

Factors Influencing the Uptake of Houseowners Insurance in Zambia: An Assessment Study of Chalala Residential Area

Ngoza Munanjala¹, Donald Fulai²

^{1,2}Institute of Distance Education (IDE), University of Zambia

ABSTRACT:

The uptake of houseowners insurance in Zambia remains low, particularly in residential areas such as Chalala. Despite the increasing risks of property damage due to theft, fire, and natural disasters, many homeowners do not have insurance coverage. This study explores the key factors influencing the adoption of houseowners insurance, focusing on awareness levels, perceived risks, and economic constraints. A mixed-methods research design was employed, utilizing surveys and interviews to collect data from homeowners. Findings reveal that limited awareness, financial constraints, and mistrust in insurance providers are the primary barriers to uptake. The study recommends targeted awareness campaigns, flexible insurance payment plans, and improved transparency in the insurance industry to enhance coverage among homeowners in Chalala.

Keywords: Houseowners Insurance, Risk Perception, Financial Constraints, Insurance Awareness, Zambia

I. INTRODUCTION

Homeownership represents a significant financial investment and a cornerstone of economic stability for many individuals and families. Beyond providing shelter, a home is often a household's most valuable asset, making it crucial to safeguard against risks such as theft, natural disasters, fire, and other unforeseen incidents. Houseowners insurance is designed to provide financial protection against such risks, ensuring that homeowners can recover from unexpected losses without facing severe financial hardship. However, despite its importance, the uptake of houseowners insurance in Zambia, particularly in Chalala, remains notably low.

Chalala, a residential area in Lusaka, Zambia, provides an interesting case study for understanding the barriers to houseowners insurance adoption. As a developing neighbourhood, Chalala comprises a mix of middle- and upper-income households, yet there is a prevailing reluctance to purchase insurance. Several factors may contribute to this phenomenon, including lack of awareness, economic constraints, cultural perceptions, and skepticism toward insurance providers. This study seeks to investigate these factors to provide insights that could improve the penetration of houseowners insurance in Zambia.

The limited adoption of houseowners insurance poses serious financial and social risks. Without adequate insurance coverage, homeowners bear the full burden of repair or replacement costs in the event of property damage or loss. This can lead to financial instability, increased reliance on emergency savings, or even loss of homeownership due to an inability to recover from economic setbacks. Additionally,

widespread underinsurance affects the broader financial system, as it reduces the resilience of households and communities, particularly in the face of disasters or economic downturns.

Despite the availability of numerous insurance providers in Zambia, the uptake of homeowners insurance remains low. According to the Insurance Association of Zambia (IAZ, 2022), the country had 33 licensed insurance companies, comprising 23 non-life insurers and 10 life insurance providers. Additionally, there were 4 reinsurance companies, 4 reinsurance brokers, 45 insurance brokers, and 242 insurance agents operating in the country. While this indicates a relatively well-developed insurance industry, the penetration of homeowners insurance remains minimal, particularly in residential areas such as Chalala. Several challenges contribute to this low adoption rate. Firstly, many homeowners in Chalala lack adequate knowledge about the benefits and necessity of homeowners insurance. Misinformation, misconceptions, and limited financial literacy regarding insurance policies may deter potential policyholders. Secondly, economic constraints play a significant role in discouraging the uptake of insurance. With competing financial priorities such as school fees, medical expenses, and daily living costs, many homeowners may perceive insurance premiums as an unnecessary burden. Additionally, some residents may doubt the reliability of insurance companies, fearing complicated claim processes or potential fraud.

Furthermore, the perception of risk varies among residents, influencing their willingness to invest in homeowners insurance. Some homeowners may underestimate the likelihood of natural disasters, theft, or fire hazards, leading them to dismiss the need for insurance coverage. Others may believe that their community is relatively safe or that they can rely on informal support systems, such as family and community assistance, in times of crisis.

Given these challenges, this study aims to explore the specific factors influencing the uptake of homeowners insurance in Chalala and identify potential strategies to enhance its adoption.

