An Evaluation of the Factors Affecting the Development of Life Insurance Industry
(A Case Study: Mellat Insurance)

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ABSTRACT

The institution of family is principally the core philosophy of life insurance since life insurances are designed in different forms to meet this need. In the recent decades, commercial enterprises formed a large part of the portfolio of life insurances. The study of Iranian insurance market leads to conclude that the productions and activities of insurance companies, recognition of insurance and people are primary and consuming services (Hadi Dastbaz, 2005; p. 203).

This paper aims to study the reasons of failures in the development of life insurance in Iran and a deep survey of the effective factors and required infrastructures in such a development. For this purpose, the analytical method of SWOT has been applied and after the study of weaknesses, strengths, opportunities and threats of this industry, an appropriate strategy is introduced in proportion to the present situation of this type of insurance. According to the results of this study, the weaknesses of life insurance provided by Mellat Insurance have been identified. On the other hand, the opportunities existing in the market are considerably more than the threats. According to the analysis based on the selected model, strategy of increase in sales of life insurances through research and marketing activities and organizational experiments is realized as the most appropriate strategy.

KEY WORDS: Insurance; Life insurance; internal factors evaluation matrix; External factors evaluation matrix; SWOT matrix; Quantitative strategic planning matrix

INTRODUCTION

Some events are happening in each moment of life, each playing a role in the life of human being. Some of these events have adverse effects and some of the adverse effects called risks have always been with human being. At first, risk was not very extensive, because capital was little. Gradually by the development of human societies, civilization and assets of human being increased and he was more involved with risk. By industrial revolution, the variety and intensity of risk were increased daily such that today by technology progress, despite considerable facilities for human welfare, new risks were in the society. Risk makes the meaning to insurance. In a society without risk, insurance has no meaning (Abdollah Neameb and Hamid Tajik, p. 58). People expect that their children increase the quality of their life via developing the opportunities and life standards. The recent events, reduce new incidences and probable scenarios in future and increase their concerns about their grand children. Life styles of people, unacceptability, reduction or losing financial power and considering themselves, increase their fear Journal of financial service, p 28). (Professionals /July 2011

Among different kinds of products presented in insurance industry, life insurance is of great importance. People and families by losing the main source of their income are in a bad situation and when they don't have other sources for paying their routine costs, their difficulty is increased. Being in such conditions, not only disintegrates the family system, but also increases the dependency to social and pubic system. Insurance is one of the tools that caused that in developing countries; the most valuable source of each organization is active by insurance of the security of its future and families in facing with the risks and makes their country develop. The main factor of such comfort and security is giving different kinds of life insurances in these countries and the belief of people to such covers to be important in terms of economical and social aspects. But despite these countries, our country didn't find its real position as it is active in this industry for many years and most of the population are not familiar with its valuable covers. In our country, there are hidden demands for such needs such that people know what their need is but they don't know anything about the fulfillment method of the demand. This is the duty of experts of insurance companies that by knowing different kinds of insurance cover and the relate

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Table 1- Internal factors evaluation matrix of Melat insurance company that by knowing different kinds of insurance covers, they took the required step and they fulfilled this demand among the people of our country (MA thesis of Ebrahim Kardgar, p. 2). As various studies are carried out in recent years, we didn't observe the considerable growth in this industry. Thus, a deeper study is required. In this paper, it is attempted to study the effective factors in development of the industry and an applied solution to its progress is presented.

REVIEW OF LITERATURE

A review of insurance industry

Mohammad Ebrahim Amin and Sahar Kamalkhani in a book titled "Insurance industry in the change trend" explained that: Most of the people experienced the financial pressures of adverse events. These pressures and crises are more evident for poor people in developing countries. Some of the micro financial activities include collecting and unification of saving that are done to reduce these pressures and helping the safety and economical stability of people, even improvement of their conditions. Indeed, performing good programs could support low-income people of the society against the outcomes of adverse events. But saving only covers the simple events of life. The outcomes of financial supply of treating the diseases, mortality of the head of the family and damage to the properties, etc need extensive supports, because the families involved with these problems will be involved with poverty. It is obvious that in any society with various political and social crises, most of the economical activities are faced with these problems and the insurance as dependent upon the growth of economical activities will be affected by reduction of economical activities. In a society in which the economical activities, namely private sector activities are underestimated and the role of government is overestimated, the insurance can not find its good position in economy structure.

