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 **Salahaddin University-Erbil**

**Factors affecting weak insurance awareness/car insurance in the city of Erbil**

**A Study submitted to financial and banking department/ college of Administrative and Economic / the University of Salahaddin-Erbil as partial fulfillment of requirements for the degree of the bachelor in finance and banking sciences.**

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 **Chapter 1: Introduction**

* 1. **Introduction :**

**‏‏** There is no doubt that awareness is one of the basic aspects of human life. It is the state of comprehension and awareness that we reach of things that contribute to an individual’s success in his life. It helps him interact with the outside world, plays a role in confronting various changes and challenges, and is the criterion for making appropriate and sound decisions. It also avoids... The individual takes risks and is driven to maintain his personal safety, so it is inevitable to say that awareness is the essence of human existence and interaction with the external and internal world and attention must be paid to improving and developing it to achieve success and happiness in life. Awareness is the basis for a deep understanding of the facts of matters, and without it we cannot reach knowledge of the truth, so what we live in is disintegration and conflict. It is only a result of our weak awareness of some life matters, and developing an individual’s awareness elevates his behavior and determines his directions according to sound foundations and structures. There is no doubt that changing people’s thoughts and convictions is not an easy matter, as it is one of the most difficult roles and the strongest challenges. Based on this, insurance awareness is related to the individual’s understanding of social risks. possible, and think more seriously about future planning and take the necessary measures to reduce their impact. Awareness of the importance of social insurance is one of the cognitive components that must be changed among all segments of society by available and possible means, as it is the most important means of protection and security. There have been many means and different ways to achieve a feeling of security until the idea of insurance has reached this day, but despite the fact that insurance has become one of Advanced industries in developed countries contribute effectively to the country's overall economy, starting with providing social protection for individuals and ending with many projects and investments that benefit communities. But the weakness of insurance awareness in our society, and the lack of confidence in insurance, is a result of some people’s view of insurance. From this standpoint, insurance awareness is one of the most important factors that must be inculcated in the thinking of all different segments of society because of the importance of insurance in the lives of individuals. Weak insurance awareness is one of the most prominent problems that work faces. Insurance and prevents its spread in the labour market

* 1. **problem of the study :**

The problem of the research is to know the obstacles and reasons that led to the lack of spread of insurance culture and awareness within the city of Erbil, and car insurance has been taken as a model for the research and to know its causes and problems facing the insurance companies sector by answering a set of questions included in a questionnaire form.

**1.3 Objectives of the study:**

In light of the research problem and its importance, the research objectives can be summarized in the following points:

1- Study and analyse the reality of the non-spread of insurance culture.

2- Identifying the factors that most influence the decrease in demand for insurance services in insurance companies

3- Helping insurance companies address the decline in demand for insurance services

* 1. **Hypotheses of the study:**

Hypothesis (1): There is a significant relationship between economic factors and a decrease in demand for insurance services.

Hypothesis (2): There is a significant relationship between cultural factors and decreased demand for insurance services.

Hypothesis (3): There is a significant relationship between social factors and decreased demand for insurance services.

Hypothesis (4): There is a significant relationship between political factors and a decrease in demand for insurance services.

Hypothesis (5): There is a significant relationship between factors (economic, social, cultural, and political) and the decrease in demand for car insurance.

**1.5 Significance of the study:**

Insurance is considered one of the manifestations of development and progress in society One of the few attempts that addressed the factors negatively affecting the demand for insurance company services

The importance of research is linked to the great

importance of insurance services, as it helps to create capital, encourage savings, and raise the level of the national economy through insurance premiums that are invested in economic fields and provide job opportunities.

**Chapter 2: Theoretical framework**

**2-1 An overview of the reality of insurance**

**Construction and development of insurance companies in Iraq**

**❖ The insurance market in Iraq is the leading market in the Arabian region after the Egyptian market is  After increasing the number of different economic developments, the need to build a local insurance market was established in accordance with law no. 56(Year) 1950(Over one million Iraqi Dinars contributed to the Ministry of Finance on a shareholding basis) 50%(, in addition to  Expenditures) Al-Rafdin, Industrial, Agricultural, Real Estate (and growth of all shareholders) 12.5% ​​(, and date) 8/ 7/ 1952 (Ministry of Economics) Insurance and between us Marine Insurance Country Marst transactions and issues and certificates attached  system Anglo-Saxon English , and your insurance operations before that completed by foreign insurance companies and their operating branches in Iraq.**

**Refer ring to the Law on Commercial Companies No. 31 of 1957, the government established public insurance companies to create competition in the insurance market )2( million dinars.**

**❖ The Iraqi Insurance Reinsurance Company was established by law number 21 (year) 1960 (with the name) 3 (million dinars).**

**❖ According to the Iraqi laws, the private sector works in the field of insurance, in which case the Baghdad Insurance Company was established as a private partnership.**

**❖ In General) 1959 (Established the Iraqi Private Insurance Company and its joint venture company) 100 (1000 dinars and generally incorporated) 1964 (and adopted the name of the Iraqi Company.**

**❖ In the General Assembly) 1959 (Can Hanak) 32 (Foreign Insurance Authority and Insurance Companies Consolidation and Agency Branches of Insurance Companies) 5 (Arabian Insurance Companies Branches).**

**General Law) 1960 (Sharia Law No.) 49 (Year)**

**❖ The face of the piece of insurance is similar to the provisions of Law No. 99 (year) 1964 (to establish private insurance companies in Iraq and their numbers) 7 (companies, add no 15 (Agent branch of foreign insurance companies including insurance. And the rest in the Iraqi market) 9 (  Hey Insurance Companies : )) Iraqi Insurance , Trust , Rashid , Baghdad , Commercial Insurance , Rafdin Insurance , Tigris Insurance , National Insurance ,  The National Insurance.  ((**

