

The Determinants of Bank Insurance: Empirical Validation in the Tunisian Context

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Abstract This paper aims to analyze the factors that can either speed up or hinder the development of bancassurance through taking into account the case of the Tunisian market. The validation of our conceptual framework was carried out through a quantitative data collecting method based on a survey conducted in Tunisian banks. The empirical results showed that the saturation of the general insurance market, commercial synergy and the greater accessibility to financial services, are among the most important factors that encourage the development of bancassurance to make the services provided to their customers effective.

Keywords: banks, insurance, development, Tunisian market

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1. Introduction

The financial and economic literature dealing with the developing economies confirms that the growth of financial intermediation is an important determinant for economic growth (Bencivenga and Smith, 1991). In this respect, theoretical approaches have underscored the role played by the financial intermediation of banks and insurance companies to ensure a better economic performance (Richard et al, 1992).

The recent significant economic growth in some regions of the world (China, India ...) foretells an emergence of bank insurance in new countries. This starting can be considered with different approaches: within an integrated model or a simple cooperation. The level of integration will mainly depend on the local context of each market and the strategy of the actors. However, it does not determine on its own the success of bancassurance.

For countries where bank insurers are the prevailing model, mainly European countries called "Latin", the activities of the bank and life insurance are nowadays two closely interrelated activities whose main objective is to meet a global need from customers (Voutilainen, 2005). Thus, bancassurance is a model that should continue to gain market shares, even though bank insurers have already started thinking about a possible resettlement/reconversion, or at least a move towards new objectives of products and client (Staikouras, 2006).

Thus, after having focused on logic of mass distribution highly concentrated on bank customers namely individuals, bank insurers prove all the more some innovation as well as a good relationship and listening to the perfectly

mastered Customer. This will enable them to maintain their position and even to ensure their approach towards new objectives that are high-end segments, namely enterprises, professionals and the youth (Staikouras and Nurullah, 2008). As for products, bancassurers also diversify their products and enter a new era of selling more complex insurance products, niche previously reserved for traditional networks. Currently, the objective of "mature" bank insurers is to meet all the customers' expectations, even the most specific ones.

In Tunisia, and despite the development it has witnessed since its emergence in 2002, bancassurance has successfully established itself gradually on the market in terms of customers and product range. It was introduced on the market by the lawmaker in order to enrich and revitalize the insurance sector, in general, and life insurance industry, in particular, and thus ensures the economic and social development of our country.

Bancassurance allows banks to mobilize savings and build customers' loyalty through giving them, along with the products best suited to their needs, advice and good information (Bellando et al, 1994; Wilcox, 2005). This new distribution network is distinguished by the advantage offered by the bank counters for the sale of insurance products. This enables to facilitate such kind of marketing. This is explained by the positive image enjoyed by banks, thanks to the level of trust between individuals and their banks. However, this innovation has some weaknesses that can hinder its development. Among these weaknesses we can mention the standardization of the offered products. We can also mention individuals' lack of information and knowledge, which makes the concept of bancassurance unknown and unclear. This accounts for the tendency of individuals to choose traditional networks for the distribution of insurance

products. The low level the training of personnel responsible for selling these products is another shortcoming. Thus, customers can find, within their banks, neither the required information nor advice.

The Bank can distribute simple insurance products but it does not have the know-how to manufacture them. In this regard, if the bank chooses to become an insurer, it must meet some conditions. It must first know the property of its customers to better target products that it is going to offer. Then it must control its costs, its image, the follow-up of its sales and customer loyalty (Bos and Kool, 2006). Besides, it should benefit from the management and training capacity of its staff, a sufficient level of safety and from an adaptation to organizational constraints specific to insurance. Finally, the bank must acquire the know-how in insurance and innovation technique and in knowledge of the insurance market (Gulati, 1995). However, this effort is often marred by economic, technical and institutional problems. Specifically, the investments regarding insurance product launching bring about huge costs for banks (Chen and Wang, 2004).