Mehrnoosh Nejabati in her MA thesis titled" The investigation of inhibiting factors of purchasing third party insurance in Iran" The difference of insurance with other goods is such that:" the goods that are supplied in the market and are advertised can be evaluated easily and if the good has acceptable quality, it finds its good position in the market and they are inclined to buy it but insurance is not such that. Insurance is a service neither it is supplied easily and nor its useful results. It cannot be appeared for the public, developing the insurance is an important duty in which scientific research is required to recognize the reasons and factors of the lack of inclination of people to insurance and justice.

The insurance site[*], the insurance is divided into three groups:

- Property insurance: Fire, freight, car, engineering, airplane, live stock, atomic blast, workshops suspension, factories and robbery insurance.
- People insurance: Life insurance, event insurance and health insurance
- Responsibility insurance

Life insurance

Qazaleh Mahdavi in her MA thesis titled " The investigation of the effective factors on life insurance demand in Iran" defined life insurance as: It is a mutual contract by which one of the parties (insurer) is obliged to receive a premium from the (insured) and pay money as whole or as installment in case of his life or death.

Iran insurance journal No.11 in a general view, considered life insurance the most common insurance cover among different people of the society that can affect various aspects of economical and people life. Due to the direct relation of life insurances with family economy and social future of people, these insurances and the related developments are unavoidable necessity. Today, although in our country, insurance organizations such as social security and state retirement put a great part of the population of the country under life insurances – of permanent life insurance but this issue doesn't reject the necessity of developing the mentioned covers from trading insurance companies because the existing life insurances presented by trading insurance companies have other advantages including the save payment of total investment of premium after the termination of the premiums, the profit of math technical investment as participation profit in interest and paying the loan from the investments to the insured people.

Why there is a dull atmosphere in life insurance industry? Why there are a few of companies and the relate agencies? Among the reasons, one reason is true that we lost the ability of effective relationship with the consumers of life insurance. For example, we use some terms as "periodical" and permanent" as a criterion for main classification of life insurances and the words don't transfer any useful meaning. we used the flexibility of life insurances unsuitably via false interpretation that less is paid about a premium. We used this model as competitive tool while we know that this is not a considerable tool for the aim (Journal of financial service professionals/September 2008, p 48). In advanced countries, with the development of insurance industry, some

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[*] www.irbimeh.com

researches are carried out regarding the effective factors on life insurance demand. Approximately, most of these studies were started after the study done by "Yari" in 1965. In this study called life instability, life insurance and consumer theory pointed that demand for life insurances should be investigated from the view of assigning the consumer resources in rotational model of life (Aref Aziz zade Niazi, the identification and determination of the most important factors on life insurance demand in Iran and giving a good model, MA thesis, Tehran University. 1999, p 6). Binstok, Dickenson and Khajaria in1986 in a paper titled "Determining the life insurance premium, international temporary analysis" and Trot in 1990 in a paper called "The demand for life insurance in Mexico and USA", showed the relationship between life insurance demands and income. Grin in 1954in a paper titled "Purchase of life insurance in inflation period" and Babel in 1981in a paper called "Inflation, index and life insurance sale in Brazil", showed the negative relationship between expectance inflation and demand for life insurance (Ibrahim Kardgar, the determination and identification of effective factors on life insurance demands, MA thesis, Shahid Beheshti University, 1997, p 71). Hamond, Haston and Malender in 1976 in a paper titled "Determining family life insurance premium, an empirical study" showed that responsibility had positive relationship with the demand for life insurances. In 1993, Beran Vakim in a paper titled "International analysis of demand for life insurance" considered the effective factors on life insurance demands besides income, responsibility and expecting inflation and education level. He achieved the relationship between responsibility, income and education positive with life insurance demand and negative with expectance inflation (ibid, p 72). Rasul Tajdar (1996) in MA thesis titled "The investigation of the reasons of the lack of development of life insurance in Iran". The main inhibiting factors of progress are the development of life insurances as: The reason of planning and policy making, the reason related to economical factors, trading factors and marketing, the reason of social, mental and religious factors, the reason of education, expert and high education and the reasons of internal and obligation factors.

Hamid Fathizadeh (1997) in his MA thesis titled "The investigation of effective factors on person insurance market in Iran" found that the monthly income of people and introducing the person insurance to people are effective on person insurance of people but the education level is not effective on its demand. Believing in the destiny can be one of the inhibiting factors of person insurance demand. There is a significant relationship between premium variable (function variable) and macro economical variables.