**❖ The General Insurance Institution was dissolved pursuant to the Revolutionary Leadership Council Decision No. 193 (in**

**)1/ 4/1987( Transferred its rights and obligations to all its subsidiaries according to its jurisdiction and established its relationship with the Ministry of Finance.**

**▪ Current Ministry of Commerce / Companies Registration Department.**

**❖ Chapter of the Companies Law No. 21 (Year) 1997 (which states in Article 10 / paragraph 2 of it that every joint stock company must be established from March 1997:Coming )Banks , Insurance and Reinsurance , and Financial Investment.  (**

**❖ Released after the resolution of the Supreme Council of the Leadership of the Revolution No. 192 (on) 3/12/1 Insurance and reinsurance No insurance outside Iraq is accepted directly on persons or assets existing inside Iraq  ,Insurance agency companies are not allowed to practice their activities without obtaining official written approval from the Ministry of Finance.**

**❖ Develops a strong insurance business and releases the capital of the companies in it, and manages its international relations with international insurance companies, under the authority of the insurance companies Financial institutions involved in sustainable economic development in Iraq.**

**❖ In accordance with these specific challenges after the general events of 2003 (2003), the Insurance Business Regulation Law No. 10 of The trustee refers to the provisions of Article 5 (first and foremost aims at arranging the security and supervision section thereof,  This includes the guarantee of the regulatory structure of the Ministry of Finance.**

**Development of insurance sector construction in Iraq**

**It relies on the guarantees of the financial institutions which are important in providing protection for the public, private and diversified institutional assets, and requires financial protection from the leaders of the companies for various purposes On the risks , Webberz Role in Tracking Capital and Employment in Treating the Economic Impact Attached to State Institutions and Themes , Add Individuals and Companies at Presentation م  For non-contact and distribution purposes, please refer to the campaign for credible documentation and participation in the production demonstration for the state and individuals.**

**It includes pieces of insurance from a number of public and private companies such as public companies from the company) National Insurance , Iraqi Insurance , Iraqi Insurance Restoration ( , and its importance in the practice of insurance and reinsurance and investment , and providing advice on everything related to insurance.**

**This protects state institutions, public and private companies and individuals in ensuring the protection of their assets and property against conflict of interest.  But private insurance companies and their number) 26 (currently guaranteed company) 7 (operating companies in Kurdistan region where it was established publicly)2000 (and one of the first institutional companies)**

**As the Central Bank of Iraq issued by the Investment Law No. 94 (Year) 2004 (by establishing companies to insure its creation, assets and customers oriented towards various selling purposes). Thank you from the Sananda Foundation**

**For the exchange rate, which is an exception to the provisions of Article 28 (of the law referred to above as established by the Central Bank of Iraq through the General Assembly) section T (with the number of missing Opinion of the Exchange Supervision Department on the establishment of the Takafli Insurance Company by Smal) 15 (billion dinars to be established in operations).  Insurance on the construction of Iraqi Islamic banks and its implementation as provided in the provisions of the Islamic Bank Law No. 43 (Year) 2015(**

**وليد عيدي النبي) June/ 2021)**

**Director of the Iraqi Farewell Insurance Company**

**Title of the search**

**Actual piece of insurance and guarantee farewell expenses in**

**Iraq and the way of development)**

**Studying the economic history of insurance in Iraq, despite its short history, is enough to reveal the close relationship between the political system (legislature) and the economic system and the nature of insurance activity.  In the pre-independence period, when Iraq was under British occupation, insurance activities were restricted to branches and agencies of foreign insurance companies and this may have been an extension of what existed before the occupation.  The situation changed slightly with the enactment of the Insurance Companies Act No. 74 of 1936, during the second ministry of Yassin al-Hashmi, by putting some controls on the work of companies (this law will be the subject of treatment in a future chapter).**

**In the post-World War II period, with the growth of the financial capabilities of national capitalism, the first Iraqi insurance company was formed with 40% Iraqi capital and 60% foreign capital.  With the growth of oil revenues and the establishment of the Reconstruction Council (1950), the state first entered the field of insurance with the establishment of the National Insurance Company in 1950 (the actual work began in 1952).  The July 1958 revolution was an important turning point in the development of insurance in Iraq, as two private Iraqi companies were established in 1958 (Baghdad Insurance Company) and 1959 (Iraqi Insurance Company).  Four other private companies were later established.  In 1960, the Iraqi Insurance Company was established in an attempt to strengthen the insurance market and limit the export of hard currency to purchase reinsurance protection abroad.**

**The nationalization laws of July 1964, which included insurance companies, came to destroy the weak economic base of national capitalism, as there was no economic or political need for nationalization, but an imitation of what happened in Egypt and a rush to implement the ideological slogan of the posts.  The consequences of the nationalization of insurance companies on the structure of the insurance market and subsequent development deserve careful and objective study before issuing judgments.  Insurance), National Insurance Company (General Insurance), and Iraqi Reinsurance (Reinsurance).**

**Regime wars (Iran-Iraq war in 1980-1988 and invasion of Kuwait in 1999) and subsequent economic sanctions worked to undermine the Iraqi insurance sector, lose international reinsurance protection, and return the authoritarian regime to establish rules allowing the private sector to operate (  1997) through two new laws for private companies.and public.  The first private insurance companies started operations in 2000.**

