



**THE EFFECT OF CLAIM HANDLING ON
CUSTOMER RETENTION: THE CASE OF NYALA
INSURANCE S.C.**

**BY
YADENI LEMESSA**

**SEPTEMBER 2020
ADDIS ABABA, ETHIOPIA**

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BY

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**The Effect of Claim Handling on Customer Retention: the case of Nyala
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By

Yadeni Lemessa

Proposal Approved by Board of Examiners



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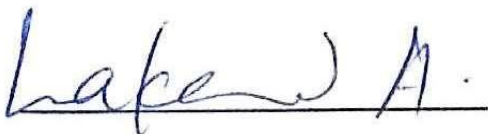
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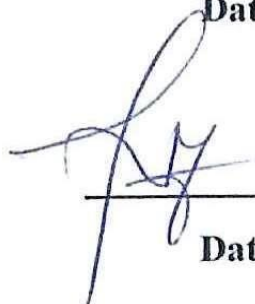
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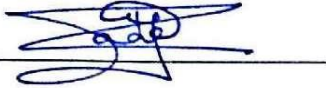
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DECLARATION

I, Yadeni Lemessa, hereby declare that the project entitled “The Effect of Claim Handling on Customer Retention: the Case of Nyala Insurance S.C.” is my original work and has never been presented for a degree in any other university and that all resources of material used for the research were acknowledged.

Declared By: Yadeni Lemessa

Signature

A handwritten signature in blue ink, appearing to be 'Yadeni Lemessa', is written over a horizontal line. The signature is stylized and somewhat illegible due to the cursive nature of the writing.

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Acronyms and Abbreviations

NISCO- Nyala Insurance Share Company

ANOVA- Analysis of variance

SPSS- Statistical Package for Social Science

Abstract

In service providing industries, customers play important role in achieving organizational goal and profitability. However, the retention tendency of these customers is affected by the existing claim handling service. As different scholars and literatures revealed, satisfied customers would prefer to stay being a client from year to year; cost of the insurance company that would spent in finding new one would decrease.

The study target population was head office claim department clients of Nyala Insurance S.C. 186 samples of customers were selected based on their convenience and easiness to access. Questionnaire was distributed to the respondents to obtain their evaluation of the company's' claim handling service based on identified variables form various literatures and to investigate the effect of this variables on customers retention. Those are Knowledge of Policy Cover, Prompt Feedback, Claim Investigation & Repair and Service Quality. The collected questionnaires were analyzed using descriptive and inferential analyses with the help of SPSS AMOS version 20 statistical software program.

The study revealed that only Prompt feedback and Service Quality variables significantly and positively affect the customer retention of Nyala Insurance SC clients. The remaining variables; Knowledge of Policy Cover and Claim Investigation & Repair has no significant positive effect on the dependent variable. Since the study took a sample only from the head office claim department and considered only four marketing variables, and concentrated on the motor class of business claim handling procedure only, the researcher suggest for further study to be conducted taking larger sample size from all the other branches and considering other service marketing elements in to account.

KEY WORDS: *Knowledge of Policy Cover, Prompt Feedback, Claim Investigation & Repair, Service Quality, Customer Retention.*

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

The size of the service sector is increasing in many countries around the world. Most developed and emerging countries experience the growth of many service industries, which contribute considerably to the national economies. Travel, tourism, and hospitality have also considerable growth potential and have become the main industries in many developing countries. As a consequence of the rapid development of service industry, world economy is experiencing a substantial change in its history causing many broad effects. New service era is characterized by the dominance of service jobs, which require professional knowledge as well as new skills and qualifications, especially in the area of customer service. Since the frontline personnel is crucial for service performance and has a remarkable impact on customer satisfaction, employees started to be treated as a valuable asset for a company (Johann, 2015).

The Insurance business is one of this service giving organizations. That was created in response to a pervasive need for protection against the risk of losses. It is feasible because it allows many similar individual loss risks to be pooled into classes of risk (Outreville, 2002).

Paying claims from insurance contributes to compensate (Wrede, 2015) a financial loss that could otherwise throw them into poverty, or at least force them to use stressful coping strategies such as reducing consumption, selling productive assets, and taking children out of school.

More broadly, insurance can give investors the financial confidence to make investments, since they know they will be able to recover their investment. Individuals and or even those companies with huge capital and investments prefer to buy insurance for themselves and belongings thinking of future unforeseen loss circumstances rather than

taking risks at their own. For the reason that, if they take the risk by their own, after the happening of the loss, backing themselves and reaching to their status that was before the happening of the loss will require them more time and money. They might even end up being bankrupt and be forced to go out of business followed by liquidation of the organization.

Insurance policy is a legal contract between policy buyers and an insurance company. Insurance works on the 'principle of transfer of financial risk from the insured to the insurer' (Insurance, 2013). As an insured, customers pay premiums to receive compensation from the insurer, in case of occurrence of an unforeseen event. Consequently, having insurance reduces the financial burden on own shoulders.

Customer acquisition is the major objective of insurance companies and all other organizations. Different organizations provide services in order to increase their customer database. Customer acquisition strategies focus on various insurance products. The sources of input for acquisition include enquires, lapsed customers, former customers, competitors, customer referrals, existing buyers, competitor's former customers and so on. Customer retention is the process of keeping customers in the customer inventory for a long period by meeting the needs and expectations of those customers (J.Reinartz, V.Kumar and Werner, 2006). Retaining customer is more important than of attracting the new customers, because the cost of servicing existing customers is less than the cost of providing services to new customers (Kotler P., 2005).

Customer retention enables a long-term relationship of mutual benefit, both to the organization and to the customer concerned. It is the approach of converting casual customers into committed loyal customers focusing on an emotional and committed relationship with the organization.

Front liners are currently being considered a key instrument in changing the public's perception of a company, creating a great customer experience and executing business goals of the company as a whole (Outsell, 2014). Branches are where an insurance policy is sold to clients and when that unforeseen loss or tragedy happens, they are the place where claim gets handled. As a result, the way a customer feels or gained the service at

the end of the transaction decides whether that client will be loyal in the long run or not. Its obvious insurances sell an insurance policy as easy as possible but most of all a prompt claims settlement by insurance companies has been identified as a tool to enhance performance in terms of customer satisfaction and loyalty. (Unachukwu, 2015)

1.2. Background of the Organization

Nyala Insurance S.C. or “NISCO” is an insurance company established in 1995 following the change in Ethiopia from the command economy to a market led economy in 1994, where many private business institutions such as Banks, Insurances and others were established (Zelege, 2007)The insurance is well known by its products which are the insurance coverage’s for losses occurred on or due to Fire & Lightning, Motor/Auto Insurance, Marine Insurance, Group/Personal Accidents, Workmen’s Compensation, Burglary & House Breaking and many others more. Operates by a mission statement of “to help our customers manage their risks, recover from the unexpected, and achieve peace of mind Protection”. And a vision statement of “To be the preferred provider of insurance solutions in all markets we serve”. (Report, 2017/18)

	2017/18			2016/17		
	Industry	NISCO	% Share	Industry	NISCO	% Share
Gross Written Premium	8,574	769	9%	7,494	436	5.8%
Total Asset	16,022	1,909	11.9%	13,566	1,443	10.6%
Equity	5,495	713	13.0%	4,331	592	13.7%
Profit	1,338	141	10.5%	1,085	116	10.7%

Table 1 -The Ethiopian Insurance Industry & Nyala Insurance S.C. in Million Birr.

According to the information from the National Bank of Ethiopia (NBE), Gross Written Premium of the Industry reached Birr 8.6 billion showing a 14.4% growth from the preceding year of Birr 7.5 billion. Out of the registered gross premium Birr 8.1 Billion (95%) was registered from General Insurance Business, while the balance of Birr 0.5 Billion (5%) was from Life Insurance Business. When we see GWP by class of business, Motor class of business as always be taking the major share about 51%.Net earned premium and claims incurred during the period has been Birr 5.9 Billion and Birr 3.7

Billion respectively, which resulted in loss ratio of 62%. The ratio has decreased by 2 percentage points from the preceding year.

Moreover, during the period the industry has registered a total of Birr 1.3 billion profit after tax as at June 30, 2018. The industry's total asset and capital reached at Birr 16.0 Billion and 5.5 Billion respectively.

To attain its strategic objectives of reaching out new markets and increased volume of production, NISCO embarked on expansion strategy via opening branch and contact offices. Generally, at the end of the 2017/18 fiscal year the total number of NISCO's service outlets including the satellite and contact offices reached at 45 centers.

At NISCO, all the service centers sell insurance policies/contracts and are only allowed to entertain claim as per the limit set to that branch grade. However, if the loss or damage estimated amount is higher than their limit, all those bigger claims will be sent to Head Office Claim Management Department located at Addis Ababa around 22. And wherever the clients are, for example clients of Jigjiga or Mekelle or Gonder, they will be expected to come to Addis and follow up their claim settlement process.

1.3. Statement of the Problem

The claims experience is a make or break event for insurers. Customers dissatisfied with how their insurer handles a claim (Accenture, 2014) are not only likely to switch insurers; they are also likely to turn to social media to share their unhappy experience with a few millions of their closest friends.

Since a marketing concept in insurance emphasizes the importance of customers' wants satisfaction as the economic and social justification for a company's' existence (Okehi, 2005), all a company's activity needs to be devoted to finding what the customer want, and how to satisfy them while the company still makes profit in the long run. In order to build a lasting relationship between the insurer and the consumers, the insurer should put genuine efforts in place to regularly understand the needs of the insurance consumers through research and very close interactions in order to provide their needs, service them

properly in order to foster a lasting relationship. The more customers retain in the company, the newer customers rush into the company due to loyal customers playing the role of advocacy by initiating friends, relatives and acquaintances towards the company.

This study is conducted from all those services given at front line branches, taking one of the crucial one which is the settlement of claims. Claims settlement is the monetary compensation that is paid to the policyholder in the event of a loss (Harry, 2012). If a company does not effectively handle its claims service, it can affect its image and the sales and marketing of its insurance products.

A claims management is the carrying out of the entire claims process with a particular emphasis upon the monitoring and control of claims costs. And a claims handling is the original term for handling the claims process with emphasis upon claim review, investigation and negotiation, but excluding risk management issues (Handley, 2008). If consumer expectation of the extent of their insurance coverage mismatched with its actual extent, can lead to dissatisfaction with the claim decision and result in a dispute.

While customers become more sophisticated and require high standards of service, the business must improve customer service in order to remain ahead of the competition (Wicks, 2012). As companies face difficulty to differentiate their physical products, they focus on service differentiation, seeking to win and retain customers through delivering better-quality services on the base of customers need and want (Kotler P., 2005). In other words, insurance company's customer retention is related to the degree of risk that the company carries and the service quality of handling and settling claims.

Motor insurance is one of the major insurance markets that is purchased by many in our country. But it has been observed that there is a widespread motor insurance customer dissatisfaction arising from different factors. Some of the factors mentioned by various scholars are: degraded quality of service (Parasuraman A, 1988) late reimbursement of claims (Singh, Sirohi and Chaudhary, 2014) and (Demiss, 2009), lower understanding of the policy covers of the purchased insurance by clients (Oluwadamilola, 2011).

Also not all of those who purchased an insurance policy gets to raise and report a claim, this study tries to identify how many of the buyers raise a claim and how did they get the claim handling service with regard to their satisfaction and status of retention in the future.

Thus, there is a need to understand customers' acceptance and thought of insurance services and a need to assess and evaluate customer's loyalty by investigating factors that can affect customer retention with regard to the claim handling system of Nyala Insurance. A number of researches were made on factors affecting, retention and determinants of customer retention in general insurance in Ethiopia and worldwide. However low emphasis given specifically to factors affecting the claim handling of motor insurance in retaining customers in Ethiopia by including the above factors other than service quality.

To the best of my knowledge, no one has conducted a research on this problem.

1.4. Objectives of the Study

The objective of this research is identified as general and specific objectives.

1.4.1. General Objective

The general objective of the research is to assess the overall effect of claim handling service by NISCO on the retaining of clients in the long run.

1.4.2. Specific Objectives

Based on the above-mentioned main objective the research is going to be conducted on the following specific objectives:

- ❖ To analyze the relationship of motor insurance policy cover knowledge at time of claim handling practices on customers retention,
- ❖ To investigate the effect and correlation between prompt feedback and customer retention.

- ❖ To analyze the relationship of motor claim investigation and repair on customer retention,
- ❖ To determine that how service quality of claim handling practices affect customer retention.

1.5. Research Questions

1. Does knowledge of policy cover in motor insurance at time of claim handling practice have an impact on customer retention?
2. Does prompt feedback have an impact on customer retention?
3. Does motor claim investigation and repair have an impact on customer retention?
4. Does service quality of motor claim handling service affect customer retention?

1.6. Significance of the Study

Even though, the study is intended to assess the effect of claim handling service on customer retention at Nyala Insurance only, the result, the finding and recommendation of the study is significant to all insurances in the industry as a whole; since effective claim settlement service plays a major role in the retention of clients and existence of the insurance itself which is connected with profit making.

