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Insuring Where the Heart Is: Key Drivers Influencing Houseowner and Householder Insurance Adoption in Puncak Alam, Selangor

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Abstract: The increasing frequency of climate-related disasters such as floods, fires, and extreme weather events in Malaysia has amplified the urgency for adequate home protection. However, underinsurance remains a critical issue, with less than half of Malaysian households holding fire or home insurance policies. This leaves millions, especially in high-risk areas such as Puncak Alam, Selangor, exposed to financial vulnerability. This study investigates the key drivers influencing homeowners' intentions to purchase homeowner and household insurance, focusing on awareness, perceived adequacy of product coverage, and household income. Guided by Protection Motivation Theory and principles of consumer behavior, the study employed a quantitative research design. A structured survey was distributed to 100 property owners using convenience sampling. Descriptive and Pearson correlation analyses were conducted to examine the relationship between the independent variables and purchase intention. Findings indicate that awareness, product coverage, and income are all significantly and positively associated with purchasing insurance. Respondents with a better understanding of policy coverage and greater financial capacity were more likely to consider insurance as a critical part of their financial planning. However, response variation indicates continued gaps in product understanding and cost accessibility, particularly for extended coverage. The study recommends that insurers develop clearer communication strategies and educational outreach to address these gaps. Policymakers are also urged to consider initiatives such as subsidies or mandatory minimum coverage to improve insurance accessibility for vulnerable groups. Ultimately, property insurance must be recognized as an essential pillar of personal resilience and national disaster preparedness.

Keywords: *Houseowner and Householder insurance, Awareness, Product Coverage, Income.*

1. Introduction and Background

In Malaysia, as the country faces a concerning increase in property-related incidents, an important question arises: Are homeowners adequately equipped to protect their most precious asset - their home? Fires, floods, and industrial mishaps are now frequent occurrences; they have turned into ongoing dangers that jeopardize lives and livelihoods significantly. In this atmosphere of unpredictability, homeowner and household insurance policies are not just optional but vital resources for financial stability.

Among these hazards, fire remains particularly devastating. The Fire and Rescue Department of Malaysia (BOMBA) recorded 34,389 fire emergencies in 2023, leading to estimated economic losses of RM2.6 billion. Selangor alone accounted for 7,350 fire incidents, a notable increase from 6,294 in 2022 (Malay Mail, 2024a, 2024b). More recently, a catastrophic gas pipeline explosion in Putra Heights, Selangor, in April 2025 injured over 150 people, damaged 237 homes and 399 vehicles, and displaced 538 residents. The blast carved a crater measuring over 20 meters wide and sent flames up to 30 meters into the sky, demonstrating the scale of vulnerability faced by residential communities (The Star, 2025a).

Despite the frequency of such incidents, property insurance uptake remains critically low. The General Insurance Association of Malaysia (PIAM) reported that only 3.87 million out of 9.1 million households in 2024 were insured, with the national take-up rate for fire and home insurance policies stagnating at approximately 43 percent over the past two years (The Star, 2025b).

This widespread underinsurance places millions of Malaysian homeowners at risk of catastrophic financial loss and undermines national disaster resilience. Research has identified several key factors that contribute to this low adoption rate. These include limited awareness of insurance benefits, poor understanding of product coverage, and affordability constraints, particularly among lower-income groups.

Given the rising incidence of climate-related and man-made disasters, it is imperative to examine how awareness, perceived adequacy of product coverage, and household income influence homeowners' intentions to purchase houseowner and householder insurance. This study focuses on Puncak Alam, Selangor, a rapidly developing semi-urban locality that has become increasingly vulnerable to environmental and structural risks such as flash floods and fire incidents, as evidenced by recent events and local reports (New Straits Times, 2024a; New Straits Times, 2024b). By investigating these behavioural and socioeconomic determinants, the research aims to inform more effective public education campaigns, product design, and policy interventions that can close the protection gap and enhance the financial resilience of Malaysian homeowners.

2. Literature Review

Protection Motivation Theory (PMT): Rogers (1975) first introduced the Protection Motivation Theory (PMT) to explain how people respond to fear-based messages, particularly those concerning health-related issues. Later, Maddux and Rogers (1983) further developed the idea, creating a more comprehensive framework for understanding how people respond to threats or dangers of any kind through persuasive communication. Based on two important cognitive processes, which are threat appraisal and coping evaluation, PMT recommends that people adopt protective actions. While coping evaluation takes into account the efficacy of the suggested reaction, one's confidence in executing it, and the perceived cost of taking action, threat appraisal evaluates the threat's seriousness and one's susceptibility to it.

In the context of insurance, Protection Motivation Theory (PMT) helps clarify why people choose to take protective actions, such as acquiring houseowner and householder insurance. These types of insurance act as financial buffers against threats like theft, fire, or natural disasters. While PMT has been extensively utilized in research on health behaviours, as shown in studies by Ndifon et al. (2020), and in studies related to disaster preparedness, including those by Veeravalli et al. (2022) and Hudson et al. (2020), its use in understanding insurance behaviours is still relatively sparse.

