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Research Article

Digital Financial Literacy and Insurance Purchase Intention: The Mediating Role of Risk Perception

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ABSTRACT

With the rise of digital financial services, young adults are widely engaging with digital tools and platforms. Despite this growing involvement, their intention to purchase insurance online remains uncertain. This study examines the relationship between digital financial literacy and insurance purchase intention, considering the potential mediating role of risk perception among digitally active young adults in the Davao Region. Using a quantitative correlational descriptive research design, data were collected from 300 respondents from January 2026 to February 2026 through surveys, using a nonp-probability sampling method that combined quota and purposive sampling techniques. A structured survey questionnaire, adapted from established instruments on digital financial literacy, insurance purchase intention, and risk perception, was used after undergoing expert content validation and pilot testing for reliability. Data were analyzed using JASP through descriptive statistics, Pearson's correlation and mediation analysis with bootstrapping were applied to examine the relationship. Findings indicate that young adults consistently demonstrated a very high level of digital financial literacy alongside high levels of insurance purchase intention and risk perception. Research found that people who know more about finances digitally tend to want insurance more. It turns out, too, that if someone thinks there's a higher risk, they're more likely to consider buying insurance. But interestingly, just because someone is good with digital financial tools doesn't mean they see insurance risks differently than others. These findings indicate that higher digital financial literacy is associated with greater insurance purchase intention, emphasizing the importance of targeted financial education initiatives.

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Introduction

In the evolving digital financial landscape, young adults are increasingly engaging with various online financial services, such as e-wallets and digital banking platforms. While these technologies offer convenience and accessibility, they also present new challenges related to financial decision-making, risk management, and insurance uptake. Despite the widespread use of digital financial tools, there remains limited understanding of how digital financial literacy among digitally active young adults influences their intention to purchase insurance, and how their perception of financial risks shapes this relationship. The core issue, therefore, lies not only in navigating digital financial platforms but also in understanding the factors that drive insurance-related decisions, including how digital literacy and risk perception interact to influence insurance purchase intention. This study investigates the relationship between digital financial literacy and insurance purchase intentions among digitally active young adults in the Davao Region, while examining whether risk perception mediates the effect of digital financial engagement on their intention to acquire or consider insurance products.

Globally, the rapid digitalization of the insurance sector has highlighted the growing importance of digital financial literacy in shaping individuals' willingness to engage with digital financial services and purchase insurance online, while risk perception continues to influence these decisions. Building on this foundation, a systematic literature review published in the International Journal of Bank Marketing (2025), which synthesized evidence from 125 studies across low- and middle-income countries, concluded that digital financial service adoption is influenced by the interaction of financial literacy, digital skills, trust, security, perceived usefulness, access, and other structural and psychosocial factors. As financial services increasingly migrate to digital platforms, these competencies have become essential in enabling consumers to confidently access and utilize digital financial products, including online insurance services. This is reflected in Nigeria, where limited financial knowledge has been associated with lower intentions to purchase life insurance because individuals struggle to understand its benefits and mechanisms (Usman & Kumar, 2020). Likewise, technological innovations have expanded access to digital financial services, with the integration of mobile money into Kenya's banking system improving financial inclusion and encouraging greater utilization of financial products and services (Lone et al., 2025). However, evidence suggests that digital financial literacy alone does not fully explain insurance-related decisions. In Australia, risk perception and trust significantly influence young adults' insurance decisions beyond purely economic considerations (Tam et al., 2021), while in Poland, consumers increasingly adopt online channels for purchasing simple insurance products because of their convenience and accessibility but continue to rely on traditional channels for more complex insurance products due to greater trust and perceived clarity (Wojak et al., 2025). Similarly, Módosné Szalai et al. (2025) found that individuals in Hungary often overestimate their financial capabilities, creating a discrepancy between perceived and actual financial knowledge, which suggests that possessing financial knowledge does not necessarily translate into sound financial behavior or greater confidence in financial decision-making. Collectively, these studies indicate that although digital financial literacy serves as a critical foundation for engaging with digital financial services, consumers' intentions to purchase insurance are also shaped by their perceptions of risk and trust. These findings underscore the importance of examining risk perception as a mediating mechanism through which digital financial literacy influences insurance purchase intention in an increasingly digital financial environment.

In Asia, the engagement of individuals with insurance markets is increasingly shaped by digital financial literacy and risk perception amid rapid technological advancement and financial innovation. Evidence suggests that digital financial literacy enhances individuals' ability to access, understand, and utilize digital financial services, thereby promoting informed financial decision-making and greater participation in financial products, including insurance. In China, digital financial development has been shown to increase residents' participation in insurance by improving financial literacy and strengthening information technology infrastructure (Zhang et al., 2025). Similarly, studies in South Korea (Pak et al., 2026) and Kuwait (Abdallah et al., 2024) found that higher levels of digital financial literacy, particularly financial knowledge, awareness, and decision-making skills, encourage the effective use of digital financial services and foster more responsible financial behavior. Despite these advantages, research indicates that digital financial literacy alone is insufficient to drive insurance adoption, as consumers' decisions remain strongly influenced by perceived risk and other contextual factors. In Laos, Morgan and Long (2020) found that individuals with higher financial literacy were more likely to participate in formal financial services and demonstrate positive saving behavior, highlighting the role of financial knowledge in promoting effective use of financial products. In Indonesia, risk perception significantly affects individuals' intention to purchase life insurance (Immaddudin et al., 2024), while in Malaysia, limited understanding of insurance products, financial constraints, and social influences continue to discourage many young adults from obtaining health insurance (Abdullah et al., 2025). Likewise, findings from Pakistan reveal that although digital financial literacy promotes mobile banking adoption, it does not significantly reduce users' perceived risk, suggesting that concerns about risk persist even among digitally literate individuals (Asghar & Nabeel, 2025). Collectively, these studies indicate that while digital financial literacy serves as a key driver of digital financial service utilization, its influence on insurance purchase intention is closely intertwined with consumers' perceptions of risk, highlighting the importance of examining risk perception as a mediating variable in the relationship between digital financial literacy and insurance purchase intention.