That is to help the organization implement the right claim handling management for retaining customers by developing a good employee-customer relationship. This will have the positive effect in improving the image of the insurance company. This improved image will, in turn, increase demand for their insurance products and increase premium income generation/sales and marketing figures, capital formation and contribution to the economy of the country.

Additionally, other researchers and policy makers shall refer to this paper for further research to be enhanced and developed.

1.7. Scope (Delimitation) of the Study

Normally an insurance cover is sold as Life (Long Term) and Non-Life (General) Insurance, the Non-Life or General insurance covers: Motor, Marine, Fire & Lightning, Money, Burglary & House Breaking, Fidelity Guarantee and other insurance covers. However, this study is delimited to the Motor insurance coverage only. Even though, there are 14 different insurances in Ethiopia, the study will only be conducted at Nyala Insurance SC.

Nyala Insurance has various departments that operate to make the company successful. Some of them are, the Marketing Department, the Legal Department, the Engineering Department, the Risk and Assurance Department, Audit Department, Claim Management Department, and so on.

The project will focus on Claims Management Department, from which different class of business claims get entertained. Such as, Marine policy claims, Engineering policy claims, Workmen's policy claims, Fire & Lightning Policy claims, Motor policy claims, and so on. However, from all this, this project will be delimited to assessing the effect of claim handling on retaining customers for Motor Insurance at the Head Office Claim department only. Because, as can be seen from the industry of insurances & the existing situation of inhabitants in Ethiopia, the happening of frequent motor accidents are un imaginable, with regards to this, there is an increased demand to buy insurance for Motor Vehicles owned; compared to having an insurance coverage for other class of businesses. As a result this made the Motor claim notifications in most of the insurances more frequent and many in numbers. Having this in mind, this project will finally produce weather claim handling has an impact on customers' retention or not.

1.8. Definitions of Terms

Insurance – a way of transferring risk to another.

Policy – the contract in between insurance and insured that agree up on.

Policy Cover – the policy period which will the cover be valid for.

Claim – A request to be reimbursed (or compensated) filed by the insured and addressed to the insurer. (Handley, 2008)

Loss – the occurrence of an insured event which results in financial disadvantages for the insured. (Bierly, 2011)

Claims Notification – the process whereby an insured report a sustained loss or damage using the prescribed format. That is done by the insured to the insurer. (Handley, 2008)

Post risk survey – a detailed investigation conducted by the insurance skilled personnel to the damage.

Bid Process – the process of collecting repair proforma from various garages, dealers and spare part shops in order to know by comparing the best price and whom should conduct the repair work.

Class of Business – type of products the insurance sells to customers.

Towing – type of products the insurance sells to customers

1.9. Organization of the Study

This study consists of five chapters excluding references and appendices list and the chapters are presented as follows.

Chapter 1: Introduction, it is the preliminary chapter which provides the background to the research, statement of the problem, general and specific objectives of the study, research questions, significance of the study, describe scope of the study and finally it gave conceptual and operational definition that was used throughout the study.

Chapter 2: Literature Review, provided details of the main concepts of this research which are: Insurance Contract Definition, Motor Insurance and Claim, Types of Motor Insurance, a Claim Procedure, Customer satisfaction, Knowledge of the Policy Cover, Prompt Feedback, Claim Investigation and Repair, Service Quality, Service Quality, Customer Retention, Conceptual Frame Work and Hypothesis of the Study.

Chapter 3: Research Methodology, provides the details of research methodology design, provide clear idea about data collection of the study and sampling process.

Chapter 4: Data analysis, Result and Discussion, showed the result of the analysis of the data collected through the surveys, including descriptive statistics on the demographics of the respondents, it also addresses normality, validity and reliability of the constructs of interest, followed by an analysis of the data and interpretation of the findings to test the hypotheses.

Chapter 5: Conclusion and Recommendation, provides the conclusions from the findings of this research, based on the research questions and hypotheses and lastly, the recommendations for further research provided.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Theoretical Review

2.1.1. Insurance Contract Definition

(Outreville, 1998) defines a contract of insurance is that whereby one party, the insurer, undertakes, for a premium or an assessment, to make a payment to another party, the policyholder or a third party, if an event that is the object of a risk occurs. It is often defined as a contract of indemnity. The insured is not to make any profit out of the insurance but should only be compensated to the extent of the pecuniary loss.

Insurance is a form of risk management in which the insured transfers the cost of potential loss to another entity in exchange for monetary compensation known as the premium (Pareto, 2010).The insurance contract is a legal document that explains the coverage, features, conditions and limitations of an insurance policy. It is critical that one toread the contract and ask questions if did not understand the coverage. No one wants to pay for the insurance and then find out that what was thought covered isn't.

Insurance works by pooling risk. A large group of people who want to insure against a particular loss pay their premiums to the insurance, or pool. Because the number of insured individuals is so large, insurance companies can use statistical analysis to project what their actual losses will be within the given class. Not all insured individuals will suffer losses at the same time or at all. This allows the insurance companies to operate profitably and at the same time pay for claims that may arise. As an example, most people have motor insurance but only a few actually get into an accident. One pays for the probability of the loss and for the protection that he or she will be paid for losses in the event they occur.

2.1.2. Motor Insurance and Claim

Motor insurance provides property, liability and medical coverage. For Property coverage pays for damage to, or theft of, the vehicle; Liability coverage pays for the policyholder's legal responsibility to others for bodily injury or property damage; Medical coverage pays for the cost of treating injuries, rehabilitation and sometimes lost wages and funeral expenses (Hartwig, 2010). "Motor vehicle" as defined on Vehicle Insurance against Third Party Risks Act 799/2013, is "any mechanical or electrical power propelled vehicle moving on roads". (Pareto, 2010) Defines an auto insurance policy as a cover issued to whom an insured gives permission to drive own car. The policy is "package protection", which provides coverage for bodily injury and property damage liability as well as physical damage to the vehicle. This damage can include both that caused by the collision and damage by things other than collision.

2.1.3. Types of Motor Insurance

According to (Hartwig, 2010) there are three types of motor insurances sold on the market. These are the third-party liability insurance, the third-party liability insurance with fire and theft and the comprehensive motor insurance.

Third Party Liability Insurance

This is the minimum amount of insurance cover that you must have by law for your vehicle. Third party insurance only covers for damage to someone else's vehicle or property, or injury to someone else in an accident which involves an insured person/ organizations' vehicle. This includes accidents caused by passengers. If insured's vehicle is damaged in the accident the owner will have to pay for the repairs.

Third Party Liability Insurance with Fire and Theft

This is a cover given to insured's vehicle only not what it would result in other third parties, but also includes a cover to damage or loss of the insured's vehicle by fire or theft.

Comprehensive Motor Insurance

This includes third party, fire and theft insurance. In addition, it will also pay for repairs to insured's car. It is a combination of both third party and own damage insurance covers.

2.1.4. A Claim Procedure

The procedure for handling a claim varies according to the class of business, the type of cover, the amount of claim and whether it's a personal or commercial risk insured. (Handley, 2008) Hence, the basic claims procedure includes:

Event giving rise to the claim

This may or may not be an insured peril, loss event.

Claim Notification

This is the reporting of the event by a dedicated form supplied by the insurer by enclosing other necessary documentations. However, when an insurer omits to enclose one or more piece of necessary information, it will result in delays to the processing of the claim.

Claim Review

the analysis of the claim by the insurer, that is checking appropriateness of claim amount, cross checking the exact terms of the policy with the reported claim, legal requirements etc.

Response to Claimant

This is response by the insurer to the claimant. The initial response may be acknowledgement or a request for further information or documentation that will lead to claim decision. A claim decision could be:

1. Payment (acceptance of a claim), or
2. Negotiation (offer lower amount than that is claimed here insurer accepted claim but quantity agreement is the only issue remaining), or

3. Rejection that is liability is not accepted by the insurer. On the case of negotiation and rejection full reason for the decision should be stated so that insured would understand the decision and if not convinced would challenge by an argument. This two are where insurance disputes can arise.

Claim Investigation

Taken place by an internal claim's inspector undertaking further investigation or the insurer might appoint external loss adjusters to conduct independent investigation in to the claim and write a report of their findings for the insurer.

In some cases, the insurer may not have full facts of the claim, and is unable to make a decision on a claim. They may therefore require appointing an investigator, to carry out investigations and file a report to the insurer. This is mainly for motor and liability claims. Investigations are also necessary if a claim is suspected to be fraudulent. The nature of other claims requires an insurer to appoint a loss adjuster, to establish liability and quantum of the claim. This is especially for property claims, including Fire, Burglary, Domestic Package, All Risks, and Marine among others. In the case of motor claims, a motor assessor assesses the extent of damage to the vehicle and establishes the cost of repairs. He also advises whether to repair the vehicle, or treat it as a constructive total loss and pay insured pre-accident value of the vehicle. Once investigations are completed, the insurer is expected to convey findings and next course of action to the insured. The investigator must exercise speed but also be efficient. The report should be comprehensive, covering all the salient features of the claim, while bringing out the issues in an orderly and clear manner (Handley, 2008).

Claim Negotiation

Takes place after having the full facts of the case. For example, in case of motor claim, the insurer may believe part of the damage to the car was caused prior to the occurrence of the accident. Hence the insurer may decide that a lesser amount should be offered than that originally claimed.

Claim Settlement

Takes place after liability accepted by the insurer. It might be delayed for some time in cases where liability is initially denied then subsequently negotiated. The insurer may agree to settle the claim on an ex gratia basis (payment out of grace) that is not based on any contractual obligation.

Claim Recoveries

After a payment of a claim that resulted by third party's liability, the insurer will be able to recover all or part of the payment from the third party.

Review of Performance

To insure that standards of service are being maintained, audits take place in respect of a sample of claims and any large or particularly problematic claims.

Increased speed of claim settlement implies internal processes of insurers' claim department have adapted to the faster pace of litigation, experienced staff with greater authority.

2.1.5. Customer satisfaction

Satisfaction provides many benefits for a firm and higher levels of customer satisfaction lead to greater customer loyalty. In the long run (Lovelock and Wright, 2001), it is more profitable to keep good customers than to constantly attract and develop new customers to replace the ones who leave. Highly satisfied customers spread positive word of mouth and in effect become a walking, talking advertisement for a firm, which lowers the cost of attracting new customers. This is important because reputation and word of mouth are key Information sources for new clients.

A satisfied customer is more likely to remain loyal, buy additional policies, share their positive experiences over the Internet and recommend their insurance company to friends (IBM, 2010). More than in almost any other industry, customer's experience with an insurance contact center has to be the best (Jacada, 2008). Policy holders expect clear

explanations of the required action in the event of a claim from their insurance companies, hoping and knowing that fair settlement will occur in the event of a claim and a fast claims service exists (J.Reinartz, V.Kumar and Werner, 2006). Improving product and service attributes will lead to an improvement in customer satisfaction. Increased customer satisfaction is expected to lead to greater customer retention, which then is expected to lead to greater profitability.

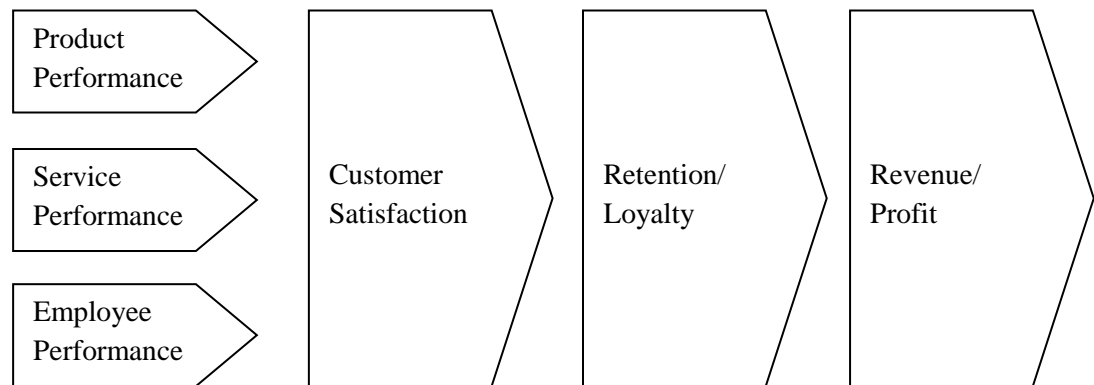


Figure 1-The Satisfaction-Profit Chain

Source: Eugene W.Anderson and Vikas Mittal, “Strengthening the satisfaction-profit chain”, *Journal of Service Research* 3, no.2 (November 2000): 107

When customers experience greater satisfaction with a firm’s offering profits rise. In many cases, increasing customer satisfaction leads to an adaptation of expectation levels; consumers quickly get used to a better service level without necessarily rewarding the firm with additional purchases.

2.1.6. Knowledge of the Policy Cover

Customers may form their expectations of the service by insurers by their awareness of what is available in the insurance market place due to advertising recommendation, what levels of service are available to them generally for all products and services and what they instinctively feel is acceptable due to their social background or other factors. However, insurers should intervene where possible to try to bring customer expectations of the service on offer in line with that actually available. This can take place by

appropriate advertising of claims service, presentation of the policy documentation, provision of guidance by the insurer to the insured at the time of claim notification and by the manner of claim negotiation and settlement. If the level of service provided matches or exceeds expectations, this will lead to customer satisfaction. Conversely, a level of service which falls below that expected will lead to dissatisfaction.

