

THE EFFECT OF MOTOR CLAIM SERVICE QUALITY ON CUSTOMER
SATISFACTION: THE CASE OF ETHIOPIAN INSURANCE CORPORATION

A Thesis submitted to the school of graduate studies of Jimma University in Partial
Fulfillment of the Requirements for The Award of the Degree of Masters Of Arts
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PREPARED BY

ZELALEM AMENE

EM/0056/10

UNDER THE SUPERVISION OF

Mr. TADELE MENGESHA

AND

Mr. YOSEPH WORKU



Jimma University

College of Business and Economics

Department of Management, MBA Program

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Addis Ababa, Ethiopia

DECLARATION

I declare that the research entitled, "The Effect of motor claim Service Quality on Customer Satisfaction: the case of Ethiopian Insurance Corporation" submitted to the Research and post graduate studies' office of Business and Economics College is original and it has not been submitted previously in part or full to any university.

Name

Signature

Date

ZelalemAmene

CERTIFICATE

We certify that the research report entitled, "The Effect of motor claim Service Quality on Customer Satisfaction: the case of Ethiopian Insurance Corporation", was done by Mr. Zelalem Amene for the partial fulfillment of Masters of Degree under our supervision.

(Main Advisor)

(Co-advisor)

APPROVAL

Jimma University School of graduate studies

Business Administration Program

Name: ZelalemAmene

Degree: Master in Business Administration (MBA)

Title of Thesis: The Effect of motor claim Service Quality on Customer Satisfaction

Approved by Board of Examiners

Dean, Graduate Studies signature

Advisor signature

External Examiner Signature

Internal Examiner Signature

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LIST OF ACRONYMS

ANOVA-Analysis of variance

EIC-Ethiopian Insurance Corporation

SERVQUAL-Service quality

SPSS-Statistical package for social sciences

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ABSTRACT

Among the stake holders of a company, customers are the one and the backbone where their satisfaction is directly related to the success of the company. The reverse works for a company whose customers are under the sense of dissatisfaction where customers can easily switch to other alternatives if not timely responded and handled. The general objective of this thesis is to assess the effect of motor claim service quality on customer satisfaction of Ethiopian Insurance Corporation. The research design followed explanatory with the data collection approach of mixed. Qualitative data collection was prepared for selected managers with a face to face interview and quantitative for randomly selected customers using self-administered questionnaires. The geographical location of the study remained in district A and district B of the corporation in Addis Ababa. The data used descriptive statistics to illustrate the raw data and used Pearson correlation and linear multiple regression for inferential statistics. The questionnaire used for quantitative was based on adopting the service quality dimension (SERVQUAL model) taken in consideration of the objective of the research and the data was analyzed using SPSS version 23.0. As the findings of research showed, the gap models of service quality were negative. The relationship between the dependent and independent variables were positive and strong. Reliability, assurance, responsiveness, empathy showed a significant impact on customer satisfaction except tangibility which its impact was insignificant. The research recommended the company to automate its documentation, to respond fast to motor claimants, to serve its motor claimants with good communication and friendly manner, to have competent and knowledgeable employees in motor claim by capacity building through trainings.

Key words: *Customer satisfaction, motor insurance, claim handling, data collection, SERVQUAL model.*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Customer satisfaction is the customer's feeling of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her own expectation (Risteska A., 2009). Customer satisfaction is the result of a comparison between customer purchase of the expected performance with actual and perceived and payment expenses. (Taghizadeh, 2012).

It is inevitable that for an insurance industry to sustain and remain competitive customer is the back bone and the reason for the insurance sector to exist as far as its service giving is the main concern. According to (Julius Tapera and Robert Gororo, 2013), efforts have to be made to satisfy customer needs if insurers are to effectively create competitive advantage. A satisfied customer avoids switching and negative word of mouth. (Singh, 1988). Customer satisfaction and customer loyalty are positively related (Curtis T. Abralt, R. Rhoades., 2011). One way of measuring the efficiency of insurance sector is to have a satisfied customer so that the result is reflected on profitability rate, market share and the like metrics. According to (Baldauf, Cravens and Binder, 2003), customer loyalty is linked to business performance, organizational success, profit and cost. The more loyal the customer is, the more retained in a company, the more sales and profit the company has. (Oliver, R.L, 1999) Therefore, customer satisfaction is not an option rather it is a must to have especially in this dynamic environment where customers can easily switch to other alternatives if not properly handled.

The quality assessments of services given by insurance institutions include customer expectations as to the quality and perception of the service. (Storbacka, K. and Lehtinen, J. R., 2001). According to (Niestrój, 2004) the role of insurance company employees is to show the customers new conditions and make their customers to show their existence, particularly in case of claim, which determines the service quality. In spite of the growing performance of service quality, it remains an abstract to define and measure. One of the theoretical models to study the service quality assessment is using the gap model (Parasuraman, A., Zeithaml, V. A., & Berry, L.

L., 1985). This concept assumes that individual service gaps result from providing service reflecting the distinction which appears in the course of giving service. Gaps 1-4 refer to those gaps that fall in the company and gap 5 the service quality assessed by the customer. The scale is formed using five dimensions of service quality which are reliability, tangibility, assurance, responsiveness and empathy and the scale is called "SERVQUAL". (Yuan, 2010).