**The Insurance Trade Regulation Act of 2005 reflected the neoliberal approach to exporting US guns to Iraq, and is an excellent US law, despite being signed by the Iraqi Prime Minister in June  Insurance notwithstanding its deficiencies) in the discharge of its obligations for reasons worthy of investigation (and the Association of Insurance and Reinsurance Companies in Iraq).  With time, and based on the Iraqi constitution adopted in the October 15, 2005 referendum, it is hoped that a federal insurance market will emerge, although current reality does not indicate this.**

**These are briefly some of the characteristics of Iraq’s insurance picture over half a century. As a preliminary attempt to encourage research into the history of the insurance sector in relation to economic and political conditions, we may return after some references are available.**

**(Misbah Kamal**

**London , 12 October 2008**

**This paper was published in Al-Thaqafa Al-Jadeeda Magazine , Baghdad, No. 328, 2008, pp. 67-76.)**

**With regard to the region, regional officials emphasized the importance of drawing on central expertise in the management of various businesses, including insurance activities.  This activity in Iraqi Kurdistan ceased in 1991 after the withdrawal of the then central government institutions from Iraqi Kurdistan in October 1991. Until that date, the National Insurance Company and the Iraqi Insurance Company had branches in Sulaymaniyah, Erbil and Duhok.  This prolonged disruption deprived the region of the experience and practical skills that the insurance profession needed.  After the US invasion and occupation of Iraq in April 2003, there were initial attempts, not followed up, by the administration of these two companies, which looked or felt the pulse of those connected to the region, to revive their branches in the region.  The Iraqi Insurance Bureau in Baghdad also spoke to the KRG – following the issuance of the draft “Insurance Regulatory Controls in the Iraqi Kurdistan Region” by the KRG Insurance Regulatory Committee in autumn 2006 – to provide assistance to establish specific mechanisms to monitor and avoid duplication  . . . .  However, these efforts and the efforts of the Bureau were unsuccessful and for undisclosed reasons, nor was anyone involved in the insurance business in Iraq interested in commenting on this situation.  We hear that the branch of the National Insurance Company in Sulaimani carries out very limited activities, but we are not aware of the details of this activity and its geographical scope, and whether it is in coordination with the company's main management in Baghdad or... independently.  If the activities of the subsidiary are independent, then who is the entity providing reinsurance protection to the subsidiary, if reinsurance protection is not available, how can the subsidiary assume responsibility for the risks it insures.  [3]**

**The situation of private sector companies is no different from national and Iraqi companies, as they have so far been unable to open branches in the region for two reasons - as it is said.  The first is the high cost of establishing branches, these costs include formal procedures in relevant KRG offices and their associated bureaucracies, office leasing and attracting qualified staff, which are low.  The latter is represented by rumored correspondence. [4] There is a gap between the two main parties – the Kurdistan Democratic Party (KDP) and the Kurdistan National Union (KNU) – and the institutions of the KRG  two parties, or individuals of them in this activity.  Do you think these are some of the reasons why most Arab, foreign and even Iraqi investors are reluctant to invest in the region?  The subject deserves a separate pause, and others may observe, analyze, and verify its validity.**

**([1] MEED, 15-21 February 2008, p 14 [2] Many studies have been written on this subject.  The author's modest contribution can be read in his article "Oil, the State and Economic Policy in Iraq," New Culture, No. 322-323, 2007, pp. 7-17.  The article includes a large file on various aspects of the subject.  One important study was written by Fuad Qasim al-Amir, “The Kurdistan Regional Government and the Oil and Gas Law,” January 6, 2008, Al-Ghad website, at the following link: http://www.al- ghad.org/wordpress/wp-content/ .  uploads/2008 /01/krg\_oil\_law.pdf [3] A colleague in Iraq explained to the author, stressing that the branch's activities are not carried out in coordination with the company's general management in Baghdad, and that the scale of this activity is very small and has not exceeded several attempts  initiated by the branch manager, and the likelihood of success and sustainability of such efforts is not sustainable due to lack of technical expertise, lack of reinsurance protection, and lack of interest of regional stakeholders in encouraging branch activities or developing insurance activities generally.  This description also applies to the branch of the Iraqi Insurance Company.  [4] This equality, which has become the subject of rumors and writing on the Internet, is seen in central government ministries and departments, where sectarian affiliation becomes a criterion for the use of public resources)**

**2-2 .Types of insurance**

**▪ Public Health Insurance :**

**It is an insurance that provides insurance coverage for a number of individuals pursuing a common interest (insurance list) in connection with work, employment or study, for example against choice**

**▪ Miscellaneous cauliflower and conditions and diseases.**

**▪ Car Insurance:**

**▪  Insurance on cars and equipment against Saddam's choice, revolution, theft, fire and damage caused by cars for others. Yasser Iraqi General Insurance Company, a government company The Ministry of Finance is pleased to announce to citizens, businesses and business companies in Iraq its details and insurance documents for cars that are theft (theft, fire and accident).  – Revolution – Civil responsibility - The damage caused by the third person) and the threat of terrorism**

**▪ 1) Fill out the compensation request form and request this form from our company.**

**▪ 2) After filling out the form, the car will be inspected by a specialized expert certified by our company.**

**▪ 3) The damage is repaired within a short period.**

**▪ Taking into account the total loss of the vehicle**

**The company compensates the insurer for the price of the car according to the insurance agreement or the market price, whichever is lower**

**▪ life insurance :**

**Individual documents against the risks of ordinary death, terrorist acts, and accidents. Savings documents suitable for all ages.**

**▪ Individual insurance:-**

**The company carries out life insurance business (individual insurance), and the individual insurance tariff includes the following types of insurance:-**