Thus, conflicts of interest and information asymmetry take place between the shareholders of the bank. As a result, some shareholders refuse to be commit to funding these new projects. In addition, the environment of the bank was considered a good place to trigger the insurance products of the bank. The disruption of the latter (lack of support, vague legislation, etc ...) may negatively influence the development of bancassurance (Allen and Jagtiani, 2000). The final problem relates to the lack of supervision in facilitating the rapprochement of bank insurance that is often considered crucial for the development of the strategy of rapprochement (Fields et al, 2007).

This leads us to ask the following question: what are the determinants and key factors of success of bancassurance in Tunisia?

Thus, our main objective, in this article, is to examine the factors that positively or negatively influence the reconciliation of bancassurance in Tunisia by empirically considering an emerging market, such that of Tunisian.

2. Conceptual Framework

Bancassurance is "the distribution of insurance products by banks" (Fildes et al, 2007). According to Voutilainen and Staikouras 2006, "the main objective of bancassurance is to meet the customers' global needs". On the other hand, Urban and Vendemini (1994) define bancassurance as the creation of a financial, human, material or any other link, between two or more independent entities. Like any form of partnership, inter-enterprise rapprochements are often of a complex nature.

In this article, we analyze the impact of some variables, such as economic motivations, institutional environment, the alignment of interests and trade barriers. The conceptual framework shown in Figure 1 summarizes the different variables used and will serve as a fundamental basis in carrying out our empirical study.

2.1. Economic Incentives

Banks engage in insurance business or try to get closer, first because having a long-term wealth based on

performance and related to risk protection, has gained importance. The share of bank savings is found to be reduced therefore so that banks are forced to compensate with other businesses. On the other hand, large companies are refinanced directly on the capital market and / or start their own bank, thus competing to some degree with business banks.

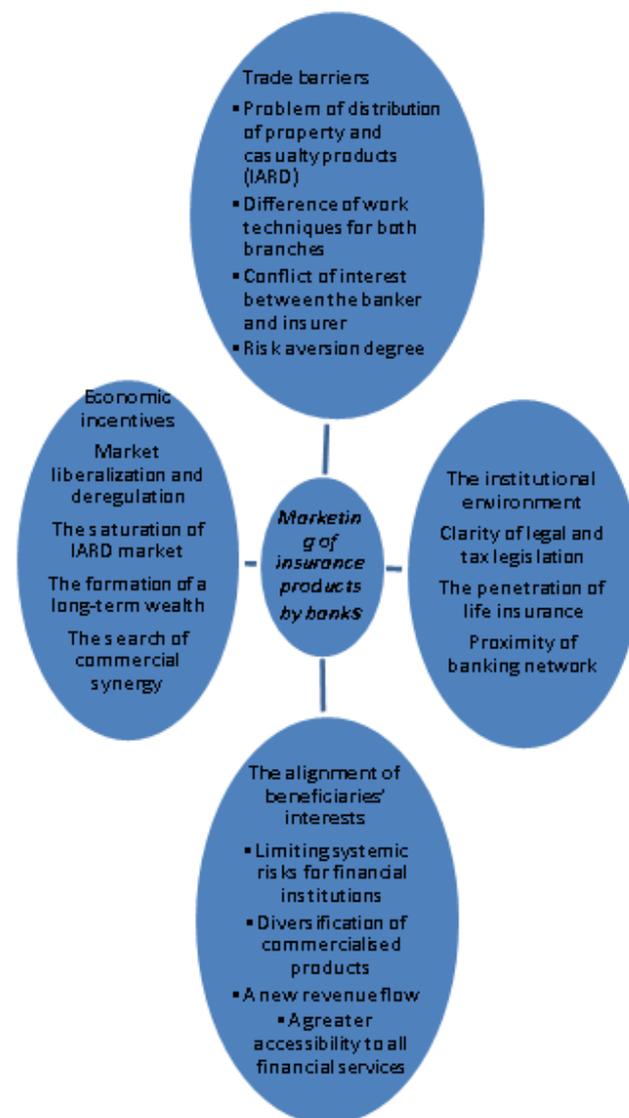


Figure 1. summarizes the different variables used and will serve as a fundamental basis in carrying out our empirical study

Besides, advances in information technology enable to process the customer data as well as those of insurance companies' customers in a more focused way. In doing so, they create the conditions enabling to distribute the high costs of infrastructure, namely those of distribution channels on a bigger number of services.