1.2 Back ground of the organization

The emergence of modern insurance business in Ethiopia traced back to the establishment of the first bank which was called Bank of Abyssinia in 1905. After many years of dragging feet in the business, the first domestic insurance company, namely imperial insurance company was established in 1951. Following the overthrow of the imperial regime in 1974, the provisional military administration council, came into being with the new economic system called command economy. Consequently, in December 1975, being after the thirteen private insurance companies nationalized, the provisional military administration council issued proclamation no 68/1975 to establish the Ethiopian insurance corporation. In 1991, the Dergue regime collapsed and consequently to that the economic policy of the country changed to a market policy. Accordingly, Ethiopian Insurance Corporation was re-established as public enterprise under the council of ministers Regulation no.201/94. (www.Eic.com, 2006)

The corporation is basically engaged in giving insurance related services in different parts of the country with a head office located in Addis Ababa around Legahar. Western Addis district, Eastern Addis District, Central Addis district, Southern Addis district, Northern Addis district and life Addis district are the main branches of the corporation or named district 'A' where all are located within a maximum of two kilometers radius away from the head office. There are fifteen sub-branches under the main branches which are located in Addis Ababa and in regional cities of the country. Additionally, there are eight district B's and thirty one outlying branches under these districts that are located in different regional and zonal cities of the country and different small sub branches recently being opened.

1.3 Statement of the problem

Poor handling of claims may lead to loss of confidence by the policy holders' thereby damaging reputation and performance.(Banjo.k, 1995).Claim expenses contribute to the largest cost of the insurer hence to be taken seriously.(Harrington,S.E and Niehaus,G.R, 2006).According to (Qaiser, 2013) claim management involves giving good services to claimants which results in high customer satisfaction, retention and policy renewals that are fundamental to profits and better financial performance. Ethiopian Insurance Corporation dominates market share of non-motor classes of businesses in the insurance industry of Ethiopia. According to (Ethiopia N. B., 2014-2018), aviation insurance, fire insurance, marine insurance, liability insurance comprised of 5.5% ,6%,8.4%,3.2% respectively on average over the five years (2014-2018) of market share in the insurance industry where Ethiopian insurance corporation holds a share of 96%,46%,62%,29.6% respectively. But according to (Ethiopia N. B., 2014-2018),the market share of motor insurance in the industry over the past five years(2014-2018) was 55% where Ethiopian Insurance Corporation holds only 29% of the market share. According to(Jasmindeep, Teklit, 2017), market share in insurance is measured by dividing gross premium of each firm by gross premium of industry. That means Ethiopian Insurance Corporation is collecting less premium as far as its pioneer establishment and huge capital is concerned. This does comply with giving good services to claimants lead to higher customer satisfaction and better profit as(Qaiser, 2013) indicates.

According to (Dr.Sheaba Rani , Seketa Kenea Gobena, 2017), there was customer dissatisfaction in motor insurance service in Ethiopian Insurance Corporation. A study conducted by (Demisse, 2014), showed there was a negative service quality gap showing customer dissatisfaction in Ethiopian Insurance Corporation. On the other hand(Kassahun, 2015)revealed that the five dimensions of service quality scored negative customer gap showing customer dissatisfaction was observed in Ethiopian Insurance Corporation.Therefore, the above researchers indicated that there was customer dissatisfaction in motor insurance service but they untouched specifically the case of motor claim service where the researcher was interested to study.

1.4 Research Hypothesis

H₀₁: Reliability has a no significant effect on customer satisfaction.

H₁: Reliability has a positive and significant effect on customer satisfaction.

H₀₂: Tangibility has no significant effect on customer satisfaction.

H₂: Tangibility has a positive and significant effect on customer satisfaction.

H₀₃: Responsiveness has no effect on customer satisfaction.

H₃: Responsiveness has a positive and significant effect on customer satisfaction.

H₀₄: Assurance has no effect on customer satisfaction.

H₄: Assurance has a positive and significant effect on customer satisfaction.

H₀₅: Empathy has no effect on customer satisfaction.

H₅: Empathy has a positive and significant effect on customer satisfaction.

1.5 objective of the study

1.5.1 General objective

The general objective of the study is to assess the effect of motor claim service on customer satisfaction in Ethiopian Insurance Corporation.

1.5.2 Specific objectives

- ✓ Assessing relationship between customer satisfaction and claim service quality.
- ✓ Assessing the effect of individual SERVQUAL dimensions on customer satisfaction.

1.6 Significance of the study

The significance of the study is important basically for the company and to the stakeholders if they are to apply what the findings of the research showed. The research can also give directions to other similar companies that are engaged in service delivery or to other researchers who have interest on the subject matter.

1.7 Scope of the study

The study focused on the effect of motor claim service on customer satisfaction of Ethiopian Insurance Corporation using the five SERVQUAL dimensions. It was residing on six districts found in Addis Ababa and on those customers who were private owners with at least one time of frequency of claim to the corporation to fetch their experience. The six districts were selected as they are the main branches (district A) found in Addis Ababa and constitutes sub-branches (district B) found in Addis Ababa and regional cities found in Ethiopia. To select such main branches (districts) can have a better advantage of representing the population under study. The independent variables selected were based on SERVQUAL dimensions (tangibility, reliability, responsiveness, assurance and empathy) where the dependent variable was customer satisfaction.