Dr. Farhad Khami (1997) in a paper titled "Effective factors on life insurance development" found that in developing countries, life insurance demand is in direct line with consuming real income, life expectancy at birth, the development of investment of capital markets, improving the health condition and improving the high education of citizens but it is inversely related to life insurance premium, expected inflation rate and exclusive structure of life insurance market. As the equations are not far to expect, it is surely that life insurance market in Iran follows the related equations.

Dr. Hossein Kadkhodayi (1997) in a paper titled "Structural problems of developing life insurances"considered the development of life insurances in a set of factors such as public culture, developed financial market equipped with the tools of assurance, advertisement and information clarity and advanced techniques of risk evaluation and stated that the lack of some of the mentioned factors will lead into the weak development of life insurances.

Ebrahim Kardgar (1997) in his MA thesis titled "The determination of effective factors on life insurance demands in Iran insurance industry" found that income and education have positive relationship with life insurances demand and it is negatively related to expecting inflation that is in line with the theoretical and empirical works. Mortality and responsibility has no significant association with life insurance demands. The policy taken by the government regarding life insurances and events of government staffs in 1988 on demand had positive effect on life insurances. Also, the reasons of the lack of development of life insurances in Iran are due to the low sensitivity of demand for life insurances to the income of the head of family, the negative effect of inflation and the lack of significant effect of responsibility and mortality of the bread winner of the family on life insurances demand.

Ali Jafarzadeh (1997) in his paper titled "The investigation of the inflation effects on life insurance" found that one of the important reasons of the lack of development of life insurances in Iran is the lack of interest to the negative effect of inflation on insured investment. As life insurance is raised as saving factor, if is not modified in accordance with inflation conditions of life insurances, the real purchase power of the insured investment price is reduced and loses its saving value. Considering the fact that life insurances are long-term, if annual inflation rate is ignorable, the real purchase power of the insured investment is reduced.

Dr. Abdolnaser Hemati (1997) in the Seminar being held regarding the life insurance, mentioned the following factors as the inhibiting factors of development of life insurance: The low per capital income, low motivation of saving, the lack of inclination of insurance companies to issue life insurances, serious inflation, the state nature of insurance industry, the public ignorance of life insurance advantages, tax rules and unbalanced development of bank system and insurance industry.

Hojatollah Gudarzi (1998) in his MA thesis titled "The investigation of the effect of trading advertisements on sale growth of life insurances in Iran" showed that most of the people are not aware of useful coverage of life

insurances (83%) but are more inclined to be familiar with life insurances (86%), also they showed their positive view about the various methods of trading advertisements (86.5%).

Behzad Qaemi (1998) in his MA thesis titled "The investigation of the changes of general state of prices on the amount of life insurances sale" concluded that there is a significant association between goods price indices and urban consuming services and the sale of life insurances. This relationship is a complete direct association and shows the serious effect of inflation on life insurances.

Ali Asgar Sheidayi Rad (19980 in his MA thesis titled " The investigation of the economical, social and cultural barriers of developing life insurances development in Iran and giving the best solution" considered the income of the families, the profit of insurance companies compared to bank interest and inflation as economical barriers. Social and cultural barriers were classified into two groups: The lack of good advertisement and good information to the society via various methods and other factors and relative barriers for the lack of development of life insurances including the presence of social security insurances and group ignorance of people to the future and good planning in various periods of life.

Aref Azizadeh Niazi (1999) in his MA thesis titled " The identification and determining the effective factors on life insurance demand in Iran and a good model found the followings: The per capita income of Iran and literacy rate with the demand level are directly associated for life insurances. Responsibility load and inflation rate don't have significant association with the demand for life insurances. The life insurance plan of state staffs (approved in 1988) with some effects in increasing the life insurance demand in Iran, this variable is not significant statistically. The limiting rules in Iran are big barrier in the development of life insurance. The factors relate to the culture of society have great importance in demand of life insurance and its development. Abas Esfandiary (2006) in a paper titled "The reasons of the lack of development of life insurances in Iran" investigated the following reasons as the lack of development of life insurances: The lack of good planning and taking good policies by insurance companies, the lack of using specialized human resources, the lack of development of life insurances in accordance with cultural and economical structure of the society, the income of obligatory insurances, the weak advertisement and information clarity, the lack of exact facilities and mechanisms of risk evaluation, the lack of consideration of government, the strong competition between other financial institutions and cultural factors showing that the most important reasons of the lack of development of life insurances in Iran is that insurance companies don't have the plan and policy in accordance with economical, social, cultural, etc conditions to develop these insurances.