Moreover, the distribution of both products can be ensured by the same pay network/ réseau de verse in excellent conditions for the customers. This is what is applied to life insurance for instance. It is logical that the banking networks which play an advisory role in inheritance management offer their customers life insurance products. However, these product are made by those specializing in this field. Nowadays, the banking networks have become very important distributors of life insurance products given that they are saving products that fall within the competence and their culture. Besides, it is

very natural that a bank advisor offers his client personal insurance/prévoyance products aimed to secure his revenues to face the ups and downs of life. The problems of marketing insurance products, the deregulation and the development of insurance savings/ l'épargne assurance represent new challenges for companies that can be controlled only through combining specific solutions to banks, capital markets and insurance. Hence our first hypothesis.

Hypothesis 1 (H1): The economic incentives positively influence the development of bank insurance

2.2. The Institutional Environment

A strong integration of the insurance information system in banks is essential. It allows a maximum decentralized subscription at the level of the bank branch, but a centralized management of contracts and claims for the insurer. Moreover, training and mainly a financial incentive of the banking network in the sale of insurance products are necessary for a business success.

Besides, the characteristics of the sold products are essential. The insurance activity of a banking network often starts with products similar to the banking activity: individual life, credit and banking operations insurance (mortgages, consumption loans, overdraft insurance, credit card coverage ...). Through distributing life insurance products, the bank increases its share in the collection of long-term savings. Through distributing credits and banking operation insurance, the bank offers a complementary service to its customers.

It provides them with easy access to insurance, a simple payment method, a financially advantageous coverage thanks to group rates. Even when bankers expand their range of insurance products, the contracts they offer are easy to understand by both the customer and the seller: the guarantees are simple, with very few options such as, a simplified pricing.

They allow low premiums and a simplified subscription (souscription). The success of the marketing of insurance products through the banking networks take advantage of the good image of the bank with its customers, a large base of regular customers, training and remuneration of its sellers, its sales methods as well as the marketed insurance products. This leads us to discuss the importance of institutional and regulatory factors in the contribution to the success of bancassurance rapprochement.

The supervisory authorities or the government itself have the role to enact laws to monitor and actively manage the risks taken by the financial institutions of their country to preserve the good functioning of the financial system of a certain State. However, this may exult shocks beyond the control of individual and group managers that may affect the financial system as a whole. These risks are called the "systemic risks".

Bancassurance can be a means for financial institutions to limit this systemic risk because the bank diversifies its revenue sources, and thus makes its activity more stable and therefore safer for the customers.

However, some authorities believe that the excessive liberalization of financial systems of a country can increase systemic risk. That is why, in many countries, banks cannot undertake activities outside their main business in order to avoid new opportunities to take risks.

Some governments have also decided to liberalize their financial system, but gradually, in order to allow a better control of this move. Bancassurance can be viewed by the regulating authorities, on the one hand, as an asset and on the other hand, as a potential threat to the financial stability of the country.

Based on what has been stated above, we can make the second hypothesis.

Hypothesis 2 (H2): The institutional environment positively influences the development of bancassurance.

2.3. The Benefits Of Bank Insurance

At present, it is generally accepted that bancassurance is advantageous for the various concerned stakeholders. It is then suitable to consider the contributions of each of them namely the bank, the insurance company, the consumer and the legislator (Carow, 2001a and b).

2.3.1. The Benefits to the Bank

First, the bank considers bancassurance as a means to create a new revenue flux and to diversify its activity. Advantage of much more real than the early 90 showed an increase in competition among financial institutions and a reduction in banks' financial margin and therefore the need to find a new activity.

The bank becomes like a "supermarket", a unique supplier, the "one stop shop" for financial services, where the client's needs, whether financial or pertaining to insurance, can be met. Thus, the bank can aspire to further attraction given the expansion of its product range and then can improve the satisfaction and achieve customer's loyalty.

