. These activities often offer one a sense of contribution or value. As claimed by Osuji (2007), gratification of the need makes one to have emotional satisfaction and stability. Inability to achieve it results in poor self-concept and loss of age identity. The last rung and highest on the hierarchy is the self-actualization. Self-actualization enables one to fulfill one's individual nature in all its ramifications. This aids him to have a feeling of ecstasy, wonder, awe, and becoming free from cultural and self-imposed restraints (Osuji, 2007). According to Maslow, this level of need is the desire to accomplish everything that one can and to become the most that one can. Getting actualized may require some narrowing of interest and some bit of focusing. For instance, an accomplished professor of finance may devote his twilight years to photography, or a craft such as basket making or wood carvings. These are samplers of self-actualization activities. Self-actualization as a concept is an endless pursuit. That is, it should not be seen as the terminal point of one's motivation. Instead, it is an ever continuing process (Boshier, 1977 in (Osuji, 2007)). One is really a self-actualizing person and not necessarily, a self-actualized person. As captured by Maslow (1970) in Osuji (2007), a self-actualizing person is seen as having:

limitless horizons opening up to the vision, the feeling of being simultaneously more powerful and also more helpless than one ever was before, the feeling of great ecstasy and wonder and awe, the loss of placing in time and space within, finally, the conviction, that something-extremely important had happed, so that the subject is to some extent transformed and strengthened even in his daily life by such experiences.

Clearly then, a human being, ever in the process of satisfying one need or another has his behaviour being shaped by the force of the need. This renders it inevitable that one is naturally drawn to any activity, learning or otherwise which relates to satisfaction of a need at any point in time (Osuji, 2007). **(b) Are Nigerians poor?** We turn to the literature for an answer**.** First, let us understand the meaning of poverty. The general notion of extreme poverty is defined in terms of the number of persons living below poverty line and this line is currently put at $1.9 or approximated to $2 per day. Therefore if one is unable to earn an income of $2 a day, he or she is living in extreme poverty. As Dror & Firth (2014) assert, most of the world's population in low and middle income countries (LMIC) lives and work in the informal sector and this is the case with Nigeria. In the developing world, as in rural Nigeria, the informal sector habours the small-scale, self-employed activities, typically unrecorded, unregistered and conducted without any government recognition (Dror & Firth, 2014). This segment has immense potential for insurance but it is excluded from any form of conventional insurance coverage. To understand the degree of poverty in Nigeria, it may serve a practical relevance not to appeal to national aggregates only but to invoke a local perception of poverty for a better appreciation. Ukwu (2002) gauged the pulse of locals on their poverty perception in a Focus Group survey involving persons of varying age brackets in Nigeria. The people's concept of poverty was wide-ranging. According to summary of findings from the focus group discussions, manifestations of poverty took the form of "haggardness and poor clothing, inability to pay rent, inability to feed one's self and family, inability to pay community dues, condition of hopelessness, 'lack of respect' etc.". "Lack of respect" roughly translates to a degree of poverty that dehumanizes the human person. The insights from the local perception of poverty in Nigeria is to be juxtaposed with national statistics on the subject as an aid to answering the question of whether poverty in any way could explain the apparent apathy towards demand for insurance products. Are most Nigerians poor and what are the major causes of poverty in Nigeria? To answer these questions, we appeal to literature evidence.

