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**ADDIS ABABA UNIVERSITY COLLEGE OF
BUSINESS AND ECONOMICS SCHOOL OF
COMMERCE**

**Determinants of Policyholders satisfaction towards
General insurance: Case of The United Insurance
Company S.C (UNIC-ETHIOPIA)**

**A Project Submitted to Addis Ababa University School of
Commerce in Partial Fulfillment of the Requirements for
the Degree of Master of Business Leadership (MBL)**

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June, 2023

Addis Ababa, Ethiopia

DECLARATION

I, the undersigned, confirm that the research titled "The Determinants of Policyholders Satisfaction towards General Insurance" was prepared by me, its original work and submitted to Addis Abeba University in partial fulfillment of the requirements for the degree of Master of Business Leadership, under the supervision of **Wasihun Mohammed (PhD)**, my research advisor. The sources of all the resources utilized for the research have all been appropriately acknowledged, and this paper has not been submitted for a degree award at any other university.

Name

Signature and date

STATEMENT OF CERTIFICATION

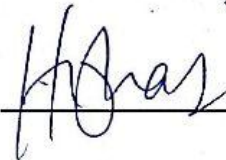
This is to certify that the research entitled "Determinants of policyholders satisfaction towards General Insurance: A Case The United Insurance Co. S.C", undertaken by Wasihun Mohammed (PhD) under my supervision for the partial fulfillment of the requirements for the Degree of Master of Business Leadership at Addis Ababa University College of Business and Economics School of Commerce, is an original work and not submitted earlier for any degree award either at this University or any other University.

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LIST OF ACRONYMS

UNIC-ETHIOPIA = The United Insurance Co. S.C.

OLS = Ordinary Least Square

Sig. = Significant

Std. Deviation/SD = Standard Deviation

SPSS = Statistical Package for the Social Sciences

Abstract

The study investigated the determinant of Policyholders' satisfaction towards general insurance in UNIC-ETHIOPIA. It helps to understand the major determinants of policyholders' satisfaction towards General insurance in the company. The total population was 5800 which are the average no of claim stalled for the last five years from 2018 to 2022. Since the population is not homogeneous, 198 respondents were selected by using random sampling technique and a response rate of 89.4% was achieved. To get representative sample each service outlet/Branch was categorized as one cluster. Primary data was collected mainly by using structured questionnaire. In addition, Secondary data from the data base of the United Insurance Company was evaluated. The study was examined the relationship between Policyholder satisfaction as a dependent variable and Responsiveness, Assurance, Premium rate, Indemnification, Expectation and Accessibility as independent variables. The research was used quantitative approach and multiple linear regression analysis method. The data was analyzed by SPSS software. The collected data have tested with the help of various statistical tools like reliability and validity checking, regression analysis, ANOVA, weighted average method and hypothesis testing. The analyzed data has been presented in the form of table, graphs and charts. The findings of the study showed that Responsiveness, premium, indemnification and Assurance are the most key determinants of customer satisfaction in UNIC-ETHIOIA and based on these findings possible solutions are recommended to the insurance company.

Key words: *Policyholders satisfaction, Disconfirmation, General Insurance.*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In some way, financial institutions are a part of every economy. The economic backbone of the country is this financial sector. This is due to the fact that a country's economic development is greatly influenced by the effectiveness of its financial system. Because we take the presence of the financial system for granted, its function may not be immediately clear. But once we start paying attention to it, it becomes clear why the financial system is so crucial to a country's economic development. Similar to the insurance sector, financial institutions promote the use of savings and investment in profitable companies. In exchange, they undertake to safeguard the funds of investors or a particular asset in an emergency. They take on their client's potential loss, in other terms. (Gupta et al., 2021).

In both developed and developing nations, insurance has become a key factor in economic growth and development (Bayar et al., 2021; Zulfiqar et al., 2020). As such, insurance serves as a risk management tool for society, protecting people's livelihoods and mitigating premature loss of income and wealth. Cheston et al. (2018); Lin et al., 2019).

In terms of finance, insurance is a financial structure that redistributes the expenses associated with unforeseen losses. An insurance policy is a contract in which the insurer undertakes to pay the beneficiary a specific sum of money in the event that a specific risk materializes in exchange for receiving one or more premium payments, according to Ethiopia's commercial law. The insurance coverage typically lasts for a year and can be extended for an extra year at a fee if it serves both the interests of the insurer and the insured. The level of service is a major consideration when selling or renewing the insurance policy.

An insurance contract is any agreement between two parties wherein one agrees to reimburse the other for any monetary losses suffered by the other (the insured) in return for payment of a "premium". Alternatively, the 'insurer' is the person that has promised to pay for the losses. The insurance contract's name is The Policy. The party whose loss requires the 'insurer' to pay the

claim is the Policyholder/Insured. The term "premium" refers to the contract's consideration or the amount the insured pays to the "insurer."

Insurance will without a doubt pay up if and when losses occur, despite the fact that they cannot be forecast in advance. For this, individuals with similar risks band together and pay a certain amount into a pool from which they will receive reimbursement if and when a loss happens. As a result, insurance is seen from the standpoint of an individual as a financial arrangement that enables that person to exchange a sizeable uncertain financial loss for a relatively little premium. The predictability of a loss serves as the cornerstone of an insurance system. Every insurance company must carry out a number of fundamental tasks, including bringing in new business, distributing risks, compensating for losses, maintaining a fund, investing the fund to produce investment income, purchasing reinsurance to reduce the risk of high claims, underwriting, paying taxes, setting a price, and offering additional services. Diacon and Carter (2003).

The satisfaction of consumers is increasingly being used by businesses to set themselves apart from the top rivals in their sector. It is increasingly being used as a technique for achieving a competitive edge and as a crucial indicator of how well a company's goods and services suit the needs of its clients (Barty, 2006). The purpose of this study is to evaluate the determinants that influence policyholder satisfaction with general insurance at The United Insurance Company S.C.

1.1.1. Insurance in Ethiopia

The majority of Ethiopians know relatively little about insurance, despite it being one of the service industries. In Ethiopia, insurance as we know it today is actually a relatively new phenomenon.

However, there have been historical groups whose members volunteered their time or money to help one another whenever they were in need, such as when constructing a house or harvesting crops. Among these associations, there are some parallels between "Edir" and "Ekub" and contemporary insurance. The trustees for "Ekub" and "Edir" are chosen by the members to oversee the procedures.

The first insurance operation was carried out by Abyssinia bank, which began functioning in 1905 as a representative for a foreign firm. The Bank of Abyssinia provided coverage for marine

and fire hazards. The south British company provided the first automobile insurance policy in 1947, and all types of insurance coverage except life were readily available by 1950.

Before the 1950s, there was no domestically established insurance firm in Ethiopia. The first insurance company, Imperial Insurance, was founded in 1951.

By proclamation No. 261/1975, all private insurance businesses were nationalized at the end of 1974. Since 1994, there has been a major paradigm shift in financial sector policy that permits the creation of private insurance businesses.

The first reinsurance company established in accordance with article 5(8) of the Insurance Business Proclamation No. 746/2012 is Ethiopian Reinsurance S.C. (Ethiopian Re). On July 1st, 2016, it started operating, conducting both life and non-life business.

1.2. Background of the Organization

87 forward-thinking investors founded United Insurance Company, also known as UNIC, with a registered capital of 25 million birr and an initial paid up capital of 8.073 Birr million, both people and businesses, to conduct general insurance business in Ethiopia. On November 10, 1994, it began its journey by Non-Life Insurance Business from a single office site in Addis Abeba after receiving its operational license from the National Bank of Ethiopia. After three years of providing successful General Insurance services, "UNIC-ETHIOPIA" diversified its offerings in 1997 and became the first private-sector insurance company to begin underwriting Life Insurance. Another significant event in the history of the company was the purchase of a comparatively smaller, younger insurance provider in October 2000. At the time, it was known as "Lion Insurance Company SC." This was yet another significant event that strengthened "UNIC-ETHIOPIA's" financial foundation. In January 2011, "UNIC-ETHIOPIA" launched PREMIA, a management information system integrating operational and financial elements.

With more than 50% of management and personnel already being female, the Company's appointment of W/ro Meseret Bezabih as its first female CEO in October 2011 solidified its reputation for gender parity an remarkable accomplishment in a traditional society.

As of January 2023, there were 661 shareholders in the company, and its subscribed and paid-up capital increased to ETB1.5 billion and \$751.5 million, correspondingly. As of June 30, 2022, the UNIC assets reached ETB 2.073 billion and its gross written premiums, which include life and non-life insurance, totaled 953 million ETB. During the same time period, the Company's profit before tax was ETB 206,497,000.00, translating to an EPS of 37%.

The reputation of "UNIC-ETHIOPIA" as a just and equal opportunity employer is quite good. The company employed 463 people as of the 30th of June 2022, with 225 men and 238 women, a nearly even distribution of the sexes. The company has 60 market outlets spread around the nation that it uses for business. 34 of these are in Addis Abeba, while the remaining 26 are contact and branch offices in the upcountry.

In order to gain a larger portion of the market, the company is constantly growing its market outlets. First-rate reinsurance arrangements have been arranged by UNIC-ETHIOPIA through reputable reinsurance broking firms as well as direct placement. Due to its robust capital basis and first-rate reinsurance agreement, "UNIC-ETHIOPIA" is able to accept significant risks of all kinds.

The Company owns four buildings: the Tewodros Square headquarters complex, the Kality multipurpose building, the Bole Medhanealem mixed-use commercial building, and the Bahirdar commercial building. The General Assembly is the Company's upper governing body. The nine-member Board of Directors, which is responsible to the General Meeting of Shareholders and is elected every three years, oversees the Company. The Chief Executive Officer is in charge of running the business on a daily basis.

With a total market share of roughly 6%, the company has been experiencing steady expansion and is now among the top private insurers on the market. The composite office of "UNIC-ETHIOPIA" (writing both Life and Non-Life enterprises) is operationally more distinct, technically more proficient, and financially stronger. Thanks to the invaluable support of its cherished clients, the unwavering dedication and fervor of its management and staff, and the Company's 28-year journey, the Company is currently standing tall and has expanded marvelously.

Despite significant levels of competition for a few years, market statistical for 2022 show a reasonable underwriting performance by the insurance sector (life and non- life). There was 17% growth. The market life and non- life premium income of more than ETB 247Billion was reported in 2022. With regard to The United Insurance Company, within this competitive environment, it has managed to underwrite a gross written premium of Birr 860 million in the budget year 2021/22. The company premium income from Non-life/General Insurance business registered a tremendous growth of about 30% and reached more than 860Million as 30 June 2022 compared to ETB660million in the previous period.

1.3. Statement of the Problem

The economy of Ethiopia depends heavily on services in today's cutthroat marketplace. Insurance companies should be able to predict coherent programmes in order to ascertain consumer wants (Sedighyan, 2000). Trust is marketed as an intangible asset at the time of purchase, therefore the insurance industry occasionally sees new kinds of competition. Insurance companies need to come up with fresh ideas for fostering customer satisfaction and loyalty if they want to increase their competitiveness (Vazifehdust & Faro, 2013).

In the modern world, where social media has such a big impact on decision-making, it is vital to monitor the standard of customer service provided. Customers won't care about a company's services or products if they don't think it cares about their happiness.

The essential characteristic of the insurance industry in the risky modern environment is the increasing likelihood that the unexpected will occur. It is possible to successfully meet the multiple demands by reflecting, changing, and rearranging one's own actions. To accomplish this, be ready for the unexpected, and be in a position to quickly resolve the challenges presented in front of them, insurance businesses must be aware of and keep up with the trends and dynamics that characterise the global insurance market (Njegomira & Marovic, 2012).

One of the finest ways to get consumer feedback and raise customer happiness is through surveys. One of the key benefits of conducting any surveys with a customer emphasis is that it helps you understand customers better. Answers can be examined to ascertain what common

issues customers have and how to improve the calibre of services. As a result, sales increase (Lucjan, 2021).

An incredibly persuasive and analytical strategy is required by the observed data to understand consumer satisfaction levels. Kidist Yohannes investigated the issues that affect customer satisfaction on life insurance industry using the Awash Insurance Company as a case study (Kidist, 2020). However, more study is required. The other main insurance category that is frequently purchased by businesses for their employees as part of a benefit package in the Ethiopian market is life insurance. Organisations have their own selection criteria when making purchases. Therefore, it is not possible to conduct research from the policyholder's point of view. Furthermore, a policyholder who makes a claim is acquainted with the complete system and degree of service provided by the insurance firm. The relevance of claimants was not taken into account in the study's analysis.

Furthermore, Abdu studied the determinants of Customer satisfaction in the case of Nile insurance company (Abdu, 2021). But it needs further investigation. He did research based on the major customers which are usually corporate customer. Therefore, it can be tough to look at it from the policyholders' side since when these organizations buy insurance policies; they look at the different angles and get formal quotes before buying. They can assess the quality of the service and have the power to negotiate premiums and claims due to the company's reputation.