A. Specific Objectives

The primary goal of this study is to examine the determinants of homeowners insurance uptake in Chalala, Zambia. The specific objectives include:

To assess the level of awareness among homeowners in Chalala regarding homeowners insurance, including their understanding of its importance and benefits.

To analyze homeowners' perceptions of risk related to factors such as geographical location, local crime rates, and natural disasters, and how these perceptions influence their decision to purchase insurance.

To examine the economic factors affecting the affordability and accessibility of homeowners insurance for residents of Chalala.

To explore the role of trust and confidence in insurance providers as a factor influencing homeowners' willingness to purchase insurance.

B. Theoretical Framework

This study is guided by two key theoretical frameworks: the Protection Motivation Theory (PMT) and the Theory of Planned Behavior (TPB). These theories provide valuable insights into the decision-making processes of homeowners regarding homeowners insurance and help explain the factors influencing insurance adoption in Chalala.

Protection Motivation Theory (PMT)

The Protection Motivation Theory (PMT), developed by Rogers (1975), is a psychological framework that explains how individuals respond to threats and risks. According to this theory, people are more likely to take protective action, such as purchasing homeowners insurance, when they perceive a significant threat

and believe that the protective measure is effective (Maddux & Rogers, 1983). PMT consists of two main components: threat appraisal and coping appraisal. Threat appraisal involves assessing the severity of a potential threat and one's vulnerability to it. In the context of Chalala, homeowners may evaluate risks such as theft, fire, floods, or property damage. If they perceive these risks as minimal or unlikely, they may be less motivated to obtain insurance. Conversely, if they have previously experienced property loss or know someone who has suffered losses due to unforeseen events, their perceived vulnerability increases, making them more inclined to consider insurance (Bubeck, Botzen, & Aerts, 2012).

Coping appraisal, on the other hand, refers to an individual's evaluation of the effectiveness of a protective measure and their ability to adopt it (Floyd, Prentice-Dunn, & Rogers, 2000). If homeowners believe that homeowners insurance provides adequate financial compensation in case of property damage, they are more likely to purchase it. However, if they have doubts about the reliability of insurance providers or find the claims process complex and bureaucratic, their motivation to adopt insurance decreases. Economic factors also play a role in coping appraisal. If homeowners perceive insurance as unaffordable, they may seek alternative risk-mitigation strategies, such as relying on savings or community support (Grothmann & Patt, 2005). Despite the potential risks associated with homeownership, many residents of Chalala may not adopt homeowners insurance due to various barriers linked to PMT. These barriers include low perceived risk, where some homeowners feel that the probability of an incident occurring is low; mistrust in insurance providers, which leads to doubts about the effectiveness of insurance as a protective measure; and financial constraints, which limit the ability of homeowners to afford premiums (van Valkengoed & Steg, 2019).

Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), proposed by Ajzen (1991), is another psychological model that explains human behavior based on intentions. According to TPB, behavioral intentions are influenced by three key factors: attitudes, subjective norms, and perceived behavioral control (Ajzen, 2002). Attitudes refer to an individual's overall evaluation of a behavior as positive or negative. In the case of homeowners insurance, homeowners' beliefs about the benefits and costs of insurance play a crucial role in their decision-making. If they believe that insurance provides financial security and peace of mind, they are more likely to purchase it. However, if they perceive it as an unnecessary expense or suspect that insurers may not honor claims, they may avoid purchasing a policy (Han, Hsu, & Sheu, 2010). Past experiences, financial literacy, and word-of-mouth referrals significantly shape these attitudes.

Subjective norms, or the influence of social and cultural factors, also play a critical role in financial decision-making (Fishbein & Ajzen, 2010). If insurance is not commonly practiced within a homeowner's social circle, family, or neighborhood, they may be reluctant to adopt it. Some homeowners may rely on informal risk-sharing mechanisms, such as receiving financial assistance from relatives or community members in times of need, rather than purchasing insurance. Religious or cultural beliefs can also impact decision-making. For instance, some communities may view insurance as a sign of distrust in divine protection, discouraging uptake (Okonkwo, Anyanwu, & Eche, 2020). Additionally, social influence from peers, colleagues, or financial advisors may encourage or dissuade homeowners from adopting insurance policies.