The distribution costs can be considered as marginal since, in most cases, it is the bank employees who offer themselves to sell insurance products. The "one stop shop" model allows, among other things, to better exploit the network and increase the profitability of the existing banking network (Carow, 2001a).

2.3.2. The Benefits to the Insurer

Thanks to this new distribution network, the insurer significantly expands his customer's base and reaches customers who are rather difficult to access. This is of course a primary benefit that can, by itself, convince an insurer to develop agreements with a bank. The insurer has the opportunity to vary his methods of distribution in order to avoid a great dependence on a single network. Diversification enables to reduce risks.

The insurer often enjoys the good image and confidence showed more spontaneously in banks. The insurer also has the advantage of reducing distribution costs compared to costs inherent to traditional agents, given that the sales network is generally the same for the banking and insurance products. This cost saving has been clearly recorded by many bancassurers throughout the world and is well reflected in the costs included in contracts. Thus, the products can be offered at a lower cost. An insurer can establish himself quickly in a new market by using the existing network of a local bank.

2.3.3. The Consumer Benefits

As discussed in the benefits to the bank, the consumer has a greater accessibility to all financial services, given

that some banks offer both banking and insurance products. Since distribution costs are reduced compared to a traditional distribution network, the consumer can, most of the time, benefit from insurance products at lower prices than in traditional networks (Agrawal, 2002). The methods of premiums payment are also simplified since they are directly debited from the bank account. The special relationships that can exist between a client and his banker helps have a better appropriateness between the customer's needs and the provided responses (Chen and Wong, 2004).

In short, we can notice that the client takes advantage of this opportunity to purchase simple insurance products, often inexpensive, with premium payment tailored to his needs (most of the time, on a monthly basis) and an easy accessibility because the banking system is generally denser than that of the insurance agencies (Chen et al, 2008). The expected benefits of rapprochement between bank and insurance companies (capturing new customers, facing competition and increasing turnover ...) encourages banks to achieve rapprochement with the insurance companies, hence our third hypothesis is:

Hypothesis 3 (H3): The alignment of interests of the beneficiaries of bank insurance service positively influences the development of bank-insurance rapprochement.

2.4. Trade Barriers Facing Bank Insurance

Despite its advantages, bancassurance has some limits to its application. These limitations are mainly related to the difficulty of marketing general insurance products. The difficulties are of business and organization type of the insurance profession (differences at the level of working methods) (Lee et al, 1997; Gulati, 1995, Fields et al, 2007).

2.4.1. The Difficulty of Marketing General Insurance Products

General insurance products are an obstacle for the development of bancassurance as they can damage the image of banks and require more specialized tools. For instance, the insurer most often tries, in case of disaster, to minimize as much as possible the amount of such compensation. As a result, all customers will consider that insurers do everything to avoid paying claims.

Thus, through marketing various casualty insurance products, banks fear to damage their own public image, and should this happen; they lose the insurance contract and bank accounts at the same time. Besides, the sale of damage insurance contracts by the bank requires a further training and therefore a greater investment since these contracts depend on a technique related to insurance which is generally ignored by bankers.

2.4.1.1. Commercial Difficulties

These difficulties appear at the level of two approaches: the client approach and the risk approach (Lee et al, 1997). The client approach where there is divergence of targeting according to financial situation constitutes a conflict of interest between the banker and the insurer. For instance, the banker tries to attract young people who are generally less fortunate, thus betting on their medium term fidelity. However, these young people are not interested in life

products but in the contracts of casualty insurance and especially car insurance. Since this kind of insurance suffers from a considerable loss ratio, the insurer will be forced to neglect the distribution of his products through the bank counters (Fields et al, 2007).

As for the risk approach, the degree of risk aversion constitutes a problem for the person who markets both banking and insurance products. In fact, the banker, averse to taking risks, avoids signing any credit or contract; while the insurer, who loves taking risks, seeks to control this risk through a simple evaluation of its cost.

2.4.1.2. Different Methods of Work

The working methods are different in the two branches. The bank staff has to know the wide range of products to be marketed. For his part, the insurer must manage new types of contracts that may be complex to him. Thus, it seems difficult to ask the same agent to know, in addition to his main products, the contracts of the other field.