In countries where insurance markets are still in their early life, consumers need even better financial information and education on insurance products and policies in order to make confident and appropriate choices in this respect. According to (OECD, 2005) study report if consumers are alerted to and fully aware of the risks and of their responsibility for their own coverage and for choosing appropriate policies, the insurance market will be more transparent and stable.

Awareness of the use and knowledge of insurance terms and condition is positively related to customer's satisfaction. Since the higher the level of one's awareness of terms and conditions, insured's perception met expectation. Majority of insurance consumers misunderstand of insurance terms and conditions and this creates customers dissatisfaction. (Wilson, 2004) Observed that much of the dissatisfaction with insurance is based on a faulty idea of what insurance is and how it operates. This problem is even made worse by the high level of illiteracy among the clients (Oworen, 1993). An institutional bottleneck that affects insurance marketing and consumption as argued by (Sinha, 2011) is insufficient publicity and public awareness campaign by insurance companies. If consumer expectations of the extent of their insurance coverage mismatched with its actual extent; it will lead to dissatisfaction with the claim decision and bring disputes. It is therefore, important to try to ensure policyholders understand the scope of their policy wording and obligation on both parties to the contract, the insurer and the policy holder (Handley, 2008)

The contract of insurance includes not only the policy itself, which is the written form embodying the agreement of the parties, but also, depending on varying circumstances, the application riders, endorsements, statutes, charters, bylaws, and whatever else the

parties agree will be part of the contract (Bierly, 2011). Understanding what the policy says also contribute to the expectation of customers from a service.

According to (Przybytniowski, 2017) when the need for an insurance contract is recognized, an adequate level of insurance knowledge is an essential prerequisite to skillfully take advantage of the wide range of insurance products available on the market. Therefore, insurance awareness is determined by the level of insurance knowledge, such as knowledge about certain aspects of the preparation and planned acquisition of adequate insurance coverage by the customer, knowledge about specific risks that affect the amount of premium paid and knowledge about the characteristics and functioning of the insurance market – as a whole.

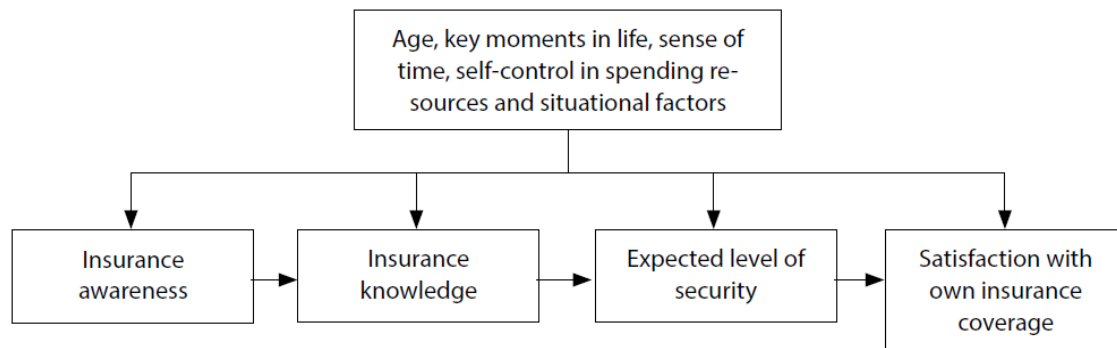


Figure2-The relationship between insurance awareness, insurance knowledge, the expected level of security and satisfaction with own insurance coverage.

Source: (Przybytniowski, 2017)

2.1.7. Prompt Feedback

When a claim occurs, this is often the first contact a customer will have with the company since after the inception of the policy. Perceptions of the company gained at this point are very difficult to get rid of. Even if a claim has been paid in full, customers can be dissatisfied if the experience has been anything less than they were expecting. Claims provide companies with the opportunity to deliver real value to their customers, whose experience of the company's service in this situation is critical in determining whether they renew or take out future new business. New source of business emanates

from satisfied customers, both in terms of new policy holders arriving as a consequence of recommendations and in terms of growth in business from existing customers.

The major functions of the claim department are to deal quickly and fairly with all claims submitted, to be able to distinguish between valid and invalid claims (Accenture, 2014); and to operate at minimum expense. This requires Competent and well-trained staff, Efficient administrative support, Efficient claims procedures, Efficient record keeping and a clear corporate claims philosophy. It's when the corporate claims philosophy of a certain insurance company ensures that the expectation of being promptly reimbursed for valid claims, then the marketing strategy will be supported (Handley, 2008).

To be successful in the customer dimension, when losses do happen, (Cornelius, 2014) handling claims smarter and faster is the best solution. A loss situation is the moment of truth for customers and usually unpleasant.

A high level of prompt feedback with commitment provides the context in which the customer and business can achieve individual and joint goals without fear of opportunistic behavior because more committed partners will exert effort and balance short-term problems with long-term goal achievement. Higher levels of commitment are expected for relationship success (Cai, 2004). Prompt feedback with Commitment is a means by which to differentiate successful relationships from unsuccessful ones; strong relationships are built on the foundation of mutual commitment (Ibrahim, 2008). Subsequently, commitment is also an important variable in the measurement of customer loyalty (Du Plessis, 2010); (Ling, 2005). Commitment operates in the same manner as trust that certain levels of prompt feedback with commitment are required to initiate the relationship, and as relationship evolves, so does the level of commitment.

2.1.8. Claim Investigation and Repair

In the repair of an insured vehicle on motor insurance there is a procedure of choosing garages both from the insuring company and the insurer sides that participate in a bid process to conduct the repair of the vehicle. According to (Harry, 2012), a fair and open transparent bid process is described as a promoting tool that eliminates favoritism or

improper influence on the client. Awarding contracts or a work order to the garages in a nontransparent manner creates a cloud of uncertainty and suspicion that calls into question the decency of contracts. The insured customer satisfaction level is also affected by how fast and effective the management of the repairs is with the level of the vehicles repair quality, free choice of choosing favored workshop and others (MAPFRE, 2017).

2.1.9. Service Quality

The Claims department has four major roles. Those are “Strategic role”, “Cost-monitoring role”, “Management” and “Service”. The Strategic role provides the insurance company with high quality service to differentiate itself from its competitors (Handley, 2008). The cost monitoring role ensures whether any claim payments are contained within the parameters of the contractual relationship. The Management role is to meet or exceed the standards of service set and to operate within budget. The Service role is to meet or exceed customers’ expectations regarding the quality of service.

An insurance company must analyze each stage of the claims process as currently offered by the organization. It must then define minimum and maximum achievable future standard targets for the quality of the claims service in terms of the nature, speed, efficiency and the key characteristics of valid claims. Bearing in mind the civil procedure rules, deadlines, conduct of the parties and information to be exchanged between the parties should be considered.

Improving a service quality should also take in to consideration other basic business goals such as achieving a competitive advantage or making a profit.

According to (Lovelock and Wright, 2001) Desired and Adequate Service Levels are "Wished for" level of service quality that a customer believes can and should be delivered. And, adequate service is the minimum level of service that a customer will accept without being dissatisfied. Scholars identify quality as an effective tool to enhance the firm’s position in the market place and a major factor in achieving client satisfaction (Al-Momani, 2000) (Baron, 2003) (Ling, 2005). It’s the major cause of client satisfaction and the appropriate way to create or sustain a competitive advantage, and building a

strong and lasting relationship with clients. The dominating perspective in literature has been to assume that quality has a positive correlation with satisfaction, which in turn will lead to increased customer retention. (Rust, 1993) address the chain of impact of quality on satisfaction and satisfaction on customer retention, and further customer retention on profitability.

2.1.10. Customer Retention

The first step in growing the portfolio of quality customers is to first prevent reduction of current quality customers. (IBM, 2010) Insurance companies can more successfully grow their books of business by doing a better job of retaining profitable customers and developing programs to retain those customers while working to increase revenue through more effective customer selling strategies. Insurance executives should make their key strategies for growth to be increase revenues from existing customers, attract new policyholders, improve customer satisfaction and loyalty and serve mass market customers more cost effectively.

But there are other related benefits of improving customer retention and satisfaction. That is customer retention is far cheaper than customer acquisition, a loyal customer is a strong competitive advantage because of the recurring revenue potential, (Jacada, 2008) a satisfied customer can become “part of the team,” helping to sell a value proposition by word of mouth referrals and customers are a great source of feedback so one can continuously improve the service standards. Customers also provide market intelligence feedback on competitive offerings so one can keep up with market changes.

Customer retention has a direct impact on profitability and past research has claimed that it can be five times more expensive to obtain a new customer than to retain one. As a customer’s relationship with the company lengthens, profits rise. And not just a little. Companies can boost profits by almost 100 percent by retaining just 5 percent more of their customers (Ferman, 2017). Customer Retention simply means keeping existing customers or to avoid losing them. Specifying the level of service to be expected from a company and assessing and measuring its delivery will aid in the handling of complaints, since claims handlers will have written down what was said or done. By increasing the

number of customers who are satisfied with the service they have received, customer retention rates should improve (Handley, 2008). Often the only interaction a policy holder has with their insurer is when the premium is being paid and when a claim is being reported. Quick, reliable and professional settlement of the claim can raise customer loyalty to the ultimate benefit of the insurer and its shareholders.

According to (Richard Bland, 1997), three things may affect the propensity of policyholder to lapse: (a) Different types of policyholder will behave differently. Young people will have higher premiums and perhaps less money, and may therefore have a stronger motive to shop around. Factors such as type of car and frequency of premium payment will also affect a customer's renewal behavior.(b) What their insurer has done to them Changes in premium upon renewal will obviously effect retention.

2.2. Empirical Review

(Bashir, 2017)Studied to assess the impact of customer relationship management on customer retention (a case of private banks at Sialkot, Punjab).This study exposed that there is an important positive relationship among the variable's Physical environments, Behavior of the Employees, Trust, CRM technology, Quality of Service that assist customer retention. The study resulted suitable execution of CRM will increase the number of customer satisfaction or make long term healthy relations with the current or potential customers through managing information or improve the performance of services that assist customer retention.

(Yilmaz and Ferman, 2017) Studied to reveal customer retention strategy formulation insights among top level marketing professionals of the organized ready to wear textile retailers who are members of United Brands Association in the Turkish market. Regarding the literature review conducted a research model with seven variables was proposed depending on the proposed research model, six hypotheses were formulated. Factor analysis had been conducted to reveal the dimensionality of the variables in the research model. The principle component analysis using Varimax rotation was performed and the reliabilities of the scales have been assessed by alpha coefficient. Depending on

the results of the factor analysis, correlation and regression analyses have been used to test the hypotheses of the study. The outcomes and findings of the study were found to support the objectives of the study and the results of the statistical analysis were found to accept hypotheses of the study. Perceived product quality, perceived service quality, perceived price fairness, trust and corporate image are some vital challenges for customer retention.

(Singh, Sirohi and Chaudhary, 2014) Focused on finding customer perception towards service quality, as provided by the Life Insurance companies. The primary data has been collected from 139 respondents from DelhiNCR Region. The factor analysis and correlation has been used to find the perception of the customers. The study has found that there are four major factors which influence customer perception of service quality, namely responsiveness and assurance, convenience, tangible and empathy. Only age of the respondents has been found to be significantly related with the customer perception and other demographic factors have no significant impact.

The word insurance means a contract whereby one undertakes to indemnify another or pay or allow a specified or ascertainable amount or benefit upon determinable risk contingencies. The Capgemini World Insurance Report published in 2007 reveals that 31% of non-life insurance customers have changed providers in the last five years. This customer shift is often driven by consumers who aggressively shop for the best price, particularly for non-life insurance products (Genesys, 2008). For both non-life and life products, price shopping is the major contributor of customer turnover followed by a poor customer service experience.

(Solangi, 2019) Studied relationship marketing as an orientation to customer retention: evidence from banks of Pakistan, Quantitative research approach was used to measure the response of sample. A field survey was conducted from customers of 20 banks operating in Larkana. An adopted questionnaire was used with five variables, four independent (Trust, commitment, communication and conflict handling) to predict one dependent variable (Customer retention) at 5-point Likert Likert scale questionnaire. The study has

found that all the independent variables are positive and significant predictors of dependent variable with a good fit between their reliability and sample size adequacy.

(Jaya Nema, 2017) Studied the determinants of customer retention in health insurance sector, responses of 150 customers have been recorded on 5 point Likert scale by using scientifically developed questionnaire. The results indicate that innovative products, competitive prices, prompt services of companies, employee responsiveness and empathy, tangibility of services and reliability of services offered are various determinants of customer retention found crucial in the study.

(Unachukwu, 2015) Studied the effect of prompt claims settlement on the performance of Nigeria Insurance Industry Structured questionnaire was used to collect data from 5 selected insurance companies' staff, 4 insurance brokers, 15 sales agents and 21 public through purposive method totaling 45 respondents as sample for the study. Linear regression analysis was employed to analyze data collected with aid of Statistical Package for Social Science (SPSS). The result of the research carried out has confirmed that prompt claims settlements has positive significant effect on customer satisfaction and loyalty respectively. Moreover, the result indicated that prompt claims settlements has more influence on customer satisfaction than loyalty.