In the Philippine context, despite the growing adoption of digital financial platforms, many Filipinos remain hesitant to purchase insurance due to the combined influence of digital financial literacy and risk perception. Evidence suggests that while greater digital financial literacy equips individuals with the knowledge and skills to navigate digital financial services securely and make informed financial decisions, concerns regarding security, privacy, financial loss, and trust continue to shape insurance-related behaviors. Studies conducted in Nueva Ecija (Leyesa et al., 2024) and Mamburao, Occidental Mindoro (Tañedo, 2023) demonstrate that individuals with higher levels of digital financial literacy and greater awareness of digital financial risks are better able to utilize digital financial services safely, whereas knowledge gaps contribute to fear, distrust, and hesitation in engaging with online financial products. Likewise, research in Calapan City (Reyes & Villanueva, 2020) and Batangas (De Leon, 2021) highlights that perceived financial risks, including uncertainty about insurance products, hidden costs, and distrust in insurance providers, significantly discourage insurance purchase intentions. Although financial literacy has been shown to strengthen behavioral intention by enhancing individuals' ability to translate favorable attitudes and perceived behavioral control into financial decision-making (Katalbas et al., 2022), evidence also indicates that risk perception remains an independent influence on consumer behavior. For instance, Lauron et al. (2026) found that despite recognizing online fraud as a significant concern, Filipino students continued to use digital financial services because of their convenience, usability, and reliability, while Roque and Perlas (2025) observed that insurance purchase intentions are shaped by a combination of financial knowledge, trust, investment preferences, and product attributes rather than by a single factor. Moreover, Tan (2018) demonstrated that risk perception mediates the relationship between individual characteristics and life insurance ownership, suggesting that financial knowledge may influence insurance decisions indirectly through individuals' assessment of risk. Collectively, these findings indicate that although digital financial literacy promotes informed financial behavior, its influence on insurance purchase intention is closely intertwined with consumers' perceptions of risk, trust, and other behavioral factors. This underscores the need to further examine the mediating role of risk perception in the relationship between digital financial literacy and insurance purchase intention among digitally active young adults in the Davao Region.

In the local context, the engagement of young adults with digital financial products is increasingly influenced by their digital financial literacy, risk perception, and trust in digital platforms. Evidence from Davao Region suggests that consumers are more likely to adopt digital financial services when they perceive these platforms as secure, convenient, and reliable. In Davao City, studies by Cabading et al. (2023) and Casia et al. (2022) found that security, convenience, reliability, and perceived usefulness are among the most important factors influencing the adoption of digital financial services. Similarly, research conducted in Panabo (Alonzo et al., 2022) and Tagum City (Espina et al., 2025) indicates that although consumers recognize the convenience and efficiency of digital platforms, their willingness to engage in online financial transactions remains strongly influenced by concerns regarding transaction security, data privacy, and trust. Moreover, Apiag et al. (2025) reported that respondents in Digos City who possessed stronger financial management skills, including budgeting and risk assessment, demonstrated greater awareness of insurance benefits and a higher willingness to invest in insurance as a form of financial protection. Collectively, these findings suggest that while digital financial literacy enhances consumers' capacity to utilize digital financial services, trust and risk perception remain critical determinants of insurance-related decisions. However, despite the growing adoption of digital financial platforms within the Davao Region, limited empirical evidence has specifically examined whether risk perception mediates the relationship between digital financial literacy and insurance purchase intention among digitally active young adults, thereby highlighting the need for the present study.

While the reviewed literature consistently links digital financial literacy and risk perception to insurance-related decisions, few studies have examined risk perception specifically as a mediating mechanism rather than an independent predictor.

Research conducted globally, across Asia, and in the Philippines has highlighted the role of digital financial literacy and risk perception in influencing the intention of young adults to purchase insurance. However, there is a lack of existing studies that have measured the relationship between digital financial literacy and insurance purchase intention through the mediating role of risk perception in the Davao Region. As a result, there is limited understanding of how the knowledge and confidence of digitally active young adults in using digital financial tools, along with their perception of risk, shape their decisions to acquire insurance online. Hence, this quantitative study seeks to address this gap by examining the connection between digital financial literacy and insurance purchase intention, taking into account the mediating influence of risk perception. Specifically, the study will examine how digital financial skills, online financial awareness, and risk perception influence the willingness of young adults to engage in online insurance transactions in the Davao Region. Ultimately, this study aligns with the United Nations Sustainable Development Goal (SDG) 8: Decent Work and Economic Growth, particularly Target 8.10, which aims to improve the capacity of local financial institutions to ensure inclusive access to banking, insurance, and other financial services. By examining the role of digital financial literacy in shaping the insurance purchase intentions of young adults, and the mediating influence of risk perception, this research contributes to promoting financial inclusion and economic empowerment in the digital era.

Theoretical Framework

This study will be analyzed using the Financial Literacy Theory developed by Lusardi and Mitchell (2013), the Theory of Planned Behavior (TPB) by Ajzen (1991), and the Prospect

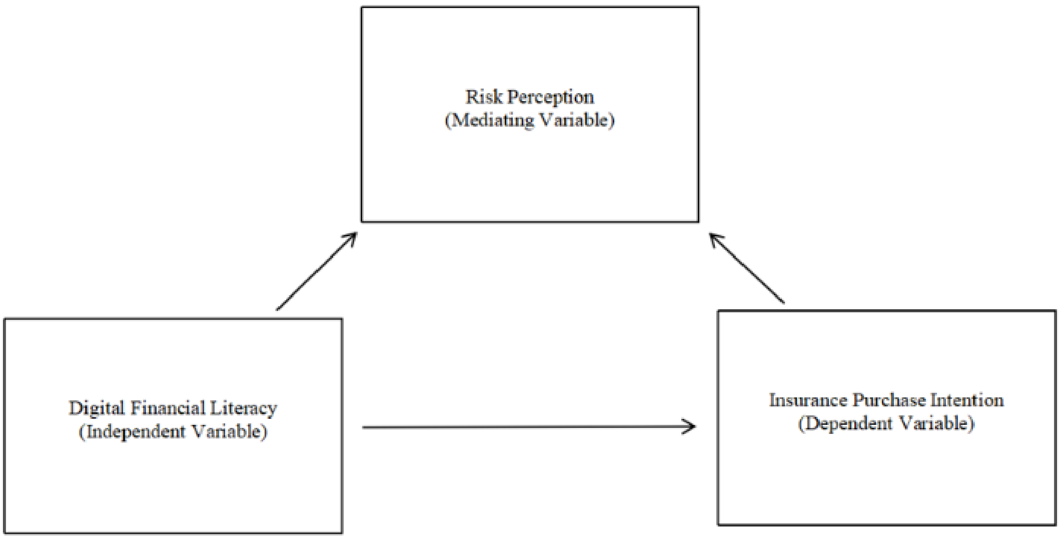
Theory by Kahneman and Tversky (1979). The first theory, Financial Literacy Theory by Lusardi and Mitchell (2013), explains that individuals who possess greater financial knowledge, skills, and positive financial attitudes are better equipped to make informed financial decisions that enhance their overall financial well-being. This theory extends to digital financial literacy, which refers to understanding and effectively using digital financial tools such as mobile banking, online payments, and digital insurance platforms. Therefore, young adults with strong digital financial literacy are more likely to make informed, responsible, and secure financial decisions in digital environments.