2.4.2. The Threat to Insurance Industry

Due to the strong presence of the bank in the territory, bank insurance constitutes a real threat to the insurance industry which is already suffering from an increasing competition from mutual insurance companies without intermediaries and from the distribution of large areas. For these reasons, brokers and general agents react either through revising their distribution policies and their products or through following the insurance finance strategy. The last consists in selling, through the network of the insurance company, financial products such as consumer loans and short-term investment (Lee et al, 1997).

Thus, we can conclude that there are obstacles concerning the application of bancassurance. These obstacles are mainly related to the difficulty of marketing general insurance products and to the commercial and organizational side of the insurance industry (Fields et al, 2007). Based on what has been suggested earlier, we move forward to the fourth hypothesis in our research.

Hypothesis 4 (H4): Trade barriers negatively influence the development of bank insurance.

3. Methodology and Research Results

3.1. Methodology

The validation of our conceptual framework is carried out through a quantitative data collecting method, based on a survey conducted in Tunisian 100 banking agencies intended for bank agency directors. The choice of the Tunisian context is mainly attributable to the importance of the banking sector in this emerging country.

A structured questionnaire was used to achieve the objectives of our study. It also serves as a means of communication between the researcher and the targeted population. Our questionnaire consists of five questions. This choice of number of questions is justified by the nature of the subject that requires detailed information given that it deals with opinions, attitudes, and different policies for each agency. Besides, the importance of the

subject that deals with the rapprochement of the bank insurance justifies this choice.

The questionnaire must be established while taking into consideration the assumptions of the research. For this reason, we have made a pre-survey with some officials for two reasons:

- Check if the questions are well understood by the interviewees
- Ensure the consistency of the questionnaire

In our study, we have opted for a personal survey given that the other methods have some drawbacks (high cost, waste of time, risk of not understanding the questions ...) which can even distort the collected data. In addition, the personal survey enables to help the interviewee to better understand the different questions and thus increase the accuracy and efficiency of the answers.

3.2. Research Results

Before testing the research hypotheses, we should check the already mentioned conditions. Then, we will present the research results.

3.2.1. Checking the Applicability Conditions of the Method

This checking covers the following four conditions.

3.2.1.1. Verification of the Variable to be Explained

Our variable to be explained is nominal in nature; either bank branches have declared having either commercialized or non commercialized insurance products.

3.2.1.2. Verification of the Explanatory Variables

All these variables are measured on a Lickert scale. This scale is classified among the metric scales.

3.2.1.3. Verification of the Absence of Multicollinearity between the Explanatory Variables

The analysis has brought out a KMO equal to = 0.59. This index is relatively low to have a relationship between the explanatory variables. Thus, there is no multicollinearity between variables.

3.2.1.4. Verification of the Equality of Variance-Covariance Groups

Box's M test is used to verify hypothesis H_0 : equality of variance-covariance within groups. The result of this test has shown that M of Box = 9519. We do not have a basis for the comparison of M Box. We avail ourselves of the Fisher test which shows an approximate F equals 1.519 F with a significance of 0.16.

The risk of rejection of H_0 equals 16%. It is a high rate to reject this hypothesis.

Therefore, we must accept it, hence, the equality of variance-covariance groups.

3.2.2. Research Hypotheses Tests

3.2.2.1. Verification of Hypothesis H 1

Hypothesis H 1 aims to assume that economic incentives positively influence the development of bancassurance. The results of equality tests of group averages carried out on the items of the variable of economic incentives are presented in the following table:

Table 1. Results of equality tests of averages related to H 1

Items	Wilks' lambda	F	Significance
-The liberalization and deregulation of markets	0.966	3.459	0.066
-Saturation of general insurance market	0.908	9.981	0.002
-The establishment of a long-term wealth	0.784	26.950	0.000
-The search for commercial synergy	0.770	29.203	0.000

Concerning the Item of the liberalization and deregulation of markets, the taken value by the Lambda is close to 1 and the value taken by F is low (3.459) and the associated risk ($p = 0.066$) is greater than 5%. These results show that market liberalization has no significant effect on the process of rapprochement between banks and insurance companies.