Qazaleh Mahdavi in his MA thesis titled "The investigation of effective factors on life insurance demand in Iran" found that the lack of familiarity with life insurances and the reasons of the lack of their development in Iran has many reasons and most important of them is including: The lack of required information and good scientific researches and the lack of good advertisement methods to motivate people to uses this valuable service.

Iran insurance journal No. 11 considered the reasons of the lack of development of life insurance as the following factors: The long investment return, social and economical factors, the lack of consideration of the governments, the strong competition with other financial institutions, professional regulations and administrative methods, the instability of economical policies, high inflation rate, low income, the lack of variety of the product in accordance with the demand of the society, some of the underlying social norms, the complex legal structure of life insurances.

RESEARCH METHOD

This study was applied in terms of aim and in terms of data processing and achieving the results was descriptive and its case study was life insurance of Melat insurance.

In addition to the main objective of the study, one of the sub goals of this study is the selection of good strategy for the study company. SWOT model provides this possibility that besides investigating the effective factors in this industry, a good strategy is identified. For data collection in this study, questionnaire was used. In addition, some interviews were made with the experts in this field and these data are shown in SWOT table. Pearce & Robinson in the book "Strategic management", considered SWOT analysis a widely applied tool by which the managers can have a rapid review of the strategic condition of the company. SWOT is stated on this assumption that an effective strategy is aroused from the consistency between internal factors of a company (weakness and strength) and its external condition (opportunities and threats). Indeed, SWOT analysis is a tool to identify opportunities or problems of the organization and the form and conditions for the organization (Moshabaki, 2010, p 40). A good consistency is the maximum opportunities and strengths and the least weaknesses and threats. This simple assumption is a strong concept for a successful strategy.

RESEARCH RESULTS

External factors evaluation matrix (EFE)

It is a tool allowing the strategists to evaluate the environmental, economical, social, political, cultural, legal, technological factors, market condition and competition in a required time and it is applied for state, private and public organizations at company level and SBU (Ali Ahmadi et al., 2009. P. 231).

Internal factors evaluation matrix (IFE)

IFE matrix is the result of strategic investigation of internal factors of the organization. This matrix evaluates the strengths and weaknesses of organization units. Some solutions are presented to identify and evaluate the relationship between these units (R. David, 2000, p 338).

If final score of the organization is less than 2.5, the organization is weak in terms of internal factors and if the final score is more than 2.5, it shows that the organization is strong in terms of internal factors (Ali Ahmadi et al, 2009, 237)

SWOT matrix

SWOT matrix is one of the important tools by which the managers compare the information (R. David, 2000, p 360). This matrix is consisting of a 2-D coordination, each four regions show a set of strategies. These strategies are including:

- Offensive strategy (SO): The strategy of maximum use of environmental opportunities by using strength of the organization
- Cautious strategy (WO): The strategies of using potential advantages hidden in environmental opportunities to compensate the weakness of the organization.
- Competition strategies (ST): The strategy of using strength of the organization to avoid to face with the threats
- Defensive strategies (WT): Some strategies to make the damages of threats and weaknesses minimum (Ali Ahmadi et al., 2003.p 247).

Table 1: Internal Factors Evaluation (IFE) matrix of Melat insurance company

Code	Internal strategic factors	Score	Weight	Weighted score	Explanation
Strengths					
S-1	Having the required investment compared to other companies	4	0.04	0.16	Having 1200 billion$ investment and the second rank of Iran insurance company in terms of investment
S-2	Using trained and experienced force in the technical part of life insurances	3	0.06	0.18	
S-3	Having IT infrastructures compared to other companies	3	0.04	0.12	The first rank among other companies in this aspect
S-4	Salary system and effective wage for life insurance staffs	3	0.02	0.06	
S-5	Effective technology and work methods in presenting the products and services of life insurance	3	0.06	0.18	
Weaknesses					
W-1	Advertisement in life insurance	2	0.11	0.22	
W-2	Using marketing methods in selling life insurance	2	0.10	0.20	
W-3	Using customer relation management (CRM) in the company	2	0.08	0.16	
W-4	The inclination of the agents to sell other insurance fields	2	0.06	0.12	
W-5	The effect of probable dissatisfaction of the services of other Melat insurance products	2	0.08	0.16	
W-6	The variety of services of different kinds of insurances by Melat insurance	2	0.05	0.10	
W-7	The improvement and reward system in life insurance	2	0.03	0.06	
W-8	The full cost of life insurance services compared to other companies	2	0.04	0.08	
W-9	Organizational structure	2	0.01	0.02	
W-10	Available agencies compared to other companies	1	0.03	0.03	Having average agency network compared to other companies
W-11	The history of the company compared to other insurance companies	1	0.04	0.04	Low history of the company compared to other companies
W-12	The familiarity of the customers with the brand of company about this product	1	0.07	0.07	
W-13	Job satisfaction of staffs of life insurance	1	0.04	0.04	
W-14	The incomes compared to other companies	1	0.04	0.04	
	Sum		1	2.04	