(T. van Vuuren, 2012) Studied Customer satisfaction, trust and commitment as predictors of customer loyalty within an optometric practice environment. Conducted the research based on aiming to develop an understanding of the influence of the independent variables of customer satisfaction, trust and commitment on customer loyalty within an optometric practice. The methodological approach followed was exploratory and quantitative in nature. The sample consisted of 357 patients who had visited the practice twice or more within the past six years. A structured questionnaire, with a five-point Likert scale, was used. A descriptive and multiple regression analysis approach were used to analyze the results. The main conclusion is that customer satisfaction had the highest correlation with customer loyalty more than all the other variables.

(Zahra Daneshfar, 2016) Presented a case study on Evaluating the Customer Retention and Satisfaction and the Reasons of Losing Customers in the Auto Insurance. One of the

private insurance services companies in Iran is considered as a case study to investigate its customer's satisfaction and retention rate. The auto insurance was investigated in two different time periods. Results indicated that more than 30% of the company's customers in this scope did not renew their auto insurance in the case company. The reasons that the customers were lost are investigated and listed. Afterwards, by using Cochran's test, 567 and 599 samples were selected randomly for the first and the second phases, respectively. Hence, "the sale of insured car" was the main reason of losing customers in this scope. "The impossibility of making a call or having a wrong number" and "customer's gravitation toward other agencies of the same insurance company" was the two other reasons that customers abandoned the mentioned company.

2.3. Conceptual Frame Work and Hypothesis of the Study

2.3.1. Conceptual Frame Work of the Study

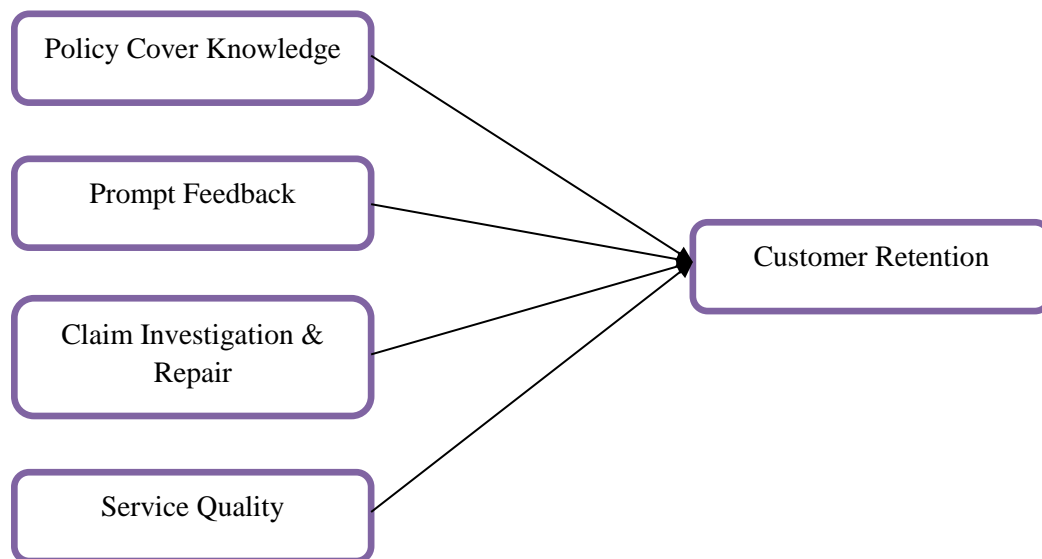


Figure 3-The proposed theoretical/ conceptual frame work

2.3.2. Hypothesis of the Study

H₁: Knowledge of policy cover in Motor insurance at time of claim handling practice has a positive impact on Customer Retention.

H₂: Prompt Feedback has a positive impact on customer retention.

H₃: Claim Investigation and Repair has a positive impact on customer retention.

H₄: Service Quality of motor claim handling has a positive impact on customer retention.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

The research is conducted on Nyala Insurance S.C. of the Head office Claim Management Department, located around the area called Hayahulet, in which all the huge claims of every branch located all over the country get entertained at. And the area of the study emphasizes on assessing the effect of claim handling in retaining the company's clients for longer period of time.

3.2. Research Approach

From the three types of research approach; the first one is Qualitative research which involves studies that do not attempt to quantify their results through statistical summary or analysis. In qualitative research data are often in the form of descriptions not in numbers. It is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem (Creswell, 2014).

The other one is Quantitative research, which engages in systematic and scientific investigation of quantitative properties and phenomenon and their relationships. The objective of quantitative research is to develop and employee mathematical models, theories and hypothesis pertaining to natural phenomena (Creswell, 2014). The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of an attribute.

The third one is mixed type which consisted of both qualitative and quantitative approach (Creswell, 2014).

According to (Creswell, 2014), the quantitative research is critical to show the cause and effect relationship between dependent and independent variables. In support of this concept, (Christensen GD, 1985) noted that to illustrate the relationship between the variables, quantitative survey approach is suitable.

In order to test the research hypothesis, answer research problems and achieve its objectives this research is designed by using both quantitative and qualitative. This will enable the research get relevant and sufficient data. Hence the qualitative approach is mixed to find out whether customer retention is affected by the claim handling process of Nyala Insurance S.C.

3.3. Research Design

The purpose of this study is to analyze the relationship between claim handling on customer retention and loyalty of Nyala Insurance S.C.

There are three types of research design. These are exploratory research, descriptive research and causal research (Churchill, 2005). Exploratory research focus is on the discovery of ideas and insights as opposed to collecting statistically accurate data. That is why exploratory research is best suited as the beginning of the total research plan. Unlike exploratory research, descriptive research is preplanned and structured in design so the information collected can be statistically inferred on a population. By using descriptive type of research, it is to better define an opinion, attitude, or behavior held by a group of people on a given subject. Like descriptive research, causal research is quantitative in nature as well as preplanned and structured in design. Among the three types of research approach, this research work uses exploratory which is useful for formulate problems more precisely, develop hypothesis, establish priorities for research, eliminate impractical ideas and clarify concepts.

This study is cross sectional survey research since all the data were collected at one point in time. Survey technique was selected for this study because it is useful in targeting very specific populations, identifying characteristics of a population from a small group of individuals; making standardized questions measurement more precise by enforcing uniform definitions on the participants, so that will achieve reliability more easily; and survey data are easily quantifiable and are responsive to different regression analysis. With the survey method, it is hoped that the findings from the sample customers could be generalized into a large target population.

3.4. Population and Sample

3.4.1. Population

The data sources to the study will be respondents who are customers of Nyala Insurance S.C. Head Office Claim Department. The types of data to be collected are both primary and secondary data. The primary data is collected from respondents or customers of the claim department who are being entertained since they have notified a claim on their vehicles whereas, the secondary data has been collected from published and unpublished documents of the insurance or the department. Since the study is focusing about analyzing the impact of claim handling on customers, it is rational to collect firsthand data from them and the secondary data is relevant to know the exact operational statistics to analyze and interpret it with respect to the research problem.

3.4.2. Sample and Sampling Technique

3.4.2.1. Sampling Frame

The source list from where the research intends to determine the sample is the report register of the claim department where all those huge claims are reported to the head office department. Since each and every employee at the department forwards a status report on new and pending claims to the loss control unit, it is a document the company uses for its own business analysis and is believed to be comprehensive, correct, reliable and appropriate.

3.4.2.2. Sampling Technique

The sampling selection method is based on a non-probability sampling because in a reality all claimant customers of Head Office Claim Department cannot visit the branch every working day so their probability of being selected is not equal. And from then on-probability sampling the study used a shopping mall intercept sampling since the required data is collected from respondents in fixed location that is the head office itself. And not all claimants come to the office each and every day.

3.4.2.3. Sample Size

So as to have an efficient reliable and a representative sample the research used a universally accepted formula to determine the sample size. Therefore, the sample size is:

$$n = (N/(1+N(e^2)))$$

Therefore, $n=(413/(1+413(0.05^2)))=203$. hence the sample size is 203.

Where:-

- n=sample size
- N=population /there are 413 claimants in Head office claim management department as of Nov.2019
- E=Level of precision or acceptable sampling error

3.5. Data Collection Technique

For this study primary and secondary data sources are used. The primary data is collected using structured questionnaire because this method is easy to standardize and produce results that are easy to summarize, compare and generalize. In addition, it is easy to use with large sample by fitting diverse experience into predetermined response categories. Also it contributes to reliability by promoting greater consistency; since every respondent is asked the same questions. For secondary data source, related texts, journals, and magazines are taken in to consideration.

3.6. Data Collection Instrument

The data for this study is collected using a self-administered structured questionnaire. The questionnaire is prepared to assess if Nyala Insurance S.C. claim management department client's decision is impacted by the service that is delivered or is being delivered to them so that their decision to continue to be the customer of the insurance is affected. To make sure the respondents understand the true meaning of the questions, it is prepared in two languages, English and Amharic (mostly used language in Addis Ababa).

The survey questionnaire is divided into three parts: The first part mainly focused on the profile of the respondents in terms of their gender, age, educational background, marital status, employment status, income, years of being NISCO client and number of times they raised claim during their stay. The second part consisted of the independent and dependent variables unit of measurement.

Within each independent variable there are several items measured on a five-point Likert scale from (1='strongly disagree', 2= 'disagree', 3= 'neutral, 4='agree' and 5= 'strongly agree') and it enabled the researcher to measure the variables. The third is related to retention questions measured on a five-point scale from 1 (1='not at all likely', 2= 'not likely', 3= 'uncertain', 4='likely' and 5= 'very likely').

The third part is an open-ended question where respondents filled that would improve the service for future endeavors.

3.7. Reliability and Validity

3.7.1. Reliability

According to (Burns, 2014) reliability is the degree to which a respondent is consistent in his or her answers.

To assess the reliability of a scale measurement & investigate multidimensional constructs, summated scale measurements tend to be the most appropriate scales (Joseph F. Hair Jr., 2001). In this type of scale, each dimension represents some aspect of the construct. Thus, the construct is measured by the entire scale, not just one component.

Hence, in this particular research the Cronbach's alpha is employed to degree the inner consistency of the items used in the constructs, and the details are presented under data presentation, analysis and interpretation chapter's reliability section.

3.7.2. Validity

Validity focuses on the accuracy of responses (Burns, 2014). The experiment should really reflect the situation in the real world, and it should possess both internal validity

(the extent to which the ideas about cause and effect are supported by the study) and external validity (the extent to which findings can be generalized to populations or to other settings). Internal validity can be undermined by faulty sampling of test materials, the interference of unnoticed factors, deterioration or change in the nature of materials during or between tests and faulty instruments. Internal validity is concerned with the extent to which the change in the dependent variable was actually due to the independent variable (Joseph F. Hair Jr., 2001). To ensure the validity of the research instrument, pre-test of the questionnaire is made on customers of Nyala insurance company and feedbacks gathered. Also, opinion of the expert is attained and integrated in order to improve the research instrument validity. Based on the above accepted scientific ways, the research instrument validity was established.

To reveal the dimensions of material values, scale exploratory factor analysis with Principle Component Factoring and Varimax rotation was conducted. In order to test the appropriateness of the data for factor analysis Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett test of Sphericity tests were employed. In the analysis the scores that are adequate to conduct factor analysis are differentiated. KMO and Bartlett's test is used to evaluate the sample capability which shows whether information is appropriate for the factor investigation or not. (Pallant, 2007), the most commonly used methods in EFA are Kaiser's criterion or Eigenvalue rule. By this rule, only factors with an eigenvalue of 1.0 or other can be maintain for additional research. The eigenvalue represents the quantity of entire variation as described by Field (2006).

3.8. Data Analysis

Statistical Package for Social Sciences: Analysis of a Moment Structures (SPSS AMOS) version 20 for Windows is used to interpret the data collected. The demographic characteristics of the respondents measurement is analyzed in terms of frequency and percentage so that the respondent's category and background would be described. To describe respondents' Level of agreement on the Determinant Variables, descriptive statistics is used. The descriptive analysis helps to find out what the entire set of responses are; obtained in the form of numbers. Here respondents overall minimum,

maximum, mean rating and standard deviations concerning each measurement under each variable are analyzed. This enables to understand their level of agreement and how spreader values are given by them to each measurement. Here the open-ended questions are also discussed and analyzed in brief.

Skewness and Kurtosis statistics were analyzed to understand the normality of the distribution. Skewness is a measure on the asymmetry of a distribution. Whereas, kurtosis measures the extent to which observations cluster around a central point. To understand if there exists high correlation between two or more predictor variables, since this may cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model (Pallant, 2005) Multi-collinearity is used to describe correlation among independent variables.

According to guidelines suggested by (Field, 2005) to interpret the strength of relationship between variables, the correlation coefficient (r) is employed. Regression analysis is used to investigate the effect of one or more predictor variables on an outcome variable. Linear regression estimates the coefficient of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Robert, 2006). The ANOVA table presents the F-ratio for each regression model that indicates the statistical significance of the overall regression model. Regression standardized coefficients for the independent variables were also employed to understand how they significantly and positively affect customer retention.