Thus, it necessitates investigation of the determinant factor for Policyholders' satisfaction towards general insurance. It helps to understand the major determinants of policyholders' satisfaction and whether the products bought from United Insurance meet Policyholders' expectation.

1.4. Research questions

- What factors influence policyholder satisfaction?
- How much do the UNIC-ETHIOPIA Policyholders' perceptions of the Determinants of Satisfaction (Responsiveness, Assurance, Price, Accessibility, Indemnification, and Expectations) matter?

1.5. Objective of the study

1.5.1. General Objective of the Study

The main aim is to determine the issues that eventually effect policyholder satisfaction in UNIC and to establish and provide the best performing path through overcoming the obstacles and also delivering remarkably high-quality service that can satisfy policyholders.

1.5.2. Specific Objectives of the Study

The following are predictions that will be tested by the research which suggests provisional solutions for the research problem.

- To test Responsiveness, Premium Rate, Expectation, Assurance and Indemnification are major determinants of policyholder's satisfaction or not.
- To test the influence of Responsiveness, Premium, Expectation, Assurance and Indemnification on Policyholders satisfaction.
- To evaluate the level of satisfaction of Policyholders in response to general insurance products/Services currently transacted in UNIC.

1.5.3. Hypothesis

Hypothesis in this research is as follows:

H₁. Responsiveness has directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.

H₂. Premium/Price has directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.

H₃. Assurance has directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.

H₄. Accessibility has directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.

H₅. Expectation has directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.

H₆. Indemnification has directly significant effect on Policyholders Satisfaction at UNIC.

1.6. Significance of the study

This research was completed and submitted to the Addis Abeba University School of Commerce in part fulfillment of the criteria for the Master of Business Leadership degree. Thus, the benefit/opportunity that this study creates to further extend knowledge and clarify understanding on the subject under discussion was its primary significance.

This research would also help The United Insurance Company; it would establish best practices in the way that helps the company to play the greatest role in the industry. In addition, the company would get some important information or feedback regarding the level of policyholder's satisfaction. Furthermore, it may initiate and creates opportunity for detail study on the area under consideration.

1.7. Delimitation of the study

For the achievement of the company goals, strategies, plans and other formulated objectives the integrity of each department is vital. So, the achievement or failure of these formulated objectives could not be linked or associated with the performance of just one department or products that the corporation provides for the market.

The study is constituted general insurance policyholders from the city of Addis Ababa. It would be unrealistic to include policyholders who live in all over the country.

The study excluded corporate customers. They have their own distinguished way of selecting insurers from the market. The base of selection is predetermined qualities of insurance companies. Most of the determinant factors considered in the case of individual policyholders are not accepted by organizations. Other than these, the study only on determinants of policyholder's satisfaction, it cannot show any detail technical issues that have impact on the company performance.

1.8. Limitation of the Study

The paper has many difficulties. The biggest issue was getting clients to fill out the questionnaire at first because they were too busy with their own transaction. Second, it was restricted to only

include six factors: accessibility, assurance, premium, responsiveness, indemnification, and expectations, which the research suggests are frequently used in modern insurance organizations. Due to limited time and financial resources, fewer determinants could be covered.

Funding came in second. Transportation costs, questionnaire printing costs, questionnaire pretesting costs, and other costs associated with related paperwork turned out to be expensive. The investigation was conducted for a comparatively little time span, which was another restriction. The researcher was limited by time because of the full-time worker and a student, which makes difficult.

CHAPTER TWO

REVIEW OF LITERATURES

2.1. Theoretical Literature

2.1.1. Insurance Concepts

The financial sector, as well as the growth and development of the economy overall, are regarded to be supported structurally by the insurance industry. In other words, insurance is the process through which the insured transfers risk to the insurance business in return for a premium payment. According to Arena (2006), this sector has the potential to have a substantial impact on economic growth, development, and financial mobility.

The two sections of the insurance industry are life insurance and non-life insurance. While non life insurers sell a wide variety of products like fire insurance, health and medical insurance, marine insurance, group accidental insurance, aviation insurance, and miscellaneous insurance, life insurers have been selling a wide range of products like life insurance, money back plans, endowment policies, accident and health related policies, children insurance plans and policies, etc. Capital, reserves, and premiums from the insurance industry can be used to cover claims and other costs. The remaining funds are invested in accordance with the investment standards of the Insurance Board.

Various academics define insurance from various views, Financial/Economical, legal, social, etc.:

"We start by examining the commercial definition of insurance. The expenses related to unforeseen losses are redistributed through a financial arrangement known as insurance. As part of insurance, potential losses are transferred to an insurance pool. The pool gathers all potential losses, after which it assesses a fee to those who were exposed. Therefore, moving loss exposures to an insurance pool and dividing losses among pool members constitute insurance. This is true, as stated by Article 654.2 of the Commercial Code of the Empire of Ethiopia (1960:140).

"A contract in which one party agrees to make up for losses incurred by another party is the legal definition of insurance. The organization agreeing to pay for the damages is referred to as the insurance. The individual or entity whose loss necessitates the insurer paying a claim is referred to as the insured. The amount of money paid to the insurer is known as a premium. A policy is the formal name for the insurance contract. We refer to the insured's possibility for loss as their exposure to loss. The insured "transfers the exposure to loss to the insurer," as we say, by purchasing an insurance policy. (According to Ethiopia's Imperial Commercial Code, 1960:140, Article 654.2)

Pritchett (1996) asserts that insurance is a social tool in which a group of people known as insured's transfer risk to a different party known as insurers in order to pool loss experiences, allowing statistical prediction of losses and stipulating payment of losses from fund contributed (premium) by all members who transfer risk.

An insurance policy is a contract in which, in exchange for the payment of premiums, a party known as the insurer guarantees to pay a party known as the beneficiary money in the event that a specific risk materialises. The insurance industry operates on the principles of pooling and distributing risk as well as the law of large numbers. According to Hailu (2007), sharing is the act of pooling comparable pure insurable risks of individuals and organisations, projecting the loss that is likely to occur, and then dividing the expected loss of the group evenly among all pool participants.

The insured receives the insurance policy, which outlines the terms and circumstances under which they might receive cash compensation. Additionally, in exchange for the insurer's pledge to compensate the insured in the event of a financial loss, the insured agrees to pay the insurer a guaranteed and known, relatively minor loss.

2.1.2. Policyholders vs. Insured

The term "insured" refers to somebody who is covered by an insurance policy. The policyholder falls into this category almost usually. Because of this, if we buy an insurance policy in our own names, we are the Insured and are protected by all of the information in it. Instead, the owner of

the insurance policy is referred to as a term policyholder (or policy holder). Poppe and Leicht (2000).

The only person typically able to alter the policy is the policyholder. Additionally, it is the policyholder's responsibility to ensure that premium payments are current. For instance, it is often thought of as your duty to see to it that the employees are insured when you are the owner of a business or an employer. That's why, in most cases, the policyholder is the Employer. It is crucial to realise that in this scenario, the policyholder is held accountable for any premium payments, cancellations, and policy changes.

They might also be able to add new persons to the insurance as policyholders, depending on the relationship. All members of the home who are tied to by marriage, blood, or adoption are frequently automatically covered by most insurance. They won't necessarily be "policyholders," but since they are the named insured, they will still be covered by the same policy. Other people who live at or own a financial interest in the property can also be added as extra insured. The insured is a term used to describe a person who owns or is covered by an insurance policy. (Pope & Leicht, 2023).

The term "Policyholder" is used in this essay to indicate that the customer of insurance is the person or organization that owns the insurance policy. As a result, most insurance customers are referred to as policyholders. The only individual often able to alter the insurance is the policyholder. Due to the direct relationship between policyholders and the insurer rather than the insured, it is therefore assumed that satisfaction is based on the service quality of insurance.

2.1.3. General Insurance

Life insurance and general insurance are the two main categories of insurance. In this paper, we concentrate on general insurance. Any loss other than a person's death is covered by a general insurance contract, which provides financial compensation. Apart from life, it covers everything, according to Sidharth (2019). A general insurance covers financial losses brought on by liabilities for things like a house, automobile, bike, health, and vacation. The insurance provider guarantees to pay a predetermined amount to cover losses due to theft, fire, damage to your car, medical expenses to treat health issues, and even financial difficulties while travelling.

A general insurance, expressed simply, provides financial security for all kinds of assets against theft, loss, damage, and other liabilities. It differs from life insurance, which provides financial support in the event of a person's passing or handicap. Some life insurance plans may provide financial benefits upon retirement or a predetermined amount of time. Motor insurance, fire and lightning insurance, marine insurance, accident and health insurance, liability insurance, and machinery insurance are the main general insurance products on the market that are mostly bought by individual clients.

2.1.4. Insurance Principles

2.1.4.1. Insurable interest

A policyholder must have an "insurable interest," which is the legal right to insure resulting from a contractual or other arrangement between the insured and the insured party, in order for the contract to be valid even if all other requirements for offer and acceptance, consideration, capacity, and form are met.

2.1.4.2. Indemnity

A precise monetary settlement that is sufficient to restore the insured's financial situation to that which it was before the loss occurred.

2.1.4.3. Utmost good faith

It means that the insurer and the insured, who are both parties to the contract-making process, have a duty to operate in good faith. This obligation may continue to exist as long as the contract is still in force. If any party breaches this responsibility, the other party will normally have the right to terminate the agreement Gephart (2009).

2.1.4.4. Subrogation

When one party indemnifies another, they have the legal right to exercise all of that other party's rights and remedies, whether or not they have already been used. This is known as subrogation. Therefore, asking for money in someone else's name is the definition of subrogation Gephart (2009).

2.1.4.5. Contribution

In order to split the cost of an indemnity payment, an insurer has the authority to ask for assistance from those who are similarly committed to the same insured, though not necessarily equally Gephart (2009).

2.1.4.6. Proximate

The term "proximate cause" describes the Active, Efficient Cause that starts a Chain of Events without the assistance of any Force Active from a New and Independent Source and leads to the Result Gephart (2009).

2.1.5. Premium and Underwriting Relationship

Setting product prices or premiums is a crucial step for businesses to take in order to generate a healthy profit and establish short- and long-term company goals. Based on the law of demand and supply, an increase in demand can increase prices and demand that can decrease can reduce prices. Insurance premiums can be one of the reasons why an insurance company doesn't meet its sales target because premium prices are determined in large part by the decisions and loyalty of customers when choosing insurance.

Insurance premiums, according to (Reska et al., 2019), are sums of money paid by the insured to an insurance provider that are predetermined. Due to their inability to pay a certain amount of money for the insurance product they select, many customers will cancel their policies if the benefits they receive do not match the premium rates they paid.

Underwriting means the process which creating policy of insurance between the Insurer and the policyholder for a specified amount of the insured's property and determining the risk to insure and decide how much the premium should be pay. When rating comparable risks for underwriting, similar risks are grouped together and the rate result are set based on collective of an experience. Agama and Mirie (2017).

The objective of is to produce a high volume of premium income that is sufficient to maintain and expand the operations of the insurance company, to achieve a better spread of the risk

portfolio, and to earn a reasonable amount of profit from insurance operations and Maintaining a profitable book of business that includes all of the insurance policies that the insurer has in force. (Duompos et al., 2012).

In order to prevent fraud and false representation of insurance products, underwriting must be done with extreme care. This will lead to premiums that are reasonable for both parties and acceptable, which will ultimately guarantee a satisfactory resolution of your claims. Actuarial studies are best suited to identify characteristics of insured persons that can be used to forecast future losses in order to arrive at fair premium rates. For each rating, there must be a large number of loss exposures in order for underwriting to be profitable. A fair judgment, full understanding of the underwriting requirements, and knowledge of how to avoid selection errors that frequently happen on each type of cover are also necessary.

Every insurer has an underwriting procedure that outlines the underwriting policy, the insurance types that must be covered, the risks that cannot be insured, and the maximum amount of coverage that should be offered for each risk.

2.1.6. Price and Customer satisfaction Relationship

The study's conclusions indicate that fair pricing and perceived customer service have a significant and direct impact on consumer happiness. The most recent research also shows that customer satisfaction and perceived price justice have a big impact on customer loyalty. (Manyanga et al., 2022).

Customers frequently think about what they want and feel that an insurance product will benefit them. Customers start to focus more on the advantages they receive, which affects the premium rates they will pay. When obtaining and using the insurance products they select, they frequently exchange fair prices for the benefits received and the costs incurred (prices). (Reska et al. 2019)

In the decision-making process for consumers, price may play two roles. Neoclassical economic theory asserts that high costs deter customers from making purchases, however occasionally; individuals mistakenly believe that higher prices indicate superior Service, which supports consumer purchasing decisions. (Marsh, 2017; Swiss, 2017; Deloitte, 2018)

Organizations should prioritize price when introducing a new service or product to the market. The price of a service may have an effect on a company's success (Foust, 2002). Consumers pay the price for services. The cost of the services might influence a customer's level of satisfaction even when they obtain high-quality services (Balasubramanian et al., 2003).