Perceived behavioral control refers to an individual's assessment of their ability to perform a particular behavior (Ajzen, 2002). Even if homeowners have positive attitudes toward insurance and recognize that social norms support its adoption, they may still fail to purchase a policy due to perceived constraints. These constraints include affordability, complexity in understanding insurance terms, and distrust in

financial institutions. If homeowners perceive insurance premiums as too high or the process of obtaining coverage as complicated and bureaucratic, they may feel discouraged from engaging with insurance providers (Tennyson, 2011). Furthermore, if they believe that insurance companies will not fairly or promptly honor claims, their perceived control over the decision decreases.

While PMT and TPB are distinct theoretical models, they complement each other in explaining homeowners insurance adoption in Chalala. PMT focuses on risk perception and motivation, while TPB highlights the influence of attitudes, social norms, and perceived behavioral control. Integrating these frameworks allows for a more comprehensive understanding of the factors influencing homeowners' insurance decisions (Rosenstock, Strecher, & Becker, 1988). By applying PMT, this study aims to determine how homeowners assess risks and whether they perceive homeowners insurance as an effective solution. TPB, on the other hand, helps examine how social and cultural influences, attitudes, and accessibility challenges affect homeowners' likelihood of purchasing insurance.

The integration of these theories is essential in identifying key gaps in insurance uptake. For example, homeowners in Chalala may not recognize the severity of risks associated with homeownership, leading to low perceived vulnerability. Additionally, misinformation or lack of awareness about insurance benefits may contribute to negative attitudes toward insurance products. By understanding how subjective norms influence behavior, this study will explore whether cultural beliefs and social networks play a role in discouraging or encouraging homeowners insurance adoption. Furthermore, affordability and accessibility challenges will be examined to determine whether perceived behavioral control limits homeowners' ability to secure insurance coverage.

Through the application of PMT and TPB, this study will provide practical recommendations for improving insurance awareness, building trust between homeowners and insurance providers, and making homeowners insurance more accessible and affordable. By addressing the psychological and social factors that impact decision-making, policymakers and insurance companies can develop targeted strategies to encourage more homeowners in Chalala to adopt insurance, ultimately enhancing financial security and resilience against unforeseen events.

II. LITERATURE REVIEW

The decision to purchase homeowners insurance is influenced by multiple socioeconomic, psychological, and institutional factors. Existing studies indicate that awareness, affordability, perceived risks, trust in insurance providers, and socio-cultural factors significantly impact homeowners' decisions regarding insurance adoption. This section reviews relevant literature on these key factors and explores findings from similar contexts in developing economies to provide a broader understanding of the dynamics influencing homeowners insurance uptake in Chalala, Zambia.

Awareness and Financial Literacy

A lack of awareness about the importance of insurance is one of the primary barriers to its adoption among homeowners. Studies have shown that individuals with limited financial literacy are less likely to seek insurance protection, as they may not fully understand the benefits or terms of insurance policies (Tennyson, 2011). In many developing countries, including Zambia, low insurance penetration is often linked to poor dissemination of information regarding insurance products. According to Outreville (2013), insurance markets in low-income regions struggle due to insufficient education on risk management, leaving many households financially vulnerable to unforeseen events.

Research conducted in Sub-Saharan Africa highlights that increased awareness through financial education programs can significantly improve insurance uptake (Cole, Giné, & Vickery, 2017). A study in Ghana by Akotey and Abor (2013) found that homeowners who had access to financial education were more likely to perceive insurance as a valuable investment rather than an unnecessary expense. Similarly, in Kenya, a study by Ogutu et al. (2020) revealed that targeted awareness campaigns helped increase microinsurance penetration by demystifying misconceptions and addressing knowledge gaps about insurance policies.