This study aims to fill that gap by employing PMT to investigate the motivational and psychological aspects that affect the choice to purchase houseowner and householder insurance. The research will concentrate on residents of Puncak Alam in Selangor, a semi-urban area that is increasingly facing environmental and structural hazards. In doing so, the study enhances the understanding of how individuals recognize threats and assess their capacity to manage risks when contemplating protective financial instruments such as insurance.

Drivers Influencing Houseowner and Householder Insurance Adoption: In Malaysia, the intention to buy homeowner and householder insurance continues to be significantly low, even though there is a rise in the frequency of severe natural and structural hazards like floods, fires, and industrial accidents. As risks associated with properties become more common, it is essential to comprehend the factors that drive homeowners' intentions to adopt insurance to enhance financial readiness and mitigate risks at the household level. This literature review explores three primary factors that influence the decision-making process related to the acquisition of such insurance: awareness, perceived sufficiency of product coverage, and household income.

Awareness is widely acknowledged as a key factor influencing insurance-related actions. Asnadi and Azmi (2025) discovered that merely 25% of homeowners affected by floods in Malaysia had obtained extended coverage for natural disasters, indicating a significant lack of knowledge regarding available protections and their significance. This lack of awareness poses a serious challenge in areas with a high risk, where making informed decisions is crucial. Jahya et al. (2023) further emphasized that awareness of insurance is closely linked to income levels, prior experiences of loss, and fundamental insurance literacy, which are elements that together influence the willingness to participate in financial protection strategies.

Perceived adequacy and clarity of product coverage also have a significant impact on purchasing intentions. According to the 2024 report by Perbadanan Insurans Deposit Malaysia (PIDM), millennials living in urban areas tend to prioritize affordability, perceived usefulness, and the credibility of institutions when considering insurance options. However, complex policy language and a lack of transparency often impede engagement. Consumers are more likely to postpone or skip purchases when products seem unclear or do not align with their requirements. Consequently, simplifying policy frameworks and effectively communicating benefits are essential for enhancing perceived value and promoting adoption.

Household income serves as a socioeconomic factor that significantly influences both the ability and willingness to invest in insurance. The PIDM (2024) study indicated that individuals with monthly incomes below RM2,500 are more likely to downgrade or forgo their policies due to financial constraints. In contrast, higher-income households are more inclined to maintain their insurance coverage. Additionally, income indirectly affects intentions through its influence on awareness and access to financial resources (Jahya et al., 2023). These insights highlight the need for the introduction of income-sensitive policy options or subsidy programs to enhance insurance inclusiveness.

Risk perception is widely acknowledged as a crucial factor influencing the demand for housing insurance. Homeowners who believe their properties are at a higher risk from threats like floods, earthquakes, or theft tend to be more motivated to obtain insurance coverage (Botzen & van den Bergh, 2012). Nevertheless, risk perceptions do not always correspond to actual risk levels. Cognitive biases, such as optimism bias or the inclination to downplay low-probability yet high-impact events, frequently cause homeowners to underestimate potential losses, which can result in insufficient insurance or no coverage at all, especially in areas prone to disasters (Kunreuther & Pauly, 2004).

Economic capability significantly influences insurance demand as well. Households with higher incomes typically have a greater ability to pay for premiums, making them more likely to view insurance as a financially practical and beneficial method of risk management (Browne & Hoyt, 2000). Conversely, households with lower incomes may prioritize immediate needs over insurance, even though they are more susceptible to financial difficulties from property damage. Research by Ganderton et al. (2000) indicates that even in high-risk areas, affordability issues can result in low insurance uptake among economically disadvantaged groups.

In summary, current research consistently highlights the significance of awareness, understanding of products, and income as key elements affecting homeowners' decisions to buy insurance policies in Malaysia. To improve insurance uptake, it is crucial to tackle information gaps, simplify product messaging, and provide financially accessible options. As Malaysia faces increasing environmental challenges and socio-economic inequalities, these strategies are vital for building resilient and secure communities.

Awareness: In Malaysia, the rising occurrence of property-related disasters such as fires, floods, and industrial incidents has not led to an increase in the number of homeowners and householders obtaining insurance, which remains surprisingly low. A major obstacle to addressing this issue is the insufficient public knowledge about the availability, significance, and advantages of insurance policies tailored for homeowners. In this scenario, awareness extends beyond mere familiarity; it involves recognizing individual risk exposure, comprehending policy details, and valuing the financial protection that insurance offers.

Research has repeatedly underscored the importance of awareness in shaping individuals' intentions to purchase insurance. For instance, Haji Wahab and Mohd Tajuddin (2020) identified that while basic knowledge had a limited effect, awareness of health risks notably impacted people's likelihood of buying medical takaful. This difference illustrates that awareness includes both cognitive understanding and emotional reactions to perceived dangers, which are essential factors influencing consumer choices.

