

# A Study of Insurance Demand and Investment Planning from the Perspective of Different Types of Women

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## ABSTRACT

Modern women can completely take charge of the economy, with high ability of consumption and autonomy. With the advent of the new trend of financial management, providing professional financial demand planning has become a new business opportunity for financial services. Therefore, this paper will analyze the risk coefficient, market analysis and layout model for women's insurance needs and another choice and planning for investment and financial management. The results showed that different types of women should adopt different insurance needs and investment planning for asset allocation.

**Keywords:** Insurance Demand; Investment Planning; Different Types of Women

## I. INTRODUCTION

With the progress of today's society and rapid economic development, the status and role of women in society are increasingly prominent. At the same time, more and more women begin to pay attention to personal quality of life, including the pursuit of personal insurance protection and investment planning. Moreover, women have to go through many different stages in their life, and each stage has different roles and responsibilities. Therefore, the emphasis of insurance demand and investment planning should also be different. The insurance demand is the demand of the ability to pay for the economic security in different stages of social and economic life. There are two ways to satisfy it: one is tangible economic security, that is, the economic loss and personal injury suffered by the policy-holder in natural disaster and accident get the actual economic compensation and payment; Another kind is invisible economic safeguard, do not produce natural disaster and accident during accepting insurance namely, policy-holder need not get

economic compensation and give pay, but got safety safeguard from the spirit. So insurance demand includes quality and quantity two respects. The quality of insurance demand refers to the demand for economic security and service quality provided by various types of insurance. Secondly, investment planning is an important part of personal financial planning. It is mainly to choose to collect further investment information and make decisions on investment tools consistent with investment objectives.

The market dynamics have begun to pay attention to the female consumer market. In addition to the potential of female consumer market, insurance demand and investment planning are basically the asset allocation concepts worth paying attention to by modern women. If modern women choose the bank deposit, practice is a bit too conservative, Taiwan stock market scale is not like the United States and Japan's stock market and more, can be in accordance with the personal power to operate, but need to take risks and learning, enrich the relevant professional knowledge and technology, investors usually women face work, family, overwhelmed and lack of invest in stocks, and female character is conservative, investment to deposit account for the bulk. Women who are born with a finer mind and a more careful mind tend to have a high degree of observation and analysis of the many different types of things in life. But women's natural sensibility can also lead them to be emotionally involved or indecisive in financial management, whether they buy right, sell wrong, and sometimes struggle with whether to engage in the investment. Therefore, this paper will analyze the risk coefficient, market analysis, and layout mode for women's insurance needs and another choice and planning for investment and financial management.

## II. REVIEW OF LITERATURE

Cheng (2018) explained that with the development of The Times and the progress of the society, the status of women in the society has been gradually improved. Women are no longer the traditional image of sewing and weaving at home. More and more women choose to enter the society and work together with men. With the broadening of their horizons, women are more and more aware of their own protection. Among many theoretical approaches, the utility theory is especially suitable for investment planning under risk or uncertain situations. Under this theory, the utility function of decision maker can be expressed in a clear form, which can clearly show the preference of decision maker. Under this premise, the decision maker can choose a compromise portfolio between the expected return and risk, so as to plan the portfolio that can best meet the decision goal among the many proposals to be selected. Shing and Niroyuki (1999) constructed various portfolio models for different types of investors according to their degree of risk preference. Mulvey (1992) suggested using discounted expected benefits (Discounted Expected Utilities) on dynamic financial analysis.

### III. CONCEPTUAL ANALYSIS

This study plans the asset allocation in insurance and investment according to different attributes and needs of women. In the process of many choices, what kind of insurance needs and investment plans are suitable for different types of women needs professional analysis and careful selection. Therefore, this paper conducts selection analysis according to the following three aspects: risk coefficient, market analysis and layout mode.