**▪ 1- Mixed insurance**

**▪ 2- Joint mixed insurance**

**▪ 3- Deferred insurance for the benefit of children**

**▪ 4- Insurance with refund of premiums**

**▪ 5- Lifetime insurance**

**▪ 6- Temporary insurance**

**Additional benefits are attached to the types of insurance mentioned above in exchange for certain premiums, and these benefits include:**

**1- Paying double the insurance amount upon the death of the insured in an accident.**

**2- Paying an additional insurance amount in the event of the death of the insured due to an accident, and paying compensation to the insured himself if the accident causes him to suffer a total, temporary or permanent disability.**

**3- The company waives insurance premiums if the insured suffers a permanent or temporary total disability.**

**4- Payment of a monthly pension (in addition to the insurance amount) from the date of the death of the insured until the end of the insurance period.**

**5- The insured participates in a lottery, where the company pays a cash prize to the winner and waives the insurance premiums for the remaining period.**

**Insurance for loans granted to citizens to purchase cars or 100 salaries.**

**Insurance against fire and theft risks:**

**Insurance against fire and theft risks for businesses, factories, warehouses, government departments, and residential homes.**

**Insurance on goods transported by land, sea and air from outside Iraq or between governorates.**

**Engineering Insurance: Engineering insurance for contracting, our premiums are modest, our compensation is guaranteed, our transactions are quick, and our procedures are simple.**

**Marine insurance (transport): It is insurance that includes the transportation of goods by land, sea, and air. When the insured (the owner of the goods) obtains marine insurance cover, the insurance company is responsible for any damage or theft that occurs to the goods during the journey, depending on the type of cover, based on the request of the insured.  (Insurance applicant) My agencies: 1- All-Risks Cover (A): It covers all risks affecting the goods during the voyage in addition to total and partial theft, as well as loss and damage to the goods during loading and unloading. 2- Normal Cover (B): At sea with  Privacy loss guarantee: Any loss of an entire cargo unit, as well as (overturn, collision, and combustion) the means of transportation, as well as the entry of sea water into the holds. 3- Regular cover (C): At sea without privacy loss: which does not include the loss of an entire cargo unit or the entry of water into the holds.  It includes (rollover, collision, and combustion). 4- Regular (transportation) cover: from any Iraqi port or any border crossing to the warehouses (final arrival point). 5- Theft and theft: which is granted in addition to the transportation cover and is according to the request of the insured (insurance applicant).  6- The insurance premium will be according to the type of cover. Marine insurance application procedures: Submit data about the goods to be insured, including: 1- Type of goods, type of packaging, origin 2- Mode of transport, final place of arrival 3- Value of the goods, required insurance cover Issuing the insurance policy according to request  The insured according to the attached form. Procedures for requesting compensation: The compensation request includes the policy number and is accompanied by the following documents: 1- The shipping document for each car load, the supplier’s list, the packaging list. 2- A copy of the manifest, the delivery order, the exhaust report, and the customs declaration. 3- A certificate.  Confirmation of the damage or shortage occurring in the goods from the authorities (ports, railways, airport, customs) 4 – Lists of repair and replacement after obtaining the insurance company’s approval in advance.**

**Iraqi Insurance Company**

**Baghdad, Iraq – Karrada – Oqba Ben Nafi Square – Khaled Bin Al-Waleed street**

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**Life insurance**

**A document to protect you and your family**

**Engineering insurance**

**Document for the protection of engineering property**

**Fire and accident insurance**

**Natural hazards protection document**

**Cars Insurance**

**A document to protect your car from accidents**

**Agricultural insurance**

**A document to protect your agricultural property**

**Marine insurance**

**Document to protect maritime transport**

**Ship and aviation insurance and reinsurance**

**Documents and agreements with international companies**

**(National Insurance Company by2022)**

**Health Insurance :**

**Insurance covers medical expenses, drugs, all medical and therapeutic services and supplies, and the administration of medical programs.**

**General Insurance :**

**Marine Insurance :**

**Insurance covers goods carried by sea, ship hulls, liabilities and any other insurance falling within the scope of this section.**

**Engineering Insurance :**

**Insurance covers contractors’ perils, installation and construction perils, electrical and electronic equipment, breakdown of equipment and any other insurance falling within the scope of this section.**

**Car ( Motor Insurance ):**

**Insurance includes vehicle-related damages and liabilities, but does not cover transportation risks.**

**Types:**

**Liability to third parties (liability insurance):**

**Obligation of the insurer, within the limits of the terms and conditions contained in the Uniform Compulsory Motor Insurance, in the event of damage covered under the policy, whether as a result of the vehicle being used or parked within the territory of the Kingdom of Saudi Arabia  Sums which the insured or driver is obliged to pay in return for.. bodily injury to other persons in or outside the vehicle, bodily injury outside the vehicle.**

**Comprehensive car insurance.**

**Property Insurance :**

**Insurance covers damages from fire, theft, explosion, natural phenomena, vandalism and any other insurance falling within the scope of this section.**

**Accident and Liability Insurance :**

**It includes:**

**f) Personal Accident Insurance.**

**B. Work injury insurance.**

**C. Insurance is the responsibility of the employer.**

**D) Insurance against third party liability.**

**E. General Liability Insurance.**

**f) Product Liability Insurance.**

**G. Medical liability insurance.**

**h) Professional Liability Insurance.**

**(d) Theft and theft insurance.**

**(j) Insurance against breach of confidence.**

**(d) Insurance of money in the treasury and in transit.**

**l) Any other insurance falling within the scope of liability insurance.**

**Energy Insurance :**

**It includes insurance on oil facilities, petrochemical facilities, other energy facilities and any other insurance falling within this branch.**