The second theory, Theory of Planned Behavior (TPB) by Ajzen (1991), states that an intention of an individual to engage in a behavior, such as purchasing digital insurance, is influenced by their attitude toward the behavior, the subjective norms surrounding it, and their perceived behavioral control. When young adults have strong digital financial literacy, they gain confidence and control in managing online financial tools, which can strengthen their intention to purchase insurance digitally. TPB highlights that behavioral intention is a key predictor of actual behavior, making it a strong foundation for understanding purchase intentions.

The third theory, Prospect Theory by Kahneman and Tversky (1979), explains how people make decisions under risk. It suggests that individuals are more sensitive to potential losses than to gains, often leading them to avoid risks when gains are possible but to take risks when facing potential losses. In this study, the theory helps explain how the perceptions of financial risk of young adults affect their likelihood of purchasing insurance. When people understand risks through digital literacy, they can better evaluate possible losses and may be more inclined to buy insurance to protect themselves.

Conceptual Framework

This study is guided by a mediation framework in which digital financial literacy serves as the independent variable (IV), insurance purchase intention as the dependent variable (DV), and risk perception as the mediating variable (MV). The framework posits that digital financial literacy influences insurance purchase intention both directly and indirectly through its effect on risk perception.



Statement of the Problem

The aim of this study is to examine the relationship between digital financial literacy and insurance purchase intention, as well as to determine the mediating role of risk perception in this relationship among young adults residing in the Davao Region who are digitally active.

1. Determine the level of digital financial literacy among digitally active young adults in the Davao Region.
2. Determine the level of insurance purchase intention among digitally active young adults in Davao Region.
3. Determine the level of risk perception on purchasing life and health insurance among digitally active young adults in the Davao Region.
4. Assess the significant relationship between digital financial literacy and insurance purchase intention, and between insurance purchase intention and risk perception, among digitally active young adults in the Davao Region.
5. Determine whether risk perception significantly mediates the relationships between digital financial literacy and insurance purchase intention among digitally active young adults in the Davao Region.

This study contributed to the body of knowledge by empirically testing risk perception as a mediating rather than merely correlated variable between digital financial literacy and insurance purchase intention, a relationship rarely examined together in the Philippines and Davao Region context. Practically, the findings offered insurance providers, financial educators, and policy makers evidence-based guidance for designing digital financial literacy programs and consumer-protection measures that better address the psychological, and not only cognitive, barriers to online insurance adoption among young adults.

Limitation of the Study

This study had several limitations that should be considered when interpreting the findings. First, the study was conducted only among digitally active young adults aged 18 to 30 residing in the Davao Region. As a result, the findings may not be generalizable to individuals outside the specified age group, those living in other geographic regions, or those who are not active users of digital financial services. Second, the study included only respondents who used digital financial tools, such as e-wallets and online banking platforms, at least twice a month. Consequently, the perspectives of individuals with limited or no experience in using digital financial services were not represented. Likewise, young adults who did not use e-wallets were excluded from the study. Third, the study focused exclusively on life and health insurance. Other forms of insurance, such as auto, property, travel, and business insurance, were not included. Therefore, the findings may not be applicable to insurance purchase intentions involving other insurance products. Finally, the study examined only digital financial literacy, risk perception, and insurance purchase intention. Other factors that may influence an individual's intention to purchase insurance, such as income level, financial capability, insurance awareness, marketing strategies, social influence, cultural beliefs, and economic conditions, were beyond the scope of the study and were not investigated. Future researchers may consider incorporating these variables to provide a more comprehensive understanding of insurance purchase intention among young adults.

Methods

This chapter outlines the methodological framework employed in the study, encompassing the research design, procedures for respondent selection, sampling techniques, data-collection methods, measurement strategies, analysis and interpretation, and the ethical principles upheld throughout the course of the study.

Research Design

This study employed a quantitative correlational descriptive research design to investigate how digital financial literacy influences insurance purchase intention and to assess the mediating effect of risk perception between the two variables. Quantitative research is an objective and systematic process focusing on analyzing and collecting numerical data to understand the relationship and patterns of the phenomenon of the study (Ghanad, 2023). On the other hand, according to Hermina et al. (2025), correlational research looks at how two or more things are connected without changing them, helping researchers see patterns or make predictions but not prove what causes what. In addition, descriptive research describes trends or characteristics of a population without manipulating variables and aims to provide an accurate profile of people or events (Sileyew, 2019). Therefore, this study integrated these approaches to objectively measure the relationships among digital financial literacy, risk perception, and insurance purchase intention, while accurately describing the patterns and characteristics observed among the respondents.

A correlational–descriptive research design was used to describe the levels of digital financial literacy, risk perception, and insurance purchase intention among young adults, while also identifying the type and direction of the relationships among these variables. This design is appropriate for the study because it allows the researcher to provide a clear profile of the participants characteristics and examine whether a significant relationship exists between digital financial literacy and insurance purchase intention, including the potential mediating effect of risk perception. By applying this research design, the study aimed to provide valuable insights into how digital financial literacy influences the intention of digitally active young adults to purchase or consider life and health insurance, both directly and indirectly through risk perception. The findings are expected to help insurance companies, financial educators, and policymakers understand the importance of enhancing digital financial literacy among young adults, increasing awareness of financial risks, and encouraging proactive engagement with online insurance products. Ultimately, the study sought to promote more informed financial decision-making, strengthen financial security among young adults, and support broader financial inclusion in the digital era.

Respondents and Sampling

This study utilized a non-probability sampling method, integrating quota, and purposive sampling techniques to select a predetermined number of participants representing the characteristics of the target population. This quantitative study followed specific inclusion criteria for selecting the 300 respondents. A sample of 300 respondents exceeds commonly cited minimum thresholds for mediation analysis using bootstrapping. Fritz and MacKinnon (2007) recommend a minimum of 148 to 462 cases depending on effect size when using bootstrapping methods to test indirect effects, while Hair et al. (2019) suggest that sample size of 200 or more are generally sufficient for stable mediation and structural path estimates. The sample size of this study therefore falls within the recommended range to produce reliable and generalizable mediation results. This included digitally active young adults aged 18 to 30 residing in the Davao Region who regularly use digital financial services at least twice a month, such as e-wallets and online banking platforms. By applying these criteria, the study ensured that only qualified and relevant participants were included, thereby enhancing the reliability and relevance of the data gathered on digital financial literacy, risk perception, and insurance purchase intention among digitally active young adults.

On the other hand, exclusion criteria were applied to individuals who were not digitally active, did not utilize e-wallets, did not engage in the use of digital financial tools at least twice a month, fell outside the 18–30 age range, or resided outside the Davao Region. Additionally, respondents who were unwilling to provide accurate information or declined to participate were excluded. By applying these clear exclusion criteria, the study maintained its focus on the targeted population, ensuring the reliability and relevance of the collected data.

