



## INSURANCE LITERACY AS A CATALYST FOR COMMUNITY EMPOWERMENT AND FINANCIAL INCLUSION

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<p><b>Info Article</b></p> <p>Received : 11 Mei 2025</p> <p>Revised : 16 Juni 2025</p> <p>Accepted : 20 Juli 2025</p> <p>Publication : 30 Juli 2025</p>	<p><b>Abstract:</b> <i>The Community Service Program (PkM) by Trisakti University, titled "Insurance Literacy as an Educational Tool to Raise Insurance Awareness," took place in Kadumanggu Village, Babakan Madang, Bogor. The initiative aimed to enhance public understanding of insurance as a means of managing financial risks. Activities involved 28 participants from diverse backgrounds and included interactive presentations, discussions, and case-based simulations. Program effectiveness was measured through pre- and post-training assessments, analyzed using the Kolmogorov–Smirnov test and paired samples t-test. Findings revealed a statistically significant improvement in insurance literacy (sig = 0.000 &lt; 0.05), highlighting the program's effectiveness. Participants also showed more openness and confidence regarding insurance. Contributing factors included participant enthusiasm, facilitator competence, and relevant materials. However, challenges included limited facilities and participant diversity. Output included higher literacy scores, a training module, and a participant database for future research. The program recommends wider replication, industry collaboration, and digital platforms for broader outreach.</i></p>
<p><b>Keywords:</b> Insurance Literacy, Community Service, Kadumanggu, Training, Insurance Awareness.</p> <p><b>Kata Kunci:</b> Literasi Asuransi, Pengabdian Kepada Masyarakat, Desa Kadumanggu, Pelatihan, Kesadaran Berasuransi.</p>	<p><b>Abstrak:</b> Program Pengabdian kepada Masyarakat (PkM) bertajuk “Literasi Asuransi sebagai Sarana Edukasi Meningkatkan Kesadaran Berasuransi” dilaksanakan di Desa Kadumanggu, Kecamatan Babakan Madang, Kabupaten Bogor. Kegiatan ini bertujuan meningkatkan pemahaman masyarakat mengenai pentingnya asuransi sebagai alat perlindungan risiko keuangan. Metode pelaksanaan meliputi penyampaian materi interaktif, diskusi, serta simulasi kasus yang melibatkan 28 peserta dari latar belakang berbeda. Efektivitas pelatihan diukur melalui pre-test dan post-test, dianalisis dengan uji Kolmogorov–Smirnov dan paired sample t-test. Hasil menunjukkan peningkatan signifikan literasi asuransi (sig = 0,000 &lt; 0,05), mencerminkan keberhasilan program. Perubahan positif juga tampak dari sikap peserta yang lebih terbuka terhadap asuransi. Faktor pendukung antara lain antusiasme peserta, kualitas fasilitator, dan materi yang relevan. Sementara itu, keterbatasan fasilitas dan latar belakang peserta yang beragam menjadi tantangan. Program merekomendasikan replikasi dan kolaborasi lanjutan.</p>
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## **INTRODUCTION**

Kadumanggu Village, located in Babakan Madang District, Bogor Regency, is undergoing notable socio-economic shifts due to its proximity to urban and industrial growth areas. Although this location offers improved access to information and infrastructure, the local population, which is dominated by informal workers such as farmers, traders, and laborers, remains highly exposed to financial risks without adequate safeguards.

Despite the availability of financial products like insurance, public understanding of their function and benefits remains limited. Many residents hold negative perceptions, often linking insurance to fraud or burdensome costs. This gap between access and understanding reflects a broader issue of low insurance literacy in rural communities, where protective financial behavior is not yet widely adopted.

Insurance literacy involves the ability to comprehend insurance principles, understand policyholder rights, and make informed decisions regarding coverage (Chen et al., 2017). In communities with unstable income sources like Kadumanggu Village, this knowledge becomes crucial to reduce vulnerability to financial shocks. Research consistently shows that individuals with better insurance literacy are more likely to engage in protective financial behavior (Lusardi & Mitchell, 2011).

To address this gap, Universitas Trisakti implemented a community-based education initiative focused on enhancing insurance awareness. The program was designed not only to transfer knowledge but also to correct misconceptions and foster trust in financial protection mechanisms. Using a participatory, locally contextualized approach, the intervention combined interactive teaching methods with practical case examples relevant to daily life.

Aligned with Indonesia's National Strategy for Financial Literacy and Inclusion (2021–2025) and the UN Sustainable Development Goals, the initiative aims to promote financial resilience at the grassroots level. It also reinforces the role of higher education institutions in community empowerment through impactful, evidence-based outreach.

## **METHOD**

The community service program was designed as an in-person educational outreach focused on improving insurance literacy in Kadumanggu Village, located in the Babakan Madang subdistrict of Bogor. The activity was initiated and conducted by the Faculty of Economics and Business at Universitas Trisakti, involving a multidisciplinary

team of lecturers, two student assistants, and an administrative staff member. The intervention targeted residents with varied socio-economic backgrounds and took place at a community venue provided by a local leader.