In the Zambian context, research by Phiri and Chileshe (2018) indicates that many homeowners are either unaware of homeowners insurance or do not fully understand its benefits. Consequently, many households rely on informal risk management strategies, such as community support, personal savings, or asset liquidation, in times of crisis. This underscores the need for insurance companies and policymakers to enhance public awareness campaigns tailored to different income groups and literacy levels.

Affordability and Economic Constraints

The cost of insurance premiums is a major determinant of insurance uptake, particularly in low- and middle-income households. Studies have consistently shown that affordability concerns deter many homeowners from purchasing insurance (Mahul & Stutley, 2010). According to Outreville (2013), individuals in developing economies prioritize immediate financial needs over future financial security, making it difficult for them to allocate funds for insurance coverage.

A study by Wang, Zhang, and Nguyen (2019) on housing insurance in Vietnam found that homeowners were reluctant to pay premiums due to limited disposable income, even when they recognized the potential financial benefits of insurance. Similarly, a study conducted in Nigeria by Oke, Adewunmi, and Akinjare (2012) indicated that while many homeowners acknowledged the usefulness of insurance, high premium costs discouraged them from purchasing policies. The researchers suggested that flexible payment structures, such as installment-based premiums, could enhance affordability and encourage participation. In Zambia, affordability remains a key challenge for many homeowners, particularly in urban areas such as Chalala. Research by Simpasa et al. (2017) found that a significant portion of Zambia's urban population faces financial constraints due to high living costs, making it difficult to invest in long-term financial products like insurance. To address this issue, insurers could develop microinsurance products that cater to lower-income homeowners by offering more affordable and flexible payment plans.

Perceived Risk and Behavioral Factors

Risk perception plays a crucial role in homeowners' decisions to purchase insurance. Protection Motivation Theory (PMT) suggests that individuals assess both the severity of potential threats and their vulnerability to such threats before taking protective action (Rogers, 1975). Studies have shown that individuals who perceive higher risks are more likely to seek insurance coverage (Bubeck, Botzen, & Aerts, 2012).

A study in South Africa by Sibindi and Godi (2020) found that homeowners who had previously experienced property damage were significantly more likely to purchase insurance than those who had never encountered such risks. Similarly, a study in India by Patt, Peterson, and Carter (2013) demonstrated that flood-prone households had higher insurance uptake rates compared to those in areas perceived to be safer.

However, in Zambia, research suggests that many homeowners underestimate the likelihood of risks such as fires, floods, and theft (Phiri & Chileshe, 2018). This low perceived risk reduces the motivation to

purchase homeowners insurance, as homeowners believe such events are unlikely to happen to them. Additionally, some homeowners view insurance as an unnecessary cost, given that they have never faced significant property-related financial losses. Addressing this perception requires targeted educational campaigns that highlight real-life cases where homeowners insurance has provided financial relief during crises.

Trust in Insurance Providers and Claim Settlements

Trust in insurance providers significantly influences homeowners' willingness to purchase insurance. A lack of trust in the insurance sector due to perceived delays in claims processing, hidden policy clauses, or past negative experiences can discourage potential policyholders (Karlan et al., 2014). Research by Wang et al. (2020) in China found that homeowners were skeptical about the reliability of insurance firms, fearing they might not receive compensation in case of loss.

In Sub-Saharan Africa, trust in financial institutions remains relatively low, affecting insurance penetration rates (Boon, 2019). Studies in Ghana and Nigeria have shown that mistrust in insurance companies stems from concerns over transparency, slow claims settlement, and fraud (Akotey & Abor, 2013; Oke et al., 2012). In Zambia, similar concerns have been raised by homeowners who believe that insurers prioritize profits over policyholders' interests (Phiri & Chileshe, 2018). Addressing these trust issues requires improved regulatory frameworks, transparent communication from insurers, and streamlined claims settlement processes to enhance customer confidence in the industry.