Data Gathering Procedure

The researchers collected data in an organized, ethical, and systematic manner to ensure accuracy and reliability. Data collection was conducted from January 7, 2026- February 13, 2026, spanning approximately 5 weeks. To begin the process, formal approval was obtained from the school principal and other relevant authorities to ensure that ethical standards were met. Following this, the research questionnaire was submitted to selected experts for validation, and their feedback was incorporated to improve clarity and accuracy, while a statistician assessed its reliability using Cronbach's Alpha to determine internal consistency. Afterward, a pilot test was conducted among a small group of participants with similar characteristics to the target respondents, allowing for necessary revisions. Subsequently, participants were selected using a combination of quota and purposive sampling techniques, consisting of digitally active young adults aged 18 to 30 years old in the Davao Region who use e-wallets. Informed consent was then secured to ensure voluntary participation, with confidentiality of responses strictly maintained. For data collection, the questionnaire was distributed in both online and printed formats for convenience and was structured into four sections covering residence, digital financial literacy, insurance purchase intention, and risk perception, using a Likert scale ranging from Strongly Disagree to Strongly Agree. Once the data were gathered, responses were reviewed for completeness and accuracy before being tallied, organized, and encoded for statistical analysis. Finally, Pearson's correlation and mediation analysis with bootstrapping were applied to examine the relationship between digital financial literacy and insurance purchase intention, as well as to determine the mediating effect of risk perception among the respondents.

Measures

This study utilized primary data collected through structured survey questionnaires to determine the relationship between digital financial literacy and insurance purchase intention alongside the mediating role of risk perception between the two variables. The questionnaire was divided into four sections, each designed to address specific objectives of the study. The first section collected demographic information of the respondents, including their residence. This data was used to examine the factors that can affect the insurance purchasing of young adults.

The second section measured the level of digital financial literacy using items adapted from Yang et al. (2021), with selected questions aligned to the focus of the study, excluding those not relevant to the variable being measured. The third section assessed insurance purchase intention, adapted from Hanaysha et al. (2023), with minor modifications to better reflect the objectives of the study; only two relevant sections from the original instrument were merged into one. The fourth section evaluated risk perception among young adults, adapted from Tan (2018), with slight revisions to better suit the study, particularly by modifying references from life insurance to life and health insurance. All responses were recorded using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). To ensure the validity and reliability of the questionnaire, a pilot test was conducted prior to the main data collection to confirm its clarity, consistency, and suitability for the target respondents.

Prior to pilot testing, the survey instrument underwent a content validation process by three recognized experts in related fields to establish its validity. Based on the results, the instrument was rated 4.26 which is interpreted as very satisfactory.

To establish the validity and reliability of the questionnaire, a pilot test involving 30 respondents was conducted. Cronbach's alpha was employed to assess the internal consistency of the instrument to confirm the reliability of the items. The results showed that for Digital Financial Literacy, it has a Cronbach alpha of 0.834, interpreted as Good; Insurance Purchase Intention has a Cronbach alpha of 0.915, interpreted as Excellent; and Risk Perception has a Cronbach alpha of 0.853, interpreted as Good.

Analysis and Interpretation

Descriptive and inferential statistical methods were applied to analyze the collected data and answer the research questions of the study. In this study, the mean was utilized to identify the central tendency of participants' responses regarding their level of digital financial literacy, risk perception, and intention to purchase life or health insurance online. Data were processed and analyzed using JASP, with mediation and bootstrapping analysis conducted through the Hayes process macro (Model 4). Moreover, the standard deviation was used to assess the variability in responses from young adults regarding digital financial literacy, risk perception, and intention to purchase life or health insurance online. Pearson Product Moment Correlation Coefficient was also utilized to analyze the correlation between digital financial literacy and insurance purchase intention, as well as to examine the relationship involving risk perception as a mediating variable. Moreover, mediation analysis followed Hayes' (2018) process macro approach (Model 4) rather than the Baron and Kenny (1986) causal-steps method, as it provides a more statistically robust and direct test of the indirect effect, which is typically non-normal; it instead generates an empirical sampling distribution by repeatedly resampling the data with replacement, producing more accurate confidence intervals for the indirect effect. A total of 5000 bootstrap resamples were generated with bias-corrected 95% confidence intervals used to determine the significance of the indirect effect. Finally, Mediation Analysis using Bootstrapping was conducted using a bootstrapping approach to assess whether risk perception mediates the relationship between digital financial literacy and insurance purchase intention, with bootstrapping used to strengthen the reliability of the mediation results.

Ethical Considerations

The ethical protocols were implemented to safeguard the rights, safety, and dignity of the participants, ensuring that their personal information was protected. In this study, anonymity was observed to protect the personal information of the respondents. The researchers ensured that all collected data remained confidential and that no identifying information was revealed at any stage of the research process. Researchers also prioritized confidentiality by protecting the privacy of the participants and the information they shared. All data collected were used solely for academic purposes, and no identifiable information was disclosed in the final report. The researchers took all necessary measures to uphold participants' privacy rights and ensure that any sensitive information remained secure and confidential. For the purposes of this study, the researchers secured informed consent from all participants prior to their involvement, ensuring that they were fully informed of the objectives, procedures, and potential implications of the research. This process confirmed that participation was voluntary and based on a clear understanding of the study, in strict adherence to ethical standards. Moreover, this study was conducted in accordance with the ethical principles outlined in the Declaration of Helsinki (World Medical Association 2013), which provides ethical guidance for research involving human participants, including the protection of respondents' rights, welfare, confidentiality, and voluntary informed consent. Finally, the paper was submitted for plagiarism checking using StrikePlagiarism Software. The system generated a Similarity Coefficient 1 (SCI) of 6.86% and Quotation Coefficient of 0% which falls within the acceptable threshold set by the institution where this study was submitted. A certificate of originality was then issued to affirm that the research was free from any form of academic dishonesty and that proper citations and referencing have been observed throughout the manuscript.

Result and Discussion

This section presents the findings derived from the collected data, along with their analysis and interpretation. It further includes the summary of the study, the conclusions drawn, and the recommendations proposed by the researchers based on the results obtained.

Level of Digital Financial Literacy Among Digitally Active Young Adults in the Davao Region

Table 1 presents the level of digital financial literacy among digitally active young adults in the Davao Region. The overall mean score of 4.41 with a standard deviation of 0.59 indicates a very high level of digital financial literacy among the respondents. Based on the measurement scale of the study, a very high digital financial literacy rating implies that young adults consistently demonstrated a very high level of digital financial literacy, showing strong understanding and application of digital financial tools, platforms, and responsible online financial behavior. This suggests that the participants are highly capable of transferring money through e-wallets and mobile banking applications, understanding digital transaction fees, comparing financial services, monitoring their spending, identifying online scams, protecting their accounts, comprehending basic insurance terms, and evaluating the reliability of online financial information. The low standard deviation further indicates minimal variation in responses, reflecting a shared perception of strong digital financial competence among the respondents.