Likewise, Asnadi and Azmi (2025) surveyed communities affected by floods and found that more than 50 percent of participants lacked home insurance, with only 25 percent having specific coverage for floods. The primary reason given was a lack of awareness, even among those who had directly experienced environmental hazards. This indicates that simply experiencing risks does not automatically trigger awareness; it requires deliberate educational efforts to foster understanding.

Employing an integrated approach based on Protection Motivation Theory and the Theory of Planned Behavior, Azizam et al. (2024) demonstrated that constructs related to awareness, such as attitudes and subjective norms, positively impacted the intention to buy insurance. Their results highlight that awareness serves as both a personal and social factor influencing behavioral intentions.

Qualitative research conducted by Arshad et al. (2024) found that awareness also functions as a mediating element in how individuals understand insurance information. Interviews with academics revealed that personal experiences, financial literacy, cultural beliefs, and peer influence shape insurance decisions, with awareness playing a crucial role in integrating these factors.

Zainal et al. (2024) emphasized that increased public awareness results in more positive perceptions of insurers and increased consumer trust, which subsequently enhances the likelihood of purchasing insurance. This supports the importance of awareness-raising campaigns, not only for promoting insurance literacy but also for bolstering market confidence.

Together, these studies suggest that awareness is a crucial factor in determining insurance adoption behavior. It informs, motivates, and transforms consumer perceptions, making it a central focus for policymakers and insurers seeking to address Malaysia's protection gap. Consequently, the following hypothesis is proposed:
H1: Awareness significantly and positively influences the intention of homeowners to purchase homeowner and householder insurance policies.

Perceived Adequacy of Product Coverage: The extent and transparency of insurance product coverage play a crucial role in influencing consumer choices, especially when considering protection against residential hazards. Product coverage encompasses the range of incidents and losses an insurance policy covers, including fire, theft, flooding, and structural damage. A policy that is seen as thorough and pertinent to the consumer's situation is more likely to be regarded as valuable and essential, thereby enhancing the probability of purchase.

A study conducted by Lim et al. (2020) on life insurance policies indicated that consumers who viewed the coverage as sufficient and extensive exhibited a higher intention to buy. This aligns with the research by Beng Keat et al. (2020), which explored insurance behaviours among university students and found that familiarity with the advantages and characteristics of insurance products was strongly positively linked to the intention to purchase. These observations emphasize that knowledgeable consumers are more likely to view policies as advantageous and respond proactively.

While Haji Wahab and Mohd Tajuddin (2020) mainly concentrated on health awareness, they noted that an understanding of specific policy features significantly affected decisions related to insurance. They argued that simply having product knowledge is inadequate without a related awareness of personal risks and contextual vulnerabilities. This suggests that comprehension of the product must be combined with perceived relevance to effectively drive behavior.

Azizam et al. (2024) underlined the importance of perceived efficacy, pointing out that when consumers believe an insurance policy can successfully alleviate financial losses, their inclination to purchase is heightened. This sense of effectiveness reinforces the notion that having comprehensive and efficient product coverage is key to building consumer trust and encouraging adoption.

In a recent investigation, Asnadi and Azmi (2025) examined the insurance behavior of homeowners affected by floods in Malaysia. Their results indicated that the low rates of adoption were primarily due to a lack of understanding of the insurance coverage options available. A significant number of participants were not aware of extended policy features, underscoring the need for clear and accessible information about products, particularly in high-risk regions.

The existing literature uniformly indicates that the perceived sufficiency of insurance coverage significantly influences the intention to purchase homeowner and householder policies. When consumers believe that the coverage is adequate to mitigate relevant risks, they are more inclined to invest in such protection. Thus, insurance companies should prioritize increasing transparency, simplifying product descriptions, and

enhancing public awareness regarding coverage options to encourage a more informed and broader adoption. In light of these findings, the following hypothesis is proposed:
H2: Perceived adequacy of insurance product coverage significantly and positively influences the intention to purchase houseowner and householder insurance policies among homeowners.

Household Income: Household income is a crucial determinant of both the capacity and willingness of consumers to buy insurance. Financial resources have a direct impact on an individual's ability to pay premiums, and this economic capacity often influences whether insurance is viewed as an essential protection or an optional expenditure.

Typically, individuals belonging to higher income levels are more inclined to take up insurance products due to their enhanced ability to manage costs and their focus on long-term risk mitigation. In contrast, those with lower incomes often encounter affordability issues, which restrict their access to insurance and lead to underinsurance among at-risk populations.

Research consistently underscores income as a key factor in predicting insurance enrolment. Ramli et al. (2024) discovered a strong correlation between household income and life insurance ownership in Malaysia, revealing that those with higher incomes were more inclined to maintain active policies. Likewise, Mohd Bakri et al. (2018) explored insurance behaviours among the B40 demographic and identified affordability as a significant hurdle, especially for lower-income households that found it difficult to allocate funds for insurance amid other financial obligations.