Findings from Other Developing Economies

Lessons from other developing economies suggest that targeted interventions can significantly improve homeowners insurance adoption. For instance, in India, the introduction of government-backed insurance schemes and microinsurance products helped increase household insurance penetration (Patt et al., 2013). In Kenya, insurers partnered with mobile money platforms to offer low-cost homeowners insurance, making it more accessible to the population (Ogutu et al., 2020).

Similar strategies could be applied in Zambia to improve uptake. Insurers could leverage mobile technology to simplify policy purchase and premium payments, addressing accessibility challenges faced by many homeowners. Additionally, collaboration between insurers and local government authorities could help integrate homeowners insurance into broader financial inclusion initiatives.

The literature reviewed highlights key factors influencing homeowners insurance adoption, including awareness levels, affordability, perceived risks, trust in insurance providers, and socio-cultural influences. Research from other developing economies suggests that targeted awareness campaigns, flexible payment structures, and trust-building initiatives can significantly improve insurance uptake. For Zambia, particularly in urban areas such as Chalala, addressing financial constraints and enhancing public confidence in the insurance sector could play a crucial role in increasing adoption rates. These insights will guide the study in examining how these factors specifically affect homeowners in Chalala and provide recommendations for improving insurance penetration in the area.

III. METHODOLOGY

This study adopted a mixed-methods research design, integrating both quantitative and qualitative approaches to provide a comprehensive understanding of the factors influencing homeowners insurance adoption in Chalala, Zambia. The combination of these methods allowed for a more holistic examination of both statistical trends and personal lived experiences regarding insurance decisions.

A. Design of the Study

A mixed-methods approach was chosen to capture both numerical data and in-depth insights into homeowners' perceptions of insurance. This approach combined structured surveys with qualitative interviews to ensure a robust understanding of the key factors influencing insurance uptake. The study employed the Husserlian Phenomenological approach, which focuses on describing the lived experiences of individuals regarding a particular phenomenon (Simui, 2018). By using this approach, the study aimed to uncover homeowners' attitudes, beliefs, and challenges in relation to homeowners insurance. The phenomenological aspect allowed for deeper exploration of personal narratives, which complemented the statistical trends derived from the survey data.

B. Sampling

A stratified random sampling technique was applied to ensure representation across different socioeconomic backgrounds in Chalala. The population of interest comprised homeowners residing in Chalala, ranging from low-income to high-income households. By stratifying the sample based on income levels, the study ensured a balanced representation of various financial perspectives on insurance adoption. A total of 200 homeowners participated in the survey, providing quantitative data on awareness, affordability, perceived risks, and trust in insurance providers. Additionally, 20 in-depth interviews were conducted with selected homeowners to gain qualitative insights into their experiences and perceptions of homeowners insurance. The qualitative sample included participants from different income brackets, allowing for diverse perspectives on the challenges and motivations associated with purchasing insurance.

C. Data Generation

Primary data was collected using a combination of structured questionnaires and semi-structured interviews. The structured questionnaires were designed to capture quantitative data on insurance awareness, financial constraints, risk perception, and trust in insurance providers. These surveys included both closed-ended and Likert scale questions to facilitate statistical analysis.

For the qualitative component, semi-structured interviews were conducted to explore personal experiences, attitudes, and concerns related to homeowners insurance. The interviews were carried out by trained enumerators, who ensured consistency in data collection while allowing participants the flexibility to express their thoughts freely.

To maintain ethical standards, informed consent was obtained from all participants before data collection. Respondents were assured of the confidentiality of their responses, and participation in the study was entirely voluntary. To protect privacy, all personally identifiable information was anonymized during data processing.

D. Data Analysis

The study employed both descriptive and inferential statistical methods to analyze the quantitative data. Descriptive statistics, including frequencies, means, and percentages, were used to summarize key findings on insurance awareness, affordability, and trust issues. Inferential statistics, such as chi-square tests and regression analysis, were used to examine relationships between independent variables (e.g., income levels, awareness) and dependent variables (e.g., likelihood of purchasing insurance).