However, it is unlikely that the impact of premium and service quality will differ significantly across service categories, so generalisations should be used with caution. For instance, Crane (1991) claims that policyholders might be reluctant to pay higher premiums for the same kind of insurance service. Though, if an insurance provider offers a new type of coverage for higher premiums and issues a separate policy, the customer might not be prepared to pay the additional charges for the additional insurance services given.

2.1.7. Indemnification and Insurance Claims Management

According to Rejda (1995), indemnification refers the restoration of the insured prior financial situation after a loss resulting from an accident on the insured subject matter. According to (Chartered Insurance Institute, Study Course 820) an insured accident is a claim for compensation from an insurer or insurance company based on the pre-determined terms and conditions. If an insured damage occurs to an insured object or piece of property within a predetermined period of insurance, we will pay a claim. The insured party is liable for any harm in the event of an accident not covered by the insurance policy because the insurer is unable to pay for it. Additionally, a loss occurrence that is covered can happen even if no claim is submitted.

The way insurers handle claims determines whether or not they will keep their word. According to Tom & Karenmc (1997), the purpose of the claim procedure is to carry out the insurer commitment and the insured justifiable the need of coverage. In light of this, the claim started the moment the insured reported their loss. The agreement states that the insurance product is insured, the insurance time includes the accident period, no deception, the loss amount must correctly calculated, and the final payment. The intricacy and degree of the damage that an insured person experiences, however, determines how long it will take to compensate them. According to Wedge and Handley (2003), a claim inspector is supposed to carefully

examine whether the announcement of accident is truthful or legitimate for payment with a supporting thorough notification cover all problems prepare based on claim procedure.

Resolution of claims must take place quickly and without misunderstandings between the insured and the insurer. The claims management procedure starts as soon as a claim is reported, and all necessary documentation is gathered, reviewed, and filed as claims and insurance history, Executing the insured's indemnification or loss compensation claim process carefully to ensure that no party benefits from the claim (Wedge, 2003).

2.1.8. Procedures of Claims

The Claim process's technique changes in different situations. What kind of insurance is covered, the size, complexity, and validity of the claim. Claims Notification, Claims Review, Claims Response, Claims Investigation, Claims Settlement, Claims Enforcement, Claims Performance Verification, Litigation, and Claims Advisor Outsourcing are the following fundamental steps in the claims process (UNIC Guideline, manual p1, 2000:25).

2.2. Customer Satisfaction

Ittner (1997), Ittner and Larcker (1998), came to the conclusion that one of the most significant and often employed nonfinancial performance criteria was customer satisfaction. Customers' satisfaction indicates the company's success in terms of performance and growth.

Customer satisfaction affects many important factors, including building customer loyalty, enhancing brand reputation, decreasing price elasticity, decreasing future transactions, and boosting worker productivity and efficiency (Tjiptono, 2008). According to Howard, Sheth, and Tjiptono (2008), a circumstance where a buyer's cognitive is connected to equality or incompatibility between the results gained compared to the sacrifices made is one where the consumer is satisfied. According to some sources, customer assessments that compare consumers' expected outcomes to those actually received are what lead to customer satisfaction (Neira et al. 2010).

Doongar (2011) also stated that the foundation for creating the high-quality services of any society's insurance system is customer happiness. The foundation for creating successful, long-lasting business models that can function in society is a happy client.

2.2.1. Customers perceptions

According to Schiffman et al. (2001), Perception is the method by which an individual receives, selects, and analyses stimuli to form a coherent and meaningful perception of the outside world. In the literature on customer satisfaction and service quality, perceptions are defined as the consumer's evaluation of the operation of the service organization.

The gap between perceptions and expectations is the definition of the perceived quality developed Parasura et al. (1988) the Service Quality dimensions. Customers' perceptions of each of the service quality aspects are conceptualized by Boulding and Karla (1993) as a cumulative construct in their process model of service quality. This implies the impression is changed time to time as customer interact a service. Therefore, they contend that customer views are influenced by both the decency of the service interaction and expectations for the service. The duration that experience with in education can affect students' perspectives, according to Sue (2001), who examined how students perceived their academic results.

2.2.2. Customers Expectation

Pre-trial perceptions about a good or service are known as customer expectations (Olson & Dover, 1976). With the help of various information sources, such as prior exposure to the service, word-of-mouth, expert opinion, publicity, communications controlled by the firm or institution, and prior exposure to competing services, expectations are formed (Zeithmal et al., 1990).

Customer satisfaction is a measurement of how well a company's goods and services meet or exceed the expectations of its customers (Gronroos, 1991). Customer satisfaction is based on how well the service performs in compared to expectation. Customers are thought to compare the performance of the service to what they actually expected, and if it meets those expectations,

they are satisfied; if it falls short, they are unhappy; and if it exceeds their expectations, they are thrilled.

2.2.3. Loyalty of Customers

According to Oliver (1999), loyalty is a firmly held commitment to continue using and promoting a favorite product or service in the future despite external circumstances and marketing initiatives that may encourage switching behaviors. The correlation between a person's overall attitude and repeat business is what is known as customer loyalty. Although a vital part of every organization, customer satisfaction alone cannot propel a business to the top. Satisfied consumers generate favorable financial results, especially when they are regular buyers. Building and maintaining customer loyalty is more challenging than ever in today's competitive industry, this is a result of the internet's growing popularity and technological breakthroughs. A company must highlight the advantages of its products and services and show that it values its clients' connections and needs in order to build customer loyalty (Gryphon, 2002).

Thomas and Tobe (2013) assert that loyalty yields higher profits. Compared to keeping a current customer, gaining a new one has much higher costs. Customers who are devoted to you will spread the word about you and think twice before using other services. Customer loyalty is something that is established via sourcing and design decisions; it does not just happen. Customer-centered tactics that take into account the desires and interests of service recipients are necessary when designing for customer loyalty. Customer loyalty is developed through time and via repeated purchases.

2.2.4. Theories of Customer satisfaction

Some of customer satisfaction theories defined by various scholars are;

2.2.4.1. The Dissonance-Assimilation Theory

According to (Festinger, 1957) dissonance theory is the base of Assimilation theory; buyers compare how well a product performs against their expectations for it cognitively called dissonance theory. Assimilation theory, a viewpoint on consumer post-usage evaluation, was first presented in the literature on customer satisfaction. In order to reduce the tension that results

from a mismatch between expectations and actual product performance, consumers may either distort expectations to match actual product performance or increase satisfaction by downplaying the relative significance of the actual disconfirmation they experienced, according to Anderson (1973).

Assimilation theory, according to Payton et al. (2003), has a number of shortcomings. First, the approach implies that there is a relationship between anticipation and satisfaction but does not describe how disconfirmation of an expectation leads to either satisfaction or discontent. Second, the theory also presupposes that consumers are sufficiently motivated to modify either their expectations or their perceptions of the performance of the product.

2.2.4.2. The Contrast Theory

Contrast theory emphasizes the differences between one's own attitudes and the attitudes reflected by opinion statements (Dawes et al., 1972). It contends that post usage evaluations lead to opposite predictions for the effects of expectations on satisfaction. This strategy challenges the assimilation theory (Cardozo, 1965) approach to the evaluation post-usage process.

According to the theory of assimilation, consumers will want to decrease the expectation with performance gap; however the theory of contrast contends that the disclosure may lead consumers to overestimate the difference. If a corporation raises expectations in its advertising and then a customer's experience is only slightly less than that promised, the items or service would be rejected as entirely unacceptable. Contrarily, making too optimistic promises in marketing communications and failing to deliver will result in exaggerated positive disconfirmation. (Vavra, 1997)

The marketing literature contains a number of studies that partially support this theory. Instead of reducing dissonance, the contrast theory of customer satisfaction predicts how customers will react; they will amplify the discrepancy between expectations and actual performance.

2.2.4.3. The Assimilation-Contrast Theory

Another theory that has been put up to explain the links between the variables in the disconfirmation model is the assimilation-contrast theory (Hovland et al., 1957). This paradigm,

the size of the gap between expected and actual performance determines how satisfied people are.

According to their beliefs, consumers typically shift between acceptance and rejection zones. According to the theory of assimilation, consumers tend to adjust or assimilate differences in how they perceive how well a product performs in order to bring them up to the level of their prior expectations, but only if the difference is relatively small (Peyton et al., 2003, p. 43). Consumers tend to increase the difference when there is a significant gap between perceived performance and expectations, which produces contrast effects. Assimilation or contrast may be related to the perceived gap between expectations and the actual performance of the product. Additionally, the purpose of this theory to show how both the contrast theory and assimilation theory patterns can be used to examine consumer satisfaction.

2.2.4.4. The Negativity Theory

According to this Theory, which Carl and Aronson (1963) created, any deviation from expectations will destabilize the person, creating "negative energy." The disconfirmation procedure is the basis of negative theory. According to the negative theory, consumers would react badly to any disconfirmation when their expectations are high.

2.2.4.5. Theory of Hypothesis

A two-step approach for producing satisfaction was presented by Deighton in 1983. First, Deighton makes the claim that pre-purchase information considerably increases expectations. Customers use their experience with a product or service to determine whether their expectations are reasonable. According to Deighton, consumers will attempt to confirm rather than dispute their expectations more frequently. The idea holds that customers tend to extol the virtues of a good or service. It is a positive view, but it turns evidence management into a very powerful marketing tool (Vavra, 1997, p.47).

2.2.4.6. The Disconfirmation Theory

According to Szymanski and Henard's (2001) meta-analysis, the disconfirmation paradigm is the most reliable indicator of customer happiness. The size and direction of the disconfirmation

experience that emerges from comparing service delivery to expectations has an impact on satisfaction, according to the disconfirmation theory.

One of the most well-known theories of satisfaction is the disconfirmation, which states that the amount and direction of the disconfirmation experience that arises from comparing service delivery to expectations is associated to satisfaction. Additionally, research shows that the way a service was delivered matters more than the outcomes of the service process, and customer dissatisfaction frequently originates simply from the service falling short of expectations.

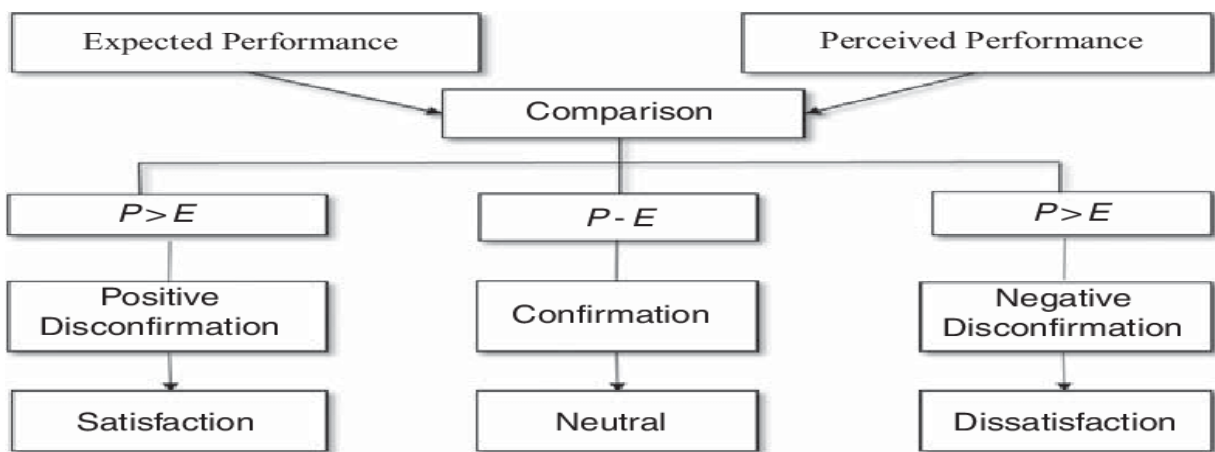


Figure 1 Disconfirmation theory Model

2.3. How to Measure Customer Satisfaction

According to Kotler (2009), several businesses should systematically assess how well they handle their clients and identify the variables that influence satisfaction. The business will make a sensible decision by routinely measuring client happiness. By giving customers excellent service, one can help to generate and retain client happiness.

The description of following consumer behaviour towards the company will depend on the degree of customer satisfaction or dissatisfaction with the product. This is demonstrated by the customer after the transaction has taken place; if the customer is happy, he will behave in a way that suggests that he will buy or use the same thing again and promote it to others. As a result,

every insurance firm works hard to comprehend what its client's value and then makes an effort to live up to their expectations. (Sandi and others, 2019).