1.8 Limitation of the study

The study is limited in geographical location of Addis Ababa where district A and B are found. On the other hand, time and finance constraints made the study not to go in depth as the title of the study could be beyond what this study went through. Furthermore, published works relevant to the study is not adequately available as well as reliable unpublished works, too. But the research was worked through commitments in time and effort as well as with much cooperation of the respondents who responded fast.

1.9 Organization of the study

The research is organized under the following chapters.

Chapter one: Introduction

The introduction part constitutes the background of the study, background of the organization, statement of the problem, research hypothesis, objective of the study, significance of the study, scope of the study, limitation of the study.

Chapter Two: Review of related literature

The review of related literatures basically constitutes theoretical and empirical literatures.

Chapter Three: Research Design

The research design constitutes research methodology, data collection source and method, sampling techniques, data analysis technique, validity and reliability of data and ethical consideration.

Chapter Four: Data collection, analysis and interpretation

This section constitutes demographic characteristics of the respondents, customer satisfaction and service quality rate, Pearson correlation analysis and regression test.

Chapter Five: Conclusions and recommendations

This section constitutes the findings of the research, conclusions, recommendations and future research directions.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical literature review

2.1.1 Customer

According to (Kotler, 1994) customer is anyone who is impacted by the product or the process. Customers may be internal or external.

External customers: These are impacted by the product but are not members of the company that produces the product. External customers include clients who buy the product, government regulatory bodies and the public.

Internal customers: These are impacted by the product and are also members of the company that produce the product. (Kotler, 1994)

In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations. If the performance falls short of expectations, the customer is dissatisfied. If it matches expectations, the customer is satisfied. If it exceeds expectations, the customer is highly satisfied or delighted.

For customer-centered companies, customer satisfaction is both a goal and a marketing tool. Companies need to be especially concerned with their customer satisfaction level today because the internet provides a tool for consumers to quickly spread both good and bad word of mouth to the rest of the world. (Kotler, 1994)

2.1.2 Customer satisfaction and factors determining customer satisfaction

Customer satisfaction has been one of the top tools for a successful business. Customer satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with the good or service overtime. (Fornell, 1992)

Customer satisfaction is regarded as a key to customer retention (Kotler, 1994). Customer satisfaction has a significant impact on repurchase intentions in the range of services (Cronin, Taylor, 1994) ,(Patterson, Johnson, Spring, 1997). Customer satisfaction is the result of a comparison between customer purchases of the expected performance with actual performance

and perceived.(Taghizadeh,M.R, 2012).According to (Chu,Ray, 2002) customer satisfaction is a physical concept that is due personal comparison from understanding of product performance with the experience obtained of performance. According to (Oliver R.L., 2010) customer satisfaction is defined as customers' fulfillment response. Satisfaction is a summary state of psychological process and observed at the end of the activities not necessarily at the beginning when products or services are immediately observed. (Söderlund M., 2016).According to (Fornell C., 1992) is a measure of how products and services provided by a company meet or exceed expectations.

According to (Bitner,Zeithmal, 2003) customer satisfaction is determined by:

- A. Product and service features:** a product and service features are highly determined by customer's evaluation towards product and service features.
- B. Customer emotion:** This is perception of the customers towards the products or services.
- C. Attributions for service success or failure:** Are the perceived causes of events, influence perceptions of satisfactions as well.
- D. Perceptions of equity or fairness:** These are customers question towards their treatment comparing with other customers.

2.1.3Service Quality

Service is an abstract concept and many researchers addressed a variety of thought and concepts.(Chen, Y.H., Tseng, M.L., Lin, R.J., 2010).Service quality in its contemporary conceptualization is the comparison of the perceived expectations (E) of a service with perceived performance (p), giving rise to the equation $SQ=P-E$ (Lewis R.C. ,Booms B.H., 1983).Therefore, service quality can be demarcated as the difference between customer's expectations of service performance earlier to the service encounter and their perceptions of the service received. A business with high service quality will meet or exceed customer expectations while remain economically competitive. In the modern era service is the one which its competition is tremendously increasing which led managers to redefine their strategy to acquire competitive advantage over their competitors and focus on service quality. (Zeithaml, V. A., Berry L. L., &Parasuraman A., 1996).According to (Gronroos, 1984) the quality of service is resulted from the process of comparison of expected performance with the perception of the real performance.

The measurement of service quality has always been controversial. The first instrument for measuring service quality was developed by (Parasuraman, A., Zeithaml, V. A., & Berry, L. L., 1985), (Gronroos, 1984). Parasuraman et al. developed the five service quality dimensions while Gronroos et al. proposed a three dimensional model. Many other models were developed following years along with the range of marketing industry though the SERVQUAL model is the most popular one.

2.1.4 Method of SERVQUAL for Measuring Service Quality.

According to Terzakis, Zisis, Garefalakis, & Arvanitis (2012) SERVQUAL is an instrument that constituted from three parts and operated as follows: a set of 22 items in the form of a questionnaire is applied to consumers in order to identify their perceptions and expectations. The customers are asked to rate their perceptions and expectations in a 5-point-scale from 1 strongly disagree to 5 strongly agree. The next part of SERVQUAL asks customers either to weigh the 22 items or to rate each of the five dimensions according to their importance in scale out of 100, the measure of service quality was based on responses to a 5-point semantic differential question. (Buttle, 1996)

As a result, an average score is identified for each of the 5 dimensions as well as an overall satisfaction quality score is determined using the mean score of the SERVQUAL model. Gathered facts on SERVICE QUALITY ASSESSMENT AND IMPROVEMENT APPROACH 20 service quality gaps can assist managers or administrators diagnose where performance improvement can best be targeted. According to Terzakis et al. (2012), if the gap is positive, the service quality is regarded to be better than expected, if the gap is zero, service quality is good, and if the gap is negative, improvements are demanded.

$$SQ_i = \sum_{j=1}^k (P_{ij} - E_{ij})$$

where: SQ_i = perceived service quality, k = number of service attributes, P = perception of individual 'i' with respect to performance of a service firm attribute 'j', E = service quality expectation for attribute 'j' that is the relevant norm for individual 'i'.