Table 2: External Factors Evaluation (EFE) matrix of Melat insurance company

Code	External strategic factors	Score	Weight	Weighted score	Explanation
Opportunities					
O-1	Using the experiences and results of the activities of other insurance companies about life insurance	2	0.03	0.06	
O-2	Giving variety to life insurance products	3	0.07	0.21	Presenting various kinds of policies based on the demand of customers
O-3	Originality of potential market of life insurance	4	0.09	0.36	
O-4	The weakness of social security in presenting the similar services of life insurance	2	0.05	0.10	
O-5	Increasing the knowledge of people about life insurance	3	0.06	0.18	
O-6	Using the scientific and research power of insurance institution and other scientific and research centers of insurance	2	0.02	0.04	
O-7	The collaboration with the banks to sell life insurance	3	0.05	0.15	
O-8	The support of government of life insurance	2	0.04	0.08	
O-9	Increasing the education level of the people in the society	2	0.06	0.12	
Threats					
T-1	The entrance of new competitors to insurance industry	2	0.04	0.08	
T-2	The verification of other active companies of the industry on life insurance	1	0.03	0.03	Due to the profitability of this product
T-3	Inflation process of economy in Iran	3	0.06	0.18	
T-4	The movement of the banks to similar products of life insurance and their strong competition with insurance companies	2	0.06	0.12	
T-5	The state problems in insurance industry for state companies	4	0.02	0.08	
T-6	Increase of unemployment in the society	4	0.07	0.28	
T-7	High rate of under poverty line people and the attempt of a great part of people to fulfill their living demands	3	0.07	0.21	
T-8	The increase of the price of gold	2	0.06	0.12	
T-9	The change of society population structure	3	0.04	0.12	The young population
T-10	The high health level and life expectancy	3	0.02	0.06	
T-11	Instable economical conditions for investment	3	0.06	0.18	
	Sum		1	2.76	

Table 3: SWOT matrix of Melat insurance company

Internal factors	Strengths (S) S1 S2 S3 S4 S5	Weaknesses (W) W1,W2 W3,W4 W5,W6 W7,W8 W9,W10 W11,W12 W13,W14
External factors		
Opportunities (O) O1 O2 O3 O4 O5 O6 O7 O8 O9	Offensive strategies (SO) 1-Identifying potential objective customers. 2-The concentration on solutions for predicting the future demands of customers. 3- Presenting new kinds of life premiums considering the future demands of society. 4-The concentration on giving customer-based services to increase the satisfaction of customers 5- The development of welfare and education of staffs. 6-The development of continual relations with scientific and academic centers	Cautious strategies (WO) 1- Increasing the sale of life policies via research activities, marketing and organization trading. 2- Controlling the plan and far objective based on supportive policies of the government (market development) 3-Modelling of the performance of advanced countries in life insurance industry. 4-Creating a strong internal and external organization consulting field for updating information.
Threats (T) T1 T2 T3 T4 T5 T6 T7 T8 T9 T10 T11	Offensive strategies (ST) 1-The strategies of reduction of prices and fixed price of policies. 2-The strategy of increasing the attraction of customers. 3- Accepting the risks that government companies cannot accept them. 4- Involvement of all the staffs of low staffs in current affairs of the organization. 5-The development of using e- communications and gradual elimination of bureaucracy. 6- Creating common specialized groups of other companies and concluding the collaboration contract and specialized force. 7-Increasign the advertisement based on various products based on the demands of customers compared to the competitors.	Defensive strategies (WT) 1-Increasing the service of customers. 2- Coalition strategy with rival companies. 3-The strategy of the lack of change and continuing the previous trend. 4-Continual improvement strategy of current policies.