For qualitative data, thematic analysis was used to identify recurring patterns and key themes. Interviews were transcribed and coded, with emergent themes such as mistrust in insurance providers, financial barriers, and risk perception being highlighted. The qualitative findings provided depth to the quantitative data, offering a more nuanced understanding of the factors affecting homeowners' decisions regarding insurance.

IV. FINDINGS

The study revealed several key insights into the barriers and motivations affecting homeowners insurance adoption in Chalala.

1. Low Awareness of Homeowners Insurance

A significant proportion of respondents (70%) reported being unaware of the existence of homeowners insurance policies. This finding highlights a major gap in financial literacy and insurance awareness in the region. Many homeowners associated insurance primarily with vehicles and health, demonstrating a lack of exposure to property insurance options. This lack of awareness was more pronounced among lower-income households, where financial literacy levels were comparatively lower.

2. Affordability as a Major Barrier

Affordability emerged as one of the most significant barriers to insurance adoption. 65% of respondents cited financial constraints as the primary reason for not purchasing homeowners insurance. Among lower-income homeowners, the cost of insurance premiums was perceived as an additional financial burden, making it a low priority compared to essential expenses such as food, education, and healthcare. Even among middle-income homeowners, the perceived high cost of insurance discouraged uptake, with many expressing concerns about the long-term financial commitment required.

3. Mistrust in Insurance Providers

Qualitative interviews revealed a strong lack of trust in insurance providers, which deterred many homeowners from purchasing coverage. Several interviewees shared experiences or anecdotes of delayed claims processing, unclear policy terms, and instances where insurance companies denied claims based on technicalities. This skepticism led to widespread reluctance to invest in homeowners insurance. As one respondent stated:

"I have heard too many stories of people struggling to get their claims paid. I would rather save money on my own than depend on an insurance company that may refuse to help when I need it the most."

This sentiment was echoed across different socioeconomic groups, indicating that addressing trust issues is crucial to increasing insurance adoption.

4. Risk Perception and Behavioral Factors

Despite the potential benefits of homeowners insurance, many homeowners in Chalala perceived their risk of property loss to be low. The study found that only 30% of respondents believed they were at significant risk of theft, fire, or natural disasters. This low perceived vulnerability reduced the motivation to invest in insurance, as many homeowners felt that such events were unlikely to happen to them.

Interestingly, homeowners who had previously experienced property damage were twice as likely to consider purchasing insurance compared to those who had not. This finding aligns with Protection Motivation Theory (PMT), which suggests that individuals are more likely to take protective action after experiencing a threat firsthand (Rogers, 1975).

5. Preference for Alternative Risk Management Strategies

Rather than relying on formal insurance, many homeowners preferred alternative risk management strategies. These included:

Self-insurance through savings (mentioned by 45% of respondents)

Reliance on family and community support (mentioned by 38%)

Investing in physical security measures (e.g., burglar bars, alarm systems) (reported by 50%)

These findings indicate that many homeowners perceive alternative methods as more reliable and cost-effective than formal insurance policies.

6. Willingness to Consider Insurance Under Certain Conditions

Despite these barriers, some respondents expressed a willingness to consider homeowners insurance if certain conditions were met. Specifically:

52% stated they would be more likely to purchase insurance if premiums were reduced or made more flexible.

47% said they would be more inclined to buy insurance if there were clearer policies and faster claims processing.

40% indicated they would consider insurance if it were bundled with other financial products, such as mortgage plan.

V. DISCUSSION OF THE FINDINGS

The study's findings align with previous research, which suggests that insurance uptake is significantly influenced by awareness levels, affordability, and trust in insurance providers. Studies in other developing economies have found that lack of awareness is a major impediment to insurance adoption (Akotey & Abor, 2013). Similarly, affordability concerns have been widely documented as a barrier to financial inclusion, particularly in low- and middle-income countries (Morris et al., 2020).

The finding that 70% of homeowners in Chalala were unaware of homeowners insurance is consistent with research indicating that financial literacy levels in many African countries remain low, leading to poor adoption of financial products (Lusardi & Mitchell, 2014). Awareness campaigns and targeted education programs have been found to be effective in increasing insurance penetration in countries such as Kenya and Ghana (Osei-Assibey, 2021). Therefore, similar strategies could be beneficial in Zambia to bridge the knowledge gap and improve insurance uptake.