Irrespective of the type of service given, customers basically use the same criteria to assess quality. (Berry, Parasuraman, Zeithaml, 1985). There is five broad-based dimensions as a measuring criterion. These are: reliability, tangibility, responsibility, security and

empathy. Service quality is a focused evaluation reflecting the customer's perception of specific service dimensions including reliability, responsiveness, assurance, empathy, and tangibility.

Reliability: This is the company's consistency and certainty in terms of performance.

Tangibility: This is tangible evidences that clients need to see when making their assessment.

Responsiveness: This is responsible for measuring company and employee accessibility towards clients.

Security: This is measuring employees well informed, educated, competent, and trustworthiness.

Empathy: This is the capacity of a person to share another one's experience.

This model identifies five gaps which was proposed by Parasuraman et al. (1985), and Zeithaml et al. (1988) and useful for practitioners to understand service quality. The central theme of this gap is the customer gap, the difference between customer expectations and perceptions so that companies need to close the gap in order to satisfy customers. Therefore, to close this gap the model suggests closing four other gaps.

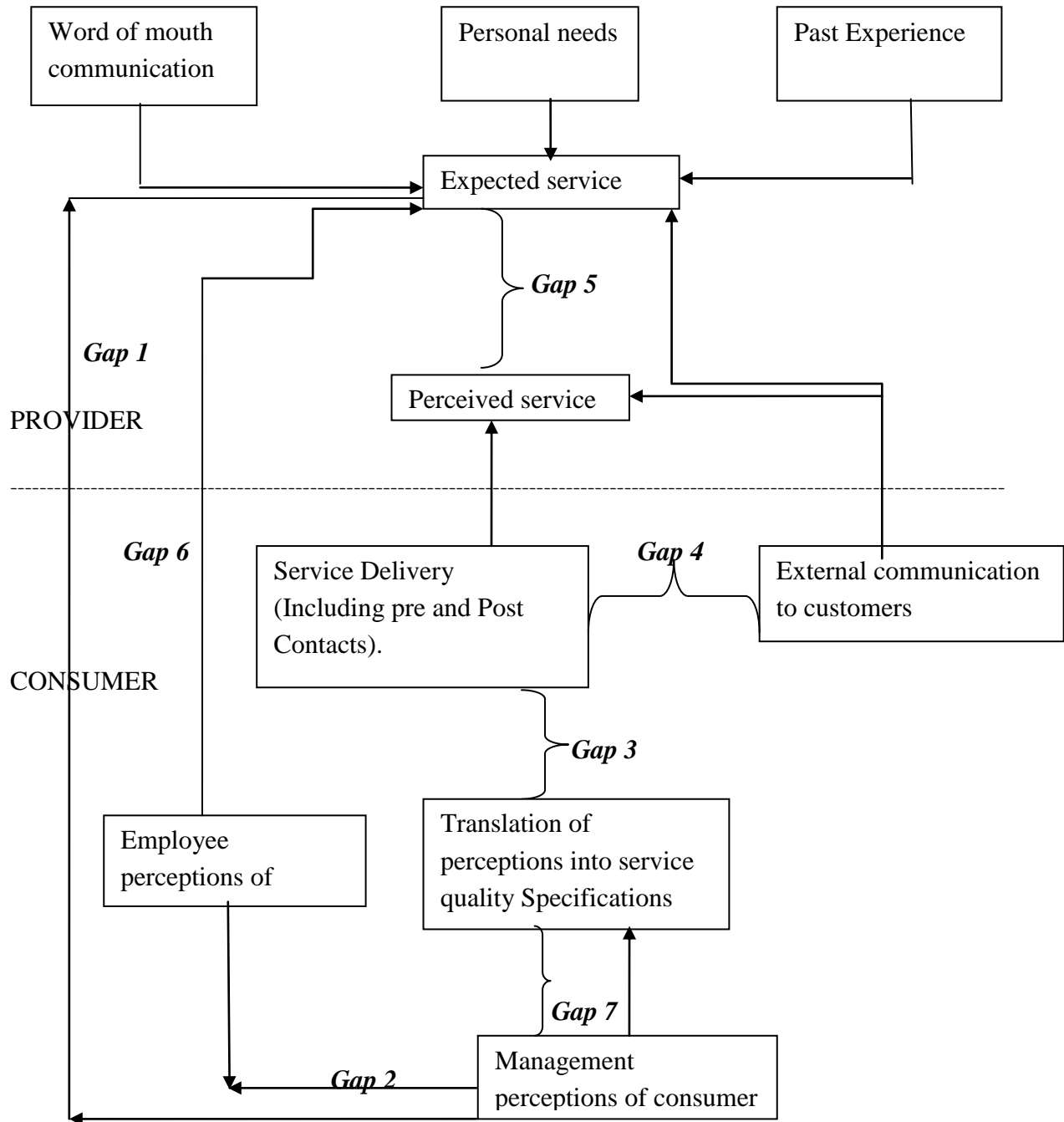


Fig 2.1 Model of service quality gaps (Parasuraman et al., 1985; Curry, 1999; Luk and Layton, 2002)

Gap 1: Difference between customer expectations and management perceptions of customer expectations.