Internal and external matrix (IEM)

Considering the four types of strategies in SWOT matrix and the location of the company in internal and external matrix, we choose the strategies for evaluation and selection in quantitative strategic planning matrix that are relate to the region determined in internal and external four-block matrix (Amini, Khabaz Bavil, 2009, p 26).
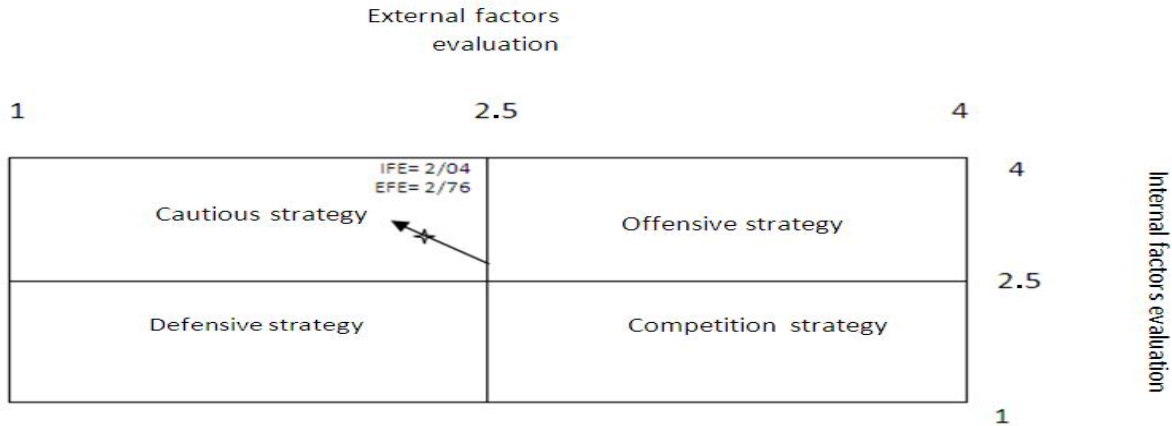

Chart 1: Matrix of internal and external factors evaluation (IE) of Melat insurance company

Quantitative strategic planning matrix (QSPM)

One of the common techniques in the evaluation of strategic choices and defining the relative attractiveness of the strategies being used in decision making stage is quantitative strategic planning matrix (Ali Ahmadi et al. 2009, p. 256). This matrix is one of the methods helping the strategists that based on the successful internal and external factors of the company that are identified before; evaluate the different kinds of strategies (R. David, 2000, p 386). Indeed, these strategies are prioritized. This technique needs a good judgment and knowledge like most of the techniques and tools. This matrix is used to evaluate the possibility and stability of the proposed solutions faced with the environmental conditions and the existing condition of the organization. If in this evaluation, one strategy can not face with internal and external conditions of the organization, it should be out of the priority strategies (Ali Ahmadi et al. 2009, p. 256)

Table 4: Quantitative strategic planning matrix (QSPM) of internal factors of Melat insurance company

Strategy Internal factors	Importance coefficient	Strategy 1: Increasing the sale of life policies via research activities, marketing and organization trading		Strategy 2: Controlling the plan and far objective based on supportive policies of the government		Strategy 3: Modeling of the performance of advanced countries in life insurance industry		Strategy 4: Creating a strong internal and external organization consulting field for updating information.	
		Attraction coefficient	Score	Attraction coefficient	Score	Attraction coefficient	Score	Attraction coefficient	**Score**
Strengths (S)									
S1	0.04	4	0.16	3	0.12	3	0.12	4	**0.16**
S2	0.06	3	0.18	2	0.12	2	0.12	4	**0.24**
S3	0.04	3	0.12	3	0.12	4	0.16	4	**0.16**
S4	0.02	2	0.04	1	0.02	1	0.02	2	**0.04**
S5	0.06	3	0.18	2	0.12	3	0.18	3	**0.18**
Weakness (W)									
W1	0.11	4	0.44	1	0.11	2	0.22	1	**0.11**
W2	0.10	4	0.40	1	0.10	2	0.20	2	**0.20**
W3	0.08	4	0.32	1	0.08	2	0.16	1	**0.08**
W4	0.06	3	0.18	1	0.06	2	0.12	1	**0.06**
W5	0.08	3	0.24	2	0.16	1	0.08	1	**0.08**
W6	0.05	3	0.15	1	0.05	3	0.15	2	**0.10**
W7	0.03	2	0.06	1	0.03	1	0.03	2	**0.06**
W8	0.04	3	0.12	2	0.08	2	0.08	2	**0.08**
W9	0.01	1	0.01	2	0.02	2	0.02	2	**0.02**
W10	0.03	3	0.09	1	0.03	1	0.03	2	**0.06**
W11	0.04	2	0.08	3	0.12	1	0.04	3	**0.12**
W12	0.07	4	0.28	2	0.14	2	0.14	2	**0.14**
W13	0.04	2	0.08	1	0.04	1	0.04	2	**0.08**
W14	0.04	1	0.04	2	0.08	3	0.12	4	**0.16**
Sum	1		3.17		1.60		2.03		**2.13**