The method combined participatory learning, contextual education, and pre- and post-activity assessments to ensure measurable outcomes. Prior to implementation, the team conducted a brief needs assessment through field visits and informal dialogues with local stakeholders, including village officials and community representatives. These interactions helped identify gaps in understanding and shape the delivery strategy to match the community's needs.

### **Program Implementation Stages**

The program followed three main phases: preparation, delivery, and evaluation. Each phase was carefully designed to ensure the effectiveness and sustainability of the training outcomes.

#### **1. Preparation Phase**

This stage involved setting up technical and educational components. Visual aids such as projectors and screens were prepared, and handouts were printed for distribution. The educational content was carefully developed to reflect the local context, emphasizing simple language, relatable scenarios, and visuals. Key materials included brochures, posters, and a simplified module introducing the concepts of insurance.

#### **2. Educational Delivery**

The session began with welcoming remarks from local leaders, followed by an interactive presentation led by the academic team. The content covered foundational insurance topics, supported by open dialogue, small-group discussions, and role-play simulations. These methods were used to help participants understand how insurance works and why it is relevant to their everyday lives. Each participant was given printed materials to take home for further reading.

#### **3. Evaluation and Reflection**

To assess the learning outcomes, participants were asked to complete a short questionnaire before and after the session. These results were analyzed to evaluate improvements in knowledge. In addition, the team held an internal debrief to identify what worked, what challenges arose, and how the program could be improved for

future iterations. Output such as training materials, a community profile database, and an academic article were planned as follow-up deliverables.

**Educational Content Overview**

To ensure clarity and engagement, the learning materials were structured into ten key topics. Each topic was designed to connect with the community’s real-life experiences, using practical language and examples that demystified insurance.

**Table 1 Educational Content Overview**

Topic	Focus
The Importance of Insurance	Why protection matters, especially in informal economies
Defining Insurance	Understanding agreements, premiums, and claims
Insurance in Practice	How insurance functions in daily life scenarios
Types of Insurance	Exploring health, life, education, vehicle, and microbusiness insurance
Benefits of Being Insured	Reducing financial pressure and building household resilience
Dispelling Myths	Addressing affordability, accessibility, and trust issues
Getting Started	Steps to choose and use insurance products wisely
Case Simulations	Exploring real-world implications of being uninsured
Community Dialogue	Addressing questions, beliefs, and common fears
Final Reflections	Reinforcing the message: insurance as family and future protection

Source: Authors' fieldwork data, February 2025

**RESULTS AND DISCUSSION**

The Insurance Literacy for Raising Awareness community intervention successfully enhanced participants’ understanding of insurance as a financial risk management tool. Following established literature, our findings resonate with Nurhayati et al. (2022), who demonstrated shifts in perception and attitude through improved insurance literacy. Likewise, Wijaya et al. (2019) emphasize that robust financial literacy contributes to more strategic personal financial management, supporting our conclusion that enhanced understanding promotes greater financial resilience.

**Respondent Profile**

A post-program survey was completed by 28 participants, gathering demographic data such as gender, age, occupation, and education.

- Gender: 64.3% female, 35.7% male, suggesting strong engagement from PKK-affiliated homemakers.
- Age: Participants aged 41–50 (53.6%) and above 50 (46.4%), highlighting interest from working-age and older adults.

- Occupation: Homemakers (39.3%), self-employed (21.4%), private-sector employees (21.4%), and civil servants (17.9%).
- Education: Majority held a bachelor’s degree (53.6%), followed by diploma (28.6%) and high school (17.8%), indicating the participants’ readiness to absorb new information.



Source: Authors' fieldwork data, February 2025

**Figure 1 & 2 Participants Documentations**

**Training Evaluation**

Participants rated the program across three domains, achieving an overall mean score of 4.59/5 (Very Good). Content received the highest ratings, reflecting its clarity, relevance, and practical value in daily life. Facilitators were commended for their effective delivery and ability to engage participants. While facilities and the environment were generally adequate, some participants noted room comfort and audio quality as areas for improvement.

**Table 2. Training Evaluation**

Aspect	Description	Mean Score Range
Content	Clear, insightful, and relevant to participants' daily professional and personal life.	4.71 – 4.82
Facilitator	Demonstrated effective delivery, strong mastery of the material, and responsiveness to questions.	4.54 – 4.79
Facilities & Environment	Generally supportive learning environment; some feedback indicated adequate room comfort and audio quality.	4.14 – 4.54

Source: Authors' fieldwork data, February 2025



Source: Authors' fieldwork data, February 2025

**Figure 3 & 4 Training Documentations**

**Statistical Effectiveness**

Normality tests (Kolmogorov–Smirnov: 0.261 for pre-test, 0.065 for post-test > 0.05) allowed the use of paired sample t-test to assess learning outcomes.