Since it is a mixture of many diverse factors, customer satisfaction is likely to alter over time. Customers might be happy one time but not the next, or they might progressively get happier despite an unimpressive beginning. Because of this, it's critical to continuously assess customer satisfaction using a variety of indicators that reflect all of its dimensions.

Without understanding and measuring, it is insufficient to merely hope that customer satisfaction would increase. It need a clear strategy that is supported by solid evidence to move forward. Gathering client feedback through polls, surveys, and feedback sessions is necessary to do this (Elizabeth, 2022). The following three categories of feedback can be gathered to gauge client satisfaction.

2.3.1. Overall Satisfaction

Before getting into the details, it can be useful to get a customer's impression of the product or service in general. Answers that are positive show satisfaction with the purchase, while those that are negative imply some level of regret.

2.3.2. Repurchase Intent

It makes logical to utilize a client's plans to make additional purchases in the future to gauge their general contentment given the close relationship between loyalty and customer satisfaction. Customers who think they are likely to repurchase are more inclined to write favorable reviews or tell their friends and family about their experience.

2.3.3. Word of Mouth

The main inquiry in customer satisfaction surveys is whether or not the customer would suggest a certain brand or item. Companies can determine whether the user's experience meets their expectations thanks to this kind of feedback. Silverman (2002).

Example of question: How likely are you to suggest our service to a friend, on a scale of 0 to 10?

By using this kind of scale, it is possible to classify customers into 3 categories:

- Detractors: Those that gave their likelihood a score of 6 or below do not seem particularly interested in promoting the services.
- Passives: Those who awarded the items a score of 7 or 8 would be willing to suggest them, but they might also be willing to switch brands.
- Promoters: The brand's evangelists are individuals who gave the product or service a score of 9 or 10, since they frequently interact with it and would gladly suggest it to others.

2.3.4. Acquisition Cost of Customer

Another issue that needs to be considered is the cost of acquiring new customers, as well as the efficiency of customer service and overall customer satisfaction. Although it is used more frequently in sales and marketing, it can be very crucial for customer satisfaction. Subtract the total number of new customers gained during the calculation period from all marketing expenses. It can be worthwhile to examine the marketing strategy and customer satisfaction factors if the costs are too high.

2.3.5. Customer satisfaction and Service Quality Relationship

Customers' impressions of the services they receive or gain can be compared to the services they truly expect or desire from the service qualities of a company to determine the quality of the provided services (Aydin, 2010). When services are obtained and considered to be in line with expectations, the quality of the service is thought to be good and fulfilling. When services are received in excess of customers' expectations, the quality of the service is thought to be extremely good and high-quality.

According to Parasuraman et al. (1985), the distinction between expected services (customer expectations) and perceived services (customer perceptions) is service quality. Customers' "Expectations" are the goals they believe the service provider should pursue, while their "Perceptions" are their evaluations of the service provider. As a result, service quality is an evaluation process that results from the service that customer's use, and previous experience is

always related to the perceived level of received service. Additionally, service quality has drawn more attention and been identified as the key element in differentiating services, fostering a competitive environment, and upholding a satisfactory customer relationship (Zeithaml et al., 2006).

Customer satisfaction should rise by enhancing the attributes of product and service quality, according to Anderson and Mittal's (2000) conceptual analysis of linkages within the customer satisfaction chain.

2.4. Empirical Literatures

Alemayehu et al (2019) had studied the impact of service quality on customer satisfaction in the insurance companies of Wolaita Zone. A causal cross-sectional research study was carried out to accomplish this. Using the cluster sampling technique, 352 customers were included in the sample. Customers' primary information was gathered using a five-point Likert scale. Results of the analysis showed that responsiveness was only weakly connected with customer satisfaction in the insurance industry, but that tangibility, reliability, assurance, and empathy were strongly and positively correlated.

Reska et al., (2019) studied "The Influence of Premium Rates and Service Quality for Customer Satisfaction to Increase Customer Loyalty at PT Asuransi Jiwasraya (Persero) Branch Medan South". This study intends to ascertain how premium and service quality affects PT Asuransi Jiwasraya customer loyalty. This study used empirical data. 100 clients of the PT. Asuransi Jiwasraya Branch in Medan South made up the research population. Simple random sampling is the method used for sampling. This study used a quantitative methodology called multiple linear regression analysis. By dispersing the questionnaire, primary data was gathered. The findings indicate that premiums have a very significant impact on consumer satisfaction. Partially influencing consumer happiness is service quality. Customer satisfaction is simultaneously impacted by premiums and service quality, but it also has a big impact on customer loyalty.

Gangil and Vishnoi (2020) examine the customer perception towards the General Insurance. In the Gwalior region of Madhya Pradesh, India, the general insurance consumer perception is being investigated, identified, and analyzed in this study. The study assesses how consumers

make decisions and what elements they take into account before buying any type of general insurance policy. Analytical and descriptive research was used in this study. 18 closed ended questions were used to collect data from 200 Gwalior insurance subscribers. The respondents' opinions on the many linked statements in this context were gathered using a 5 point grading system. The data have been subjected to reliability, factor analysis, and multivariate approach. According to the findings, out of the 18 assertions based on consumer expectations, loyalty, transparency, proficiency, reliable service, and convenient service are the five aspects that matter most. The study comes to the conclusion that customer perceptions of general insurance are influenced by aspects such as competence, transparency, loyalty, convenient services and reliability. The customer's opinion of general insurance is the same regardless of gender, industry, or career.

Mehul and Nikita (2016) have tried to analyze Customer Satisfaction towards the services provided by general insurance companies with respect to vehicle insurance. The researcher's research design, which is descriptive in nature, was used in this study. A survey of general insurance company policyholders was done. For the survey and data analysis, a sample of 50 respondents comprised of customers with automobile insurance policies from general insurance providers in Surat City, Gujarat, was chosen. According to the study's findings, insurance companies must offer some additional services and new benefits to their customers. To give underprivileged members of society access to insurance, micro insurance products must be marketed. Players must concentrate on the individual demands of the insured if they want to compete. General insurance firms are required to try and meet the expectations of policy holders because the insurance industry is entirely dependent on insured.

(Vazifehdust & Farokhian, 2013) try to analyze factors influencing customer satisfaction with the success factors identified in the insurance industry. Data was collected for the study using interviews and questionnaires; questions and answers were based on the Likert scale. 140 questionnaires were delivered to the statistical community for the first study looking at customer satisfaction, and the collected data was analyzed using SPSS software. 350 questionnaires were sent across the insurers for the second study, which determined factors connected to success in the insurance sector. The list of insurers indicates that a basic random sampling procedure is employed. Customer satisfaction as well as other indications and elements that contribute to the

performance of insurance companies were found using the study's Servqual Model (service quality factors), which was used for the analysis. Last but not least, the most crucial factors access, customer response time, and trust in customer satisfaction were discovered, and the understanding of the customer, credit, insurance, and customer relationship were shown to be the most important predictors of success in the insurance sector.

Abdu (2021) had studied determinants of customer satisfaction in Nile insurance company S.C. The main objective was to identify the critical variables that affect satisfaction of customers in the organization. The research employed based on explanatory research method to ascertain when it is the association between the explanatory variables and dependent variables. The target demographic of the study included both workers and client of the organization. Since it is anticipated that employees are aware of the primary causes of client complaints and the bottlenecks of the service conveyance system, they are included in the survey. After 152 samples were purposefully selected, data from both groups was collected using closed-ended questionnaires. With occasional mentions of secondary data, primary data are used the majority of the time. The data was presented, compiled, & analyzed by regression model and quantitative descriptive analysis. The study's findings indicate that the three most crucial variables affecting client satisfaction are premium cost at Nile Insurance firm, indemnification, and responsiveness. The insurance company is provided recommendations for potential changes in light of these results.

2.5. The study Conceptual Framework

Insurer-side or customer-side elements can significantly affect the service delivery process, eventually boosting or lowering policyholders' satisfaction, according to empirical research. A number of factors affect policyholders' satisfaction or dissatisfaction in the insurance sector. In the insurance market, responsiveness, assurance, premium costs, accessibility, indemnification, and expectations are expected to be factors that affect policyholder satisfaction.

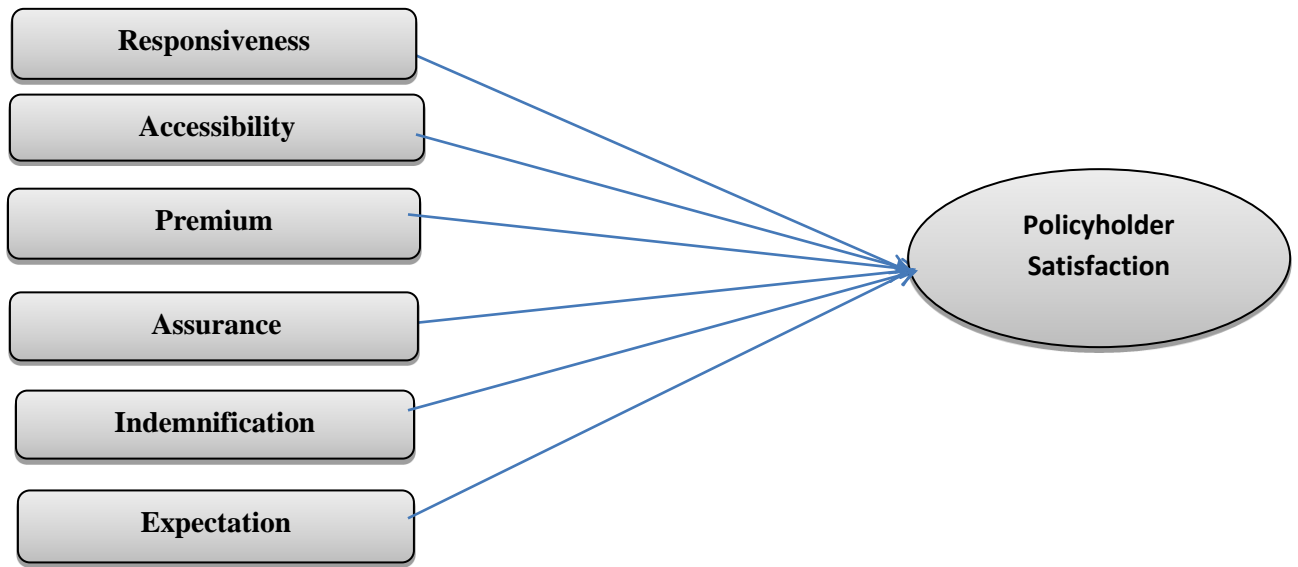


Figure 2 The Study conceptual Framework

CHAPTER THREE

METHODOLOGIES

3.1. Research Approach

The research methodology was constructed based on the objectives of the study. Hence this research used both quantitative and Qualitative research approach more of Quantitative. Quantitative research is used to test based on research objectives and to interpret the relationship with variables Creswell (2009). Also (Kothari, 2004) stated that the foundation of quantitative research is the measurement of quantity of certain amount. It can be applied to the situations that have a quantitative expression.

3.2. Research Design

The objective which is the research designs is to make sure that data gathered enable to address the study topic successfully and clearly practical. The explanatory research design was used to demonstrate relationship between the variables. Explanatory study must be conducted when a goal to identify that variable and might be examining a particular behavior (Shields, 2013). The main objective was to find out which determinants affect ultimately leading to satisfaction of general insurance policyholders.

3.3. Data source & Sampling Techniques and Sampling Size Determination

3.3.1. Data source & Sampling Techniques

The total population of the research used was all general insurance policyholders of the UNIC who had lodge claim previously and they live in the city of Addis Ababa. The total population is 5800 which are the average no of claim stalled during five years from 2018 to 2022 by UNIC-ETHIOPIA. Since the population is not uniform, 198 respondents were chosen at random. Making 126 respondents' samples which means 64percent from the total respondents was purchased motor insurance, 18 respondents which was 9 percent, provided information on fire insurance policyholders; 6 respondents which means 3 percent from the total respondents, provided information on liability insurance policyholders; 12 policyholders, or 6 percent from

the total respondents, provided information on marine. 12 policyholders, or 6 percent from the total respondents, provided information on accident and health insurance; 14 respondents, or 7% of the total respondents, provided information on Engineering insurance; and 10 respondents, or 5% of the total respondents, provided information on Other types of insurance proportionally. (Company average portfolio analysis of 2018 to 2022). To get representative sample each service outlet/Branch was considered as one cluster. And Policyholders were selected using cluster sampling technique.

3.3.2. Determination of Sampling Size

It is challenging to use the entire population as a source of data for a study. As a result, sample is a preferable method. However, the size of the sample needs not too large or too small. A research applies sample size calculation formulas in different way. The Yamane (1967) simple sample size calculation formula was applied for this study, the formula which is given under:

$$n = \frac{N}{1 + N(e)^2}$$

N = Total Individual General insurance customers of UNIC in Addis Ababa

n = the study sample

e = precision level.