For the other three items namely the saturation of general insurance market, the forming of a long-term fortune and the search of a commercial synergy, the values taken by F are high with probabilities of significance inferior to 0.05. These results show that these three characteristics have a significant and positive effect on the rapprochement between the bank and the insurance company. This partially enables to validate our first hypothesis H 1.

In other words, the saturation of general insurance market, the constitution of a long-term fortune and the search of a commercial synergy significantly influence the development of bancassurance in the Tunisian context.

3.2.2.2. Hypothesis 2 (H 2) verification

Hypothesis 2 (H 2) states that the institutional environment has a positive and significant effect on the development of bancassurance. The results of tests of equality of groups averages performed on the items making this variable are shown in the following table:

Table 2. Results of equality average tests related to H 2

Items	Wilks' lambda	F	Significance
-Clarity of legal and tax law	0.980	2.001	0.16
-Penetration rate of life insurance	0.999	0.099	0.753
-proximity of the banking system	0.980	2.034	0.156

Concerning the item "Clarity of legal and tax law", the value of Wilks' Lambda tends to 1, the value of $F = 2.001$ and the associated risk is $p = 0.16$. These results show that this variable has no significant effect on the development of bancassurance, which partially invalidates hypothesis H 2.

For the other two items, namely "the penetration rate of life insurance" and "the proximity of the banking system", the results show respective values of F equal to 0.099 and 0.753 with probabilities of significance above 0.05, 0.753 and 0.156 respectively. These results show that these two elements of the institutional environment have no significant effect on the development of bancassurance in the Tunisian context. These results invalidate hypothesis (H 3).

3.2.2.3. Verification of (H 3) Hypothesis

Hypothesis 3 is used to show that the alignment of interests of the various stakeholders in bancassurance has

a positive effect on the rapprochement between banks and the insurance companies. The results of quality tests of group averages performed on the items in question are shown in the following table.

Table 3. Results of equality tests of averages related to H 3

Items	Wilks' Lambda	F	Significance
- Limit the risks for financial institutions	0.950	5.107	0.026
- Diversify marketed products	0.951	5.085	0.026
- Revenue increase	0.875	8.533	0.005
- A greater accessibility to all financial services	0.865	9.218	0.004

For the item "Limiting the risks for financial institutions," the value of Wilks' Lambda is close to 1, the value of $F = 5.107$ and the associated risk ($p = 0.700$) is less than 5%. These results show that minimizing the risks of financial institutions is a factor which accounts for the rapprochement of banks and insurance companies. This helps to partially accept (H 3) hypothesis.

For the other three items, namely "the diversification of commercialized products", "the reduction of distribution cost" and "a greater accessibility to all financial services", the results show that the values of F are close to 1 with significance probabilities less than 0.05. These results show that these three elements of the variable "alignment of interests" have a significant and positive effect on the approximation of bancassurance. These results confirm totally (H 3) hypothesis.

3.2.2.4. Verification of (H 4) Hypothesis

H 4 hypothesis is intended to prove that trade barriers negatively influence the development of bancassurance. The following table shows the statistical tests conducted on the items related to the variable "trade barriers".

Table 4. Results of equality tests of averages related to H 4

Items	Wilks' lambda	F	Signif
- Problem of general insurance product distribution	0.997	0.299	0.586
- Different work techniques for both branches	0.957	4.350	0.040
- Conflict of interest between the banker and the insurer	0.993	0.725	0.397
- The degree of risk aversion	0.999	0.130	0.719

Most of items used to measure the "trade barriers" have an insignificant effect on bancassurance development. Indeed, three out of four items have F values ranging from 0.299 to 0.130 and the associated risk is clearly below 5%. These results invalidate the majority and not all (H 4) hypothesis. Thus, (H 4) hypothesis is relatively invalidated. In other words, "trade barriers" don't hinder the development of bancassurance.

3.2.3. Interpretation and Predictive Power of the Discriminant Function

It consists in presenting the discriminant function provided by the statistical analysis.