3.9. Ethical Considerations

Respondents of this study were given the right to ask any question if they found it not clear and they shall also leave the questionnaire whenever they feel it is risk harm or withhold care from them.

And noted that there is no need of writing their name and their response is coded and individual response will not be reported rather in summary. And the student researcher assures that all the responses are confidential and in summary used for the research purpose only.

CHAPTER 4

4. Data Presentation, Analysis and Discussion

4.1. Introduction

The results of the study are presented, analyzed, interpreted and discussed in detail in this chapter. To make sure those cases were properly coded and/or entered into the application software, descriptive statistics have been generated; a reliability analysis to reveal the extent to which the scales used to measure the variables in the study is done. For validity analysis, Exploratory Factor Analysis (EFA) conducted and based on the output, construct validity, convergent and discriminant validity is assessed. Normality and Multi - co linearity test was conducted. Finally, correlation analysis and regression analyses are carried out and discussed in order to determine the relative importance of the variables and contribution to the model.

4.2. Response Rate

All the data are examined for missing and an outlier, as a result out of the 203-sample size, 186 were found valid for the coding on SPSS Version 20 and used in the study. The valid response rate is 92% and 13 responses (which are 6%) were canceled from the study because they were not completed and some show certain unrealistic systematic response patterns. The remaining part of the population that is 4 or 2% were not returned by the customers after they took the questionnaire and promised to return on their next visit to the claim department.

Statistics									
	Resp. ID	Gender	Age	Education	Marital Status	Employment Status	Net Monthly Income	NISCO Customer Since	No Of Times Reported a Claim
Valid N	186	186	186	186	186	186	186	186	186
Missing	0	0	0	0	0	0	0	0	0

Table 2 -Frequency Table of total samples

Source: Researchers' survey 2020

4.3. Demographic Characteristics of the Respondents

The demography of the respondents (Table 3) is assessed through their gender, age, educational level, marital status, employment status, net monthly income, respondent's total number of years with the Insurer and number of times a respondent reported a claim are included.

According to Table 3 from gender perspective out of the 186 valid respondents, 64% or 119 respondents were males and the remaining 36% or 67 respondents were females. This implies that males report a claim to the department than those of the female counterparts.

All participants in the study were older than 18 years of age. Out of total valid 186 respondents most of the respondent's age group was between 36 and 45, which is 42.5%. The age between 46 and above years old were ranking second who took about 23.1% followed by respondents who were with age range of 18 and 25 which is 18.3% and the last age group was between 26 and 35 who were about 16.1%. This indicates that adults are most of the clients who have lodged a claim to the Nyala Insurance Head Office claim department.

From the 186 valid respondents, the majority or half of the respondents, which is 50.5% of them are degree holders, 24.2% of have a diploma, 10.8% have a masters and above degree, 7.5% completed high school and 7% of them completed elementary. This shows many of them are well-educated.

Most respondents of who have lodged a claim being the insurances' customers are single, out of 186 respondents 94 or 50.8% were found single. 41.9% or 78 of them are married and 7.5% or 14 of them are divorced. This indicates that those that didn't started a living having their own family lodge more claim than those that are married who are most of the time taken more responsible when driving motor vehicles than those of the singles.

About 59.1% of the respondents or 110 are employed and the rest 40.9% or 76 respondents were self-employed. Therefore, most of the customers are employed by another organization.

Description		Frequency	Percent
Gender	Male	119	64.0
	Female	67	36.0
	Total	186	100.0
Age	18-25	34	18.3
	26-35	30	16.1
	36-45	79	42.5
	46 and Above	43	23.1
	Total	186	100.0
Education Level	Elementary Completed	13	7.0
	High School Graduate	14	7.5
	Diploma	45	24.2
	First Degree	94	50.5
	Masters and Above	20	10.8
	Total	186	100.0
Marital Status	Single	94	50.5
	Married	78	41.9
	Divorced	14	7.5
	Total	186	100.0
Employment Status	Self Employed	76	40.9
	Employed	110	59.1
	Total	186	100.0
Net Monthly Income	Birr 4,001 - 7,000	5	2.7
	Birr 7,001 - 10,000	77	41.4
	Birr 10,001 and Above	104	55.9
	Total	186	100.0
Total Number of Years with the Insurer	For 1 - 2 Years	56	30.1
	For 3 - 5 Years	30	16.1
	For 6 - 8 Years	47	25.3
	For More than 9 Years	53	28.5
	Total	186	100.0
No Of Times Reported a Claim	Only Once	54	29.0
	Up to 3 Times	92	49.5
	Up to 5 Times	11	5.9
	More than 6 Times	29	15.6

Total	186	100.0
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Table 3 -Frequency table of respondents' Demography characteristics.

Source: Researchers' survey 2020

In this study net monthly income of the respondents were examined and presented as follows. From the total 186 respondents 104 of them or 55.9% earned monthly income of 10,001 and above; 77 respondents or 41.4% earned monthly income of 7,001-10,000 and the rest 5 respondents or 2.7% reported monthly income of 4,001-7,000 ETB. This shows that most of the insurance customers who sustained losses are earning average and above average monthly income.

From the total 186 respondents most of them who are having a claim being customers of Nyala Insurance S.C have been clients of NISCO for 1 to 2 years are 56 in number that is 30.1%. 53 respondents or 28.5% are NISCO customers for more than 9 years, 47 respondents or 25.3% are NISCO customers for 6 to 8 years. And 30 respondents or 16.1% are NISCO customers for 3 to 5 years. It can be said that most of the clients who are lodging a claim are new clients followed by longtime customers.

From the total 186 respondents most of them have reported a claim up to 3 times so far are 92 or 49.5%. 54 respondents or 29% reported only once; 29 respondents or 15.6% reported a claim more than 6 times. 11 respondents or 5.9% of them reported up to 5 times. When this result is compared with the years clients stayed with the company even though many of them were also clients of NISCO for more than 9 years the highest claim they reported so far is three times only. This can be concluded that the customers have been clients of NISCO for long without lodging substantial claim.

4.4. Descriptive Analysis of the Variables

To describe respondents' Level of agreement on the Determinant Variables, descriptive statistics is used. The descriptive analysis help to find out what the entire set of responses are; obtained in the form of numbers. That is, respondents provide their agreement and disagreement level in the form of numbers and these numbers are entered into the computer system to generate more meaningful statistics. Consequently, every set of data

needs some summary information developed that describes the numbers it contains. Basic statistics and descriptive analysis were developed for this purpose (Joseph F. Hair Jr., 2001).

4.4.1. Knowledge of the Policy Cover

Respondents overall mean rating concerning their knowledge of the motor policy cover shows 3.29 and the standard deviations range from 1.061 to 1.141. This implies that the respondent has moderate agreement on their knowledge of their motor insurance policy that has been sold to them by the company. Since the standard deviation is high, the respondents gave a widely spread values on their understanding of the policy.

Descriptive Statistics

		N	Min.	Max	Mean	Std. Deviation
PCK1	Nyala Insurance S.C. employees always explain Policy terms and conditions to customers and give advice to revise the sum insured of their vehicles	186	1	5	3.25	1.136
PCK2	Nyala Insurance S.C. employees always clearly inform and collect the relevant documents from the insured in relation to the claim	186	1	5	3.32	1.061
PCK3	Nyala Insurance S.C. employees always refund Excess to customers without delay paid by claimant when third party is at fault	186	1	5	3.30	1.141
	Valid N (listwise)	186			3.29	

Table 4-Descriptive Statistics for the Respondents Knowledge of the Policy Cover

Source: Researchers' survey 2020

4.4.2. Prompt Feed Back

The mean score of the prompt feedback by the company falls on 3.205, with a standard deviation ranging from 1.06 up to 1.119. This means that the respondents agree moderately towards the dimensions of prompt feedback by the company. Showing a wide spread level of agreement on the dimension with high standard deviation.

Descriptive Statistics

		N	Min.	Max	Mean	Std. Deviation
PFB2	There exist simple and faster way for Notification of a claim in Nyala Insurance S.C.	186	1	5	3.13	1.119
PFB3	The employees of Nyala Insurance S.C. review the case and respond to the claimant soon enough whenever necessary.	186	1	5	3.28	1.060
	Valid N (listwise)	186			3.205	

Table 5-Descriptive Statistics for the Company’s Prompt Feedback

Source: Researchers’ survey 2020

4.4.3. Claim Investigation and Repair

The mean score of the claim investigation and repair falls on 3.145, with a standard deviation ranging from .851 up to 1.215. This means that the respondents agree moderately towards the dimensions of claim investigation and repair by the company. Showing a wide spread level of agreement on the dimension with high standard deviation except in that of the existence of fair and transparent bid process showing relatively low standard deviation.

Descriptive Statistics

		N	Min.	Max	Mean	Std. Deviation
CIR1	The Claim Investigation report (the post risk survey report) of the damaged vehicle is usually in line with the sustained damage by the accident	186	1	5	3.13	1.215
CIR2	In Nyala Insurance S.C. there exist a fair and transparent Bid Process for the repair work of the damaged vehicles	186	1	5	3.24	.851
CIR3	When the winner of the bid is identified, I always get to choose where my vehicle gets repaired by negotiating the claim amount (Issue Work Order)	186	1	5	3.10	1.179
CIR6	Nylala insurance S.C. employees strictly follow up the repair work and other process in relation to the claim	186	1	5	3.11	1.145
	Valid N (listwise)	186			3.145	

Table 6-Descriptive Statistics for the Claim Investigation and Repair

Source: Researchers' survey 2020

4.4.4. Service Quality

The mean score of the service quality by the company falls on 3.337, with a standard deviation ranging from 1.095 up to 1.129. This means that the respondents agree towards the dimensions of service quality. Showing a wide spread level of agreement on the dimension with high standard deviation.

Descriptive Statistics

		N	Min.	Max	Mean	Std. Deviation
SQ5	NISCO keeps its records accurately	186	1	5	3.32	1.096
SQ6	Employees of NISCO are not too busy to respond to customer requests promptly	186	1	5	3.31	1.129
SQ7	Employees of NISCO are always willing to help customers	186	1	5	3.38	1.095
	Valid N (listwise)	186			3.337	

Table 7 - Descriptive Statistics for the Service Quality.

Source: Researchers' survey 2020

4.4.5. Customer Retention

The mean score of the customer retention by the company falls on 3.285, with a standard deviation ranging from 1.015 up to 1.063. This means that the respondents moderately agree towards the dimensions of customer retention. Showing a wide spread level of agreement on the dimension with high standard deviation.

Descriptive Statistics

		N	Min.	Max	Mean	Std. Deviation
CR1	How likely are you to buy your next motor insurance policy from NISCO?	186	1	5	3.30	1.063
CR2	How likely are you to recommend NISCO to family and friends?	186	1	5	3.27	1.015
	Valid N (listwise)	186			3.285	

Table 8 - Descriptive Statistics for the Customer Retention.

Source: Researchers' survey 2020

4.5. Discussion of the Open Ended Question

The researcher has learnt from the findings of the open-ended response that Nyala Insurance clients do not get a customer service they received at time of buying the motor policy when they report a claim. They also responded when an accident occurs the time a towing arrives to the accident place should be faster than the existing so that further damage won't happen to their vehicle. Also believe the company charges them an expensive premium, excess and contribution. They also prefer at the time of buying the policy, if the company clearly explains procedures for the future needed at time of claim and payments such as excess and contribution. Or if the company gives the clients a simple document stated in the countries understandable language (Amharic) so that the client clearly understands it.

The respondents in their response described that they prefer to get their damaged vehicle to a repairing workshop immediately after they notified of the accident report. they also noted that no one explained about if they have to revise a sum insured at time of renewal of a policy and when the vehicle got total loss, the compensation amount was not equal or near to the market value.

Concerning the repaired vehicles, the respondents favor to be given back to them immediately up on repair completion by the garage and not wait until the company settles the claim. Also mentioned that the front-line officers at underwriting (policy buying process) should tell clients what those risks are, not covered by the policy, so that clients won't be surprised when reporting a claim and gets rejected by the claim department. In addition, proposed the company to better introduce digital electronic mechanism so that entertaining client's service would be fast and won't require the client to come to the bureau.

In summary the company should look every aspect of the service giving routine in terms of the client's needs and preferences without violating its rules and objectives.

4.6. Reliability and Validity Tests

4.6.1. Reliability

Reliability refers to the extent to which the items measure accurately and consistently what they intend to measure. The instrument for this study contains 14 items that are in a Likert scale. The alpha value for the variables reliability of the instruments is measured. As a result a Cronbach's alpha for all is between 0.804 and 0.974 which shows that the instruments in the study are greater than the guideline of 0.70, so it can be concluded that the measurements can be applied for analyses with acceptable reliability (Robert, 2006).

Reliability Statistics

Description	Cronbach's Alpha	N of Items
Knowledge of the Policy Cover	.888	3
Prompt Feed Back	.804	2
Claim Investigation and Repair	.854	4
Service Quality	.974	3
Customer Retention	.892	2

Table 9 -Cronbach's Alpha table

Source: Researchers' survey 2020

4.6.2. Validity

Validity is the extent to which a measure or set of measures correctly represents the concept of study, the degree to which it is free from any systematic or nonrandom error. Validity is concerned with how well the concept is defined by the measure(s), whereas reliability relates to the consistency of the measures (Joseph F. Hair Jr., 2001). To ensure the validity of the research instrument, opinion of the expert is attained and integrated in order to improve the research instrument validity.