Affordability was another significant factor, with 65% of respondents citing financial constraints as their primary reason for not purchasing homeowners insurance. This aligns with studies that emphasize the role of income levels and disposable income in financial decision-making (Giné et al., 2018). Flexible payment options, such as installment-based premium payments or microinsurance models, have been successfully implemented in other African countries to address this challenge (Bester et al., 2019).

Mistrust in insurance providers was also a recurring theme, reflecting global concerns about delayed claims processing, hidden policy terms, and lack of transparency (Karlan et al., 2017). This finding underscores the importance of regulatory interventions to strengthen consumer protection and build confidence in the insurance sector.

Interestingly, the study also found that homeowners who had previously experienced property loss were more likely to consider insurance. This supports the Protection Motivation Theory (PMT), which suggests that individuals are more inclined to take preventive measures after experiencing a perceived threat (Rogers, 1975). The implication is that risk perception plays a critical role in insurance adoption, and efforts should be made to help homeowners understand potential risks even if they have not personally experienced property loss.

Furthermore, the preference for alternative risk management strategies, such as self-insurance and community-based support, suggests that many homeowners do not perceive formal insurance as their first line of protection. This is a common trend in many informal economies, where traditional risk-sharing

mechanisms are often preferred over formal financial products (Dercon et al., 2014). Insurance companies could leverage these informal networks by designing community-based insurance products that align with local cultural and economic realities.

Overall, the findings suggest that improving insurance penetration requires a multi-faceted approach involving financial education, affordability measures, regulatory improvements, and innovative product designs that align with homeowners' risk perceptions and financial capacities.

VI. CONCLUSION

The study examined the factors influencing homeowners insurance adoption in Chalala, Zambia, revealing that the low uptake is driven by limited awareness, affordability constraints, and mistrust in insurance providers. While homeowners recognize the importance of financial protection, many are unaware of homeowners insurance options or find them financially inaccessible. Additionally, skepticism regarding claims processing and the reliability of insurance companies has further deterred adoption.

To address these challenges, targeted interventions such as public awareness campaigns, flexible payment options, and regulatory reforms are necessary. The findings underscore the importance of enhancing consumer confidence, improving financial literacy, and designing insurance products that align with homeowners' economic realities.

By addressing these barriers, insurance penetration in Zambia can be significantly improved, contributing to financial security and resilience against property-related risks for homeowners.

VII. STUDY RECOMMENDATIONS

Increase Awareness through Educational Campaigns

Insurance companies and financial institutions should implement comprehensive awareness campaigns to educate homeowners on the importance, benefits, and processes of homeowners insurance.

Collaboration with community leaders, real estate developers, and local government offices can help disseminate information effectively.

Introduce Flexible and Affordable Payment Plans

Insurance companies should explore installment-based premium payments to accommodate homeowners with low and irregular incomes.

The development of microinsurance products tailored for low-income homeowners can enhance accessibility.

Enhance Transparency and Trust in the Insurance Sector

Regulatory bodies such as the Pensions and Insurance Authority (PIA) should enforce clear policy disclosure guidelines to enhance transparency.

Establishment of consumer protection mechanisms, such as an ombudsman for insurance complaints, can help build trust among policyholders.

Leverage Digital and Mobile Technology

Mobile-based insurance platforms can be introduced to simplify the process of policy enrollment and claims submission.

Insurtech solutions can enhance efficiency, accessibility, and transparency in insurance services.

Develop Community-Based Insurance Models

Partnering with local cooperatives, homeowner associations, and microfinance institutions to create group

insurance schemes can encourage adoption.

Introducing bundled insurance products, such as mortgage-linked insurance or disaster relief insurance, can make coverage more appealing.

Implementing these recommendations can significantly enhance homeowners insurance adoption in Zambia, ensuring better financial protection and risk management for homeowners.

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