Gap 2: Difference between management perceptions of customer expectations and service quality specifications.

Gap 3: Difference between service quality specifications and service actually delivered.

Gap 4: Difference between service delivery and what is communicated about the service to the consumer.

Gap 5: Difference between consumer expectations and perception.

Closing the customer gaps model focuses on strategies and processes that companies employ to drive service excellence.

Service Provider gap 1: not knowing what customers expect.

Service provider gap 2: not selecting the right service design and standards.

Service provider gap 3: not delivering service standards.

Service provider gap 4: Not matching performances to promises

2.1.5 Relation between Service Quality and Customer satisfaction

Quality and Customer satisfaction have been long recognized as playing a crucial role for success and survival in today's economy. According to (Oliver R.L., 2010) service quality would be an antecedent to customer satisfaction regardless of whether these constructs were cumulative or specific. Satisfaction and service quality have certain things in common, but satisfaction is generally a broader concept, whereas service quality specifically focuses on dimensions of service quality. (Wilson, A., Zeithaml V., Binter M., and Gremler D., 2008). As said by (Wilson, A., Zeithaml V., Binter M., and Gremler D., 2008), service quality is a focused evaluation that reflects a customer's perception of reliability, assurance, responsiveness, empathy and tangibility while satisfaction is more inclusive and it is influenced by perceptions of service quality, product price and quality, also situational factors and personal factors.

2.1.6 Customer complaints

Some companies think they're getting a sense of customer satisfaction by tallying complaints, but studies show that while customers are dissatisfied with their purchases about 25 percent of the time, only about 5 percent complain. The other 95 percent either feel complaining is not worth the effort or don't know how or to whom to complain. They just stop buying of the customers who register a complaint, 54 percent to 70 percent will do business with the organization again if their complaint is resolved. The figure goes up to a staggering 95 percent if the customer feels the complaint was resolved quickly. Customers whose complaints are satisfactorily resolved tell an average of 5 people about the good treatment they received. The average dissatisfied customer, however, gripes to 11 people. If each of these tells still other people, the number exposed to bad word of mouth may grow exponentially. (Kotler, 1994)

2.1.7 Motor insurance in Ethiopia

Compulsory insurance is a kind of insurance declared by law to be a minimum requirement to protect the public from risks arising from day to day business operation. The different compulsory insurance available in Ethiopia is:

Marine insurance: Dated January 5, 1977 and its concern was that all imports to Ethiopia should have an insurance cover.

Professional indemnity: On January 1st 2008, issued by National bank of Ethiopia for insurance brokers and agents to have an insurance cover.

Motor third party insurance: under proclamation no 559/2008 on January 9, 2008 this law was issued.

Though it is not possible to tell exactly when motor insurance had started, sources indicate that British insurance company issued the first motor insurance policy during the 1950s. According to the survey conducted during the 1960s by the ministry of commerce and industry, 50% of all the vehicles were insured for motor insurance. (Beza, 2004)

According to (Dr. Sheaba Rani, Seketa Kenea Gobena, 2017) motor insurance is insurance type issued to provide indemnity when the financial loss arises due to overturning, collision, stolen and fire either on insured motor vehicles or/and others /third party/ unintentionally. The motor

policy provided on a yearly basis with exceptions and conditions. It is renewable insurance before the policy date of expires (Tatek, 2018). Different reports and magazines show based on the purpose of vehicle, motor insurance policy also sub-divided into two: private vehicle insurance and commercial vehicle insurance. There are different main covers and extension covers delivered under motor insurance business (Hailu, 2007). Motor insurance has two distinct sections; one relating to its physical damage, which is categorized under property insurance and the other relating to injury or death and collision of third parties' property which is part of liability insurance. Motor insurance coverage includes property coverage, liability coverage, and medical coverage (Zelalem, 2017).

2.1.8 Meaning and concept of claim

Is a demand on the insurance company to fulfill its portion of the promise, committed to while writing contract with the insured (Krishnan, 2010). According to (Asokere, A.S, Nwankwo, S.I, 2010) it is the demand made by the insured person under to the insurer for the payment of benefits under a policy.

Claim is a defining moment in the relationship between an insurance company and its customer. Similarly, such relationship can become healthy if the insurers are able to address five key issues such as: taking greater control of the claim process; understanding their customer; choosing the right claims model for their business; developing a mutually beneficial relationship with other service providers; and gaining an information advantage. (Francis, Butler, 2010).

2.2 Empirical literature review

The researcher noted that there is a limited empirical research conducted on motor claim service quality specifically but some general motor insurance quality service literatures are reviewed.

A research conducted by (Dr. Sheaba Rani, Seketa Kenea Gobena, 2017) on Ethiopian Insurance Corporation and some selected private insurance' concluded that motor claims are not being paid as properly as they are and not settled on time. The other observed problem is that shortage of cranes have been hindering claims department to timely satisfy customers in collecting damaged vehicles and there was no initiation and interest on the part of insurers to collect feedback from their customers.