To reveal the dimensions of material values, scale exploratory factor analysis with Principle component factoring and Varimax rotation was conducted. In order to test the appropriateness of the data for factor analysis Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett Test of Sphericity tests were employed. In the initial analysis the

scores were adequate to conduct factor analysis. KMO and Bartlett's test is used to evaluate the sample capability which shows whether information is appropriate for the factor investigation or not. (Pallant, 2005), the most commonly used methods in EFA are Kaiser's criterion or eigenvalue rule. By this rule, only factors with an eigenvalue of 1.0 or other can be maintain for additional research. The eigenvalue represents the quantity of entire variation as described by (Field, 2005).

Furthermore, (Joseph F. Hair Jr., 2001) recommend that the values of factor loading greater than the value of 0.50.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.873
	Approx. Chi-Square	2461.569
Bartlett's Test of Sphericity	df	91
	Sig.	.000

Table 10-The KMO & Bartlett's Test

Source: Researchers' survey 2020

The Kaiser Meyer Olkin (KMO), value is more than 0.6 or Bartlett's test is significant at 0.000 which should be lesser than 0.05. A KMO value above 0.60 - 0.70 is considered good for analyzing the EFA output (Bartlett, 1954).

EFA analysis is a numerical method with which two results can be achieved, data summarizing or data reduction. Data summarizing uses to locate suitable organization of the research variables under the clear logic factors. Data reduction is a method used to eliminate unrelated things or minimize the number of things within every variable (Noor Ul Hadia, 2016).

Dimensions	Items	Factor Loading
Knowledge of the Policy Cover	PCK1	.752
	PCK2	.775
	PCK3	.613
Prompt Feed Back	PFB2	.836
	PFB3	.735
Claim Investigation and Repair	CIR1	.816
	CIR2	.633
	CIR3	.838
	CIR6	.805
Service Quality	SQ5	.901
	SQ6	.897
	SQ7	.861
Customer Retention	CR1	.783
	CR2	.805

Table 11-Factor Loadings of the Variables

Source: Researchers' survey 2020

Construct validity is used to ensure that the constructs or the measure is actually measuring what it is intended to measure (Robert, 2006). In this study two of the construct validity testing methods were used they are convergent validity and discriminant validity.

Convergent validity, according to (Campbell, 1995) is when, in the presence of other scale items for other constructs, the scale item in a given construct move in the same direction for reflective measure and thus highly correlate. This differs from reliability in the tests of reliability include only the scale items for a single construct and are not compared to other constructs. Convergent validity is the extent to which indicators of a specific construct "converge" or share a high proportion of variances in common. To assess and examine, SPSS AMOS 20.0 standardized construct loadings applied and average variance extracted (AVE) should be 0.5 or higher.

In addition to convergent validity, discriminant validity analysis also needed to be considered in this study. Discriminant validity is demonstrated by evidence that measures of constructs that theoretically should not be highly related to each other or not found to be highly correlated to each other. Discriminant validity coefficients should be noticeably smaller in magnitude than convergent validity coefficients (Middleton, 2019). The discriminant validity measures the degree to which items differentiate among constructs or measure distinct concept and it assessed by examining the correlations between the measures of potentially overlapping constructs.

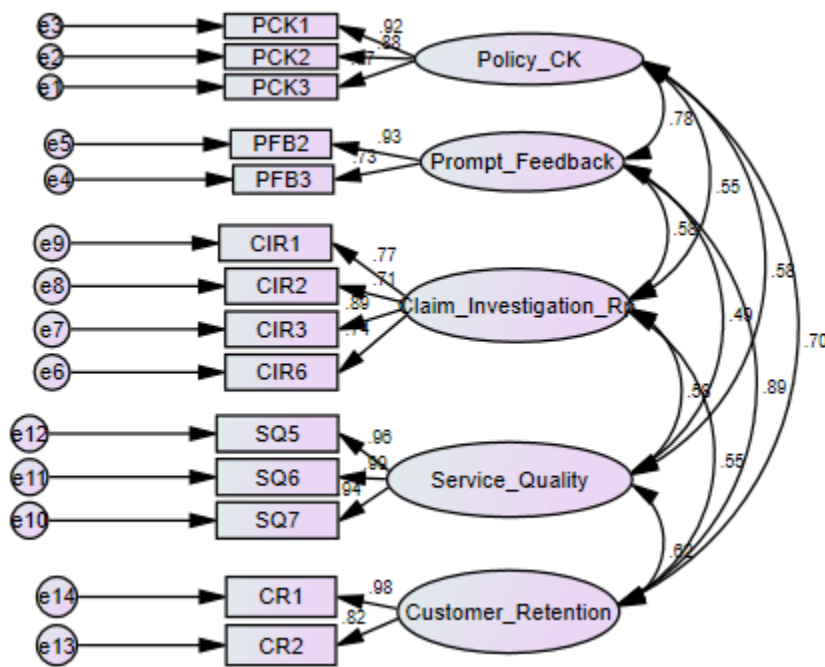


Figure 4-SPSS AMOS Graphics of the Structural Model of the study

Source: Researchers' survey 2020

The thresholds given by Hair et al. (2010) states as follows: For reliability, Composite Reliability (CR) > 0.7, for Convergent validity, CR > AVE (Average variance extracted), AVE > 0.5, for Discriminant validity, Maximum shared variance (MSV) < (AVE), Average Shared Variance (ASV) < AVE. As it is showed in Table 12 all the constructs in this study had a good level of both convergent and discriminant validity, since all the results fulfilled the thresholds given by (Joseph F. Hair Jr., 2001).

Constructs	Composite Reliability(CR)	Average Variance Extracted (AVE)	Maximum Shared Variance (MSV)	Average Shared Variance (ASV)
Service Quality	0.975	0.928	0.384	0.325
Knowledge of the Policy Cover	0.894	0.739	0.608	0.433
Prompt Feed Back	0.817	0.694	0.392	0.494
Claim Investigation and Repair	0.862	0.611	0.333	0.317
Customer Retention	0.900	0.819	0.794	0.492

Table 12-Validity Test

Source: Researchers' survey 2020

4.7. Normality Test

Normal distribution is detected based on skewness and kurtosis statistics. Skewness is a measure on the asymmetry of a distribution. Whereas, kurtosis measures the extent to which observations cluster around a central point. The acceptable range for normality for both statistics is between -1.0 and +1.0 (Pallant, 2005). When we see the normality of the distribution of this study, as shown in the table below, all variables are within the acceptable range for normality (-1.0 to +1.0). The kurtosis statistics for all variables are also within the suggested range of normality (-1.0 to + 1.0).

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Knowledge of the Policy Cover	186	-.144	.178	-.942	.355
Prompt Feed Back	186	-.219	.178	-.835	.355
Claim Investigation and Repair	186	-.293	.178	-.960	.355
Service Quality	186	-.439	.178	-.674	.355
Customer Retention	186	-.475	.178	-.533	.355
Valid N (listwise)	186				

Table 13 -Normality Test of the Distribution

Source: Researchers' survey 2020

4.8. Multi co-linearity test

Multi-co linearity is used to describe correlation among independent variables. If there is high correlation between two or more predictor variables, may cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model (Pallant, 2005) as cited by (Demisse, 2016).

Multi-co linearity in this study was tested using Variance Inflation Factor (VIF) value and tolerance value. If tolerance value is closed to 1 and VIF value is around 1 and not more than 10, it can be concluded that there is not Multi-co linearity between independent variable in the regression model (Pallant, 2005).

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 PCK	.412	2.426
PFB	.434	2.304
CIR	.672	1.488
SQ	.598	1.672

a. Dependent Variable: CR

Table 14 - Coefficients of the variables Service Process, Service Quality and Customer Satisfaction.

Source: Researchers' survey 2020

As shown in the table above in the, Collinearity Statistics column, the smaller tolerance value is .412 which is beyond .10 and the maximum VIF value is 2.426 which is much smaller than maximum value.

There is no Multi-co linearity between the independent variables with respect to the dependent variable customer retention. Hence, we can assume that in this research there are no independent variable which are highly correlated among them, hence

multicollinearity is not a problem and will not affect the research findings. It implies that results not mislead when determining how well each one of a number of individual independent variables can most effectively be utilized to predict or understand the dependent variable in a statistical model.

4.9. Correlation Analysis

Correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1. According to guidelines suggested by (Field, 2005) to interpret the strength of relationship between variables, the correlation coefficient(r) is as follows: if the correlation coefficient falls between 0.01 to 0.29, it is weak; 0.3 to 0.49 is moderate; and >0.5 is strong relationship existed between variables.

With the objectives to explore the relationship between the independent and dependent variable, a correlation analysis with Bivariate Pearson's correlation coefficient a two tailed test was conducted. As per table below, the coefficient show that all independent variables were positively related with dependent variable (customer retention) having a result in between 0.439- 0.751, were all are significant at $p < 0.01$ level.

Correlations

		PCK	PFB	CIR	SQ	CR
PCK	Pearson Correlation	1	.727**	.469**	.578**	.627**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	186	186	186	186	186
PFB	Pearson Correlation	.727**	1	.500**	.516**	.751**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	186	186	186	186	186
CIR	Pearson Correlation	.469**	.500**	1	.491**	.439**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	186	186	186	186	186
SQ	Pearson Correlation	.578**	.516**	.491**	1	.547**
	Sig. (2-tailed)	.000	.000	.000		.000

	N	186	186	186	186	186
	Pearson Correlation	.627**	.751**	.439**	.547**	1
CR	Sig. (2-tailed)	.000	.000	.000	.000	
	N	186	186	186	186	186

** . Correlation is significant at the 0.01 level (2-tailed).

Table 15 -Pearson Correlation for the determinants of customer retention

Source: Researchers’ survey 2020

The independent variables Knowledge of Policy Cover, Prompt Feedback, and Service Quality show highest and strong positive relation (0.627, 0.751 and .547 respectively). While one independent variable called Claim Investigation and Repair show a moderate level of positive relation (i.e. 0.439) with Customer Retention. And the Table also shows that the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes between Knowledge of Policy Cover and Prompt Feedback at .0727, Knowledge of Policy Cover and Service Quality 0.578; and Prompt Feedback and Service Quality .516. While the moderate correlation goes between Knowledge of Policy Cover and Claim Investigation and Repair with the value of 0.469; Prompt Feedback and Claim Investigation and Repair.500 and Claim Investigation and Repair and Service Quality with the value of .491.

The above correlation matrix shows that all variables are positively and significantly correlate with the dependent variable; which implies that the increase of the independent variables will also enhance customer retention.

4.10. Regression Analysis

Regression is a technique that can be used to investigate the effect of one or more predictor variables on an outcome variable. That is, it allows making statements about how well one or more independent variables will predict the value of a dependent variable. Linear regression estimates the coefficient of the linear equation, involving one

or more independent variables that best predict the value of the dependent variable (Robert, 2006).

In order to see contribution of motor claim handling service in affecting customer retention, multiple linear regression analysis was employed. In this survey, four hypotheses were developed to study the direct impact of claim handling service dimensions on customer retention. Customer Retention was used as the dependent variable while Knowledge of Policy Cover, Prompt Feedback, Claim Investigation and Repair and Service Quality were used as the independent variables.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 ^a	.602	.594	.626

a. Predictors: (Constant), SQ, CIR, PFB, PCK

Table 16-Model Summary for all independent variables with respect to customer retention.

Source: Researchers' survey 2020

The above regression model presents how much of the variance in the measure of customer retention is explained by the underlying claim service handling elements. The model or the predictor variables have accounted for 60.2% (adjusted R square of 59.4%) of the variance in the dependent variable. The remaining 39.6% are explained by other variables out of this model.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	107.419	4	26.855	68.528	.000 ^b
	Residual	70.931	181	.392		
	Total	178.349	185			

- a. Dependent Variable: CR
- b. Predictors: (Constant), SQ, CIR, PFB, PCK

Table 17-ANOVA for all independent variables with respect to customer retention

Source: Researchers’ survey 2020

The ANOVA table presents the F-ratio for each regression model that indicates the statistical significance of the overall regression model. The variance in Customer Retention that is associated with motor claim handling service is referred to as explained variance. The remainder of the total variance in Customer Retention that is not associated with motor claim handling service is referred to as unexplained variance. The F-ratio is the result of comparing the amount of explained variance to the unexplained variance. The larger the F-ratio; the more variance there is in the dependent variable that is associated with the independent variable. Hence, the F-ratio for motor claim handling service is 68.528 which are highly significant at the .000 level. Thus we can assume that there is a linear relationship between the variables in this model.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.588	.187		3.145	.002
1 Knowledge of Policy Cover	.083	.070	.086	1.184	.238
Prompt Feedback	.565	.069	.584	8.212	.000
Claim Investigation & Repair	.012	.055	.013	.224	.823
Service Qulaity	.171	.055	.189	3.122	.002

- a. Dependent Variable: CR

Table 18-Standardized coefficient for all independent variables with respect to customer retention.