The impact of income is not limited to older or more established individuals. A study by Azizam et al. (2024) revealed that even among college students, income had a notable effect on their intentions to buy health insurance, indicating that financial capability is a vital consideration irrespective of age or employment situation. Additionally, Haji Wahab and Mohd Tajuddin (2020) affirmed that income levels influenced access to medical takaful among public sector workers, highlighting that the adoption of insurance frequently depends on financial practicality.

In environments characterized by high risk, the effects of income limitations become significantly heightened. Asnadi and Azmi (2025), in their investigation of communities vulnerable to flooding in Malaysia, discovered that insufficient income was a primary factor preventing many homeowners from obtaining insurance coverage, even though they were conscious of their risk to environmental threats. These results highlight the ongoing influence of financial resources on risk-related choices, especially in regions where insurance could greatly alleviate financial losses.

In essence, the existing literature indicates that income serves not merely as a facilitator but as a crucial determinant of insurance purchasing behavior. Individuals with higher incomes possess both the means to pay premiums and a greater tendency to view insurance as a valuable investment towards their financial security. To enhance insurance uptake among low- and middle-income populations, it is essential to implement targeted approaches such as adjustable payment options, subsidized insurance plans, or community-organized insurance initiatives. Building on these insights, the following hypothesis is put forth:
H3: Household income positively influences homeowners' intention to purchase homeowner and householder insurance policies.

3. Research Methodology

This study utilized a convenience sampling method to gather data from homeowners in Puncak Alam, Selangor. The main aim was to explore the key factors that affect the decision to purchase homeowner and householder insurance policies. Convenience sampling was considered suitable due to its effectiveness and the ease of reaching respondents within a specific geographic region. This non-probability technique is commonly employed in consumer behavior studies concerning insurance when the intention is to derive initial insights rather than to achieve broad population generalizability.
A total of 100 valid responses were collected through a self-administered questionnaire, which was disseminated via both physical and digital means. The survey included 20 items evaluated on a five-point Likert

scale, ranging from "strongly disagree" (1) to "strongly agree" (5). These items were crafted to assess four primary constructs: awareness, perceived product coverage, household income, and the intention to purchase homeowner and householder insurance. All items were adapted and refined from existing literature focused on insurance adoption and consumer decision-making within Malaysia.

Descriptive statistical methods were employed to analyze the data, leading to the identification of central trends and recurring patterns among the respondents. This analysis provided an initial understanding of the most influential factors affecting insurance adoption behaviours among homeowners.

In addition, the study examined how these factors correlate with consumer preferences for extended insurance coverage options, such as protection against natural and man-made hazards like floods, landslides, and explosions. These findings are particularly pertinent given the rising environmental risks and pressures from urban development. The results offer valuable insights for insurers and policymakers looking to enhance insurance literacy, create products that respond to consumer needs, and increase the uptake of property insurance coverage.

It is essential to recognize certain limitations associated with the selected sampling method. Since convenience sampling is a non-probability approach, it may introduce selection bias and diminish the sample's representativeness. Consequently, the findings should be viewed cautiously, as they might not accurately represent the opinions or behaviors of the wider population of Malaysian property owners. Although a sample size of 100 respondents is typically adequate for fundamental descriptive and exploratory analysis (Hair et al., 2019), it may lack the robustness required for more sophisticated statistical methods or for making broader generalizations. The sample size was determined based on practical factors, such as time and resource limitations, consistent with the exploratory nature of the study. In future research, utilizing a larger and more diverse sample would enhance the reliability and relevance of the results.

4. Results

The main aim of this research is to examine the important factors, particularly awareness, product availability, and income, that affect property owners' willingness to acquire homeowner and householder insurance policies.

Profile of Respondents: Table 1 provides an overview of the demographic characteristics of the participants involved in the study.

Table 1: Demographic Profile

Variable	Frequency	Percentage
GENDER		
Males	56	56.0%
Females	44	44.0%
Total	**100**	**100%**
AGE		
18-28	53	53.0%
29-39	25	25.0%
40-50	15	15.0%
51 and above	7	7.0%
Total	**100**	**100%**
EDUCATION		
Sijil Pelajaran Malaysia (SPM)	14	14.0%
Diploma	22	22.0%
Degree	55	55.0%
Master / PhD	9	9%
Total	**100**	**100%**

MONTHLY INCOME		
RM1,000 and below	10	10.0%
RM1,001 - RM2,000	21	21.0%
RM2,001 - RM3,000	29	29.0%
RM3,001 – RM4,000	19	19.0%
RM4,000 and above	21	21.0%
Total	**100**	**100%**

Reliability Analysis: Reliability analysis was conducted to assess the internal consistency of the survey items used to measure the key constructs in this study (awareness, perceived product coverage, household income, and purchase intention). This analysis ensures that the items within each construct consistently reflect the same underlying concept. Cronbach's alpha coefficients were calculated for each variable to evaluate reliability, with values above 0.70 generally indicating acceptable reliability. The results of the reliability analysis are presented in Table 2 below.