93% confidence interval level which is e = 0.07,

N = 5800

$$n = \frac{5800}{1 + 5800(0.07)^2} = 198$$

Therefore, the sample sizes of this study will be 198 Policyholder of UNIC.

Table 1 Portfolio Mix of sample

No.	Insurance type	%age	n
1.	Motor Insurance	64%	126
2.	Fire and Lightning	9%	18
3.	Liability	3%	6
4.	Marine Insurance	6%	12
5.	Accident and Health	6%	12
6	Engineering	7%	14
7	Others	5%	10
Total		100%	198

Source: UNIC Report & computation

3.4. Data Collection

Primarily, to gather primary data structured questionnaires were used. Additionally, secondary data from the United Insurance Company's data repository was assessed. Three elements made up the questionnaire: demographic information about the respondents, measuring overall Satisfaction with service delivery, and assessing determinants that influence Policyholders satisfaction. There was a likert scale parameter in the questions. According to branch claim outlets, the questionnaires were dropped at the claims settlement office, and follow-up was done via emails and phone calls.

3.5. Data Analysis

(Kotler & Keller, 2009), stated that satisfaction of customer refers to a person emotions of happiness or dissatisfaction as a result of a comparison between a product's perceived performance and their expectations. In this study, the dependent variable was customer satisfaction, also known as policyholder satisfaction. Various factors were anticipated to have an impact of policyholder satisfaction in insurance industry. Six explanatory variables have been found among those variables based on empirical reviews. As a result, the study was looking at

the association between of the dependent variable which is Policyholders' satisfaction and the explanatory variables which are Responsiveness, Premium, Assurance, Accessibility Expectation, and Indemnification. Multiple linear regression analysis and a quantitative approach were used in the study. To analyze the data SPSS Software was used. Additionally, a study of the factors' correlations was conducted. In order to identify the satisfaction variables, the data was analyzed using average scores and standard deviation, tables of frequency and charts were used to interpret the data.

3.6. Validity & Reliability Test

To produce a trustworthy and generalizable study outcome, it is crucial to test measurement methods for reliability and validity. Kothari (2004) defined validity is the extent to test the method what was the designed measurements. According to Robert and Richard (2008), dependability is the consistency of results which allow for the replication of results.

The questionnaire 5 point Likert scale was utilized to allow respondents to score the business's customer service using the 37 items that make up the list. The questions were prepared in a coherent order and manner so that the subjects could readily respond to the opening section's background inquiries, which led them easily and naturally to the next. This is due to the possibility of respondents less motivated if the respondent doesn't find the beginning question to be simple or enjoyable to respond to. Additionally, important questions were included in the first section of the questionnaire to reduce the possibility of interruptions due to impatience or exhaustion.

In order to minimize the variation of the degree of agreement between positive and negative responses to make similarity questionnaires negative forms are rearranged into positive formats by using the SPSS application. This might be interpreted as proof that the data was appropriately used and extensively analyzed in order to make the study raise the reliability.

According to Cooper and Schinder (2001), reliability is the consistency of a collection of items in assessing the research variables. The internal consistency, or how a group closely connections of items to another often measured using Cronbach's of alpha (Cooper & Schinder, 2001). According to (Cresswell, 2003), Cronbach's alpha must be more than 70% to be considered

adequate. Table 2 Cronbach's of alpha suggests that the scale's internal consistency is at a satisfactory level.

Table 2 Test of Reliability

Variables	Alpha of Cronbach's	Items No.
Overall Satisfaction	0.885	5
Responsiveness	0.824	6
Premium	0.953	4
Assurance	0.938	4
Accessibility	0.748	5
Expectation	0.888	5
Indemnification	0.883	6

Source: SPSS 22 output and researcher computation.

3.7. Regression Analysis Model

To analyze impact of explanatory variables which are premium, accessibility, expectation, responsiveness, assurance, and indemnification on dependent variable which is policyholder satisfaction, multiple regression models were developed.

$$PS = \alpha + \beta_1 (Rspv) + \beta_2 (P) + \beta_3 (Ass) + \beta_4 (Acc) + \beta_5 (Exp) + \beta_6 (Ind) + \varepsilon$$

Where:

PS = Policyholders satisfaction

P = premium

ACC = Accessibility

Exp = Expectation

Rsp = responsiveness

Ind = Indemnification

ε = error term it means $\varepsilon = 0$ mean zero

α = constant

β = Parameters coefficient 1-6

3.8. Ethical Consideration

All client information is taken carefully by the researcher, who maintains its confidentiality without revealing the respondent's identify and would not use it for any personal gain. Additionally, the questionnaires were only given to those who volunteered. Finally, all ownership rights for all listed secondary sources written their names and providing clear instruction.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION

4.1. Data Analysis

This paper attempted to investigate factors that determine policyholder satisfaction towards general insurance in UNIC-ETHIOPIA in this chapter. As a result, in this section, the study's findings were presented and reviewed. The questionnaire was created with five ratings that ranged from highly agreeing (5) to strongly disagreeing (1) on a scale of 1 to 5. The analysis of Regression was used on the study to examine relationship with the independent and dependent variables. SPSS 22 version was used to show and analyze the data that had been gathered.

4.1.1. Rate of respondents

198 respondents intended to this study, of which 184 completed and which was returned the questionnaires on time, yielding which the rate of 89.4 percent. This rate suggested that the rate of respondents was suitable for the study's analyses.

4.1.2. Descriptive of statistics

4.1.2.1. Demographical Analysis

According to the respondent's demographic analysis, men make up the majority of respondents. The majority of respondents have been policyholders for between one to two years at the company and the majority of them have applied one time accident. The majority also primarily have motor insurance.

Table 3 Frequency Distribution of the respondents

		Freq.	%	Valid %	Cumulative %
Gender	Female	48.0	26.1	26.1	26.1
	Male	136.0	73.9	73.9	100.0
	Total	184.0	100.0	100.0	
Duration	Less than 1	23.0	12.5	12.9	12.9
	1 to 2 years	96.0	52.2	53.9	66.9
	3-5 years	19.0	10.3	10.7	77.5
	more than 5	40.0	21.7	22.5	100.0
	Total	178.0	96.7	100.0	
Missing	101	6.0	3.3		
Total		184.0	100.0		
Type	Motor	117.0	63.6	63.6	63.6
	Marine	12.0	6.5	6.5	70.1
	Fire & Lightning	16.0	8.7	8.7	78.8
	Liability	6.0	3.3	3.3	82.1
	Accident & Health	10.0	5.4	5.4	87.5
	Engineering	13.0	7.1	7.1	94.6
	Others	10.0	5.4	5.4	100.0
	Total	184.0	100.0	100.0	
No of Claim	One Time	124	67.3	67.3	72.9
	Two Time	46	25	25	100
	More than two	14	7.7	7.7	
	Total	184	92.3	100	
Missing	100	14	7.6		
Total		184	100		

Source: SPSS 22 outputs and Computation.

The value of the respondents of gender is shown on Table 3 above. Of the 184 total respondents, 136 (73.9%) were men and 48 (26.1%) were women. This finding shows that there is highly difference between the genders in general. Table 3 also lists the sample respondents' Duration of Policyholders. And show that 96 (52.2%) of the respondents had been one to two years Duration, 40 (21.7%) had been for five years or more duration in the company, and 23 (12.5%) had been for less than a year duration in the company. This shows that the majority of respondents were in

a good position to reply to questions about the services they received and their assessments of satisfaction.

The respondents also requested to show the type of insurance they insured; the subjects were divided into six groups which are Motor, Marine, Fire & Lightning, Liability, Accident and Health, Engineering & Others Insurance. There are 117 responses (63.6%) with Motor insurance, 12 (6.5%) with marine insurance, 16 (8.7%) with fire insurance, 6 (3.3%) with liability, 10 (5.4%) with accident and health, 13 (7.1%) with engineering and 10 responses who's insured in other General insurance class of business.

4.1.2.2. Frequency Distribution Analysis

According to (Best & Khan, 1995) the average mean of the respondent is interpreted when the mean less than three the agreement level of the variables is called low and when the average mean of the variables higher than three which is interpreted higher agreement level. The below SPSS output examines the descriptive analysis of the respondents.

Table 4 Frequency Distribution of Variables

		OS	Premium	Responsiveness	Assurance	Accessibility	Expectation	Indemnification
N	Valid	184	184	184	184	184	184	184
	Missing	0	0	0	0	0	0	0
Mean		3.29	3.66	3.37	3.28	3.48	3.31	2.87
Std. D		0.83	0.81	1.10	0.89	0.68	1.06	1.05
Min.		1	1	1	1	1	1	1
Max.		5	5	5	5	5	5	5

Source: researcher's own computation & SPSS 22 out put

The above table 4 shows that the observation of respondent about Premium which the mean of 3.66, SD=0.81. This indicates that the UNIC's Premium rate level is a key factor in policyholder satisfaction, and among the concerns to which policyholders quickly respond, Accessibility comes in second with mean values of 3.48, SD=0.68, respectively. Customers pay some attention and react with important reminder to changes in UNIC's accessibility that would improve the usability of its insurance service, according to the mean accessibility rating of 3.48. Along with

Accessibility, Responsiveness has mean value of that is higher than others with a mean value of 3.37, SD=1.10. Expectation has a mean value of 3.31, SD=1.06 this indicates that customers have expectations of the company's services, which are expected to result in some of unsatisfied of the services, such as company are not provided as promised or if the company raises customers' expectations. Additionally, customers will react negatively if their expectations are not met. With a mean score of 3.28, SD=0.89, assurance received a greater than neutral reaction, indicating that it is one of the service deliveries issues that may affect how customers feel about UNIC insurance. The mean response for Indemnification was 2.87, SD=1.05, indicating that customers generally agree that they are less satisfied or awareness to indemnification components of the company's service.

Therefore, finding shows that based on (Best & Khan, 1995) model the average value of premium rate, Responsiveness, Accessibility, Assurance and Expectation of UNIC is considered as was approximately considered as high. But Indemnification result is low.

4.1.2.3. Analysis of Correlation

The correlation of each determinant of Policyholders satisfaction evaluated based on correlation analysis. As a result, it was possible to identify the path and association size within the variables. (Frost, 2019) stated that, if two variables are associated, it means that when one variable value changes then the other variable one tends to changes particularly. This association help us to forecast or evaluate the determinant factors;

To ascertain the relationship between the variable in terms of its direction and strength, the Pearson correlation analysis between various determinants (Premium, Responsiveness, Assurance, Accessibility, Expectation and Indemnification) and Policyholders satisfaction was conducted. The results of the Pearson correlation analysis for each determinant and policyholder satisfaction are shown in Table 5 below.

The findings regarding the association with responsiveness and policyholder satisfaction shows that it is significant correlation within the two. It was noticed that there was a positive and strong association with $r = .925$, $p < .05$, which was sig. at 0.05.

The results of the correlation analysis of Pearson show that it is significant association with Assurance & Policyholders satisfaction in terms of this relationship between Assurance and Policyholders satisfaction. The found correlation was $r=.889$, significant at the 0.05 level (2-tailed), and it was both positive and highly correlated.

The correlation of Pearson analysis shows that it is significant association with indemnification and policyholder satisfaction, which brings us to the relationship between indemnification and policyholder satisfaction. The found correlation was $r=.790$, sig. at 0.05, and it was positive and significantly associated.

The findings indicate that it is significant association with Expectation and Policyholders Satisfaction in terms of this relationship. Sig. at 0.05, it was significant to see $r=.772$ positive and high correlation.

According to the results, it is significant association with Policyholders' satisfaction and the determining Rate of Premium. The association was marginally positive and sig. 0.05 with $r = 0.270$, $p<.05$.

The results of the correlation Pearson analysis suggest that there was no statistically significant correlation with Accessibility and Policyholders Satisfaction. The findings indicate a relationship between Accessibility and Policyholders Satisfaction. There was $r=. -086$ negative and non-correlation relationship that was not statistically sig. 0.05.

In short, the research showed a positive correlation between policyholder satisfaction and the determinants of responsiveness, assurance, expectation, and indemnification. The rate of rate of premium and policyholder satisfaction also had a weak but positive association. Finally, a weak and negative correlation between accessibility and policyholder satisfaction was discovered.

Table 5 Analysis of Correlation

Correlations								
		OS	Premium	Responsiveness	Assurance	Accessibility	Expectation	Indemnification
Pearson Correlation	OS	1						
	Premium	.270**	1					
	Sig. (2-tailed)	.000						
	Responsiveness	.925**	.227**	1	**			
	Sig. (2-tailed)	.000						
	Assurance	.889**	.198**	.847**	1	*		
	Sig. (2-tailed)	.000						
	Accessibility	-0.086	0.033	-0.081	-.146*	1	**	
	Sig. (2-tailed)	0.248						
	Expectation	.772**	.180*	.746**	.821**	-.225**	1	**
	Sig. (2-tailed)	.000						
	Indemnification	.790**	.183*	.696**	.836**	-.238**	.794**	1
	Sig. (2-tailed)	.000						
	significant at the 0.01 level (2-tailed).							
significant at the 0.05 level (2-tailed).								