Source: Researchers’ survey 2020

The above table shows the regression standardized coefficients for the independent variables knowledge of policy cover, prompt feedback, claim investigation and repair and service quality that is .086, .584, .013 and .189 respectively. Their significance levels are .238, .000, .823 and .002 in order. From which only prompt feedback and service quality significantly and positively affect customer retention as the p value is less than 0.05. The remaining two factors; knowledge of policy cover and claim investigation and repair has insignificant effect on the dependent variable customer retention, since their p value is greater than 0.05 (.238 and .823).

According to the table, prompt feedback variable with Beta coefficient of .584 and r value of .000, has significant and maximum effect on customer retention. It indicted that as prompt feedback of the employees towards the customer increase by 1 percent, the customer retention also increase by 58.4% positively. On the other hand, service quality has beta coefficient of .189 and sig. value .000 which indicate that service quality influence customer retention positively and significantly and as service quality of the insurance increase by a single unit customer retention increase by 18.9%. In this study, service quality has found to be a major predictor of customer retention next to prompt feedback in Nyala Insurance S.C.

Therefore the regression model can be written as:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \Sigma$$

$$CR = 0.588 + 0.083(PCK) + 0.565(PFB) + 0.012(CIR) + 0.171(SQ)$$

Where:

CR = Customer Retention,

PCK = Knowledge of Policy Cover,

PFB = Prompt Feedback,

CIR = Claim Investigation & Repair,

SQ = Service Quality

The coefficient values help us to know which of the variables included in the model contributed to the prediction of the dependent variable. It indicates that two variables out of the four variable which are Prompt Feedback and Service Quality influence Customer

Retention significantly at 95% confidence interval with a sig. level of .000 and .002 respectively.

4.11. Hypothesis Result

H1: Knowledge of policy cover in Motor insurance at time of claim handling practice has a positive impact on Customer Retention.

As can be seen from result of the regression result, the relationship between Knowledge of policy cover on customer retention was found insignificant as per the regression analysis result in which Beta value is .086 with sig. value .238. Therefore H1 is rejected.

H2: Prompt Feedback has a positive impact on customer retention.

Relationship between prompt feedback and customer retention is positive and significant ($\beta=.584$, $p<0.05$) means one unit increase in prompt feedback then customer retention will be increased by 58.4% which support H2.

H3: Claim Investigation and Repair has a positive impact on customer retention.

As per the finding, H3 is rejected since Claim Investigation and Repair on customer retention was found insignificant as per the regression analysis result in which Beta value is .013 with sig. value .823 ($p>0.05$).

H4: Service Quality of motor claim handling has a positive impact on customer retention.

Relationship between service quality and customer retention is positive and significant ($\beta=.189$, $p<0.05$) means one unit increase in prompt feedback then customer retention will be increased by 18.9% which support H4.

Hypothesis	Result	Reason
H1: Knowledge of policy cover in Motor insurance at time of claim handling practice has a positive impact on Customer Retention.	Rejected	$\beta = .086, p > 0.05$
H2: Prompt Feedback has a positive impact on customer retention.	Accepted	$\beta = .584, p < 0.05$
H3: Claim Investigation and Repair has a positive impact on customer retention.	Rejected	$\beta = .013, p > 0.05$
H4: Service Quality of motor claim handling has a positive impact on customer retention.	Accepted	$\beta = .189, p < 0.05$

Table 19–Summery of the Hypothesis Testing.

CHAPTER 5

5. CONCLUSION AND RECOMMENDATIONS

Based on the analysis conducted by the study, this chapter summarizes the finding, conclusion, recommendations and future research directions.

5.1. Summary of Findings

The major objective of this study is to explore the effect of claim handling on customer retention, in the case of Nyala Insurance S.C using four factors namely Knowledge of Policy Cover, Prompt Feedback, Claim Investigation & Repair and Service Quality.

The mean and standard deviation scores of the variables indicated that the insurances were found to be good on all relationship marketing dimensions.

According to the correlation result the independent variables Knowledge of Policy Cover, Prompt Feedback, and Service Quality showed highest and strong positive relation while one independent variable called Claim Investigation and Repair showed a moderate level of positive relation with Customer Retention. The result of regression analysis also showed that two of the four relationship dimensions (Prompt Feedback and Service Quality) demonstrate a significant association with Customer Retention while Knowledge of the Policy Cover and Claim Investigation & Repair dimensions of claim handling relationship found to be statistically insignificant as p-value found to be greater than 0.05.

From the qualitative data obtained by the open-ended questions, the clients prefer a service at time of policy purchase also to be present at time of claim lodging, faster towing service to be present, excess and contribution charge to be amended, native language contract document to be given to them and immediate repair of their vehicles to be conducted.

5.2. Conclusion

The core objective of this research is to examine the influence of claim handling on customer retention, in the case of Nyala Insurance SC through four variables namely

Knowledge of Policy Cover, Prompt Feedback, Claim Investigation & Repair and Service Quality. In general, based on the examination made the subsequent conclusions are reached.

The effect of each factors on retention, the research finding depicted that Knowledge of Policy cover by the clients has no significant effect on the retention of the clients. That shows that for the clients to continue to be a customer of the Nyala Insurance SC, their know-how or awareness of the contract sold to them doesn't have any impact. However, Prompt Feedback has a significant positive effect on customer retention which indicated that, the more the employees of the insurance handling the claim give a prompt feed back to the clients for their lodged claim, the clients retention also increases significantly. When the effect of Claim investigation & Repair on customer retention was taken into consideration, it was also concluded that Claim investigation and Repair has insignificant effect on customer retention. From the findings Service Quality was found to have a positive and significant effect on customer retention. It can be concluded that Prompt Feedback and Service Quality has positive and insignificant effect on customer retention of Nyala Insurance SC.

5.3. Recommendation

Customers are kings and are the main source of business profit in a profit-making organization. And by retaining each and every client that NISCO has, long term marketing position of the company would be reliable and sustained. For this to be real, Nyala Insurance SC needs to pay to its claim handling service giving activity. Therefore, based on the findings of the study, Prompt Feedback and Service Quality of the insurances significantly affect customer retention. Therefore, it is recommended that insurances provide a proactive and ready to support the clients at anytime and anywhere services. This can help a company get closer to its customers by better understanding their needs and challenges. It also helps identify patterns if there are any recurring issues and helps find long-term solutions for those issues. As with other types of feedback, the quality of the response plays a critical role in achieving optimum results. The company should do its best to make sure all customer questions are addressed promptly and with

helpful information for its customers. Also it's important to get a feedback from the clients on the support they are getting. This feedback can include basic questions about whether the experience was helpful. This helps NISCO to rate the effectiveness of the support personnel. In the case of an unsatisfactory response, prompt action can help to win the customer's trust and to be retained in the long term.

It is also important to improve the service giving routine present at time of claim lodging by reviewing the service being given at time of policy purchase. Because, at any point of contact of the client with the insurance, customers should get the best experience they could ever get specially at time of claim, taking into consideration customers psychology at time they or their property sustain loss or damage; can fill sad, irritated and emotional. Nyala Insurance should also pay strong attention to its claim handling routines such that how fast the towing vehicle reaches and tow their vehicle, immediate starting of the repair of the vehicle and completion, forwarding an understandable policy wording to the client and providing a digitalized electronic service for the swift delivery of the services.

5.4. Limitations and Directions for future researches

Time and world limitations were proved very crucial for the researcher as the author have to work very hard to complete everything within the pre-determined time period. Considering it's the time where the Corona Virus (COVID 19) is deeply distributed in the world including Ethiopia, specifically Addis Ababa, people were not willing to cooperate in filling the questionnaires, and had to make more effort in getting them fill the right information as possible. Since a colleague with the researcher was also found positive when diagnosed to the virus, the author was also suspected and was forced to be checked; fortunately found negative.

Moreover, the survey conducted based on only one insurance company from all those seventeen insurances found in the industry, which is by taking sample size from Nyala Insurance SC only. Therefore, response of the customers might vary with the change of geographical locations. It is conducted only at the head office claim department only. In addition, this study is only limited to the process of the motor insurance policy. In the future, more other service elements other than knowledge of the policy cover, prompt

feedback, claim investigation & repair and quality, need to be considered. However, taking the result found in this study into account, further, researchers can apply the study model taking larger sample size from different insurance service providing companies in the industry. For the future it would be best if all those clients who have raised a claim and is being entertained at branches located in Addis Ababa and outside the capital city get to respond and say on the service. Including the other class of businesses would also be great in future studies.

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Appendix I – The English Questionnaire

Addis Ababa University School of Commerce

**A Questioner to be filled by Claim Lodged Customers of Nyala
Insurance S.C Head Office Claim Department**

Dear respondents,

First I, the researcher would like to say thank you, for your kind cooperation for giving me your honest and accurate response. Currently I am working on my master's degree on marketing management in Addis Ababa University School of Commerce. This questionnaire is prepared for the purpose of my research which is used for presenting in Partial Fulfillment for the Award of Master of Arts Degree in Marketing Management.

The aim of this research is to investigate the effect of claim handling service on customer retention, on the case of Nyala Insurance S.C. The finding of this research is expected to contribute in identifying the key reasons how claim handling service giving will get improved. Having the result of these research insurances in Ethiopia can learn from the outcome and be able to deliver a better service to their clients.

Note: Dear participants, filling this questioner totally on a voluntary basis. Finally I would like to assure you that, this questionnaire will be used only for academic purpose and the information you provide will be kept confidential.

Please make sure that you provide your response accurately and if you find any problem regarding the questions don't hesitate to contact me on my telephone number +2519-13-395935.

Thank you in advance for your time and kind cooperation!

Part I : General Information

For the following questions, please choose one answer that describes your current situation and mark it as (✓).

- 1) What is your gender?
Male [] Female []
- 2) Which age category are you?
18-25 [] 26-35 [] 36-45 [] 46 and above []
- 3) Which category describes your educational level?
No Education [] Elementary Completed [] High School Graduate []
Diploma [] First Degree [] Masters and Above []
- 4) Which category describes your marital status?
Single [] Married [] Divorced []
- 5) What is your employment status?
Self-employed [] Employed []
- 6) Which category describes your net monthly income?
Birr 1,000 - 2,000 [] Birr 2,001 – 4,000 [] Birr 4,001 – 7,000 []
Birr 7,001 - 10,000 [] Birr 10,001 and above []
- 7) How long has it been since you became a customer of Nyala Insurance S.C?
For 1-2 Years [] For 3-5 Years []
For 6-8 Years [] For more than 9 Years []
- 8) During your stay as a customer how many times did you report a Motor claim?
Only once [] Up to 3 times []
Up to 5 times [] More than 6 times []

Part II: Detail information about the claim handling service, Customer Satisfaction and Retention of NISCO client.

Please indicate your level of agreement or disagreement with each statement by marking it as (✓) only one that best fits with your position.

Code	Description	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	Motor Claim Handling Service	1	2	3	4	5
PCK	Policy Cover Knowledge					
PCK1	Nyala Insurance S.C. employees always explain Policy terms and conditions to customers and give advice to revise the sum insured of their vehicles					
PCK2	Nyala Insurance S.C. employees always clearly inform and collect the relevant documents from the insured in relation to the claim					
PCK3	Nyala Insurance S.C. employees always refund Excess to customers without delay paid by claimant when third party is at fault					
PFB	Prompt Feedback					
PFB1	Nyala Insurance S.C. considers clients who have been with the insurance for a long period of time when entertaining their claim					
PFB2	There exist simple and faster way for Notification of a claim in Nyala Insurance S.C.					
PFB3	The employees of Nyala Insurance S.C. review the case and respond to the claimant soon enough whenever necessary.					
PFB4	The employees of Nyala Insurance S.C. arrange towing as soon as they are expected too. (For accident sustained vehicles that cannot be driven).					
CIR	Claim Investigation & Repair					
CIR1	The Claim Investigation report (the post risk survey report) of the damaged vehicle is usually in line with the sustained damage by the accident					
CIR2	In Nyala Insurance S.C. there exist a fair and transparent Bid Process for the repair work of the damaged vehicles					
CIR3	When the winner of the bid is identified, I always get to choose where my vehicle gets repaired by negotiating the claim amount (Issue Work Order)					
CIR4	The garages where Nyala Insurance S.C. issues a work order for the repair of the vehicle are competent and never delay in repair work					
CIR5	Usually on the market there exist plenty of spare part suppliers for the vehicle model insured has.					
CIR6	Nyala insurance S.C. employees strictly follow up the repair work and other process in relation to the claim					
SQ	Service Quality					

SQ1	Employees of the claim department are polite					
SQ2	Employees of NISCO Claim Management Department have knowledge to answer customer question					
SQ3	Employees of NISCO know what your specific needs are					
SQ4	When you have problems, NISCO employees show a sincere interest in solving it					
SQ5	NISCO keeps its records accurately					
SQ6	Employees of NISCO are not too busy to respond to customer requests promptly					
SQ7	Employees of NISCO are always willing to help customers					
SQ8	NISCO's physical facilities are visually appealing					
SQ9	NISCO employees are well dressed and appear neat					

Code	Description	Not at all Likely	Not Likely	Uncertain	Likely	Very Likely
CR	Customer Retention	1	2	3	4	5
CR1	How likely are you to buy your next motor insurance policy from NISCO?					
CR2	How likely are you to recommend NISCO to family and friends?					