Table 2: Reliability Analysis

Variable	No of Item	Cronbach Alpha
Intention	5	7.30
Awareness	5	7.58
Product Coverage	5	7.49
Income	5	7.38

Reliability Statistics: The reliability statistics provide an overview of the internal consistency for each construct measured in this study. High reliability coefficients indicate that the items within each scale consistently measure the same underlying concept. Table 3 presents the Cronbach's alpha values for all variables examined.

Table 3: Reliability Statistics

Cronbach Alpha	No of Item
0.855	20

Descriptive Statistics: Descriptive analysis was employed to summarize the data, highlighting the key drivers affecting their intention to purchase Houseowner and Householder Insurance. The results detailing these factors are presented in Tables 4, 5, 6, 7, and 8 below.

Table 4: Descriptive Statistics

Item	Mean	Std. Dev.
Intention	3.82	0.644
Awareness	3.72	0.743
Product Coverage	3.81	0.713
Income	3.84	0.686

Table 5: Mean Score and Standard Deviation for Intentions to Purchase Houseowner and Householder Insurance

Item	Mean	Std. Dev.
I intend to purchase Houseowner and Householder insurance in the future.	4.16	0.849
I believe my current homeowner and Householder insurance coverage is sufficient to protect my property.	3.77	0.851
I am willing to purchase Houseowner and Householder insurance even if it is not legally mandated.	3.65	0.936
I ensure that I fully understand the terms and coverage of the policy before making a purchase decision.	3.82	1.018
I support the idea of the government making homeowner and household insurance compulsory, provided the premium remains affordable and minimal.	3.72	0.975

Table 5 displays the mean and standard deviation scores for items evaluating respondents' attitudes and intentions regarding Houseowner and Householder insurance. The item "*I intend to purchase Houseowner and Householder insurance in the future*" achieved the highest average score (M = 4.16, SD = 0.849), signifying a robust inclination among property owners to acquire such coverage. The statement *"I ensure that I fully understand the terms and coverage of the policy before making a purchase decision"* was next with a relatively high average (M = 3.82, SD = 1.018), reflecting a careful approach and a satisfactory level of awareness regarding policies. The item *"I believe my current Houseowner and Householder insurance coverage is sufficient to protect my property"* recorded a moderate average of 3.77 (SD = 0.851), indicating a reasonable level of contentment with current insurance policies. Meanwhile, the statement *"I support the idea of the government making homeowner and household insurance compulsory, provided the premium remains affordable and minimal"* attained an average score of 3.72 (SD = 0.975), demonstrating conditional support for regulation, dependent on cost-effectiveness. Finally, the statement *"I am willing to purchase Houseowner and Householder insurance even if it is not legally mandated*" garnered the lowest average (M = 3.65, SD = 0.936), suggesting that voluntary participation might be less pronounced without regulatory mandates or incentives.

In summary, the findings reflect a generally positive attitude toward insurance adoption, with awareness and perceived adequacy of coverage emerging as important factors. These insights are particularly relevant for increasing insurance penetration in high-risk areas such as Puncak Alam, Selangor.

Table 6: Mean Score and Standard Deviation for Awareness

Item	Mean	Std. Dev.
Houseowner and Householder insurance policies increase public awareness by helping protect against financial losses in the event of unforeseen circumstances.	3.93	1.007
I have not received sufficient explanations from insurers regarding the benefits and uses of Houseowner and Householder insurance policies.	3.50	1.029
It is important for insurers to provide clear briefings to raise public awareness about Houseowner and Householder insurance policies.	3.91	1.083
Individuals with greater responsibilities are more likely to be encouraged to purchase Houseowner and Householder insurance policies.	3.88	1.047
I am not fully aware of the different types of coverage options offered by insurers in the market.	3.41	1.045

Table 6 presents the mean and standard deviation scores for five items assessing respondents' awareness levels regarding Houseowner and Householder insurance. The overall results suggest that respondents generally possess a sound understanding of the role awareness plays in influencing insurance adoption decisions. The highest-rated item was *"Houseowner and Householder insurance policies increase public awareness by helping protect against financial losses in the event of unforeseen circumstances"* (M = 3.93, SD = 1.007), indicating that most respondents recognize the financial protection these policies offer. Similarly, strong agreement was observed for the statement *"Clear briefings from insurers are important to raise awareness"* (M = 3.91, SD = 1.083), underscoring the importance of effective communication by insurance providers. The statement *"Individuals with greater responsibilities are more likely to be encouraged to purchase insurance"* received a mean score of 3.88 (SD = 1.047), suggesting that personal obligations such as dependents or property ownership increase motivation to seek insurance coverage. However, the data also highlight some awareness gaps. The statements *"I have not received sufficient explanations from insurers"* (M = 3.50, SD = 1.029) and *"I am not fully aware of the coverage options available"* (M = 3.41, SD = 1.045) reveal that many respondents feel underinformed about policy details and options.