Source: SPSS 22 output

4.2. Inferential Statistics Analysis

4.2.1. CLRM (Classical assumptions of the linear regression model)

In this inferential statistics section the average value, standard deviation, etc. of dependent and independent variables were displayed. The average of the error term must be the same as the mean of the error term in order to test the CLRM, such as normality, and the linearity and multi-collinearity tests are presented in this section. when the assumptions of the CLRM are true, the coefficient of all constant term and independent variables generated by OLS exhibit a variety of necessary values and are commonly recognized by way of BLUE (Brooks 2008). followed to an outcome, to improve the research quality, tests for zero mean error term, linearity, normality and multi-collinearity are examined before applying the model to evaluate significance of the slopes and analyze the regressed results.

4.2.2. Zero mean Error term

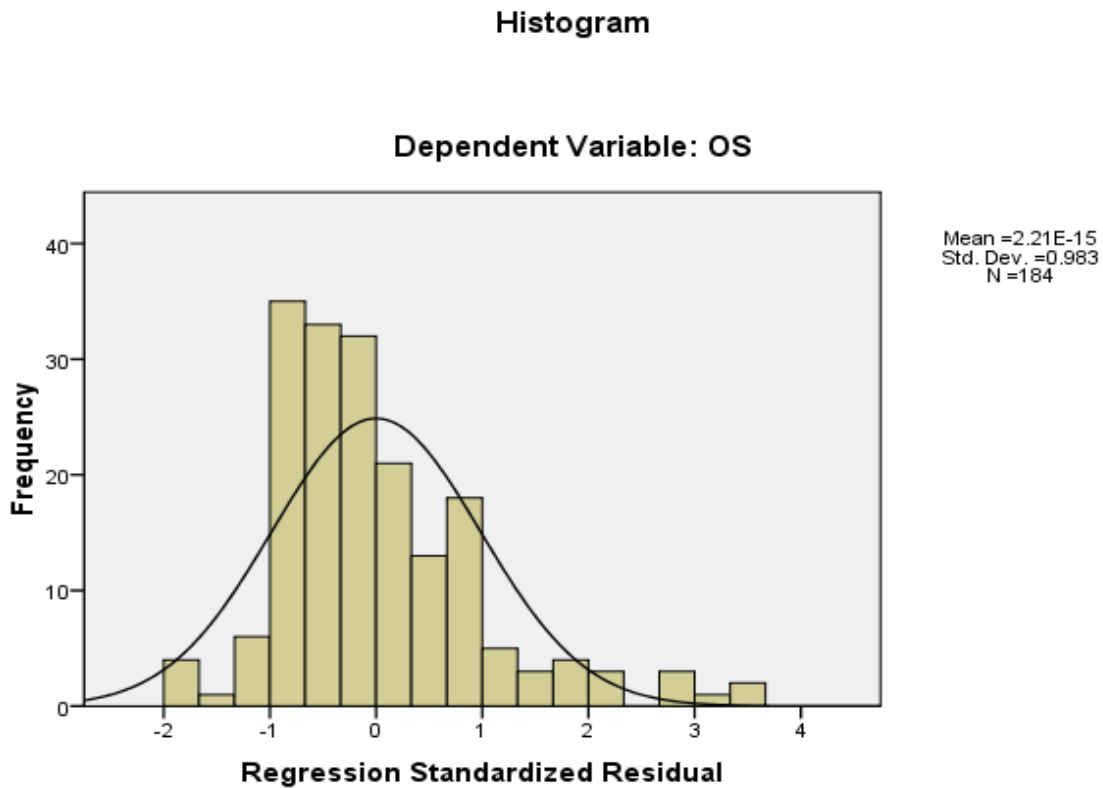
The underlying presumption is that errors often have a value of zero. Actually, if a constant factor is taken into account during the regression computation, this assumption won't ever be called into question. Because the constant term (i.e.) was incorporated into the regression

computation, it is therefore projected that the average value of the error term in this study will be zero (Brooks 2008).

4.2.3. Normality

This test was used to estimate the likelihood that an underlying random variable would be classified as having a normal distribution and to assess when the data is modeled by a normally distributed and the histogram must be bell shape. (Brooks 2008)

Figure 3 Normality



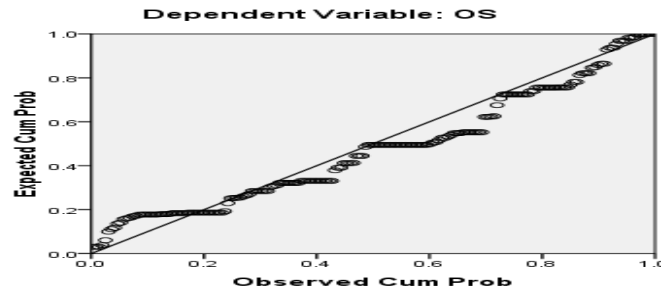
The bell-shaped structure of the mentioned histogram is clearly depicted in the fig. 3 above. The above result shows, all residuals and the variables are a normally distributed.

4.2.4. Linearity

Figure 4 Linearity

The below figure displays linearity:

Normal P-P Plot of Regression Standardized Residual



4.2.5. Multi Collinearity Test

The multi collinearity test is another test run in this investigation. It helps in finding correlations between explanatory variables and prevents independent variables in the model from having double effects.

In this study, correlation matrices and variance inflation factors have been generated for each of the variables listed in the table below.

According to (Kennedy, 2008) value over 70%, (Malhotra, 2007) over 75%, and (Hair et al., 2006) value 90%, found no correlation. The results of Table 6 show that there are no problems with multicollinearity and that the regression analysis is more trustworthy.

Table 6 Collinearity Test

Model		Coefficients ^a	
		Collinearity of Statistics	
		Tolerance	VIF
1	(Constant)		
	Premium	.943	1.06
	Responsiveness	.266	3.76
	Assurance	.153	6.54
	Accessibility	.907	1.10
	Expectation	.271	3.69
	Indemnification	.257	3.89
Dependent Variable: OS			
Source: SPSS 22 Out Put & Questioner			

4.3. Model Summery

We will use the Adjusted R-squared (0.907) and values show a strong correlation with a standard error of 1.09 between the collection of independent and dependent variables since the R value is inflated due to the model is multiple regression (Table 7). Additionally, Table 7 demonstrates that the premium, responsiveness, assurance, accessibility, expectancies, and indemnification depend on 90% of policyholder satisfaction of UNIC towards general insurance. Which means the researchers did not take into account a number of additional variables while calculating the remaining 10% of the total.

Table 7 Model Summery

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.954 ^a	.910	.907	1.09577
a. Predictors: (Constant), Indemnification, Premium, Accessibility, Responsiveness, Expectation, Assurance Source: SPSS 22 Out Put & Questioner				

4.3.1. ANOVA test

The regression model is statistically significant, as shown by the F-value for testing the data in Table 8 (F=297.50, P=0.07). Additionally, Table 8 suggests that to test these independent variables considerable influence on the dependent variable and that model used estimate the dependent variable is extremely accurate.

Table 8 ANOVA test Table

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2143.27	6	357.21	297.50	.000 ^b
	Residual	212.52	177	1.201		
	Total	2355.80	183			
a. Dependent Variable: OS						
b. Predictors: (Constant), Indemnification, Premium, Accessibility, Responsiveness, Expectation, Assurance Source: SPSS 22 Out Put & Questioner						

The analysis of variance is displayed in Table 8 above. Also, another name for model registration marks. The F-statistic and Associated Sig. Value serve as the key to this table. The findings indicate that at Sig = 0.000, the F statistic is significant. The outcomes, however, demonstrated that it is possible to accept the alternative hypothesis while rejecting the null hypothesis. As a result, the model is capable of forecasting the factors that influence policyholder satisfaction towards general insurance.

4.3.2. Multiple Regression Analysis

In According to Table 9 can be used beta values to determine the important of each independent variable to the model because which are the standard of the b values and which are comparable. In addition to that, the coefficients of beta might be used to interpret the six determinants (independent variables) relatively to the variation in the variables influencing policyholder satisfaction with general insurance in UNIC-ETHIOPIA. The use of b-values in the equation for the model multiple regression:

$$PS = \beta_0 + \beta_1 (RP) + \beta_2 (Rspv) + \beta_3 (Ass) + \beta_4 (Acc) + \beta_4 (Exp) + \beta_4 (Ind)$$

$$PS = 0.144 + .055 (R\Box) + .606 (Rspv) + .225 (Ass) + .036 (Acc) - .023 (Exp) + .197 (Ind)$$

According to the above-mentioned model, factors affecting policyholders' satisfaction with general insurance in UNIC would rise by one for every unit increase in RP by 0.055, if the impacts of Rspv to Ind are constant. An increase of one unit in Rspv will also lead to a 0.606 increase affecting policyholders' satisfaction with general insurance plans in UNIC, A single unit increase in Acc would also lead to a 0.036 increase in the factors affecting policyholders' satisfaction with general insurance plans in UNIC, assuming the impacts of other components were held constant. Similar to this, an increase of one unit in Ass would lead to an increase of 0.225 in the variables affecting policyholder satisfaction with general insurance plans in UNIC. Regarding the elements affecting policyholder satisfaction with general insurance in UNIC, and Ind are each 0.197 rise. However, a single unit decrease in Exp would result in -.023 decrease in factors determining policyholder`s satisfaction towards general insurance policies in UNIC.

Furthermore, because there are multiple explanatory variables, the scale of the t value together with the significance are taken into account to gauge the model total influence. According to the

decision criterion greater t value, which is the greater the influence of the predictor, this shows that Rssp: (t = 13.83) is the higher next Ind: (t = 4.422), Ass: (t = 3.88), PM: (t = 2.361), Acss: (t = 1.52), and Exp: (t = -.528).

In UNIC, responsiveness, indemnification, assurance, and premium rate are all highly significant independent variables or predictors of the elements determining policyholder satisfaction with general insurance. In addition to this, the t values implied that responsiveness has large effect than indemnification, assurance, premium payment rate, accessibility, and expectations.

Table 9 Regression Coefficient

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	93.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.144	.904		.159	.874	-1.504	1.791
	Premium	.065	.028	.055	2.361	.019	.015	.116
	Responsiveness	.448	.032	.606	13.827	.000	.389	.507
	Assurance	.241	.062	.225	3.888	.000	.128	.354
	Accessibility	.053	.035	.036	1.519	.131	-.011	.116
	Expectation	-.020	.038	-.023	-.528	.598	-.090	.050
	Indemnificatio n	.138	.031	.197	4.422	.000	.081	.194

a. Dependent Variable: OS
Source: SPSS 22 Out Put & Questioner

4.4. Discussion about Major findings

In this section, we compare our findings to those of other empirical studies in order to show how similar and dissimilar the results are.

4.4.1. Premium

Rate of Premium value $\beta = 0.055$ a p-value of 0.019 ($\beta=0.055$, $P<0.07$), which is lower than the acceptability level, as is evident in the preceding Table 9. Hence it has been discovered that positively related and Premium rate is significant impacts on Policyholders satisfaction in UNIC.

This result related to Zeithaml's (1988) finding show that it has a causal relationship between price and consumer value. According to (Malik et al., 2012) The service price influences satisfaction, and some customers view price as a symbol of luxury and establish a strong association between price and product quality, therefore most of the time higher price are associated with higher quality products and lower price are associated with lower quality products.

4.4.2. Responsiveness

The responsiveness a value is smaller than the standard sig. value, as shown in Table 9 above, with a value of = 0.606 and a p-value of 0.000 (=0.606, P0.07). In light of this, it has been found that responsiveness considerably and favourably influences policyholder satisfaction. This finding is consistent with Shakeerah et al. (2013) study, which discovered that responsiveness is a service provider's capacity to assist customers and provide prompt service. This demonstrates performance and promptness of the staff. According to earlier studies, responsiveness is the capacity to provide timely customer service. The readiness to assist and offering prompt service to customers include the responsiveness dimension. According to (Parasuraman et al., 1991), being responsive entails offering clients what they need within a set time frame within this service, providing prompt service, having a caring attitude towards others, and never being too busy to do so.

4.4.3. Assurance

Assurance has a value of $\beta = 0.225$ and a p-value = 0.000 ($\beta=0.225$, $P<0.07$), which is lower than the acceptability level, as evident in the preceding Table 9. Hence it has been discovered that Assurance is significantly and positively impact on policyholder's satisfaction. This result is consistent with the research by Anderson et al. (1976), Establish assurance by having knowledgeable, polite personnel who gain their clients' trust. It was found that in order to provide the customer the confidence to start a relationship, a high level of trust in the business and its capabilities was required. The main mechanisms of assurance, (Parasuraman et al., 1991) stated employee behaviors such being courteous consistently as well as expertise. According to Zeithaml et al. (1988), assurance has taken the position of competence, civility, trustworthiness, and security some of them of the initial ten factors for measuring quality of services.