At different times, Nigeria has been designated as the poverty capital of the world (Dahiru, 2018; DailySun Editorial, 2022a) with 86.9 million Nigerians living in extreme poverty. This number might have climbed higher. In 2020, Global Hunger Index ranked Nigeria 98th out of 107 countries surveyed, thus placing her among the top 10 hunger-ravaged countries of the world (DailySun Editorial, 2022b). In fact, COVID-19 pandemic worsened the situation, thus pushing the economy into recession twice, in a row, back to back. Curiously, Nigeria is a contradiction of sort, in which high GDP growth coexists side by side with extreme poverty. Okoli (2013) seems to confirm this view point when he averred that substantial rise in GDP in various underdeveloped countries failed to make any substantial impact in the lives of a large number of people as the benefits of growth did not trickle down as expected. Okoli's characterization aptly describes the state of affairs in Nigeria. Okoli (2013) further claimed that in a period, spanning, 1982-2011, real GDP growth moved from −27% to 7.36%. And for the same period, poverty level moved from 28.1% to 69%. The above conclusion was confirmed some years later by Sanyaolu (2018) who claimed that Nigeria's strong economic growth has not translated into a significant decline in poverty levels, with over 62% of the country's 170 million people still living in extreme poverty. Anyanwu (2021) disclosed that a U. K.-based, think tank, Institute of Development Studies (IDS), ranked Nigeria as the second poorest country in the world in terms of food affordability. Furthermore, the same report claimed that in 2020, Data Firm Statista, pegged the average living wage in Nigeria at N43200, whereas minimum wage in Nigeria stood at N30000. Both the living wage and minimum wage are below $1 worth. National Bureau of statistic (NBS) also highlighted the grim poverty profile of the country when it claimed that 82 million (40%) of Nigerians are living in extreme poverty (Anomie, 2020), with varying degrees of regional disparities. It further claimed that Sokoto state has the highest poverty rate of 87.73% while Lagos state recorded the least rate, 4.02%. DailySun Editorial (2021) in 2021 spotlighted household expenditure emphasis of Nigerians. It stated, in part, that **"the recent report that Nigerians' spending on daily needs such as food, clothing, housing, energy and others, in the first half of 2021 rose to N54.84 trillion is scary".** These expenditures relate to items that address physiological needs. And rising food prices further exacerbates poverty, leading to emphasis on bare survival (existential needs) for today with little or no thought about tomorrow. Again, International Monetary Fund-IMF-raised an alarm to the effect that COVID-19 pandemic has led to 20% increase in the number of undernourished persons in Nigeria in the year, 2020 (DailySun Editorial, 2021). The World Bank data on the number of undernourished persons in Nigeria was about 25 million people (DailySun Editorial, 2021). These statistics are clear indicators of poverty. In 2022, for instance, the World Bank report on Nigeria offers fresh evidence on the poverty profile and drivers of poverty. The report revealed that Nigerians residing in Northern parts of Nigeria were worst hit by poverty. In particular, the report unveiled that they lack education, improved sanitation, and access to basic infrastructure. It further claimed that only 17% of Nigerian workers "hold the wage jobs able to lift people out of poverty". The import of the above information, for insurance demand purposes is clear, namely, that only a few of working Nigerians can afford to buy insurance covers if they are sensitized. The poverty status of Nigeria once caught the attention of the immediate past President of Nigeria, Muhammadu Buhari. He was quoted as having said "when I drive around the country, what upsets me more is the status of poor people in this country-you see young people, the so called Almajiri with torn dresses, with plastic bowls. They are basically looking for what to eat…" (DailySun Editorial, 2021). The information as given above is in support of poverty profiling of a large segment of Nigerians.

To gain more insight on our inquiry, we provide answers to the following set of questions: what further proofs can one adduce to show that most Nigerians are poor and obsessed with mundane, physiological needs? What are the major causes of poverty? Morduck (1999) opens the debate most poignantly thus: ***many households (in developing countries) are exposed regularly to risk from: Illness, harsh weather, political instability and economic mismanagement. These events remind observers of a reality hidden in official poverty statistics, namely, that condition of poverty is linked closely to vulnerability.*** Furthermore, Holzman & Jorgensen (2000) observe that the poor and the very poor, in particular, are especially vulnerable since they are typically more exposed to shocks and have fewer instruments to manage risk, and even a small drop in welfare can be disastrous. As a further characterization of the poor they claimed that: ***the poor typically are the most vulnerable in a society because they are often the most exposed to the whole range of risks and at the same time they have less access to appropriate risk management instruments. This threat of destitution and non-survival renders the poor very risk averse and as a result makes them very reluctant to invest in higher risk/return activities. As a consequence, the poor are not only incapable of seizing opportunities which emerge in a globalizing world but they are even exposed to the increased risks which the process is likely to entail.*** If the poor are thus constantly confronted with a range of risks that even threaten them with destitution, why are they apathetic to means-conventional insurance products, which could help to manage the risks? A paradox therefore seems to have emerged that those who need and ought to embrace insurance with both hands, given their circumstances, are the ones disinclined to it. Does the answer lie in the alien nature of traditional insurance contract which lacks the flexibility inherent in the autochthonous local insurance system? Perhaps, this may have informed the response strategy followed by the National Insurance Commission-NAICOM. Recently, it rolled out its flagship micro-insurance schemes, the Conventional micro-insurance scheme and the Takaful insurance scheme (Okonkwo & Okeke, 2019). The Takaful variant targets the Muslim consumers. The impact and the diffusion these new insurance products would require more time to evaluate. This already suggests a frontier for future investigation.