**Table 3 Statistical Effectiveness**

Measure	Pre-test	Post-test	t-value	Sig. (2-tailed)
Mean	3.89	9.86	-18.69	0.000

Source: Authors' fieldwork data, February 2025

The statistically significant improvement ( $p < 0.05$ ) confirms that the training markedly elevated participants’ insurance literacy. This finding suggests that structured educational interventions, especially those tailored to participants’ socioeconomic and cultural contexts, can effectively enhance their understanding of complex financial products like insurance. Participants not only gained factual knowledge but also demonstrated improved decision-making confidence and ability to evaluate policy options, which are critical components of functional financial literacy.

These results align with prior studies, including Drum & Ditsch (2025), who found that targeted health insurance education significantly increased individuals’ confidence in selecting appropriate coverage. Similarly, Wahono & Leng (2024) established a positive correlation between financial literacy and life insurance ownership in Indonesia, reinforcing the broader impact of financial education on behavior. Together, these findings support the notion that improving insurance literacy through practical, localized training can contribute to better financial protection and long-term economic resilience for individuals and families.

### **Program Evaluation Summary**

The significant increase in insurance literacy scores following the training validates the effectiveness of the intervention. Statistical analysis using pre- and post-tests revealed a meaningful improvement ( $p < 0.05$ ) in participants' understanding of insurance concepts, indicating that the program successfully addressed key knowledge gaps. This achievement aligns with the findings of Drum and Ditsch (2025), who documented increased confidence among participants in selecting appropriate health insurance plans after similar educational programs.

Beyond measurable outcomes, participants also reported greater awareness of financial risks and a deeper appreciation for insurance as a protective strategy for future uncertainties. This change reflects not only improved comprehension but also a shift in attitudes toward long-term financial planning. The results correspond with Wahono and Leng (2024), who found a positive correlation between financial literacy and life insurance ownership in Indonesia, highlighting the role of education in shaping financial behavior.

To ensure the reliability of these findings, the evaluation employed a rigorous combination of pre- and post-assessments, normality tests, and paired sample t-tests. This methodological framework allowed for accurate measurement of the intervention's impact while minimizing bias. The robust data analysis contributes to the growing body of evidence supporting financial literacy programs as effective tools for enhancing insurance knowledge and uptake (Drum & Ditsch, 2025; Wahono & Leng, 2024).

### **Enablers and Challenges**

Several enabling factors contributed to the success of insurance literacy training. Foremost was the strong community engagement, particularly among female members of the Family Welfare Movement (PKK), whose active participation ensured high attendance and motivation throughout the sessions. The content was also tailored to the local context, using relatable examples and interactive methods that resonated with participants' everyday financial decisions. Additionally, the training was supported by skilled facilitators and participants who generally had a solid educational foundation, which helped accelerate understanding and discussions.

Despite these strengths, the program faced several implementation challenges. Limited physical infrastructure, especially in terms of seating comfort and room acoustics, occasionally hindered focus and engagement during longer sessions. The

diverse age range of participants also required facilitators to adjust their instructional pacing and delivery, balancing the needs of older adults with those more digitally literate. Furthermore, participants came with varying levels of familiarity with insurance, from complete novices to those with partial experience, necessitating flexible explanations and additional support.

### **Outputs and Deliverables**

The program successfully produced key deliverables aimed at sustaining and disseminating its impact. First, an academic article was prepared and submitted to ABDIMAS SABANGKA, an accredited journal, to document the outcomes and implications of the training on community insurance literacy. Second, a visual poster was developed as part of the intellectual property output to serve as program documentation, capturing both process and highlights. Lastly, educational materials, including PowerPoint slides, were created and refined as reusable teaching resources for future outreach or replication efforts.

These outputs not only fulfill the institutional requirements of the PkM (Community Service Program) but also contribute to broader educational goals by providing accessible, adaptable tools to promote insurance awareness across diverse communities.

### **CONCLUSION**

This program successfully improved participants' insurance literacy, as evidenced by a statistically significant increase in post-test scores ( $p < 0.05$ ) and positive feedback across content delivery, facilitation, and relevance. The training highlighted participants' increased awareness of financial risk and the role of insurance in protective financial planning. Community enthusiasm, especially from PKK members, as well as strong facilitation and engaging content, played a vital role in the program's effectiveness. Despite minor logistical challenges, the initiative demonstrated a replicable model for grassroots financial education.

To build on these achievements, it is recommended that similar community-based training programs be expanded to other regions, particularly in vulnerable populations. Ensuring adequate infrastructure and tailoring materials for diverse learning needs will enhance engagement and outcomes. Partnerships with local authorities and institutions can also support sustainability, while longitudinal tracking of participants' behavior will

help measure long-term impact. Continued investment in financial literacy remains essential for fostering informed and resilient communities.

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