In conclusion, while general awareness of the benefits of Houseowner and Householder insurance is relatively strong, the findings suggest a need for improved public education and clearer communication from insurers. Targeted awareness initiatives and more transparent information delivery could significantly enhance understanding and foster greater insurance adoption.

Table 7: Mean Score and Standard Deviation for Perceived Adequacy of Product Coverage

Item	Mean	Std. Dev.
The basic coverage of Houseowner and Householder insurance policies typically includes protection against fire, lightning, and explosion.	3.95	1.028
Adding extended coverage to my Houseowner and Householder insurance policy will require me to pay an additional premium.	3.66	1.036
I understand that Houseowner and Householder insurance coverage is not intended for profit but for protection against loss.	3.69	0.950
The primary purpose of insurance product coverage is to provide immediate financial support in times of loss or damage.	3.93	1.007
Houseowner and Householder insurance coverage helps me recover financially if unexpected losses occur.	3.83	1.025

Table 7 presents the mean and standard deviation for five items measuring respondents' understanding of perceived adequacy of product coverage, one of the key independent variables in this study. The highest-rated item was *"The basic coverage of Houseowner and Householder insurance policies typically includes protection against fire, lightning, and explosion"* (M = 3.95, SD = 1.028), suggesting that most respondents are aware of the fundamental components typically included in standard insurance policies. A similarly high mean was recorded for *"The primary purpose of insurance product coverage is to provide immediate financial support in times of loss or damage"* (M = 3.93, SD = 1.007), indicating a strong understanding among respondents that the core function of insurance is to offer financial relief during emergencies. The statement *"Houseowner and Householder insurance coverage helps me recover financially if unexpected losses occur"* also received a relatively high score (M = 3.83, SD = 1.025), showing that respondents generally perceive insurance as a financial recovery tool. In contrast, slightly lower agreement was observed for *"I understand that Houseowner and Householder insurance coverage is not intended for profit but for protection against loss"* (M = 3.69, SD = 0.950) and *"Adding extended coverage to my Houseowner and Householder insurance policy will require me to pay an additional premium"* (M = 3.66, SD = 1.036). These findings suggest some confusion among respondents about the non-profit nature of insurance and the cost implications of policy enhancements.

In summary, while respondents demonstrate a solid grasp of the basic functions and coverage of Houseowner and Householder insurance, there remains a need for greater clarity regarding extended coverage and the financial principles underlying insurance policies. Improved communication from insurers can help address these knowledge gaps and support more informed consumer decisions.

Table 8: Mean Score and Standard Deviation for Household Income

Item	Mean	Std. Dev.
I am willing to allocate part of my finances to purchase Houseowner and Householder insurance policies.	3.88	0.913
I consider homeowner and Householder insurance policies as part of my financial commitments.	3.97	0.881
I assess my financial ability before deciding to purchase Houseowner and Householder insurance policies.	3.75	1.038
I regularly track my long-term financial goals.	3.83	1.064
I am likely to purchase Houseowner and Householder insurance policies when I have available funds.	3.77	1.003

Table 8 presents the mean and standard deviation for five items measuring respondents' financial considerations (household income) related to purchasing Houseowner and Householder insurance. The highest mean was recorded for the statement *"I consider Houseowner and Householder insurance policies as part of my financial commitments"* (M = 3.97, SD = 0.881), indicating that many respondents treat insurance as an essential component of their household budgeting. Similarly, *"I am willing to allocate part of my finances to purchase Houseowner and Householder insurance policies"* received a high mean score (M = 3.88, SD = 0.913), reflecting a general willingness among respondents to invest financially in protection. The statements *"I regularly track my long-term financial goals"* (M = 3.83, SD = 1.064) and *"I am likely to purchase Houseowner*

and Householder insurance policies when I have available funds" (M = 3.77, SD = 1.003) also showed positive responses, suggesting that many participants engage in financial planning and are open to purchasing insurance when circumstances allow. Meanwhile, the item *"I assess my financial ability before deciding to purchase Houseowner and Householder insurance policies"* had a slightly lower mean score (M = 3.75, SD = 1.038). While still moderately high, this suggests some variability in how consistently respondents evaluate their financial capacity before making insurance decisions.

In summary, the findings indicate that most respondents demonstrate financial awareness and a willingness to invest in insurance. However, their buying patterns continue to be affected by income levels and individual budgeting priorities, underscoring the significance of affordability and adaptable payment options in promoting wider acceptance of insurance.