In a way that defies logic, Nigerians seem enmeshed in a web of untoward events-illness, harsh cataclysmic weather condition, political insecurity, illiteracy and economic mismanagement (Morduck, 1999). These events spread poverty in the polity as statistics already bears out. In support of the poverty hypothesis, Holmes et al. (2012) weighed in with further statistics thus: ***the majority of the Nigerian*** **population lives in poverty despite the wealth in the country. It was** ***further submitted that between 1980 and 2004, both rural and urban poverty more than doubled from 28.3% to 63.3% in rural areas and from 17.20% to 43.2% in urban areas. Inequality with regard to income and asset distribution, unequal access to basic infrastructure and services and social cultural norms are also a concern, themselves, being drivers of poverty, vulnerability and inequality.***

In fact, Nigeria is said to have one of the most unequal societies in the world (AEO, 2010 in (Holmes et al., 2012)). Record shows that approximately 20% of the population owns 65% of the national wealth (Holmes et al., 2012). Outreville (1996) has argued that a highly skewed distribution of personal income is a concern for insurance demand purpose. Furthermore, 60% of Nigerian population was claimed to be below the age of 18 and children represented disproportionately in poor households (Holmes et al., 2012). This, on its own, has implications for the insurance market. The poor are disempowered financially and can neither create businesses that need insurance policies nor can they purchase insurance themselves. Furthermore, children by the nature of their circumstances are cost centres. If large majority of Nigerians are poor and large swathes of children concentrated in poor households, it is self-evident that current concern of most households would revolve around physiological needs and less about security, which lay higher up in Maslow's needs' pyramid. In a way that in itself reinforces our thesis. Outreville (1996) and Mensah et al. (2023) have argued that a relatively large proportion of households in developing countries derive its income from agriculture and incomes are subject to large fluctuations owing to variations in world prices of agricultural commodities and climatic conditions. The fluctuation in global prices greatly worsens the poverty status of Africans.

Add to the above mix, the intractable issues of banditry, herder-farmer clashes and the menace of Bokko Haram (Obidiwe, 2021), one gets a messier picture of poverty. All of these social upheavals further spread stress and poverty in the polity. Again, frequent attacks organised and launched by Bokko Haram on farming communities in parts of the country are known to have displaced large swathes of communities leading to humanitarian challenges (Berry, 1991). This, as expected, exacerbates poverty and demand for insurance would be a remote possibility in the circumstances. Government, in a tacit admission of the grim condition of the poor in the country, had even introduced and implemented sundry ineffectual programmes aimed at ameliorating poverty, like the "conditional cash transfers" to the elderly (Taiwo-Obalonye, 2022). By and large, we could infer that the most palpable proof of poverty in Nigeria is the emergence of Boko Haram and other criminal gangs. These untoward criminal elements were believed to have been hatched out of poverty and years of corruption consolidation and dysfunctional governance systems that have diverted public wealth meant for developmental ends, including employment generation, into personal self-enrichment. Policy programmes are therefore required in order to reverse the trend.

Contribution of the Nigerian insurance industry to the nation's GDP as at 2012 stood at less than one percent (Obi, 2013). This poor contribution to GDP has not changed even after ten years. On balance and based on literature evidence, there is a basis to suspect that there could be a correlation between poverty and insurance penetration rate in Nigeria. After all, Maslow had argued that a hungry man thinks about food, wants food, dreams about food and has fantasies about food and has a whole philosophy of life woven around food (Kotler, 1988: 187). Since he is entrapped in poverty and barely manages to address his physiological needs, the poor cannot be bothered about security such as buying insurance to mitigate unexpected contingencies. Hence it could be inferred that Maslow's theory of the hierarchy of human needs provides, at least, a partial explanation for the low patronage of the insurance industry in Nigeria.