**Aviation Insurance :**

**It includes aircraft hull insurance, liabilities to passengers and third parties, goods transported by aircraft and any other insurance falling within the scope of this section.**

**Protection and Savings Insurance :**

**Protection and savings insurance: Covers insurance transactions under which the insurer pays an amount or amounts, including savings income, at a future date in exchange for contributions made by the insured.**

**Protection insurance: Covers insurance activities related to the effects of death and permanent, total, partial or temporary disability for individuals and groups.**

**(The General Secretariat of the Committees for Resolution of Insurance Disputes and Violations by 2016)**

**2-3 . Car insurance:**

**Insurance on cars and vehicles against the risks of collision, rollover, theft, fire and damage caused by cars to others. The Iraqi General Insurance Company, a government company affiliated with the Ministry of Finance, is pleased to announce to citizens, departments and companies operating in Iraq that it continues to issue insurance policies for cars that cover the risks of (theft - fire – collision).  – The coup – civil liability – damages to a third person) and the threat of terrorism… We provide all of this to you in small annual installments…**

**(Ministry of Finance/National Insurance Company\https://www.nic.gov.iq › car-insu**

**تأمين السيارات)**

**-   Car insurance: Car insurance is considered one of the most common types of insurance due to car accidents, and laws intervene in obligating vehicle owners to obtain necessary insurance to protect car risks related to civil liability arising from these accidents.  Which increased the importance of car insurance at the marketing level, and insurance came about because of the needs of car owners for insurance protection against car risks.  The goal is to compensate car owners for damage caused by collision, rollover, fire, theft, and civil liability.  Because of the congestion of the roads, especially the roads that have not changed, they cannot be expanded, as the increase will be in length and kilometers of new cars, which has increased in traffic accidents, loss of life and injuries, and material losses. By “cars” I mean “all means of land and motorized wheels equipped with a fuel-powered engine capable of  Driving on public roads, except for those running on railways.” Car insurance is defined as “insurance against losses and damage to a motorized bicycle resulting from its use of risks of civil liability towards third parties.” It also means “a written contract between the insurer and the insured, and according to this contract  The insurer is obligated to compensate the insured for damage to his vehicle, in exchange for financial installments paid by the insurer.**

**2-   Types of coverage in car insurance: Car insurance is divided into two types, which are mandatory insurance and optional insurance, and we find some have divided them into three types, which are:**

**1. Non-mandatory insurance cover: It is civil liability insurance against third parties.  The legally required insurance varies from one country to another. In Iraq, this mandatory insurance operates according to Law 22 of 1890 and its amendments, and it is fulfilled when registering his car with the Traffic Directorate or when he obtains a license.**

**The summary of this law can be determined as follows:**

**-     All cars inside Iraq are included.**

**-       The insurance company pays amounts for death, physical injury, or any damage to others’ property, other than what the owner of the property intentionally causes, in exchange for premiums paid by the insurer.**

**-       An insurer has no right to settle disputes without the approval of the insurance company.**

**-       Except for death, the insurer is not obligated to pay any amount in the event of a physical injury to a driver.**

**-       Payment is made after the ruling by the court, and the insurer has the right to pursue the person who caused the damage to the extent of what was paid to the injured person.**

**In 1890, the Compulsory Car Accident Insurance Law No. (22) was issued. Car insurance became compulsory and automatically included in insurance. The insurer is obligated to compensate for death or physical injury sustained by any person, and the insurer pays the compensation amount to the right holder in one lump sum.  It is not permissible to pay it in installments or collect it as an arranged payment, and the insurer is obligated to pay the insurance premium to the insurer on the due date, according to the general insurance tariff. In the event of non-payment, an additional amount of (20%) of the due premium will result, and the traffic departments and other concerned departments must not issue  A document registering a car or renewing its registration unless the prescribed insurance premium has been paid for it, and the insurance period is (one year), and it is automatically renewed as long as the car is registered in traffic records or the records of other concerned departments. In the year 1899, a significant change occurred in the field of compulsory insurance for cars.  To facilitate the procedures, Law No. 833 of 1899 was issued, which stipulated many matters, including:**

**-       The mandatory car insurance premium and the annual fee for renewing the vehicle registration license are collected by distributing them according to the amount of fuel the vehicle consumes, with an increase of (12) fifteen fils per meter of gasoline and twenty fils per meter of gas oil.**

**-       The amounts realized by the Petroleum Products Distribution Company after deducting its share of half a percent of this increase are distributed (89%) to the National Insurance Company and (32%) to the general budget of the state and are paid in quarterly installments.**

**The decision will be implemented starting January 1, 1899, and the competent ministers will undertake its implementation.**

**(Mustansiriyah University**

**Public university in Baghdad, Iraq/**

**Al-Mustansiriyah University is a public university located in Baghdad, Iraq. It traces its origin back to 1227. The modern form of the university was founded in 1963. Wikipedia**)

**2-4 Insurance awareness**

**The  word  awareness  means  that  mind  be  in  a  condition  of  perception  and  dir-ect connection  with  its  external  environment.    So  awareness  is  what  ideas,  points  of  view,  and concepts  human  being  has  about  things  surround  him.  Awareness  meanings  differ  from  one filed to another. Awareness in this research is concentrated on insurance awareness type that it refers  to  the  complete  realization  of  dangers  surround  human  being  life  and  properties,  and contentment  with  facing  these  dangers  and  understanding  thatinsurance  is  the  most  suitable instrument  for  that.    Insurance  awareness  degree  for  individuals  in  any  society  could  be measured  with  the  extent  of  their  ability  to  transfer  part  of  spending  on  immediate  need  to spending  on  facing  postponed  dangers( journal of accounting and financial studies Vol. 11 No. 34 (2016) : The Role of Insurance Awareness in marketing Insurance Services - Fa,aizah abdul – kareem - Professor Doctor Baydaa sattar Lafta - Hala Fadhil Hussein )**