Correlation Analysis: This analysis was performed to examine the strength and direction of the connections between the independent variables (awareness, perceived sufficiency of product coverage, and household income) and the dependent variable, which is the intention to buy Houseowner and Householder insurance. By analyzing these relationships, the research seeks to identify whether changes in the independent variables align with corresponding shifts in respondents' purchasing intentions. The findings from the correlation analysis are displayed in Tables 9, 10, and 11.

Table 9: The Relationship Between Intention to Purchase Houseowner and Householder Insurance and Awareness

		Intention to Purchase Houseowner and Householder Insurance	Awareness
Intention to Purchase Houseowner and Householder Insurance	Pearson Correlation	1	.527**
	Sig. (2-tailed)		.000
	N	100	100
Awareness	Pearson Correlation	.527**	1
	Sig. (2-tailed)	.000	
	N	100	100

Table 9 displays the Pearson correlation coefficient illustrating the relationship between awareness and the intention to buy Houseowner and Householder insurance, which is r = 0.527 with a p-value of 0.000. This indicates a moderate, positive, and statistically significant correlation. The findings imply that individuals with greater awareness of insurance and its advantages are more inclined to indicate an intention to purchase it. This result underscores the essential role of public education and awareness programs in promoting insurance uptake, especially in regions susceptible to property-related risks.

Table 10: The Relationship Between Intention to Purchase Houseowner and Householder Insurance and Perceived Adequacy of Product Coverage

		Intention to Purchase Houseowner and Householder Insurance	Product Coverage
Intention to Purchase Houseowner and Householder Insurance	Pearson Correlation	1	.570**
	Sig. (2-tailed)		.000
	N	100	100
Product Coverage	Pearson Correlation	.570**	1
	Sig. (2-tailed)	.000	
	N	100	100

Table 10 displays the Pearson correlation coefficient, which shows a value of r = 0.570 between the perceived adequacy of product coverage and the intention to purchase Houseowner and Householder insurance, with a

significance level of p = 0.000. This result indicates a moderate, positive, and statistically significant relationship between the two variables. The results imply that when consumers have a clearer understanding of the extent and adequacy of their insurance coverage, their likelihood of purchasing the policy increases. This highlights the importance for insurers to offer clear, detailed, and transparent information regarding policy features to enhance consumer confidence and foster higher adoption rates.

Table 11: The Relationship Between Intention to Purchase Houseowner and Householder Insurance and Income

		Intention to Purchase Houseowner and Householder Insurance	Income
Intention to Purchase Houseowner and Householder Insurance	Pearson Correlation	1	.574**
	Sig. (2-tailed)		.000
	N	100	100
Income	Pearson Correlation	.574**	1
	Sig. (2-tailed)	.000	
	N	100	100

Table 11 presents the Pearson correlation coefficient linking income with the intention to buy Houseowner and Householder insurance, showing r = 0.574 and a p-value of 0.000. This signifies a moderate, positive, and statistically significant correlation between income and the intention to purchase. This implies that individuals with greater income levels are more likely to express a desire to obtain these insurance policies. This result emphasizes the vital role of financial means in influencing insurance purchasing choices and highlights affordability as an essential element in encouraging increased insurance adoption among homeowners.

5. Discussion and Recommendations

H1: Awareness significantly and positively influences the intention of homeowners to purchase homeowner and householder insurance policies.

The study's findings support the notion that awareness is vital in influencing homeowners' intentions to acquire homeowner and householder insurance policies. The descriptive analysis showed a comparatively high average score for awareness-related items (M = 3.93, SD = 1.007), suggesting that most participants acknowledge the protective benefits of these insurance products. Additionally, the Pearson correlation analysis indicated a moderate positive correlation between awareness and purchase intention ($r = 0.527$, $p < 0.01$), validating the proposed connection.

These results are consistent with earlier studies highlighting that individuals who have a solid understanding of insurance policies, including their coverage and advantages, are more inclined to demonstrate positive purchasing behavior (Asnadi & Azmi, 2025; Jahya et al., 2023). The correlation findings not only affirm the significance of this connection but also imply that enhanced knowledge and comprehension can lead to increased consumer intention and action.

However, in spite of the overall high awareness, the notable standard deviations indicate varying levels of understanding among participants. This inconsistency underscores the gaps in detailed knowledge concerning specific coverage options and the complete value proposition of the policies. Such variations may arise from insufficient communication by insurers, limited access to information, or differing degrees of financial literacy within the community.

Importantly, this implies that merely increasing general awareness is not enough. Insurance companies and policymakers must concentrate on providing clearer, more comprehensive, and targeted information designed for various population segments. Initiatives should aim at simplifying policy language, highlighting essential coverage benefits, and dispelling common misconceptions. Furthermore, interactive educational initiatives,

community outreach efforts, and digital platforms can improve engagement and understanding.

By improving the quality and accessibility of information, these strategies can bridge existing knowledge gaps, build consumer confidence, and ultimately increase the adoption rates of houseowner and householder insurance policies, especially in risk-prone areas. This approach will not only protect homeowners financially but also strengthen the resilience of communities against unforeseen property risks.