A research conducted by (Kassahun, 2015) with entitled the impact of service quality on customer satisfaction of Ethiopian Insurance Corporation showed that reliability and responsiveness raised the highest level of expectation and the five service quality dimensions had a positive correlation and impact with customer satisfaction and there was a negative service gap. A research conducted by (Tekol, 2017) on assessment of service quality of motor insurance in Ethiopian Insurance corporation revealed that the overall service quality perceived by customers was not satisfactory, means customer expectation exceeded perceptions.

According to (Beyene, 2019) in a study on assessment of service quality on customer satisfaction in Ethiopian Insurance Corporation, Southern Addis District of Saris and Bishoftu branch, reliability, responsiveness, prompt of service, behavior of employees, availability of informative material, fulfillment of promises, sincerity in solving customers' problems, personal attention to customers, and understanding the needs of the customer were key issues that were below what customers would expect from the service provider, hence also dissatisfied.

A research conducted by (Hussen, 2015) on a study in selected insurance companies in Ethiopia, Adama, revealed that that reliability is the most critical dimension followed by responsiveness, assurance, empathy while tangibility is found to be less critical dimension of service quality and customers satisfaction. Moreover, it is found that customers' satisfaction is significantly and positively related with customers' loyalty.

A research conducted by (Sharareh Mansouri Jajae, Fauziah Binti Sheikh Ahmad, 2012) on the relation between service quality and customer satisfaction in the Australian car insurance industry indicated that good relationships exist between five service quality dimensions

(reliability, empathy, assurance, responsiveness, and tangibility) and customer satisfaction and also there is a strong relationship between service quality and customer satisfaction.

According to (Perera S. L, Gamage S. k, 2019), a study conducted in motor insurance policy holders in insurance companies in Sri Lanka to investigate attitudes towards the existing situation of the service quality of the motor insurers and to examine the customer satisfaction and intention behavior to retain with existing company, the study found that customers were neither disagree nor agree with the existing situation of the insurers. Further, it was found that, there was strong positive relationship between functional quality dimensions with customer satisfaction, except tangible and assurance dimension which are having moderate positive relationship between the variable.

A study conducted in Sri Lanka by (Samarasinghe, Thushari, Weerakkodi, Sandaruwan, Rathnayake, Mathotaarachchi, 2018) on determining impact of Service Quality on customer satisfaction in life insurance services found the SERVQUAL scale have influenced here the Customers to satisfy with life insurance policies.

A study focused on finding customer perception towards service quality as provided by the life in Delhi NCR region studied by (Dr. Shamsheer Singh, Dr. Naveen J Sirohi, Ms. Kumkum Chaudhary, 2014) 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 have been found to be significantly related with the customer perception and other demographic factors have no significant impact.

According to (Dr B Menaka, Harish M, 2018), a study based on data obtained from 100 samples from the branches of oriental insurance corporation of India, Pathanamtitta district, found that the time factor has a significant role in settlement of claims.

As per (Hanafi, 2016), a survey aimed to investigate the level of service quality, client satisfaction and the image of Indonesia in particular insurance companies to PT (Limited Liability Company) Insurance Bumiputera Bumida Palembang, showed that the effect of simultaneous five dimensions of service quality are tangible, reliability, responsiveness, assurance and empathy are positive and significant on unemployment claims satisfaction.

2.3 Conceptual Frame work of the study

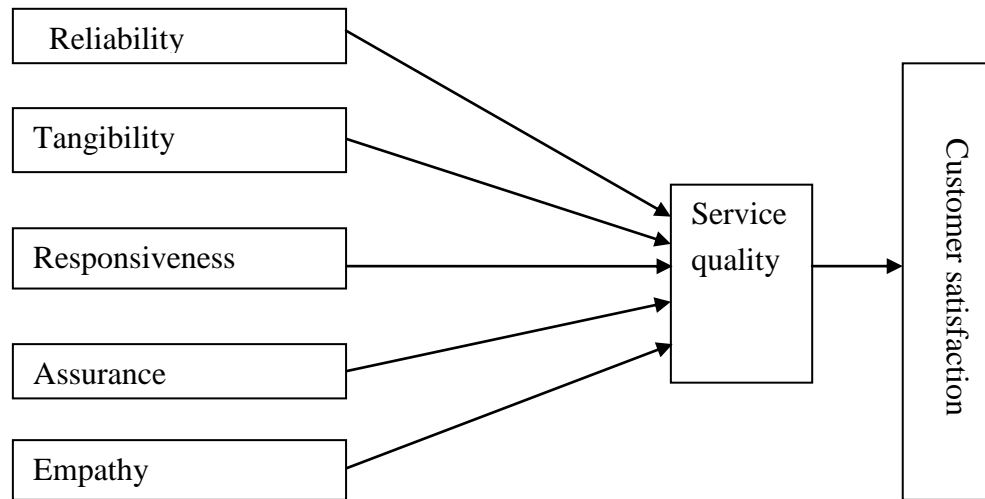


Fig 2.2 conceptual frame work adopted from Parasuman

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blue print for collection, measurement and analysis of data.(Kothari C. , 2004)

This thesis was basically done to identify the impact of claim service quality on customer satisfaction of motor insurance class of business. So long as claim service is all about giving the proper service for claimants at the right time, the effect is reflected in having a satisfied customer that eventually ends up the company with building long term trust and reputability, having profitable and enabling socially responsible company. In this regard, the aim of the thesis was to identify those gaps that motor claim service had and its impact on customer satisfaction specifically in Ethiopian Insurance Corporation of motor insurance class of business.