4.4.4. Indemnification

The Indemnification value $\beta = 0.197$ and p-value = 0.000 ($\beta=0.197$, $P<0.07$) which means the value is less than the standard sig. value, as evident in the preceding Table 9. The goal of an insurance policy is to get back the insured's client to their pre-loss financial state; hence, it is inevitable that the client will come to believe that indemnification is the cornerstone of satisfaction. As a result, it is discovered that the indemnification component is the other key factor influencing policyholder satisfaction with UNIC.

4.4.5. Expectation

The Expectation value $\beta = -.023$ and Sig. value of .598 ($\beta=-.023$, $P<0.07$) which means the value is greater than the standard sig. value, as evident in the preceding Table 9 which means statistically negative effect on policyholders' satisfaction. However, this is important how differ the client expectation from the company provided. According to Tom, B. and Karenmc, E. (1997), the purpose of the claim procedure is aligning insurer commitment with the insured justifiable expectation. When an insurance firm breaks a promise, it leaves customers with the unfavorable impression that such promises won't be kept in the future. This makes them uncomfortable and dissatisfied.

4.4.6. Accessibility

The Accessibility has score $\beta = .036$ and Sig. value of .131 ($\beta=-.036$, $P <0.07$) which means the value is greater than the standard sig. value, as evident in the preceding Table 9 which is Accessibility is positively related to Policyholders satisfaction but statistically insignificant or the result may occur may be with regard to the study focused area based on Addis Ababa due to this the concern proximity of service is less than other upcountry area. However the cost of accessing a service in relation to the quality of the service is measured by accessibility. In addition to time and distance, location and the cost of transportation all affect accessibility. High accessibility is a result of low transportation costs to reach to the location of the service center (Black, 1981). Customer satisfaction can be increased by the UNIC-ETHIOPIA branches' easy accessibility because it can cut down on travel expenses and wastage of time looking for a provider of service. According to studied by (Black, 1981), the accessibility and equitable services provided by health centers generate a respectable level of satisfaction that is 70% more

than that which is predicted by the JPKMB. The findings that accessibility can increase customer satisfaction were supported by Jannang (2010).

CHAPTER FIVE

SUMMERY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Findings Summery

The major aim of this research was to investigate the determinants of policyholder's satisfaction towards general insurance because policyholders are most impacted by the factors that determine satisfaction; data from them was gathered to answer the study goals and queries. Participants in the survey were all policyholders for various classes of businesses. By examining the findings from various sources, including the questionnaire and report review document, the study's findings are examined. the study questions and objectives were helps to analyze the data presentation that was gathered from secondary and primary sources. Quantitative approaches were used to classify, edit, organise, and analyse the raw data that had been acquired. Testing the dependability of every instrument revealed an aggregate Cronbach's alpha rating of 0.869. The outcomes show instrument has a high level of internal consistency and dependability. This study's lack of multicollinearity issues improved reliability of the Analysis of regression. This is how the data were analysed and presented: the quantitative information was displayed in tables and figures. In order to achieve the first study goal, this is to identify the dominant determining factor. The study discovered this through descriptive analysis.

- One of the specific objective of the research was to test Responsiveness, Premium Rate, Expectation, Assurance and Indemnification are major determinants of policyholder's satisfaction or not. According to the finding's responsiveness, Premium, Assurance, Indemnification are major determinants policyholders' satisfaction as follows:

The respondents' level of agreement that there is a positive relationship between the premium rate and policyholder satisfaction are significant ($\beta = 0.055$) and ($p\text{-value} = 0.019$). The coefficient estimate's positive implies a direct relationship between premium rate and policyholder satisfaction.

Response time and policyholder satisfaction are positively relationship ($\beta = 0.606$) and ($p\text{-value} = 0.000$). The relationships are significant, too. The coefficient estimate's positive suggests that responsiveness and policyholder satisfaction are directly and significantly

relationship.

Assurance and Policyholder Satisfaction have a Positive Relationship ($\beta = 0.225$) and (p-value = 0.000). The relationships are statistically significant, too. The coefficient estimate's positive sign denotes a direct relationship between policyholder satisfaction and assurance.

The relationship between indemnification and policyholder satisfaction is favorable ($\beta = 0.197$), (p-value = 0.000). The relationships are statistically significant, too. The coefficient estimate's positive sign suggests a direct and significant relationship between indemnification and policyholder satisfaction.

- The second objective was to examine the impact of Responsiveness, Premium, Expectation, indemnification & Assurance on Policyholders satisfaction. As per the above finding's responsiveness is highly determinants of policyholder's satisfaction than other variables. Which means responsiveness contributes highly effect for satisfaction of policyholders with coefficient value of 0.606. Therefore, Officers give prompt service and respond inquiries in a timely manner, Officers are good competency level and readiness for Work etc. highly contributes to customer satisfactions.

Assurance with coefficient of 0.225 also implies that Assurance is the other determinants of policyholder's satisfaction. It affects the satisfaction level of policyholders and its important role to improve quality of service. Which means when officers show consistent courtesy and patience every time, officers have ability that inspire confidence in customers, officers have enough skill to answer customers 'questions etc. can contributes to improve satisfaction of policyholders.

Indemnification has also affected on satisfaction level of policyholders with coefficient vale of 0.197 which means when UNIC Fair and equitable claims settlement, flexible in dealing with claims, compensation enough to back to the former financial condition, Remediating complaints transparently and effectively etc. can improve the satisfaction level of policyholders in UNIC.

The finding also implies that the impact of independent variable, Premium with the value of coefficient 0.055 affects policyholders' satisfaction. Which means premium rate is one of the determinant factors to influence the satisfaction of policyholders or give products and services at competitive prices, a company has a resting period for a premium payment, is discount applied on premium when the policyholder did not claim on previous policy period & premium discount given for consistently longtime client of UNIC can affect satisfaction level of policyholders in UNIC

Ethiopia. And also, Expectation & Accessibility also have some contribute to policyholders' satisfaction towards general insurance.

- The last objective of the research was to evaluate the level of satisfaction of Policyholders in response to general insurance products/Services currently transacted in UNIC Ethiopia. The findings indicate that the satisfaction level of policy holders towards general insurance with mean value of 3.25. The finding is interpreted based on the level of agreement & disagreement for each items according to rating scale of (Best & khan, 1995). Accordingly, this indicates that policy holders have perceived or satisfied with (overall UNIC Services, good and reliable position in industry, have special qualities to satisfy policy holders, operational style of UNIC can satisfy its policyholders & UNIC can compute in the market with the current working culture) more than moderate level.

Finally, according to this study Responsiveness, Premium, Assurance, Indemnification, are highly significant determines of policyholders' satisfaction and Expectation & Accessibility is less significant determinates of policyholder's satisfaction. The overall finding of the regression analysis R^2 with 0.907 indicates that the explanatory variables determine the dependent value by 90%. Other determinants which are not considered on this paper take the remaining present.

Table 10 Summery Hypothesis tasting

Hypothesis	Analysis	Result	Action
H ₁ . Responsiveness has a directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.	Regression	Significant	Accept
H ₂ . Premium/Price has a directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.	Regression	Significant	Accept
H ₃ . Assurance has a directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.	Regression	Significant	Accept
H ₄ . Accessibility has a directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA.	Regression	In-significant	Reject
H ₅ . Expectation has a directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA	Regression	In-significant	Reject
H ₆ . Indemnification has a directly significant effect on Policyholders Satisfaction at UNIC-ETHIOPIA	Regression	Significant	Accept

5.2 Research Conclusions

Followed to major findings and the above analysis the below conclusions were made based on the Research Questions & Objectives:

Which determinant factor is the most important to achieve the major research goal? The descriptive analysis used in the study revealed that there are at least four determining elements that affect the satisfaction levels of UNIC-ETHIOPIA General Insurance policyholders to varying degrees. However, it may be said that the most important feature in UNIC-ETHIOPIA is responsiveness. Other deciding considerations are Assurance, Indemnification, Premium Accessibility and Expectation.

Decreasing the premium rate has a good impact on policyholder satisfaction. The findings demonstrate that when premium rates are reasonable and equivalent to service quality and indemnification or compensation must be taken into account, policyholder satisfaction will increase.

Response time is a fundamental factor in determining policyholder satisfaction, which raises the degree of service and pleasure. The responsiveness of the service was prioritized by policyholders over other determining variables. Responsiveness received the highest mean score of all the determining criteria for the policyholder's degree of satisfaction, as a result. Thus, it can be stated that an improvement in UNIC-ETHIOPIA's responsiveness service quality resulted in a rise in policyholder satisfaction.

The knowledge and good manners of UNIC-ETHIOPIA employees increase the policyholders' trust and confidence, which has a favorable impact on their contentment, according to the statement "Assurance has a positive impact on policyholders' satisfaction."

Additionally, indemnification enhances policyholder satisfaction. The findings indicate that financial compensation or indemnifications are the key factors influencing policyholder satisfaction in UNIC-ETHIOPIA. The respondent's gives good response about indemnification it is implies that they were less satisfied by claim service of the company.

Finally, an aggressive promotion and high premiums have raised customers' expectations, which they have found to be unreal. Although the premium and Responsiveness are the most significant

factors clients expected from insurance, customer satisfaction levels are also somewhat influenced by the accessibility.

5.3 Research Recommendations

Followed the above results and conclusions the following recommendations are made and should be addressed by UNIC-Ethiopia to raise policyholder satisfaction with general insurance.

- Policyholders should be fully informed about the commercial objectives of the insurance company at the time of purchasing the policy. This helps insurers set customer expectations to a realistic and achievable level. So, if a customer has unrealistic compensation expectations that conflict with the compensation procedures, they need not feel uncomfortable about the amount of compensation.
- According to research findings, it may be advised that premium amounts and rates need to be carefully set, service quality needs to be maintained, and businesses should hire competent and effective staff in order to build policyholder trust.
- With regard to the population of the country is most of the society of farming UNIC leaders should pay attention to its individual clients as well as big customers and should take into consideration micro insurance services in addition to corporate business.
- UNIC recommended that executives must focus on product improvements to take advantage of current client demands and on other general insurance classes of business in addition to motor insurance to manage the risk composition of the portfolio.
- UNIC recommended that the leaders must try to speed up claim processing, which is a significant problem, with image recognition, fraud detection, and a clearly defined time frame for claim settlement, keeping in mind that indemnification is the foundation of the insurance industry.
- UNIC recommends that decision-makers must create strategies to increase the system's quality of service, particularly payment process of claim service, to create secure and pleased policyholders.

- Leaders at UNIC must comprehend the goals and expectations of policyholders in order to build an efficient and continuous feed-back system that will add value. In order to meet consumers' expectations, a company must also have a good customer relationship management system and be able to comprehend their demands while communicating with them.
- The UNIC management must create a system to consistently enhance staff knowledge, skill, and competence. It is beneficial to provide a thorough description of the company's goods, highlight how they differ from other insurance providers in terms of premium cost, respond appropriately to disgruntled customers, and describe how a specific accident would be handled if it occurs.
- By developing an easy-to-use system for handling complaints from customers and setting up a dedicated department to deal with those issues, UNIC is better able to respond to those problems quickly.
- Leaders shall prepare a measurement of the current satisfaction level that implemented by external and internal experts to improve policyholder satisfaction. By doing this, the service experience will be improved and level of policyholder satisfaction will be maximized.

In general, insurance companies need to be developed appropriate and competitive strategies to attract more and more customers and to sustain in the competitive market.

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Appendix I
Addis Ababa University School of Commerce
Post graduate Study
Questionnaire to be filled by UNIC-ETHIOPIA customers

I am a graduate student at the Addis Ababa University School of Commerce. I am conducting a research on "The Determinants of Policyholders Satisfaction towards General Insurance" for my Master's degree requirement.

This questionnaire is designed to collect information about the existing policyholder's satisfaction level in UNIC-ETHIOPIA and entitled: The Determinants of Policyholders satisfaction towards General insurance. The information that you respond shall be used as primary data in my case research.

I would like to express my sincere appreciation if you could please take few minutes of your valuable time and indicate the extent to which you agree or disagree with the following statements. For each Perception base statement, please circle the number that best describe your idea.

Part 1

1. Gender?

Male Female

2. How long have you been customer?

Less than 1 year 1 to 2 years 3-5 years more than 5 years

3. From where did you purchase your insurance policy?

- company's branch offices found in Addis Ababa
- company's branch offices found outside of Addis Ababa
- online using webportal

4. What type of Insurance have you opened in the bank?

Motor Marine Fire & Lightning Carriers Liability

Accident and health Engineering & Other

5. How many times have you applied for claim since you became customer?

One time two times More than two times

Part 2 – OVERALL SATISFACTION

Please indicate the extent of your satisfaction with the following description (by putting√ sign):

No		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Overall, very satisfied with the UNIC Services					
2	Do you think UNIC is good and reliable position in industry					
3	UNIC has special qualities to satisfy policy holders					
4	The current operational style of UNIC can satisfy its policyholders					
5	UNIC can compute in the market with the current working culture.					