H2: Perceived adequacy of insurance product coverage significantly and positively influences the intention to purchase houseowner and householder insurance policies among homeowners.

H2 is supported because a statistically significant and positive relationship has been found between homeowner perceptions of the adequacy level of insurance product coverage and their purchase intention of homeowner and householder insurance policies. Results of the descriptive analysis indicated consistently high mean scores for coverage-related items. The highest was being aware of some basic elements such as fire, lightning, and explosion coverage ($M = 3.95$, $SD = 1.028$). Respondents also generally agreed on the usefulness of these policies to provide financial protection and to support recovery from unforeseen losses.

More importantly, correlation analysis confirmed that the perceived level of coverage was moderately strongly and statistically significantly positively correlated with purchase intention ($r = 0.570$, $p < 0.001$). This means that if homeowners feel the coverage is something they can use, they are more likely to consider purchasing such policies. This result is consistent with previous research, which found that value and utility of the product significantly influence consumer decision making (Kavitha et al., 2012). The quality of the product as a dimension has been considered an antecedent to purchase intention, and product-specific insurance quality has been a subject of study for a long time (Harnam and Madhurima, 2011). Despite the differences in the type of insurance, like life insurance (for education, retirement), for which insurance is taken (Kumar, 2011), a desirable product fulfilling the customer's expectations is indeed an important determinant for buying behavior.

Despite the generally favorable trends, the moderate standard deviations for many individual items indicate that respondents did not universally understand insurance information. Although most will acknowledge the benefits of having coverage, they may not fully understand policy terms, exclusions, and optional extended coverage features. This narrow awareness may represent an obstacle to the acceptance of houseowner and householder insurance on a broader basis.

Therefore, it is recommended that insurers enhance efforts to provide clearer, more transparent information about policy details, including the benefits and costs associated with extended coverage options. Educational initiatives and simplified communication strategies could help bridge these knowledge gaps, fostering greater confidence and encouraging more informed purchasing decisions among homeowners.

H3: Household income positively influences homeowners' intention to purchase homeowner and householder insurance policies.

The findings confirm H3 by showing that household income creates a positive relationship between homeowners' plans to acquire homeowner and householder insurance. The mean score shows that respondents agree moderately to strongly about the role of financial capacity in insurance decision-making. The standard deviation shows that respondents have different financial conditions and viewpoints because their income levels differ across the sample.

The correlation analysis shows a strong positive link between household income and insurance policy purchase intentions ($r = 0.574$, $p < 0.001$). Homeowners who earn higher incomes tend to consider and purchase homeowner and householder insurance. Research by Chantarat et al. (2015), Outreville (2014), and Beck & Webb (2003) supports this finding because income level plays a crucial role in determining insurance adoption decisions. The study by Chantarat et al. (2015) demonstrates that affordability problems prevent lower-income households from purchasing insurance, especially in developing economic settings. Outreville (2014) confirms that income stands as a leading socioeconomic factor that influences life and non-life insurance demand

worldwide. The research by Beck and Webb (2003) shows that life insurance consumption depends on income levels across 68 countries, thus confirming financial capability in insurance choices. Additionally, Giné et al. (2008) demonstrate that low-income people avoid buying insurance because they cannot afford it and lack product knowledge, which reduces their willingness to purchase even when they face high risks.

Based on these findings, it is suggested that insurers and policymakers should consider policies that target affordability problems more widely to increase insurance coverage. Potential actions include the implementation of tiered Insurance based on the level of premium affordability, the introduction of government subsidies or incentives for low-income homeowners and improving consumer education strategies to explain the long-term benefits and affordability of insurance. The niche insurance strategies that map to the diverse incomes present more opportunities to improve access and to stimulate a protection-oriented culture, leading to a reduction in homeowners' vulnerability to shock events.

In general, addressing income-related barriers is crucial to enhancing the penetration of houseowner and householder insurance in Malaysia, especially in those similar to Puncak Alam, where disaster risks are increasing. Further investigation is needed to examine interventions and policies specifically designed to address the affordability gap and to facilitate more equal access to insurance.

Conclusion

This study offers important insights into what influences homeowners in Puncak Alam, Selangor, to buy homeowner and householder insurance. It shows that awareness, understanding of insurance coverage, and household income all play key roles in their decision to purchase insurance. Many homeowners recognize the value of insurance, but there are still gaps in knowledge about policy details and challenges with affordability that limit wider adoption.

The positive connections between these factors and the intention to buy insurance suggest that improving education about insurance benefits and coverage, along with making insurance more affordable, can help more homeowners protect their properties. The influence of income also highlights the need for insurance options that are accessible to people from all income levels. By addressing these issues, insurers and policymakers can work together to create a stronger and more protected community. This study adds valuable knowledge to the field and offers practical ideas to improve insurance access and support in Malaysia.

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