**-Importance of Insurance Awareness**

**The growing need for financial education for the families to make better financial decisions and to increase their economic security has been widely recognized. As such, individuals tend to make better financial decision for themselves, increasing their economic security and well-being as far as the insurance policies are concerned. Well-informed individuals contribute to vital, thriving communities, further fostering community economic development. Thus, being financially aware regarding insurance is not only important to the individual household but also important to communities and societies. Realizing the importance of enhancing the awareness regarding insurance, the IRDA has launched an awareness campaign with the objectives of:**

**\* Developing and promoting efficiency of the insurance sector**

**\* Improving policyholder protection**

**\* Setting up a dispute resolution mechanism**

**\* Regulating the intermediaries**

**( testbook.com - Introduction to Insurance Awareness: Concept, Insurance, Types for Banking Exams - Jun 28, 2023 )**

**2-5 Insurance awareness in Iraq**

**The Iraqi insurance industry is regulated mainly by the Iraqi Insurance Diwan (IID)and IAIS. The Iraq insurance industry research report provides a detailed analysis of the insurance regulations for life, property, motor, liability, personal accident, and health, and marine, aviation, and transit insurance.(** [**https://www.globaldata.com/store/report/iraq-insurance-industry-government-regulation-analysis/**](https://www.globaldata.com/store/report/iraq-insurance-industry-government-regulation-analysis/) **) ( Iraq Insurance Industry – Governance, Risk and Compliance - November 16, 2022 )**

**-Baghdad, Iraq – In a nation marked by decades of turbulence and economic challenges, Iraq’s insurance industry is now at the crossroads of transformation. Recent reforms and regulatory changes are reshaping the landscape of insurance in Iraq, offering renewed hope for enhanced stability and financial protection for individuals and businesses alike.**

**Historical Insights**

**The history of Iraq’s insurance sector stretches back to the early 20th century. However, the industry has grappled with numerous setbacks, particularly during times of conflict and instability. During the late 1900’s the insurance market was heavily controlled by the government, limiting its growth and efficiency.**

**A New Era of Reforms**

**Since the political changes in 2003, Iraq has embarked on a path of reconstruction and reform, which now extends to the insurance sector. Here are some key developments in recent years:**

**1. Regulatory Changes: Iraq has modernized its insurance regulations, with the Insurance Supervision Directorate, operating under the Central Bank of Iraq, now overseeing and regulating the insurance sector. This move aims to bring the industry in line with international standards.**

**2. Market Liberalization: Iraq has initiated steps to open up its insurance market to foreign investors, fostering competition and encouraging innovation within the sector. Foreign investment is anticipated to bring expertise and capital to the industry.**

**3. Raising Awareness: Extensive efforts have been made to educate the Iraqi populace about the significance of insurance. These efforts promote various insurance types, including life, health, and property coverage, to both individuals and businesses.**

**In Conclusion**

**Iraq’s insurance sector is on the cusp of significant change, with challenges to overcome and opportunities to seize. Recent reforms, regulatory adjustments, and enhanced awareness of insurance products have set the stage for potential growth. However, addressing security concerns, upgrading infrastructure, and diversifying the economy are critical steps to secure the long-term prosperity of Iraq’s insurance industry. As Iraq progresses toward stability and economic development, the insurance sector stands poised to play a pivotal role in safeguarding the financial well-being of its citizens and businesses. Stay tuned for further updates on this evolving story. (** [**https://uriic.in/**](https://uriic.in/) **)( Insurance in Iraq - 01/11/2023 - Ausama Mohammed )**

**2-6 Low insurance awareness in Iraq :**

**Insurance Awareness**

**Awareness means full awareness of the dangers surrounding human life and property and the conviction of the need to confront these dangers through insurance and that it is the most appropriate means of confrontation that notification and the belief that insurance is the appropriate means to provide safety and tranquility.if it bears a small cost urgent instead of imposing a risk does not know its limits or extent (chee,2002:23). He understands his principles. Knowledge of insurance information and the great benefits and services provided by insurance to protect the individual from damage and the losses of the star from the realization of the risks that affect the individual (Al-Hassan, 1997, 51)**

**Promotional methods**

**Insurance products, like other products, need to be known for their destruction and the definition of the services they provide. And access to the broad base of the categories of society and this is done through the use of promotion methods and this comes only by influencing the existing behavioral pattern of the advertiser to them (customers) by obtaining integrated information for the individual characteristics of each of them and the extent of individual interaction With society (Omar, 2006, 169), this information is focused on the desires, motives and attitudes that drive social behavior.**

**Laws & Legislations**

**The legislation of any law is not devoid of an economic and development dimension, which prepares taking this into account in the general budget of the state, as well as the economic laws have a strong impact on the strategies and budgets of the state, so its legislation must be taking into account the state's policy, orientations, applicability, risks, and foreseeing public opinion about it. The legislation of laws includes the most prominent manifestations of state intervention in the work of insurance companies in general and the National Insurance Company in particular, so the laws and legislation have a strong impact on the demand for insurance service, for example, but not limited to, the legislation of Law No. 10 of 2005 (Iraqi Gazette, No. 3995: 2005), helped in one way or another in the leakage of insurance premiums outside Iraq by allowing foreign companies to work in the Iraqi insurance market, which affected the volume of demand for Insurance service in Iraq**