Part 3 – POLICYHOLDER SATSFACTION DETERMINANTS

Please indicate the extent of your satisfaction with the following description (by putting√ sign):

No		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Responsiveness	1	Officers give prompt service and respond inquiries in a timely manner					
	2	officers provide sufficient service information (written document and oral explanation)					
	3	officers notify my Policy Agreement status every time					
	4	There is a good well come at the time of Buying policy					
	5	Officers are good competency level and readiness for Work					
	6	There is a good well come at the time accident notification.					
Premium	1	UNIC offers to its products and services at competitive prices.					
	2	The premium has impact to decision for purchasing insurance policy from UNIC					
	3	UNIC has a grace period for payment of the premium					
	4	discount is applied on premium who did not claim within the last policy period					
	5	Discount on premium for consistently long-time customers of UNIC					

Assurance	1	officers are well trained, knowledgeable and professional					
	2	officers have enough skill to answer customers' questions					
	3	officers have ability that inspire confidence in customers					
	4	officers show me consistent courtesy and patience every time					
Accessibility	1	UNIC work hour is convenient to all its customers.					
	2	Can get all insurance service at one place					
	3	policy can renew at any branch					
	4	Underwriters explained about insurance principles while selling the policies.					
	5	UNIC reminds renewal before lapse.					
	6	Compensation can be paid easily from any ware Accident happened.					
Expectation	1	UNIC has met my expectations.					
	2	UNIC charges The high rate of premium make customers expect high quality service					
	3	According to my experiences, I am satisfied by the services delivered with UNIC.					
	4	In comparison to other Insurance, I consider UNIC and its services successful.					
	5	The amount of indemnification matches with customers' expectation					
Indemnification	1	UNIC has Extent of rendering prompt and efficient claims service					
	2	The claim service initiative in line with customers' participation in claims cost establishment					
	3	Fair and equitable claims settlement					
	4	UNIC flexible in dealing with claims					
	5	The amount of payment is sufficient to back in to previous financial condition.					
	6	Remedying complaints transparently and effectively					

<<THANK YOU>>

Appendix II

አዲስ አበባ ዩኒቨርሲቲ ንግድ ስራ ኮሌጅ

ቢዝነስ ሊደርሽፕ ድህረ ምረቃ ትምህርት ክፍል

በህብረት ኢንሹራንስ ደንቦች የሚሞላ መጠይቅ

የተከበራችሁ የህብረት ኢንሹራንስ ደንቦች፤

ዩ.ህ መጠይቅ የቀረበው በህብረት ኢንሹራንስ አ.ማ የደንቦችን እርካታ ለመጨመር አስፈላጊ ስለሆኑ ጉዳዮች ላይ የሚደረግ ሁለተኛ ዲግሪ ለማሟላት የሚስችል ፅኑ ለመስራት ነው። ስለሆነም የመጠይቁ አላማ በደንቦች እርካታ ላይ ተፅእኖ የሚያሳድሩ ጉዳዮችን መረጃ ለመሰብሰብ እና ለ ችግሮቹ አመላካች መፍትሄ ሃሳቦችን ለመጠቀም ነው። የተከበሩ ተባባሪዎችን በመጠይቁ ላይ የምትሞሉት መረጃ ሚስጥራዊነቱ የተጠበቀና ለትምህርታዊ ጉዳይ ብቻ የሚውል መሆኑን እያሳሰብን ሚዘናዊና ትክክለኛ መረጃ እንድትሞሉልን በአክብሮት እጠይቃለሁ ስለምታረጉልን ቀና ትብብር ከወዲሁ አመሰግናለሁ።

ክፍል 1

1. ያታ?

ወንድ ሴት

2. በህብረት ኢንሹራንስ በደንቦችን የቆዩበት ጊዜ?

ከ 1 አመት በታች 1 - 2 አመት 3-5 አመት

ከ 5 አመት በላይ

3. የኢንሹራንስ ፖሊሲዎችን ከየት ገዙ?

- አዲስ አበባ ካሉ ቅርንጫፎች
- አዲስ አበባ ካሉ ቅርንጫፎች ውጭ
- በኢንተርኔት

4. የገቡት የኢንሹራስ አይነት?

ሞተር (የተሽከርካሪ) ማሪን የቃጠሎ የጭነት

የሰራተኛ (Accident and health)

ኢንፎርሜሽን

እና ሌላ ከሆነ ይጥቀሱ _____

5. ለምን ያህል ጊዜ አደጋ አጋተጠመዎት?

አንድ ጊዜ

ሁለት ጊዜ

ከሁለት ጊዜ በላይ

ከስር የተገለፁት መጠይቆች በህብረት ኢንሹራንስ በነበረዎት ቆይታ ያጋጠመዎት ወይም የታዘቡት ሊሆን ይችላል ተብሎ ይታሰባል ክፍል 2 አጠቃላይ ደንቦች እርካታ በተመለከተ

ከዚህ ቀጥሎ በቀረቡት ሀሳቦች ላይ ያለዎትን አስተያየት ይህን ምልክት (✓) በመጠቀም ይግለፁ፤

ቁ.		በጭራሽ አልሰማም	አልሰማም	መወሰን ያቅተኛል	አሰማለሁ	በጣም አሰማለሁ
1	በአጠቃላይ በህብረት ኢንሹራንስ በጣም ደስተኛ ነኝ።					
2	ህብረት ከሌሎች ጋር ሲነጻጸር የተሻለ አቀዋም ላይ ነው ሚገኘው ብለው ያስባሉ					
3	ህብረት በደንቦች እርካታ ዘንድ የተለየ ጠራት ያለው አገልግሎት ይሰጣል					
5	የህብረት የአሰራር ሂደት ደንቦችን የሚያረካ ነው					
6	የህብረት የስራ በህል ከገባያው ጋር ተወዳዳሪ ሚያደርግ ነው					

ክፍል 3 – የደንቦች የእርካታ ደረጃ ጠፅኖ ሊያደርጉ የሚችሉ ጉዳዮች

ከዚህ ቀጥሎ በቀረቡት ሀሳቦች ላይ ያለዎትን አስተያየት ይህን ምልክት (✓) በመጠቀም ይግለፁ፤

ቁ.		በጭራሽ አልሰማም	አልሰማምም	መወሰን ያቅተኛል	አሰማለሁ	በጣም አሰማለሁ
ምላሽ ሰጪነት	1	ህብረት አፋጣኝ አገልግሎት እና ለጥያቄዎች አፋጣኝ ምላሽ ይሰጣል				
	2	ሰራተኞቹ በቂ የአገልግሎት መረጃ በፅኑ ፍቅር እና በቃል ይሰጣሉ				
	3	ሠራተኞቹ የኢንሹራንስ ውሉን በተመለከተ በየጊዜው ለደንበኛው ያሳውቃሉ				
	4	ተገልጋይ በሚመጣ ስድስት ጥሩ የሆነ				

		አቀባበል ያደርጋሉ				
	5	ሰራተኞቹ መልካም የሆነ የስራ ዝግጁነት አላቸው				
	6	አደጋ አጋጥሞት ለሚመጣ ደንበኛ ጥሩ አቀባበል ያደርጋሉ				
የአርቦን ክፍያን በሚመለከት	1	ሀብረት ኢንሹራንስ ከ አረቦን ክፍያ ጋር በተያያዘ ተመጣታኝ ክፍያ ያስክፈላል				
	2	የአረቦን መጠን ክፍያው የኢንሹራንስ ወሉን ለመግዛተ ለመወሰን ተጽእኖ ያደርጋል				
	3	ሀብረት ለክፍያ የእጩያታ ጊዜ ይሰጣል				
	4	አደጋ ላላደረሱ ደንበኞች የአርቦን መጠን ቅናሽ ይደረጋል				
	5	ረጅም ጊዜ ለቆዩ ደንበኞች የአርቦን መጠን ቅናሽ ይደረጋል				
ማረጋገጫ	1	ሙያተኞች በቂ ሰልጠናና እውቀት ያላቸው ባለሙያዎች ናቸው				
	2	ሙያተኞች በሚሰጡት አገልግሎት ዙሪያ እነዲሁም የደንበኞችን ጥያቄ ለመመለስ የተሟላ መረጃና የላቀ ችሎታ አላቸው				
	3	የሙያተኞች አገልግሎት አሰጣጥ ደንበኞች ከፍተኛ የመተማመን ስሜት እንዲኖራቸው ያደርጋል				
	4	ሙያተኞች ለደንበኞች የሚሰጡት አክብሮትና ትህትና ሁሌም ተመሳሳይ ነው				
ተደራሽነትን	1	የሀብረት የስራ ሰዓት ለሁሉም ደንበኞቹ ምቹ ነው።				
	2	ሁሉንም የኢንሹራንስ አገልግሎት በአንድ ቦታ ማግኘት ይቻላል።				
	3	የኢንሹራንሽ ፖሊሲ በማንኛውም ቅርንጫፍ ሊታደስ ይችላል።				
	4	ፖሊሲዎቹን በሚሸጡበት ጊዜ ሰራተኞቹ ስለ ኢንሹራንስ መርሆዎች በደንብ አብራርተዋል።				
	5	ሀብረት ጊዜው ከማለፉ በፊት ለእድሳት ያስታውሳል።				

	6	ድርጅቱ በየትኛውም ቦታ ለተፈጠረ አደጋ ካሳ በቀላሉ እና ባፋጣኝ ሊከፈል ይችላል					
ደንበኞች ስለአገልግሎት የላቸው ንብረት መስጠት	1	ሀብረት እንደጠበኩት ሆኖ አገልግሎቱ ይቀያይራል					
	2	ሀብረት ከፍተኛ የ አርቦን ክፍያ ሚያስከፍለው ጥሩ አገልግሎት ስለሚሰጥ ነው ብለው ያስባሉ					
	3	በነበረኝ ልምድ በሀብረት እንሹራንስ አገልግሎት ረክቻለሁ					
	4	ከሌላ አንሹራንስ ጋር ሲነጻጸር ሕብረት የተሻለ እንደሆነ ይሰማኛል።					
	5	የካሳ ክፍያው መጠን እንደጠበቁት ሆኖ አገልግሎቱ ይቀያይራል					
ካሳ ክፍያን በሚመለከት	1	ሀብረት ፈጣን እና ቀልጣፋ የካሳ ጥያቄ አገልግሎት የመስጠት አቅም አለው።					
	2	የደንበኞች የካሳ አገልግሎት ከደንበኞች የካሳ ጥያቄ ጋር በሚስማማ መልኩ ነው					
	3	ትክክለኛና እና ፍትሃዊ የይገባኛል ጥያቄዎች እልባት ያገኛሉ					
	4	ሀብረት የካሳ ጥያቄዎችን ለማስተናገድ አስቻይ ሁኔታዎችን ለመፍጠር ይሞክራል					
	5	የክፍያው መጠን ወደ ቀድሞው የፋይናንስ ሁኔታ ለመመለስ በቂ ነው					
	6	ቅሬታዎችን በግልፅ እና በብቃት ይታረማሉ					

<<አመሰግናለሁ>>

Appendix III
Addis Ababa University School of Commerce
Post graduate Study
Masters of Business Leadership
Questionnaire to be filled by UNIC-ETHIOPIA customers

Time Schedule

	April	May	Jun.	Jul.
Questionnaire Development:				
Developing question				
Evaluate questions				
Gaining approval				
Pre-testing questionnaires				
Revising questionnaires as needed				
Typing and duplication				
Delivering Questionnaires to the selected samples & Collecting secondary data				
Questionnaires are filled & Collecting secondary data				
Receiving the filled questionnaires & Collecting secondary data				
Data Analysis:				
Data editing				
Data coding				

Data reduction and tabulation				
Statistical analysis				
Stating implications of the statistical analysis				
Finalizing the research paper:				
Drawing conclusion				
Writing recommendation				
Organizing, typing, printing and binding				
Presenting and Discussing the research paper with concerned bodies.				

Appendix IV

Budget Schedule

Budget Items	Rate	Total Hours	Total
Salaries:			
Data collector 1	Br. 200/Day	30 Days	Br. 500.00
Data collector 2	Br. 200/Day	30 Days	500.00
Subtotal			<u>Br. 1000.00</u>
Other Costs:			
Travel costs			1,500.00
Telephone cost			1,500.00
Office supplies			500.00
Secretarial services:			
-Typing			-
-Printing			1,000.00
-Duplication			2,000.00
-Binding			300.00
Mailing cost			
-Delivering cost			-
Miscellaneous costs			1000.00
Total fund required			<u>Br. 8,800.00</u>