3. Characteristics of Insurance Products and Marketing Challenges

Insurance products share some features/characteristics with other services that render them peculiar and in need of special marketing strategies (Thomas, 1978). For instance, the intangible nature of service ordinarily renders insurance marketing in Nigeria a sticky affair given the lingering image problem of the industry (Omar, 2007). At the root of this negative image is the public perception of the industry in relation to its claims settlement record (Obaremi, 2006/2007). A conjecture claims that the industry is a protected fraud which declines payment of genuine claims at the slightest excuse. In sales contracts, involving goods, a buyer parts with his money in exchange for something of value that can be seen, touched, tasted or even smelt for proof of quality (Berry, 1991: 60). The buyer, in an insurance exchange transaction, parts with his money in exchange for policy papers, a documentary evidence of a subsisting contract. Policy document contains terms of the contract. Hence insurance policies are no more than mere promises whose value can only be determined in the future. Worse still, future redemption of the promises depends on variable factors, such as insurers' ability and willingness to keep promises, which most times, prove unreliable. Hence, buyers in these circumstances need reinforcing behaviour from the industry operators as an antidote against cognitive dissonance that normally accompanies such transactions. At the core of insurance business therefore is a fragile, slender element called trust, being a fiduciary business. In Nigeria this element, trust, has been bruised badly. This, in part, may explain why less than 1% of the country's population of over 200 million people has any form of insurance policy (Obaremi, 2006/2007). The image problem is further complicated by the high incidence of fake insurance marketers that sell third party motor vehicle insurance policies (Obaremi, 2006/2007). Operators of these unlicensed insurance companies charge ridiculously low prices below the official rates. They decline payment of claims when policies turn into claims. In fact, some of them even may never be traced to any known address at critical moments. Efforts to sanitize the market have only yielded marginal results and this has not helped the image of the industry (Omar, 2007). It is argued by some that prompt claims payment may help to restore public confidence in the industry.

4. Autochthonous Socio-Cultural Qausi-Insurance Institutions in Nigeria

Holzmann & Jorgensen (2001) correctly observed that lacking the appropriate market institutions communities have developed various informal mechanisms of risks sharing in developing countries. These mechanisms provide diverse instruments for risk mitigation and coping, deliver protection and services that market-based instruments cannot provide and are part of "Social Capital". These social institutions are quasi-insurance organizations that are counter-poise to modern insurance industry. They take different forms depending on the socio-cultural context. For instance, the Esusu system in Western Nigeria and the Age-Grade and the town Union systems of Eastern Nigerian were believed to have operated customs that are akin to modern insurance (NICON, 1999; Holzmann & Jorgensen, 2001). The "Esusu" system is a traditional insurance custom where members of the community agree to pool their resources together by providing mutual help and succour to any one of them when help is painfully needed (NICON, 1999). The system is entirely contributory and only those who belong to the groups could benefit from their services. Both occupational perils and other social exigencies of group members are covered.

The Age-Grade and Town union systems function along similar line. The Igbo society, until lately, was traditionally organized into various groups which comprised people of the same age brackets (NICON, 1999). As members of the groups grew older, they migrate to some other appropriate age grades. The group renders services to members and even takes up development projects such as clearing of footpaths and mending of bridges. Whenever a member is struck by an adverse event or is involved in other occasional ceremonies (such as marriages, funeral of parents or other near relations, naming ceremonies etc) other members rise in aid of such a person through generous donation of money and materials (NICON, 1999). Other forms of self-help schemes exist even in the urban centres, among the elite, either as permanent schemes or ad hoc measures. A case in point was the demise of a member of an Old Boys Association member, Engr Godfrey Ugwu, in 2021, in Enugu, Nigeria. The group through its information dissemination channel called upon old boys to make voluntary contributions to help the family of the deceased. The association was able to raise the sum of seven hundred thousand naira (N700000) which was given to the wife of the deceased. This represents a scheme of permanent nature.