**1. The rise in individual income makes the individual more able to demand the insurance product, so that the increase in the individual's income makes him more need to buy to protect his growing assets due to the high income, so the art of the individual's income has a direct impact on the demand for the insurance service, that is, when the individual's income increases, the demand for buying the insurance policy will increase, and vice versa, as when the income decreases, the demand for the purchase of insurance policies will decrease.**

**2. Inflation has a major role in the demand for the insurance product, so where inflation adversely affects the demand for the insurance service, the higher the inflation rate, the lower the demand for the insurance service and the lower the inflation rates, the demand for the insurance service increases.**

**3. The number of inhabitants has a direct relationship with the demand for insurance service, the higher the number of inhabitants in a certain geographical area, the more this helps to raise the demand for insurance service in that region.**

**4. The weakness of the insurance culture among individuals, resulting from their lack of full knowledge of the advantages of insurance and what can be provided by the individual and society, and this reflects the weakness of public education towards the insurance service5. The National Insurance Company lacks a promotional program for its products, whether through advertising on local and Arab satellite channels, or through holding seminars to promote the insurance service, as well as the limited promotional means used that are not commensurate with the company's status and importance.**

**6. Laws and legislations have a significant impact on the local insurance market by ensuring fair competition between local companies and foreign companies . ( مجلة العلوم الاقتصادية والإدارية والقانونية العدد الثاني – المجلد الثاني فبراير ٢٠١٨ ( العوامل المؤثرة في انخفاض الطلب على الخدمة التأمينية – بحث تطبيقي في شركة التأمين الوطنية ٢٠١٥-٢٠٠٦ ، ( علاء عبدالكريم البلداوي – خالد خنجر منصور الساعدي ))**

**2-7 Reasons for poor insurance awareness**

**-Insurance awareness and its relationship to social awareness**

 **Insurance consciousness can be seen as a reflection of social consciousness. In the Iraqi context, we cannot expect insurance awareness to progress when social awareness lags, by which we mean the set of concepts, views, opinions and beliefs shared among individuals, or among their groups, or among different social classes. It is not possible in light of the current fragmentation rooted in the division of labor and the growing unequal level of social consciousness, and the fragmentation of this consciousness between religious, traditional, tribal, scientific, . It has yet to take root, and its various manifestations. One of the characteristics of underdeveloped social awareness is the high rate of illiteracy in urban and rural areas due to poverty, declining living standards, displacement and poor efficiency of the education system. This is associated with an intensification of outdated customs and a revival of tribalism: the use of outdated tribal values ​​and customs in conjunction with a complementary role for Islamic forces in using these values ​​to benefit their project, and as one mechanism of political control.( شبكة الاقتصاديين العراقين- قطاع التأمين الوطني والاجنبي – مصباح كمال \*: ملاحظات أولية حول الوعي التأميني في العراق ٢٥/٩/٢٠٢٢)**

**-The most important challenges facing the insurance sector in Iraq can be identified as follows:

1. Insurance awareness and its impact on demand
Dissemination of insurance awareness is one of the most important factors affecting the demand for insurance services in Iraq. The reason for the decline in insurance culture is the lack of insurance curricula that contribute to the dissemination of insurance culture  Introducing the service.

2. Failure of insurance companies in Iraq to use modern technological tools for the purpose of planning, organizing, gathering information, preparing budgets and final accounts, as they do not invest their money in organizing human resources, decent construction and trained technical cadres.

3. Decline in the operations of the Iraqi Insurance Company
From the late 1960s to the early 1980s, the Iraqi Insurance Company held an important position in the regional insurance markets in terms of the size of its risk holdings, the trained technical resources it possessed, and so on  , but was marred by wars and international sanctions.

4. Lack of transparency and disclosure of actual savings with insurance companies, despite the existence of two regulatory agencies responsible for auditing the accounts of these companies, namely the Insurance Bureau and the Central Bank of Iraq.

5. Lack of confidence on the part of a large group of individuals and organizations in insurance companies due to lack of confidence of some companies in settling compensation claims or delay in payment of claims caused by government red tape

6. Instability of the security situation in Iraq
The instability of the security situation has created an unfavorable environment for Iraqi companies to move towards many things, including insurance due to the withdrawal of large numbers of factory owners and businessmen, closing their shops and migrating outside Iraq  The reason for the decline in the number of new insurance documents and not renewing them, old documents, which negatively affects the overall budget of insurance companies operating in the Iraqi market, if... Administrative expenses have become a major burden on production volumes.  One of the important issues faced by private insurance companies is non-technical competition. Due to the lack of experience and modernity of their employees and their focus on production and not technical aspects, some private insurance companies are used to participating at below required prices.  This has forced state-owned enterprises to keep up with these companies.

7. Financial constraints: Some people may feel that they cannot afford insurance premiums and therefore do not seek coverag. (الرئيسيةنتائج البحث تشخيص العوامل المؤثرة في انخفاض الوعي التأميني : دراسة تطبيقية في شركة التأمين الوطنية بغداد - إلهام نعمة كاظم - المجلد 2017، العدد 26 (30 يونيو/حزيران 2017)14ص - جامعة واسط كلية الإدارة و الاقتصاد - 2017-06-30))**

**2-8 Manifestations of low insurance awareness on cars**

**The culture of insurance, citizen income, and the perpetuation of the institution of poverty**

**Linking the culture of insurance to the citizen’s income is an issue that has not received its due discussion by insurance practitioners in Iraq, and I venture to say that the discussion is missing. When income is very low, the last thing a poor person thinks about is buying insurance protection for a residence and its contents, for example, as there is no surplus income to spend on what is considered a luxury. When the poverty rate is 35%, this means that all the poor are outside insurance protection, in addition to large segments of people who do not trust insurance protection or consider it invalid for religious reasons.**