In general, currently, the service sector in Ethiopia is criticized for its service giving where the society is brutally abused for and complaints are worse increasingly heard now and then. The government of Ethiopia is officially announcing the problem of good governance in service giving and it is being remained ‘puzzle’ and the findings of the solution are underway. As part of the country, Ethiopian Insurance Corporation has faced a problem of customer satisfaction specifically in quality of claim service in motor insurance class of business.

3.2 Research Design

Explanatory research seeks to identify causes, to ascertain causality between factors and to determine effects on behavior of a social phenomenon, and to predict how one phenomenon will change or vary in relation to another variable(Jackson, 2003).Therefore, the research design was explanatory as it described the relationship between motor claim service quality and customer satisfaction of Ethiopian Insurance Corporation.

A mixed research design approach involvesthe collection and analysis of both qualitative and/or quantitative in a single study in which the data are collected concurrently

or sequentially ,are given a priority, and involve the integration of data at one or more stages in a research process(Leech N, Onwuegbuzie A, 2008).Therefore, the research followed mixed research design approach.

3.3 Research methodology

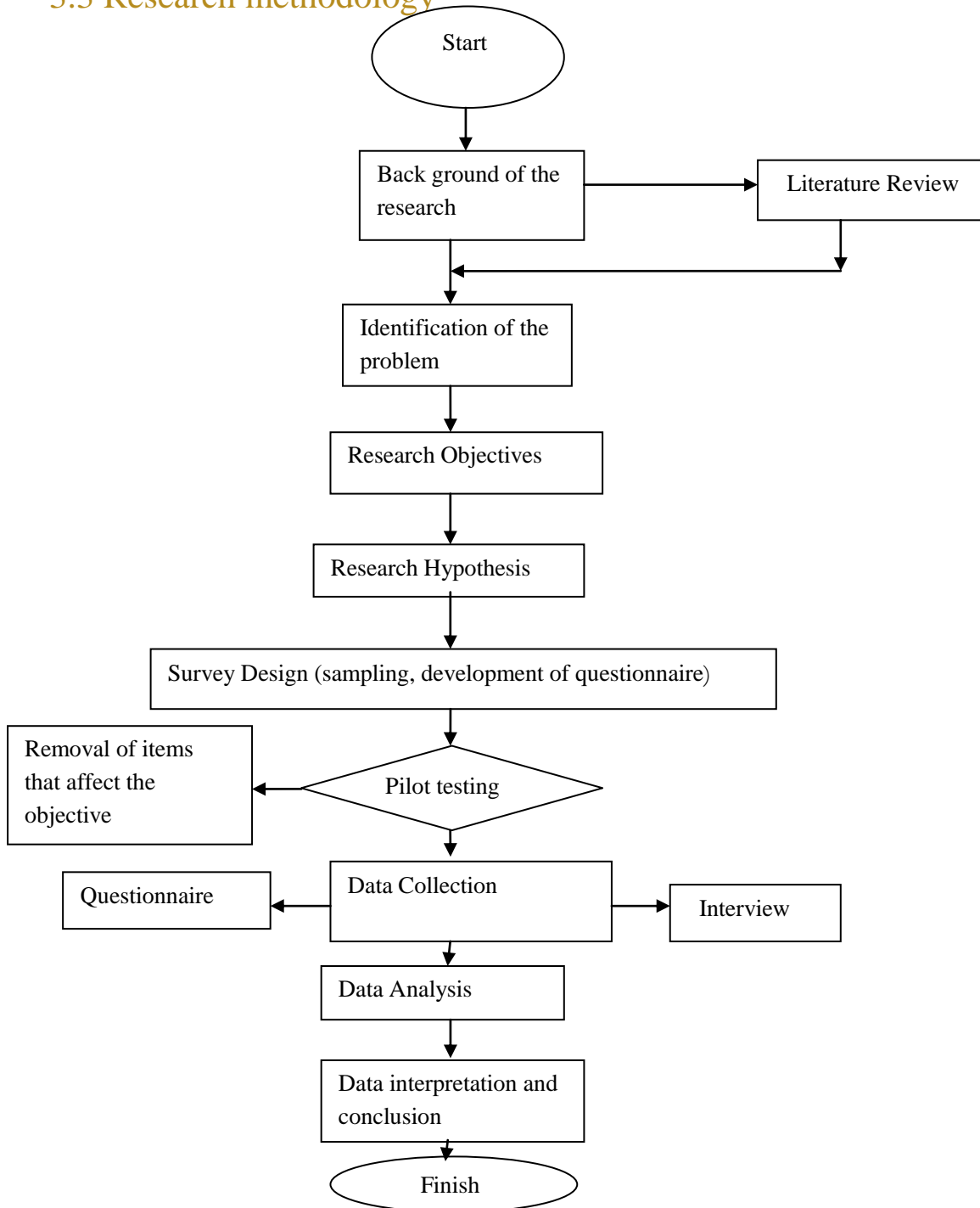


Fig 3.1 Research methodology model

3.3.1 Sources of Data and Data Collection Techniques

Data sources were both primary and secondary wherein primary data was collected through administered questionnaires for customers since it was for randomly selected ones so that the easiest way of data collection for ordinary individuals can be assured, to make them free from bias of the interviewer or researcher and comprises of lots of population samples at lowest possible cost. For the data collection from the managers, interview method was selected as appropriate for fetching much and too in depth information than the researcher actually thought. Secondary data about the organization of study was collected from website of the corporation, from internet of published and unpublished works of past researchers for the review of related literatures, from AGRESSO report of the corporation to know the number of motor claimants, from EIC strategic management report of five years (2014-2018) to know the market share of motor insurance in the corporation.