Table 5: Quantitative strategic planning matrix (QSPM) of external factors of Melat insurance company

Strategy Internal factors	Importance coefficient	Strategy 1: Increasing the sale of life policies via research activities, marketing and organization trading		Strategy 2: Controlling the plan and far objective based on supportive policies of the government		Strategy 3: Modeling of the performance of advanced countries in life insurance industry		Strategy 4: Creating a strong internal and external organization consulting field for updating information	
		Attraction coefficient	Score	Attraction coefficient	Score	Attraction coefficient	Score	Attraction coefficient	**Score**
Opportunities (O)									
O1	0.03	2	0.06	3	0.09	4	0.12	3	**0.09**
O2	0.07	4	0.28	3	0.21	3	0.21	2	**0.14**
O3	0.09	4	0.36	3	0.27	4	0.36	2	**0.18**
O4	0.05	3	0.15	3	0.15	2	0.10	1	**0.05**
O5	0.06	3	0.18	2	0.12	2	0.12	2	**0.12**
O6	0.02	2	0.04	2	0.04	2	0.04	4	**0.08**
O7	0.05	3	0.15	4	0.20	2	0.10	2	**0.10**
O8	0.04	2	0.08	4	0.16	1	0.04	2	**0.08**
O9	0.06	2	0.12	2	0.12	2	0.12	1	**0.06**
Threats (T)									
T1	0.04	3	0.12	3	0.12	3	0.12	3	**0.12**
T2	0.03	4	0.12	3	0.09	3	0.09	3	**0.09**
T3	0.06	2	0.12	2	0.12	2	0.12	1	**0.06**
T4	0.06	3	0.18	3	0.18	1	0.06	2	**0.12**
T5	0.02	3	0.06	4	0.08	2	0.04	2	**0.04**
T6	0.07	2	0.14	1	0.07	3	0.21	1	**0.07**
T7	0.07	2	0.14	1	0.07	3	0.21	1	**0.07**
T8	0.06	2	0.12	2	0.12	2	0.12	1	**0.06**
T9	0.04	2	0.08	2	0.08	3	0.12	1	**0.04**
T10	0.02	2	0.04	1	0.02	2	0.04	1	**0.02**
T11	0.06	2	0.12	3	0.18	3	0.18	2	**0.12**
SUM	1		2.66		2.49		2.52		**1.71**

Table 6: The attraction of the strategies to internal and external factors

Strategies	Internal factors attraction score	External factors attraction score	Score average
1: Increasing the sale of life policies via research activities, marketing and organization trading	3.17	2.66	*2.915
2: Controlling the plan and far objective based on supportive policies of the government	1.60	2.49	2.045
3: Modeling of the performance of advanced countries in life insurance industry	2.03	2.52	2.275
4: Creating a strong internal and external organization consulting field for updating information	2/13	1.71	1.92

Conclusion

Life insurances can be like the tools creating economical security requiring the special backgrounds in Iran. As there is mutual relationship between life insurances and economical development. This relationship should provide the conditions that life insurance can be developed. Due to this fact, the objective of this paper was the investigation of the related growth factors. The initial studies showed various cases as effective factors in the development of this industry. After the interview with the experts of this field, the registered factors in tables IFE, EFE were identified as effective factors.

For case study Melat insurance was determined as the sub aim of the study- determining good strategy- QSPM table was plotted. Considering the final sum of the results of Table 6, the strategy of increasing the sale of life insurances via research, marketing and organization experiences activities was the best strategy for the study company. This result showed that the attraction of the existing opportunities in the environment for study company are more compared to the weaknesses inside the organization and the company can use the potential opportunities of external environment by using internal factors and make the progress in the organization.

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