3.2.3.1. The Interpretation of the Discriminant Function

The discriminant function introduces all the explanatory variables that discriminate between groups of individuals. In the case of two groups, the analysis

shows a single discriminant function. We are in the presence of a simple discriminant analysis.

Before establishing this function, it is necessary to examine its proper value and canonical correlation.

- **Canonical correlation:** It is equal to 0.577. This coefficient enables to provide satisfactory discrimination.
- **Eigenvalue:** In order to test the significance of this value, we will use the chi-square test. This test consists in testing the hypothesis of centroid equality of both groups. In our case, the risk of rejection of the null hypothesis is clearly below 5% ($p = 0.000$). Thus, we can reject this hypothesis and admit that there is a difference of one hundred centroids in both groups.

The discriminant function is retained by using standardized or non-standardized discriminant coefficients. In our research, the choice of non-standardized discriminant coefficients is imposed because the measurement units of the variables are the same (Evrard, Pras and Roux, 2003). Hence, the discriminant function is written as follows:

$Z = -4.789 + 0.425$ saturation of general insurance market + 0.820 commercial synergy + 0.247 greater access to financial services.

Among the factors that discriminate between the two groups, we mention the saturation of the general insurance market, commercial synergy and a greater accessibility to financial services. It seems that economic incentives have a significant and positive impact on the development of bancassurance in Tunisia.

Thus, the more the saturation of general insurance market is consolidated, the more bank agencies will be involved in the process of development of bancassurance within their agencies. Moreover, the more the alignment of interests is respected, the more bank agencies are involved in the development of the marketing of insurance products. This situation is the same for agencies seeking to achieve commercial synergy. It is interesting to note that the discriminate factors between the two groups are part of two assumptions that are completely confirmed.

3.2.3.2. The Predictive Power of the Discriminant Function

To evaluate the predictive objective of the discriminant function, we will judge the quality of prediction of this function. In fact, the percentage of well-graded is equal to 74%, that is to say, the discriminant function is able to predict correctly 84% of companies. It can be mistaken at a rate of 16%.

To maintain the discriminant function provided by the analysis, it is necessary to evaluate the percentage of well-graded. At this level, we will compare this percentage to the result of a random classification. This is carried out through the Z-Statics.

In our case, $z = 7.67 > 2$. This means that the explanatory variables maintained in the discriminant function have a significant contribution to the prediction. In other words, the percentage of well-graded 84% is much better than a random classification of 95% chance.

3.2.4. Discussion of the Results

According to this study, the results have shown the importance of three variables in the implementation of a

marketing strategy of insurance products. These variables are the saturation of general insurance market, commercial synergy and a greater accessibility to financial service. It appears that economic incentives and “alignment of interests” have a significant and positive impact on the development of bancassurance in Tunisia.

In this regard, the maximization of wealth pushes banks to adapt a policy of marketing insurance products. As a result, owners and managers of the bank have a prospective vision for the development of insurance products. In this sense, they are not averse to take risks to embark on new activity areas. The search for a business synergy is an asset for the development of bancassurance in the Tunisian context. This synergy allows banks to improve their turnover. These results have been statistically validated by the contribution of the discriminant function.

Moreover, our results showed that the alignment of interests of the different partners in the implementation and development of bancassurance products is a discriminant factor between the two groups. This extended vision to stakeholders is a key factor pushing banks to continuously improve their services to preserve their customers' loyalty and especially to ensure the creation of value added to the different partners. As for Christensen and Overdorf (2000), they underlined the cooperation with customers and suppliers in bank insurance projects as long as this cooperation is also beneficial for them. This can be explained by the fact that the fruits of bank insurance products are shared by the various stakeholders having interests in the bank. This confirms the results of Faema et al (2005).

Our study has not yielded a significant impact of the institutional environment on the dynamics of bank insurance. These results contradict the empirical work of Foss (1999). On the one hand, this can be accounted for by the ineffectiveness of public authority intervention and on the other hand by the lack of habituation on the part of agency heads to launch insurance products while relying on the advantages granted by public authorities within a view to strengthen this cooperation strategy.