1) Are there any failures in the Company's underwriting which could be sources of dispute at the time of claim? Please describe.

_____.

2) In your opinion what should the Company do in order to improve its claims service?

_____.

Thank You Again!

Appendix II – The Amharic Questionnaire

አዲስአበባ ዩኒቨርሲቲ ንግድ ሥራ ኮሌጅ

በኒያላ ኢንሹራንስ አ.ማ. በዋናው መስሪያ ቤት ካሳ ክፍል እየተስተናገዱ ባሉ ደንበኞች የሚሞላ መጠይቅ

ውድ ምላሽ ሰጪዎች፤

በቅድሚያ ውድ ጊዜያችሁን ሠውታችሁ ትክክለኛና ታማኝ የሆነ ምላሻችሁን ለመስጠት ፈቃደኝነታችሁን ስላሳያችሁ እጅግ በጣም ላመስግናችሁ እወዳለሁ። እኔ በአዲስ አበባ ዩኒቨርሲቲ የንግድ ስራ ኮሌጅ በገበያ አስተዳደር ትምህርት ዘርፍ የማስተርስ ዲግሪዬን እየሰራሁ እገኛለሁ ይህ መጠይቅ የተዘጋጀው ለማስተርስ ዲግሪዬ የሚሟሟ ጥናት እንደግብአት ለመጠቀም ነው።

የዚህ ጥናት አላማ የኒያላ ኢንሹራንስ የካሳ ክፍያ አገልግሎት አሰጣጥ ስርዓት ደንበኞች ለረጅም ጊዜ ከመድሀን አገልግሎት ሰጪው ከባንያ ጋር አብረው እንዲቆዩ የማስቻል ተፅእኖ ማሳየት ነው። በመሆኑም የዚህ ጥናት ውጤት የካሳ ክፍያ አገልግሎት አሰጣጥ ስርዓቱ እንዲሻሻል ዋና ዋናዎቹን ቁልፍ ምክንያቶች በማሳየት ሊሻሻል የሚችልበትን መንገድ ማቅረብ ነው። ከዚህ ጥናት ውጤት በመነሳት በኢትዮጵያ የሚገኙ ሌሎች ኢንሹራንሶች ለደንበኞች የሚሰጡትን የካሳ አገልግሎት ለማረም እና የተሻለ ለማድረግ ያስችላቸዋል።

ማስታወሻ : ይህ መጠይቅ የሚሞላው በእርስዎ ፈቃደኝነት ላይ በመመስረት ብቻ ነው። በመጨረሻም ይህ መጠይቅ ለትምህርት ዓላማ ብቻ የሚውል መሆኑንና የሚሰጡትም ምላሽ በሚስጥር የሚያዝ መሆኑን ላረጋግጥልዎት እወዳለሁ።

የእርስዎ መጠይቁን በጥንቃቄና እውነተኛ ስሜትዎን በሚገልፅ ሁኔታ መሙላት ለውጤቱ ማማር ከፍተኛ አስተዋጾ ስላለው ይህንኑ በማድረግ እንዲተባበሩኝ እጠይቃለሁ። መጠይቁን በሚሞሉበት ወቅት ማንኛውም ግልጽ ያልሆነ ነገር ከገመምዎት በ +251-913-395935 ደውለው ያነጋግሩኝ።

ለመልካም ትብብርዎ በቅድሚያ አመሰግናለሁ!

ክፍል አንድ፡ ጠቅላላ መረጃዎች

ለሚከተሉት ጥያቄዎች የእርስዎን ወቅታዊ ሁኔታ የሚገልጸው አማራጭ ላይ (✓) ምልክት በማድረግ ምላሽዎን ይስጡ።

1) ጾታ?

ወንድ [] ሴት []

2) በየትኛው የእድሜ ክልል ውስጥ ይገኛሉ?

18-25 [] 26-35 [] 36-45 [] 46 እና ከዛ በላይ []

3) የትምህርት ደረጃ?

ያልተማረ [] የመጀመሪያ ደረጃ ያጠናቀቀ []

ሁለተኛ ደረጃ ያጠናቀቀ [] ዲፕሎማ []

የመጀመሪያ ዲግሪ [] ሁለተኛ ዲግሪና ከዛ በላይ []

4) የጋብቻ ሁኔታ?

ያላገባ [] ባለትዳር [] አግብቶ የፈታ []

5) የስራ ሁኔታ?

የግል ስራ [] ተቀጣሪ []

6) ወርሀዊ ገቢዎ በየትኛው ክልል ውስጥ ይገኛል?

ከብር 1,000 - 2,000 [] ከብር 2,001 - 4,000 []

ከብር 4,001 - 7,000 [] ከብር 7,001 - 10,000 []

ከብር10,001 እና ከዛ በላይ []

7) የኒያላ ኢንሹራንስ ኢ.ማ. ደንበኛ ከሆኑ ምን ያህል ጊዜ ሆንዎት?

ከ1-2 ዓመት [] ከ3-5 ዓመት []

ከ6-8 ዓመት [] ከ9 ዓመት በላይ []

8) በደንበኝነት ቆይታዎ ስንት ጊዜ የመኪና /የሞተር ኢንሹራንስ/ አደጋ ደርስዎቦት ለኢንሹራንሱ ሪፖርት አድርገዋል?

አንድ ጊዜ ብቻ [] እስከ 3 ጊዜ []

እስከ5 ጊዜ [] ከ6 ጊዜ በላይ []

ክፍል ሁለት፡ ከካሳ ክፍያ አገልግሎት፣ የደንበኛ እርካታ እና ለረጅም ጊዜ ደንበኛ ሆኖከመቆየት ጋር የተያያዙ ዝርዝር መረጃዎች

እባክዎን ከዚህ በታች በተጠቀሱት ሀሳቦች ላይ ምን ያህል እንደሚስማሙ ወይም እንደማይስማሙ ለመግለጽ ከተሰጡት ምርጫዎች ውስጥ የእርስዎን አቋም የሚገልጸው ላይ (✓) ምልክት በማድረግ ምላሽዎን ይስጡ።

ኮድ	ገለጻ	በባም ካልሰማላሁ	አልሰማላሁም	ሀሳብ የለኝም	እስማማለሁ	በባም እስማማለሁ
	የካሳ ክፍያ አገልግሎት					
PCK	የመድሀን ሽፋን ግንዛቤ					
PCK1	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች ሁልጊዜ የሽፋን አይነቱን ዝርዝር መግለጫዎችና ሁኔታዎች በዝርዝር ለደንበኞች በማስረዳት እና ምክር በመስጠት የመኪናዎን ኢንሹራንስ መግቢያ ዋጋ እንዲያሻሽሉ ያደርጋሉ፤					
PCK2	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች ሁልጊዜ ለካሳ ክፍያው አስፈላጊ የሆኑትን ሰነዶች ለኩባንያው እንዲያቀርቡ በግልጽ ያስረዱዎታል፤ እንዲሁም በአግባቡ ይቀበሉዎታል፤					
PCK3	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች ሁልጊዜ ለደረሰው አደጋ ተጠያቂው ሰነድ ወገን በሆነበት ጊዜ ሁሉ ከጥፋተኛው ወገን ሲያስመልሱ ከእርስዎ የተቀበሉትን ኤክስስ በወቅቱ ተመላሽ ያደርጋሉ፤					
PFB	ወቅቱን የጠበቀ ምላሽ መስጠት					
PFB1	የኒያላ ኢንሹራንስ አ.ማ. ለረዥም ጊዜ አብረውት የቆዩትን ደንበኞች አደጋ በደረሰ ጊዜ የካሳ አከፋፈሉ ሂደት የቆዩበትን ጊዜ ከግምት ውስጥ ያስገባል፤					
PFB2	በመኪናዎ ላይ አደጋ ሲደርስ ለኒያላ ኢንሹራንስ አ.ማ. አደጋ ማሳወቂያ ያሉት መንገዶች ቀላል እና ቀልጣፋ ናቸው፤					
PFB3	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች ሪፖርት የተደረገላቸውን አደጋ በጥልቀት በመመርመር እንደ አስፈላጊነቱ በፍጥነት ለደንበኛው ያሳውቃሉ					
PFB4	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች በመኪናዎ ላይ አደጋ ሲደርስ በፍጥነት የጎታች መኪና ልከው መኪናዎን ከአደጋ ቦታው ያነሳሉ (በአደጋው ምክንያት መነዳት ለማይችሉ መኪናዎች)					
CIR	የደረሰው ጉዳት ዝርዝር ሪፖርትና ጥገና					

CIR1	ብዙ ጊዜ ከጉዳቱ በኋላ በኒያላ ኢንሹራንስ አ.ማ. የሚዘጋጀው የጉዳት ዝርዝር ሪፖርት በመኪናዎ ላይ ከደረሰው የጉዳት አይነት ጋር ተመሳሳይነት ነው፤					
CIR2	በኒያላ ኢንሹራንስ አ.ማ. መኪናዎ በተጎዱበት ጊዜ ሁሉ ለጥገናው ግልጽነትና ተጠያቂነት ያለው የጋራገሮች የጨረታ ስርዓት አለ					
CIR3	የጨረታው አሸናፊ በታወቀበት ጊዜ ሁሉ፣ በአሸናፊው ዋጋ ላይ በመመስረት መኪናዬ በየትኛው ጋራሻ እንዲጠገን እንደምመርጥ የመወሰን መብት ይሰጠኛል (የስራ ትዕዛዝ እንዲዘጋጅ)					
CIR4	በኒያላ ኢንሹራንስ አ.ማ. በኩል ተጫርተው የስራ ትዕዛዝ የሚሰጣቸው ጋራገሮች ብቃት ያላቸውና ለጥገናው ከሚጠበቀው ቀን በላይ የማይፈጅባቸው ናቸው					
CIR5	አብዛኛውን ጊዜ ለሚጠገነው መኪና የሚሆን መለዋወጫ በበቂ ሁኔታ ይገኛል					
CIR6	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች እንዲጠገን ጋራሻ የገባን ተሽከርካሪ በተመደበለት የጊዜ ገደብና በአግባቡ እየተጠገን መሆኑን ሁልጊዜ ይከታተላሉ					
SQ	የአገልግሎት ጥራት					
SQ1	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች በሚያስተናግዱዎት ጊዜ ሁሉ ረጋ ያሉ ናቸው					
SQ2	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች በሚያስተናግዱዎት ጊዜ የደንበኞችን ጥያቄ ለመመለስ የሚያስችል በቂ እውቀት አላቸው					
SQ3	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች ለአርስዎ በትክክል ምን እንደ ሚያስፈልገዎ ያውቃሉ					
SQ4	ችግር ባጋጠምዎ ጊዜ፣ የኒያላ ኢንሹራንስ ሰራተኞች ቅን ሆነው ችግሩ የሚፈታበትን መንገድ ያፋልጉዎታል					
SQ5	ኒያላ ኢንሹራንስ አ.ማ. መረጃዎችን በትክክል ይይዛል					
SQ6	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች ለደንበኞቻቸው ምላሽ ለመስጠት በጣም ስራ አይበዛባቸውም					
SQ7	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች ሁልጊዜም ደንበኞቻቸውን ለመርዳት ፈቃደኛ ናቸው					
SQ8	የኒያላ ኢንሹራንስ አ.ማ. የሚጠቀማቸው መገልገያዎች ለዓይን ማራኪ ናቸው					
SQ9	የኒያላ ኢንሹራንስ አ.ማ. ሰራተኞች አለባባስ አግባብ ያለውና ንጹህ ነው					

ክፍ	ገለጻ	በጣም ሊሆን አይችልም	ሊሆን አይችልም	አርግጠኛ አይደለሁም	ሊሆን ይችላል	በጣም ሊሆን ይችላል
CR	የደንበኝነት ቆይታ ጊዜን በተመለከተ					
CR1	ከኒያላ ኢንሹራንስ አ.ማ. ሌሎች ተጨማሪ የሞተር ኢንሹራንሶችን ለወደፊት ሊገዙ የሚችሉበት ሁኔታ					
CR2	ለጓደኞቻቸው እና ቤተሰቦቻቸው የሞተር ኢንሹራንስን ከኒያላ ኢንሹራንስ አ.ማ. እንዲገዙ ለመምከር ያልዎት ሀሳብ					

9) የሞተር ኢንሹራንስ ሽፋኑን በገዙበት ሰዓት መደረግ የነበረበት ነገር ግን ያልተደረጉ ነገሮች አደጋ በደረሰብዎ ጊዜ ከካሳ ክፍያ አገልግሎት ክፍል ጋር የግጭት መንስኤ የሆኑ የሚሏቸው ነገሮች አሉ? እባክዎን ያብራሩት?

10) በእርስዎ ሀሳብ ኒያላ ኢንሹራንስ አ.ማ. ለወደፊቱ የካሳ ክፍያ አገልግሎቱን ለማሻሻል ማድረግ ያለበት ነገር ምንድነው ይላሉ?

በድጋሚ አመሰግናለሁ!!!