Table 1. Digital Financial Literacy Among Digitally Active Young Adults in the Davao Region

	Mean	SD	Description
1. I can use e-wallet or mobile banking apps to transfer money without help.	4.47	0.81	Very High
2. I understand the fees/charges in digital transactions (e.g., transfer/ cash-out fees).	4.52	0.73	Very High
3. I can compare digital financial services before deciding which to use.	4.23	0.80	Very High
4. I know how to check my transaction history and monitor my spending digitally.	4.53	0.76	Very High
5. I can identify common online financial scams (e.g., phishing, fake links, OTP requests).	4.34	0.89	Very High
6. I know how to protect my accounts (e.g., strong passwords, not sharing OTP, privacy settings).	4.58	0.72	Very High
7. I understand basic insurance terms when I read them online (e.g., premium, coverage, claim).	4.29	0.82	Very High
8. I can judge whether online financial/insurance information is reliable.	4.32	0.77	Very High
Overall Mean	4.41	0.59	Very High

Legend: 1.00-1.80= Very Low; 1.81-2.60 Low; 2.61-3.40=Moderate; 3.41-4.20=High; 4.21-5.00= Very High (5-point Likert scale, 1=Strongly Disagree to 5= Strongly Agree)

At the indicator level, the highest mean score were observed for respondents knowledge of protecting their accounts through measures such as using strong passwords, not sharing OTPs, and adjusting privacy settings (M = 4.58, SD = 0.72), as well as their ability to check transaction history and monitor spending digitally (M = 4.53, SD = 0.76). Both indicators were interpreted as Strongly Agree. The results of the study support the findings of Abdallah et al. (2024), who emphasized that digital financial literacy, particularly in terms of financial knowledge, awareness, and decision-making, significantly influences financial behavior. However, these findings directly contradict Leyesa et al. (2024), who reported that many young adults, despite actively using e-wallets and exploring investment opportunities, lack understanding of security and privacy issues, which leads to fear, trust issues, and hesitation in financial decision-making. This suggests that the respondents in the present study have a level of literacy higher than previously observed, indicating that their knowledge and skills in utilizing digital financial services may no longer be limited.

In contrast, relatively lower mean scores were obtained for the ability of respondents to compare digital financial services before deciding which to use. (M = 4.23, SD = 0.80) and their understanding of basic insurance terms when reading them online, such as premium, coverage, and claim (M = 4.29, SD = 0.82). Both were interpreted as very high. These findings support the study of Usman and Kumar (2020), which reported that low intentions to buy life insurance are linked to limited financial knowledge, preventing people from fully understanding the benefits of these products. In addition, Abdullah et al. (2025) revealed that many middle-income young adults remain hesitant to purchase health insurance due to limited understanding of insurance products, financial constraints, and varying social influences. This suggests that, although these scores are slightly lower than those of other items, respondents still demonstrate a strong and functional understanding of digital financial services and insurance concepts, indicating that they possess the necessary knowledge and skills to make informed financial decisions.

The findings of the study can be explained by the Financial Literacy Theory, which emphasizes understanding and effectively using digital financial tools such as mobile banking, online payments, and digital insurance platforms. Young adults with strong digital financial literacy are more likely to make informed, responsible, and secure financial decisions in digital environments. The high results observed in this study reflect this relationship, indicating that the respondents possess the knowledge and skills necessary to navigate digital financial services effectively.

Overall, the findings indicate that young adults in the Davao Region perceive their digital financial literacy as very high. This suggests that they are generally confident in safeguarding their accounts, monitoring digital transactions, understanding fees, and using digital financial tools independently. Despite minor variations in specific competencies, such as comparing financial services, interpreting insurance terms, or assessing the reliability of online information, young adults demonstrate strong overall capability in navigating digital financial platforms effectively and responsibly. These results underscore the importance of continued support and educational initiatives to further enhance critical evaluation and decision-making skills, ensuring that young adults can make informed financial choices and safely engage with increasingly complex digital financial environments.

Level of Insurance Purchase Intention Among Digitally Active Young Adults in the Davao Region

Table 2 presents the level of insurance purchase intention among digitally active young adults in the Davao Region. The overall mean score of 3.80 with a standard deviation of 0.78 indicates a high level of insurance purchase intention among digitally active young adults in the Davao Region. A high level of purchase intention based on the measured scale of the study implies that young adults generally indicate a high tendency to buy insurance, reflecting favorable attitudes and openness toward insurance products.

Although the intention to purchase insurance within the next 6–12 months was only moderate, most of the other indicators received high ratings. This suggests that respondents generally recognize the value and importance of insurance, even if they are not planning to buy immediately. The relatively low standard deviation further indicates that respondents share similar perceptions and attitudes toward their future purchase intentions, showing consistency in their responses.

Table 2. Insurance Purchase Intention Among Digitally Active Young Adults in the Davao Region

	Mean	SD	Description
1. I intend to purchase an insurance policy within the next 6–12 months.	3.27	1.02	Moderate
2. I plan to search for insurance options soon (online or through an agent).	3.47	1.04	High
3. I am willing to allocate part of my income for insurance premiums.	3.53	1.02	High
4. If I find a policy that fits my needs, I will purchase it.	3.96	0.98	High
5. If the premium is affordable, I will likely buy insurance.	3.83	1.06	High
6. I am interested in learning more about insurance products before buying.	4.13	1.00	High
7. I am likely to choose an insurance provider that I trust.	4.16	0.95	High
8. Overall, I have a strong intention to buy insurance in the future.	4.03	1.00	High
Overall Mean	3.80	0.78	High

Legend: 1.00-1.80= Very Low; 1.81-2.60 Low; 2.61-3.40=Moderate; 3.41-4.20=High; 4.21-5.00= Very High (5-point Likert scale, 1=Strongly Disagree to 5= Strongly Agree)

At the indicator level, the highest mean was recorded for respondents being likely to choose an insurance provider that they trust (M = 4.16, SD = 0.95), followed by their interest in learning more about insurance products before buying (M = 4.13, SD = 1.00), both interpreted as high. These results are supported by Tam et al. (2021), who emphasized that psychological factors such as trust and risk perception significantly influence individual insurance decisions, leading people to prefer trusted providers and seek more information to reduce uncertainty. Similarly, Abdallah et al. (2024) highlighted that digital financial literacy, particularly in terms of financial knowledge and awareness, plays a significant role in shaping financial behavior, including the tendency of individuals to become more informed before making financial decisions. These findings suggest that respondents value both trust and knowledge as essential factors in their intention to engage with insurance products.