Again, the Kinship system in Igbo community, till date, functions along same line. This is a system where members who are bound by kindred ties rise in defence of any family members who have fallen on bad times. Services provided include, burial expenses, offer of start-up capital for younger ones from indigent families, seed crops to victims of crop failures and even redistribution of children to other financially-stable relatives where their up keep is assured at the demise of their parents. This Igbo solidarity largely agrees with the findings of Cox & Fatchamps (2007) whose research work focused on standard economic concern, namely, the interactions between governments's provided social insurance and private kinship networks. According to them households in developing countries depend on friends and relatives for their livelihood and sometimes their survival and that help exchanges within extended families and kin networks affect the distribution of economic well-being, and this private assistance and exchange can interact with public income distribution.

Importantly, the "People's Club of Nigeria", a mutual social/cultural organization that developed in Eastern Nigeria immediately after the Nigerian Civil War, also offers services that are reminiscent of whole life insurance. The group emerged spontaneously when the Ibo[1] were in dire need of reconstruction of their social life after the 30-month civil war. Dependants of deceased members receive generous cash donations and this quasi-insurance organization thrives till date. It is an elite, high profile social organization of Igbo origin that operates in major cities in Nigeria, with its headquarters located in Eastern Nigeria. Taken together, these social/cultural groups offer services that compete with the mainstream products offered by conventional insurance firms and in a way that impedes the firm rooting of insurance buying culture in the country, especially among the rural segment. The challenge of the insurance industry therefore is the need to develop business practices that blend with local mentality without injury to the commercial interest of the industry (Mordi, 1979). Of particular interest here, is the need to develop indigenous mortality table and other rate fixing schemes that relate premia to the scale of benefits received by beneficiaries (most of the mortality tables in use are adaptations from abroad). This could be the path to deepening insurance mindedness among local people since these quasi-insurance groups operate mainly in rural areas, a frontier of insurance growth. If indigenous mortality tables are developed, these indigenous mutual self-help schemes could evolve into micro-insurance system with sound administrative structure in place. This will provide a path towards a natural migration to the mainstream insurance industry with the attendant deepening of insurance penetration.

Another issue is the negative influence of the Islamic religion on the business of insurance. A large part of Nigerian population subscribes to the Islamic religious faith, especially in Northern Nigeria. The practice of faith has tended to inhibit purchase of insurance. This is in line with the submission of Musleh-vUd-Din (1969: xii) who opined that modern insurance contract is invalid under Islamic Law because Islam is permeated by religious and ethical considerations; and that every modern institution (including insurance), is measured by the standards of religious and moral rules, such as the prohibition of interest, the prohibition of uncertainty, the concern for the equality of the two parties, the concern for the just mean or average. Aside from Islam, the risk attitude of some adherents of the Christian faith, especially the Pentecostal variant, is known to undermine insurance patronage. This sect does not believe that a genuine Christian could ever be imperiled by any untoward events. This is because, according to them, "disasters or misfortunes do not form part of God's promises or provisions for his obedient children". Hence, they wistfully wish away the possibility of ever coming to ruin through loss-producing events. And since loss-producing events are excluded from the possibility sets confronting them, so the argument runs, there is indeed no need of mitigating any such "non-existent possibilities" through insurance. This mindset represents a sampler of faith-related beliefs that

[1]They are one of the three dominant tribes in Nigeria but perched at the South East of the country.

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birth anti-insurance sentiments in some Christians in Nigeria.

5. Conclusion

The paper interrogates the proposition that Maslowian theory of hierarchy of human needs explains the observed low insurance penetration rate in Nigeria. The paper argues that given the poverty level in the country and the skewed income-distribution, it could be inferred easily that Maslowian theory provides a partial explanation for the unimpressive insurance buying bahaviour of most Nigerians. It is speculated that the poor segment of the society (they are in the majority) will be preoccupied with bare existential needs than contemplate security needs, which lay a rung away in the Maslowian pyramid. The paper also identifies other causal factors, namely, the existence of some socio-cultural and religious institutions that either provide similar services as insurance firms or prohibit outright practice of insurance as an article of faith. The enduring negative image of the insurance industry in public consciousness provides yet another cause for deficient demand for insurance. The industry is generally perceived by the public as an organized fraud set up by the elite only to collect premium from their victims but does everything to avoid settlement of genuine claims. This image problem has greatly hamstrung the rooting of insurance buying culture in Nigeria.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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