Besides, the statistical tests have shown that trade barriers do not hinder the success of bancassurance within the Tunisian banks.

4. Conclusion

This article aims to study the determinants of the success of bancassurance in Tunisia. The theoretical framework proposed in this research relies on the contributions of reconciliation of the bank and insurance companies for the various stakeholders in the implementation and marketing of insurance products. Through the literature and all the work carried out in this field, we have tried to identify the different factors that can influence the policy and strategy of rapprochement between banks and insurance companies. The given assumptions have already mentioned variables and corresponding factors.

The empirical validation of this study showed that (H1) is partially confirmed, (H3) is fully confirmed and (H2) is completely reversed, whereas (H4) is partially reversed. Thus, we have been able to understand that the Tunisian

banking agencies, object of our study, tend to improve the development of bank insurance to make the services provided to their customers.

The empirical results enable us to complete the theoretical contributions of the research and highlight the factors that enable to predict the willingness to market insurance products. Indeed, statistical tests of the Discriminant Analysis showed that among the factors that discriminate between the two groups, we find the saturation of the general insurance market, commercial synergy and a greater accessibility to financial services. It turns out that economic motivations and the alignment of interests of stakeholders have a significant and positive impact in the development of bank insurance in Tunisia.

Beyond these results, this research has some theoretical and methodological limitations. At the theoretical level, the number of variables tested within the framework of this research remains small compared to the determinants of bancassurance. At the methodological level, we have limited ourselves to a very small sample. Besides, the latter remains one of conveniences that prevents us from making generalizations. In addition, we have limited ourselves to reliability analysis concerning the measures of the variables of bancassurance determinants because of the characteristics of this study which remains rather untackled in the Tunisian context. Eventually, due to the difficulty of measuring bancassurance development, we have relied only on statements made by agency heads.

Taking into consideration these limitations leads us to propose future research tracks. It consists in testing the impact of socio-economic and cultural factors on the dynamism of a marketing policy of insurance products by bank branches.

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3. The institutional environment of the development of bank insurance

Please rate the importance of each of the following factors for achieving reconciliation bancassurance, using the scale 1-5 (where: 1 Not at all agree 2 Disagree 3 Undecided 4 agree 5 strongly agree).

	1	2	3	4	5
Clarity of legal and law law					
Penetration rate of life insurance					
Proximity of the banking system					

4. The alignment of interests

Please indicate if the alignment of interests of different stakeholders of bancassurance services positively influences the connection between bank and insurance companies, using the scale 1 to 5 (where: 1 Not at all agree 2 Disagree 3 Undecided 4 agree 5 strongly agree).

	1	2	3	4	5
Limit the risks for financial institutions					
Diversify marketed products					
Revenue increase					
greater accessibility to all financial services					

5. The trade barriers negatively

Please indicate if trade barriers in the implementation of the bancassurance negatively influence their development, using the scale 1 to 5 (where: 1 Not at all agree 2 Disagree 3 Undecided 4 agree 5 strongly agree).

	1	2	3	4	5
Problem of general insurance product distribution					
Different work techniques for both branches					
Conflict of interest between the banker and the insurer					
The degree of risk aversion					

Appendix 1

Questionnaire Intended for banks agency director

The determinants of bancassurance in Tunisia

1. Marketing of insurance products

	1 (Yes)	2 (No)
You market insurance products in your bank?		

2. The economic incentives of the development of bank insurance

Please indicate whether economic incentives positively influence the development of bancassurance, using the scale 1 to 5 (where: 1 Not at all agree 2 Disagree 3 Undecided 4 agree 5 strongly agree).

	1	2	3	4	5
The liberalization and deregulation of markets					
Saturation of general insurance market					
The establishment of a long-term wealth					
The search for commercial synergy					

Appendix 2

Sample distribution

Name of Banks
- Amen Bank
- National Agricultural Bank
Union Bank of Trade and Industry
- Attijari Bank
- Housing Bank
- Tunisian Bank Company
- Bank of Tunisia
- International Banking Union
- Arab Tunisian Bank
- Arab Bank Corporation
- Tunisian Solidarity Bank
- Arab International Bank of Tunisia