However, the lowest mean was recorded for respondents intention to purchase an insurance policy within the next 6–12 months (M = 3.27, SD = 1.02), interpreted as moderate, followed by their plan to search for insurance options either online or through an agent (M = 3.47, SD = 1.04), interpreted as high. These findings are supported by Abdullah et al. (2025), who reported that many middle-income young adults remain hesitant to purchase insurance in the near term due to limited understanding of insurance products, financial constraints, and varying social influences. Similarly, De Leon (2021) found that perceived financial risks, including fear of financial loss, hidden charges, and distrust in insurance providers, discourage individuals from actively searching for or committing to insurance products. This suggests that while respondents demonstrate strong interest in exploring insurance options, their intention to purchase remains moderate due to lingering uncertainty and perceived risks.

The results can be explained by the Theory of Planned Behavior (TPB), which states that intention is influenced by attitude, subjective norms, and perceived behavioral control. In this study, respondents show a positive attitude through their high trust in insurance providers and their willingness to learn more, indicating awareness and openness to insurance. However, their moderate intention to search for and purchase insurance suggests that their perceived behavioral control is still limited by factors such as financial constraints, lack of full understanding, and uncertainty about risks. Subjective norms, such as the influence of peers or family opinions, may also contribute to their hesitation. Therefore, even if respondents have interest and trust, these internal and external barriers reduce their likelihood of immediately purchasing insurance..

Overall, the findings indicate that young adults in the Davao Region demonstrate a positive attitude toward insurance, particularly in terms of trust in providers and willingness to learn more about insurance products. This reflects their awareness of the importance of insurance and their openness to gaining knowledge before making decisions. Despite a moderate level of likelihood to purchase insurance in the near future, this suggests some hesitation influenced by factors such as financial constraints, uncertainty, and perceived risks. These results highlight the need to strengthen financial literacy, improve transparency, and provide accessible and affordable insurance options to support more confident and timely insurance decisions.

Level of Risk Perception on Purchasing Life and Health Insurance Among Digitally Active Young Adults in the Davao Region

Table 3 presents the level of risk perception on purchasing life and health insurance among digitally active young adults in the Davao Region. The overall mean score of 3.46 with a standard deviation of 0.84 indicates a high level of risk perception among the respondents. Based on the study, a high rating implies that respondents recognize the presence of various risks, exhibit a high level of risk perception, and consciously take potential uncertainties into account in their decision-making processes. This suggests that many participants feel anxious about potential uncertainties, hidden costs, misuse of payments, and the reliability of online insurance services. Although the risk perception is high, the relatively low standard deviation indicates that respondents share fairly similar views regarding the perceived risks associated with online insurance purchases.

Table 3. Risk Perception on Purchasing Life and Health Insurance Among Digitally Active Young Adults in the Davao Region

	Mean	**SD**	**Description**
1. The thought of purchasing life and health insurance online makes me feel anxious due to potential risks.	3.45	1.02	High
2. I feel psychologically uncomfortable buying insurance online because of the uncertainties with online transactions.	3.41	1.05	High
3. I believe there is a high chance I could lose money due to online life and health insurance payments being higher or misused.	3.61	1.05	High
4. I perceive online life and health insurance as risky in terms of performance, reliability, and promised benefits.	3.45	1.00	High
5. I believe online life and health insurance may involve high long-term costs that are not clearly disclosed.	3.52	0.97	High
6. Purchasing life and health insurance online may be inconvenient and time-consuming, increasing perceived risk.	3.34	1.11	High
Overall Mean	3.46	0.84	High

Legend: 1.00-1.80= Very Low; 1.81-2.60 Low; 2.61-3.40=Moderate; 3.41-4.20=High; 4.21-5.00= Very High (5-point Likert scale, 1=Strongly Disagree to 5= Strongly Agree)

At the indicator level, the item stating that respondents believed there was a high chance they could lose money due to online life and health insurance payments being higher or misused obtained the highest mean (M = 3.61, SD = 1.05), followed by the statement that respondents believed online life and health insurance might involve high long-term costs that were not clearly disclosed (M = 3.52, SD = 0.97), which both items signified as Agree. These findings align with De Leon (2021), who reported that perceived financial risks, such as potential monetary loss and hidden fees, discourage individuals from purchasing life insurance, underscoring how concerns over financial loss and unclear costs affect decision-making. Likewise, Espina et al. (2025) highlighted that while digital payments offer speed and accessibility, users remain cautious about security, reflecting risk perception and indicating that concerns over potential financial loss and uncertainties influence decision-making when engaging with digital financial services. This indicates that respondents generally perceive notable financial risks and potential lack of cost transparency in online life and health insurance services.

On the other hand, lower mean values were observed for the items indicating that respondents believed purchasing life and health insurance online may be inconvenient and time-consuming, thereby increasing perceived risk (M = 3.34, SD = 1.11), and that they felt psychologically uncomfortable buying insurance online due to uncertainties associated with online transactions (M = 3.41, SD = 1.05), with both items interpreted as Agree. These findings are supported by Camilan and Sulayon (2025), who found that higher perceived financial, time, and product risks significantly reduced customers' intentions to make online purchases. In addition, Tam et al. (2021) emphasized that psychological factors, including risk perception and trust, play a key role in shaping young adult insurance decisions. Thus, this implies that although these factors are less significant sources of perceived risk, young adults still demonstrate a relatively high level of risk perception, suggesting that they remain aware of potential uncertainties, which contributes to feelings of inconvenience and psychological discomfort when considering online life and health insurance.

The results of the study, particularly the high agreement on potential financial loss and hidden costs, as well as the moderately high agreement on inconvenience and psychological discomfort, are clearly aligned with the three theoretical frameworks of the study. According to Financial Literacy Theory (Lusardi and Mitchell, 2013), higher financial knowledge equips individuals to understand financial products, and the awareness of risks among respondents indicates that they possess some level of financial knowledge, although literacy alone does not fully eliminate concerns about online insurance. The findings also correspond with the Theory of Planned Behavior (Ajzen, 1991), which emphasizes that attitudes, perceived control, and social norms influence behavioral intentions, explaining why inconvenience and psychological discomfort can still reduce willingness to purchase online insurance. In addition, the results are consistent with Prospect Theory (Kahneman and Tversky, 1979), which suggests that individuals weigh potential losses more heavily than gains, showing that even knowledgeable respondents remain sensitive to risks such as payment misuse, hidden fees, or unclear costs. Therefore, the results show that financial literacy, risk perception, and psychological factors collectively shape the caution and decision-making of young adults regarding online life and health insurance.