**If we look at the insurance culture as including elements related to the attitude towards the risks that surround the citizen in all areas of life, and not just the desire to purchase commercial insurance protection, then we will have opened a window to reveal the management of these risks through the available means. Some of this management falls on the individual and others falls on public bodies. To simplify, one can hedge against contracting a disease, but the larger role falls on public health departments. Even the value of this precaution loses its importance when household and other waste accumulates in residential areas to be a breeding ground for some diseases and thus environmental pollution.**

**For car insurance and the position of the insured**

**Mr. Shubbar raises the issue of spreading a culture of insurance, and the parties that must perform this function. For example, with regard to car insurance, he refers to the role of the [Ministry of] Interior and Traffic Departments to “educate people about the types of insurance, existing companies, and insurance prices,” and later adds the role of the media in education. I think there is a confusion in understanding; The Ministry of Interior and traffic departments can create a traffic culture to avoid accidents, for example. This feeds into the general concept of insurance culture. As for educating people about the types of car insurance policies, insurance companies, and insurance prices, this job falls on the insurance companies themselves and the bodies they represent.**

**For compulsory car insurance**

**There is mandatory insurance for civil liability arising from car accidents in various countries of the world. In Iraq, this insurance was governed by Law No. 205 of 1964 until the issuance of Compulsory Car Accident Insurance Law No. 52 of 1980 (note the absence of the word “liability” in the title of the law). The new law adopted the principle of bearing responsibility as the basis for the insurance company’s obligation to pay compensation to the injured party, instead of adopting the principle of liability based on an assumed fault that can be proven to the contrary. What is new introduced by this law is the provision of protection to the third party harmed by a car accident once it is proven that the damage occurred and that it occurred as a result of the use of the car.**

**Thanks to this law, the issuance of insurance documents/certificates stopped, and the insurance premium became levied within the price of gasoline by the Petroleum Products Distribution Company, where a percentage of the price is allocated to the compulsory insurance fund managed by the National Insurance Company.**

**The law assigned the task of settling compensation claims to the National Insurance Company. This role has been subjected to accountability in addition to criticism of the company's approach to compensation management. This law has passed for four decades and has been subject to little open discussion. The time has come to review it, especially with the entry into use of electronic cars, which over time will replace cars that operate on internal combustion.( misbah kamal:** [**https://iraqieconomists.net/ar/**](https://iraqieconomists.net/ar/) **26/9/2022 at 12:15 )**

 **2-9 Spread insurance awareness**

**- Moving on to talk about insurance awareness, which is considered one of the basic tasks that insurance companies must pay great attention to, especially in light of the progress in means of communication and social networking, which reflects positively on the volume of insurance dealers and increased income for companies, and the benefits that this has for citizens in facing the dangers that they may be exposed to. They can avoid it or compensate for it if the appropriate insurance cover is available, which unfortunately they do not know anything about and do not realize that such coverage is available under the insurance umbrella.**

 **In insurance awareness and spreading the insurance culture, insurance companies bear the greatest responsibility for several reasons, the most important of which is that most members of society view insurance as an unnecessary luxury and not as a basic need, as well as the presence of a religious belief among the majority that it is not compatible as a financial instrument with the provisions of Sharia, and here comes the role of companies through their practices and method. Its dealings with the public and through paying attention to service and the quality of dealing with customers more than paying attention to the price and installments to be collected.(** جريدة المال(مدرسة المحتوی الأقتصادي في مصر)،(ماهر ئەبو الفدل)،

(18-2-2019).

 **\*Insurance awareness is one of the most important effective tools to increase people’s knowledge of insurance programs**

 **Economic demand for insurance services and making it an important and necessary subject for both individuals and society.**

 **The importance of insurance has increased at a time when risks of all kinds have increased as a result of developments**

 **The tremendous growth that communities have witnessed in recent times, which has brought with it the means to produce and perform services**

 **The operation of the probability of emergence of multiple risks includes and the role of increasing insurance awareness among the people comes into explanation**

 **Insurance is intended to bring guarantees and security to a group of people who may be exposed to such risks.**

 **Spreading insurance awareness is crucial for financial security. Educating the public about the types of insurance available, the benefits they offer, and how to choose the right coverage for their needs can help protect individuals and families from unforeseen financial risks. Whether it’s through educational workshops, online resources, or community outreach programs, increasing awareness about insurance can empower people to make informed decisions and protect their future.**

 **\*Challenges of insurance awareness**

 **1. Insurance is an intangible service that is difficult for customers to understand**

 **2. Discrepancies and similarities in information about products between insurance companies and customers**

 **3. The presence of harmful practices such as fraud, mis-selling, and unjustified complaints.**

 **4. Buyers’ lack of understanding of the idea of ​​risk pooling and pricing mechanisms in insurance**

 **5. Loss of confidence in the insurance sector and an unfavorable reputation.**

 **\*There is no doubt that there is a close relationship between the media and insurance awareness and the role of the media can be summarized**

 **Insurance awareness is as follows: -**

 **1. Realize the nature of insurance service, which is difficult to realize because it is an intangible service**

 **2. Increased demand for insurance services due to increasing level of service awareness**

 **3. Activate the role of insurance by reporting claims to insurance companies (e.g. decreased.**

 **The insurance awareness rate resulted in some beneficiaries not applying for liability insurance**

 **compulsory compensation due to ignorance of existence or nature of coverage)**

 **4. Reduce incidents of insurance fraud by customers or other parties against the customers themselves ( الاتحاد المصرى للتأمين - دورالإعلام في بناء الوعي التأميني رؤية الاتحادي المصري للتأمين عدد اسبوعي (١٨١))**