#### (I) Risk coefficient: risk tolerance

Women with lower risk are conservative: mainly for life funds. They are not high-paying suitors, and the idea is simple: they can earn more than deposit-taking. This kind of women is in the stage of middle and old age, and the risk of accidents in life is increased, so they can give priority to the accident insurance specially designed for middle and old age. If economic conditions allow, they can also supplement some serious disease insurance and medical insurance, so as to provide adequate protection for the life of old age. Healthy women also want to save for retirement, education, marriage, etc., but they tend to think positively and hope to earn a higher profit. You can have a 50-50 mix of stocks and bonds. Such women usually have a steady income and are beginning to take long-term plans for their lives. At this point, the other half can be combined with the economic situation, from their own health, children's education and retirement comprehensive consideration customized security plan. Medical, accident and other security products should be

considered first; Secondly, the children's education fund reserve and pension consideration should also start planning at this time. Active women's investments may be short term investments, so travel funds, car funds, or shopping funds are all possible. They crave higher pay and simply can't stand the low interest rates that Banks charge them. Short-term investment gains allow them to meet short-term financial goals. At this time, asset allocation should be 80% stocks and 20% bonds. Such women are struggling in their personal careers, and their incomes are unstable. This stage should be premise with protecting oneself more, the consumption type insurance of a few low insurance cost, high insurance amount is the most suitable choice.

#### (II) Market analysis: Choose the right investment

Conservative women value stable returns for the first time, so fund investment target markets should be mature and stable, such as the United States, Europe (except eastern Europe), Japan. If the three-year return rate is included in the survey, Asia-pacific and Australia are also target markets. If the Asia-Pacific region is viewed as a single country, its stability is certainly not as stable as that of developed countries such as the US and Europe, but if viewed as a whole, its investment risks will be diluted by the overall Asia-Pacific market. After all, investment in the Asia-Pacific market has diversified the investment risk of a single country. Medical, long-term care and annuity insurance are the best options for these women's children as they grow into adults and prepare for retirement. Stable women can take a bit of risk, so funds can invest in mature markets as well as emerging ones. But emerging market equities are still risky, so focus on fixed income, such as bonds and currencies. Such women are burdened with loans, children's education fund and other pressures, and whole life insurance, medical insurance, accident insurance, major disease insurance and cancer prevention insurance are the most suitable choices. Active women like to take risks in exchange for rewards. Of course, high risk does not necessarily lead to high rewards, but the current market is generally in this trend. Emerging markets should be the main target markets for such women, with Eastern Europe, Latin America, Southeast Asia and other emerging markets as key markets for investment enhancement. This kind of female independent burden family, high insurance policy, medical insurance, accident insurance is the most suitable choice.

#### (III) Layout mode: the extent of layout

Conservative women have a low risk factor, so the fund of choice should be globally oriented. In this way, unsystematic risks (such as political risks,

natural disasters, etc.) generated by a single country can be avoided. The systematic spread of risk around the world reduces rewards but also guarantees stability of profits. Robust women are also globally oriented, but must look at the financial instruments they invest in. If an investment vehicle is an income commodity, its market may not define the global layout, or a single country. Active women are willing to take higher risks and are more able to withstand volatile financial instruments, so their investment patterns can be regional or single country.

#### IV. CONCLUSION

Conservative women's insurance should focus on health insurance. In addition, it is suggested that investment in financial commodities can be used for asset allocation. At the same time, attention should be paid to tax planning and how to properly allocate funds to achieve tax saving effect. The purpose of investment planning is to live a life with adequate food and clothing and a fixed income. Therefore, women in this stage should take capital preservation as the investment goal. It is suggested that this kind of women must do a good job in risk control through insurance, and combine life insurance with major disease insurance, medical insurance and cancer prevention insurance, etc., and then invest in financial tools with moderate risk to give consideration to investment and protection. At this time, it is advisable to pay attention to the risk planning of investment and financial management, reduce the holding of high-risk investments, increase the capital preservation investment, and fully lock in profits. Active women are not only financially independent, but also the backbone of the economy. Therefore, insurance planning must be comprehensive, with the exception of providing basic insurance protection through high medical, accident and life insurance. In terms of investment, it is advisable to maintain capital and make stable profits.

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