Significant Relationship among Digital Financial Literacy, Risk Perception, and Insurance Purchase Intention

Table 4 presents the results of the correlational analysis examining the relationships among digital financial literacy, risk perception, and insurance purchase intention. The findings reveal a moderate positive correlation between digital financial literacy and insurance purchase intention ($r = 0.433$, $p < .001$). This indicates a statistically significant relationship, implying that higher levels of digital financial literacy are associated with a greater intention to purchase insurance. Therefore, this fails to accept the null hypothesis Ho: No significant relationship exists between digital financial literacy and the insurance purchase intentions of digitally active young adults in the Davao Region.

Furthermore, the relationship between insurance purchase intention and risk perception was also assessed. The results show a significant positive correlation ($r = 0.257$, $p < .001$), which is statistically significant. This finding suggests that as perception of risk increases among individuals, their intention to purchase insurance likewise tends to improve.

In contrast, the relationship between digital financial literacy and risk perception was examined and found to be statistically not significant ($r = 0.031$, $p = .587$). This implies that in this context, the degree of digital financial literacy does not significantly influence how individuals perceive risk.

Table 4. Significant Relationship among Digital Financial Literacy, Risk Perception, and Insurance Purchase Intention

	r	p-value	Remarks
Digital Financial Literacy and Insurance Purchase Intention	*0.433	**< .001	Significant
Digital Financial Literacy and Risk Perception	*0.031	.587	Not Significant
Insurance Purchase Intention and Risk Perception	*0.257	**< .001	Significant

*Note: p < .05, **p < .01. Correlations marked with an asterisk are statistically significant at the indicated alpha level.*

The results reveal a moderate positive correlation between digital financial literacy and insurance purchase intention ($r = 0.433$, $p < .001$). This indicates that respondents with higher levels of digital financial literacy tend to demonstrate stronger intentions to purchase insurance. Individuals who are more knowledgeable in using digital financial platforms are better able to access and evaluate financial information, which supports more informed decision-making. Consequently, this competence may increase their confidence in understanding insurance products and recognizing their importance as part of future financial planning.

The findings also show a significant positive relationship between insurance purchase intention and risk perception ($r = 0.257$, $p < .001$). This suggests that respondents who perceive higher levels of potential risks are more likely to express stronger intentions to purchase insurance. Greater awareness of financial uncertainties or possible losses may encourage individuals to view insurance as an effective tool for risk management and financial protection.

In contrast, the relationship between digital financial literacy and risk perception was found to be not statistically significant ($r = 0.031$, $p = .587$). This implies that the level of digital financial literacy of respondents does not significantly influence how they perceive risks related to insurance. While individuals may have the ability to access and understand financial information digitally, their perception of risk may still be influenced by personal experiences, financial circumstances, or individual attitudes toward uncertainty.

The findings revealed the relationships between digital financial literacy, risk perception, and insurance purchase intention, showing which factors significantly influence the decisions of individuals to buy insurance. Specifically, the moderate positive correlation between digital financial literacy and insurance purchase intention ($r = 0.433$, $p < .001$) indicates that higher digital financial knowledge is associated with greater intention to purchase insurance, supporting Zhang et al. (2025),who found that digital financial development enhances financial literacy and significantly increases individual participation in insurance. Additionally, the significant positive correlation between risk perception and insurance purchase intention ($r = 0.257$, $p < .001$) indicates that individuals with higher awareness of risks are more likely to intend to purchase insurance, supporting Immaddudin et al. (2024), who stated that the evaluation of potential financial risks by individuals significantly affects their intention to purchase life insurance products. Consistent with this, the statistically not significant relationship between digital financial literacy and risk perception ($r = 0.031$, $p = .587$) suggests that possessing digital financial skills alone does not necessarily shape how individuals evaluate financial risk, which aligns with the study of Módosné Szalai et al. (2025), which indicates that individuals tend to overestimate their abilities, resulting in a larger gap between their perceived and actual financial knowledge, implying that digital financial knowledge may not directly imply a stronger subjective sense of financial stability and that possessing financial knowledge does not necessarily result in conscious financial action. Overall, these findings indicate that while digital financial literacy plays a crucial role in directly enhancing insurance purchase intention, risk perception remains an independent and significant driver, highlighting that both financial knowledge and awareness of risk are essential in shaping the intentions of individuals to purchase insurance.

The findings of this study can be explained through three established theoretical perspectives. The Financial Literacy Theory (Lusardi & Mitchell, 2013) posits that individuals with greater financial knowledge, skills, and positive financial attitudes are better equipped to make informed decisions that enhance their financial well-being. This explains the significant positive relationship between digital financial literacy and insurance purchase intention, as financially competent individuals are more inclined to engage in insurance decisions. Similarly, the Prospect Theory (Kahneman & Tversky, 1979) states that individuals make decisions under risk by being more sensitive to potential losses than gains. In relation to the present findings, this explains the significant relationship between risk perception and insurance purchase intention, as individuals who perceive greater potential financial losses are more motivated to secure insurance as a form of protection. In contrast, the Theory of Planned Behavior (Ajzen, 1991) states that behavioral intention is influenced by attitudes, subjective norms, and perceived behavioral control rather than knowledge alone. In this study, this explains the non-significant relationship between digital financial literacy and risk perception, suggesting that financial knowledge by itself does not necessarily influence how individuals perceive risk, since other psychological and social factors also shape risk evaluation. Collectively, these findings underscore that while digital financial literacy enhances the intention to purchase insurance, risk perception independently drives insurance-related behaviors, and cognitive knowledge alone may not suffice to modulate the risk awareness of individuals.

Mediating Analysis of Risk Perception in the Relationship between Digital Financial Literacy and Insurance Purchase Intention

Table 5 summarizes the outcomes of the mediation analysis conducted to examine the relationships among digital financial literacy, risk perception, and insurance purchase intention. Direct effects are first considered, revealing a statistically significant association between the independent and dependent variables. Specifically, the path coefficient (β) from digital financial literacy to insurance purchase intention (IV → DV) is 0.425 (SE = 0.046, p < .001), supporting the direct relationship.

Table 5. Mediating Analysis of Risk Perception in the Relationship between Digital Financial Literacy and Insurance Purchase Intention

Independent Variable (IV)	Digital Financial Literacy		
Dependent Variable (DV)	Insurance Purchase Intention		
Mediating Variable (MV)	Risk Perception		
	Standardized Beta (β)	**Standard Error**	**p-value**
Direct Effects (IV → DV)			
Digital Financial Literacy → Insurance Purchase Intention	0.425	0.046	**< .001
Indirect Effects (IV→ MV → DV)			
Digital Financial Literacy → Risk Perception → Insurance Purchase Intention	0.008	0.014	<.586
Total Effects (IV → DV)			
Digital Financial Literacy → Insurance Purchase Intention	0.433	0.047	**< .001
Path Coefficients			
Risk Perception → Insurance Purchase Intention	0.243	0.049	**< .001
Digital Financial Literacy → Insurance Purchase Intention	0.425	0.046	**< .001
Digital Financial Literacy → Risk Perception	0.031	0.058	.585
	R-Squared		
Insurance Purchase Intention	0.246		
Risk Perception	0.0009919		

Insurance Purchase Intention

*Note: p < .05, **p < .01. Correlations marked with an asterisk are statistically significant at the indicated alpha level.*

Regarding the indirect effect, the research hypothesis is not supported by a path coefficient of 0.008 (SE = 0.014, p = .586) along the path from digital financial literacy to risk perception to insurance purchase intention. Since the p-value exceeds the 0.05 threshold, it is concluded that risk perception does not mediate the relationship between digital financial literacy and insurance purchase intention. Therefore, this fails to reject the null hypothesis H1: Risk perception does not significantly mediate the relationship between digital financial literacy and the insurance purchase intention among digitally active young adults in Davao Region.

The result of the study offers empirical clarification for the theoretical framework, incorporating the Prospect Theory by Kahneman and Tversky (1979). Although the theory states that the financial decisions of individuals are influenced by their sensitivity to potential losses, the findings indicate that digital financial literacy does not significantly shape risk perception in a way that affects insurance purchase intentions. This suggests that while young adults may possess the knowledge and skills to evaluate financial risks, the mere perception of risk is insufficient to mediate their intention to engage in digital insurance purchases, refining our understanding of decision-making under risk in digital financial contexts. The examination of total effects signifies a significant impact of 0.433 (SE = 0.047, $p < .001$).

However, as the indirect effect is negligible, the total effect is primarily driven by the direct relationship. The overall model demonstrates explanatory power with an R-squared of 0.246, indicating that the variables collectively explain 24.6% of the variance in insurance purchase intention. This is consistent with Financial Literacy Theory (Lusardi & Mitchell, 2013), the Theory of Planned Behavior (Ajzen, 1991), and Prospect Theory (Kahneman & Tversky, 1979), while simultaneously clarifying the constrained function of risk perception within the proposed model. Although Prospect Theory asserts that individuals are generally loss-averse and responsive to perceived risk, the empirical results demonstrate that risk perception does not significantly mediate the relationship between digital financial literacy and insurance purchase intention. This suggests that higher levels of digital financial literacy may facilitate more analytical and informed evaluations of risk, thereby diminishing its influence on intention formation. Consequently, insurance purchase intention is more strongly shaped by cognitive competence and perceived behavioral control than by sensitivity to potential financial losses.

Conclusion

After a thorough investigation of the variables involved in this study, the following conclusions are drawn:

1. Young adults demonstrated a very high level of digital financial literacy, showing strong understanding and application of digital financial tools, platforms, and responsible online financial behavior. This indicates that respondents possess strong competence in using digital financial tools, managing online transactions, and understanding digital financial information.
2. Young adults indicated a high level tendency to buy insurance, reflecting favorable attitudes and openness toward insurance products. This suggests that respondents generally demonstrate a strong willingness to purchase insurance in the future, particularly when policies are affordable and aligned with their needs.
3. Young adults recognized and demonstrated a high level of risk perception, suggesting they were fairly aware and took risks into account when making decisions. This indicates that respondents are aware of potential uncertainties such as hidden costs, payment misuse, and concerns about the reliability of online insurance services.
4. There is a significant moderate positive relationship between Digital Financial Literacy and Insurance Purchase Intention. This means that individuals with higher levels of digital financial literacy are more likely to develop stronger intentions to purchase insurance.
5. Risk Perception does not significantly mediate the relationship between Digital Financial Literacy and Insurance Purchase Intention. This indicates that digital financial literacy directly influences insurance purchase intention without passing through risk perception.

Overall, the findings suggest that Digital Financial Literacy plays a significant role in shaping the insurance purchase intention of digitally active young adults in the Davao Region, while Risk Perception has a limited role in explaining this relationship.

Recommendations

Based on the findings of the study regarding the level of digital financial literacy among young adults in the Davao Region and their insurance purchase intention, with risk perception serving as the mediating variable, the following recommendations are proposed:

1. The Department of Finance should strengthen its national financial capability agenda by integrating technology-oriented financial education into broader financial inclusion policies. This can be achieved by implementing structured learning modules in state universities and colleges, partnering with private financial institutions for nationwide education campaigns, and supporting digital platforms that equip young adults with practical financial decision-making skills. Additionally, the Department can collaborate with regulatory bodies and industry associations to ensure that these initiatives align with emerging digital financial services. Through these strategic and policy-level interventions, the agency can foster a more financially capable generation prepared for long-term financial protection planning.
2. The Insurance Commission should strengthen consumer protection and education to build public confidence in online insurance services. This includes requiring providers to present policy provisions, exclusions, and premiums in clear, transparent formats suited for digital platforms. The Commission may also enhance monitoring of online transactions, expand complaint resolution channels, and conduct nationwide awareness campaigns promoting safe and informed participation. Furthermore, collaborating with academic institutions and community organizations can help extend outreach, especially to young and first-time insurance buyers.
3. Financial advisors should enhance the digital financial literacy of clients by delivering clear, accessible, and comprehensive information regarding financial products, particularly insurance. They must address risk perceptions of clients through the provision of transparent and personalized guidance to foster trust and confidence in online transactions. Furthermore, continuous development of expertise in digital financial tools and the adoption of client-centered strategies are essential to effectively influence individual intention to purchase insurance online.
4. Young adults should actively pursue continuous learning opportunities that enhance their financial management competencies and responsible use of technology-driven financial services. Participation in seminars, verified online courses, and financial planning workshops may strengthen their ability to evaluate protection products effectively and align financial decisions with personal and professional goals.
5. Future studies should explore additional behavioral, psychological, and socioeconomic factors influencing insurance decisions. Expanding across regions and demographic groups, while properly distributing the size of participants in the Davao Region, and using longitudinal or mixed methods can enhance generalizability and deepen understanding of how financial capability affects insurance adoption over time.

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The main findings (novelty) and why they are important and useful:

The findings revealed very high levels of digital financial literacy and high levels of insurance purchase intention and risk perception among respondents. Risk perception was significantly associated with insurance purchase intention, indicating that individuals who perceive higher financial risk are more motivated to obtain insurance. However, digital financial literacy was not significantly related to risk perception, suggesting that financial knowledge alone does not necessarily influence perceived risk.

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