3.3.2 Target population

Ethiopian Insurance Corporation is found in different parts of the country with a head office located in Addis Ababa. Western Addis district, Eastern Addis District, Central Addis district, Southern Addis district, Northern Addis district are the main branches of the corporation or named district 'A'. There are about fifteen sub-branches located in Addis Ababa and regional cities of the country governed under district 'A'. Additionally, there is one branch or named district 'B' which is named 'Arada' district in Addis Ababa and seven district B's located in different regional and zonal cities of the country and different small sub branches recently being opened.

The target population of the research is private customers of district A and B found in Addis Ababa who has incurred motor claim frequency of at least one time in order to know the experience, perception and expectation of motor service claimants during an accident and managers of district A and B found in Addis Ababa. The data collections for the motor claimants were carried out with contacting customers while they were claiming for their accident by the time and others during the renewal of their annual policy of motor insurance but now making sure that that they had claimed at least once. Most of the contacts were made through customer service officers who were in place to contact customers being at the front desk.

3.3.3 Sampling Size and Sampling Technique

Due to time constraints but with enough sample representativeness, the target population of the sample comprised of customers and managers of District A and district B of the corporation in Addis Ababa. There are five districts 'A's and one district 'B' found in Addis Ababa. The total number of motor claimants of these districts for the private customers is 4,215 as per the fiscal year 2019.(corporation, 2019)

To calculate the sample size, (Taro, 1967) provided a simplified formula showing for a finite population size, taking into account 95% confidence level

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

Where: n-sample size

N- Population size

e- Maximum tolerable sample error

$$n = \frac{4,215}{1 + 4,215(0.05 * 0.05)}, \text{ where } N=4,215 \text{ is the motor claim data of 2019}$$

n=365

A probability stratified random sampling technique was used where the motor claimants of the six districts were divided into strata according to their proportion of number of private motor insurance policy holders of the districts to make the data distribution homogeneous. The number of the policy holders of motor insurance was taken from INSIS report of the corporation as of 2019 and converted into percentages.

As such:

-Central Addis district=22%*365=80

-Western Addis district=15%*365=55

-Arada district=30%*365=110

-Southern Addis District=11%*365=40

-Eastern Addis District=11%*365=40

-Northern Addis District=11%*400=44

Therefore, the questionnaires were distributed to the respective motor insurance claimants of the districts according to their proportion.

3.4 Data analysis Technique

The data analysis was based on descriptive statistics (mean, median, variance and frequency) for the numerical data and to identify the relationships and impact between the dependent and independent variables Pearson correlation and multiple regression analysis were used respectively. To analyze such the data SPSS version 23.0 was used as software.

3.5 Validity

In order to assure the validity of the questionnaire, pilot testing, as well as feedback from practitioners at EIC, was done. EIC staff first gave their confirmation that the questions included were representative of the practice. Then ten questionnaires were distributed to customers to see the clarity of the questionnaire before distributing it to the whole participants.

3.6 Ethical consideration

The researcher had to keep confidentiality of the respondents in this research work and the consent of the respondents was inquired. Appropriate time to conduct the interview as well as for the questionnaire had to be selected so that times where customers as well as managers were not on their busy and peak hours was considered so that unbiased and relaxed responses could be fetched from them.

CHAPTER FOUR

DATA COLLECTION, ANALYSIS AND INTERPRETATION

The researcher distributed a questionnaire for 365 respondents to the six districts and was able to collect 333 which means 91% of the response rate and had an interview with the districts' manager which is 100% of the response rate in this regard.

4.1 Reliability test

Cronbach's alpha was used in this thesis to assess the internal consistency of the developed questionnaire. The theoretical value of alpha varies from 0 to 1. As the result approaches to 1 the more is the internal consistency of the items, which means all the items measure the same variable. (Field, 2005)

The overall result of the coefficient of alpha for this research was found to be 0.92 which indicates acceptable value. Besides the overall reliability test result, the items under each service quality were also tested if they measure the same dimension or not. Reliability, tangibility, responsiveness, assurance, empathy and customer satisfaction have a value of 0.82, 0.66, 0.55, 0.54, 0.63, 0.65 respectively. Except for responsiveness and assurance all the other dimensions had a value of greater than 0.6 which were acceptable but responsiveness and assurance have Cronbach's alpha value of 0.55 and 0.54 respectively which were weak though still found in the acceptable range. However, Cronbach (1951) describes that sometimes measurements with low reliability result might still influence the scale measure and the overall scale result indicate excellent internal consistency.

Table 4.1 Reliability statistics

Variables	No of items	Cronbach's Alpha
Reliability	6	0.82
Tangibility	5	0.66
Responsiveness	3	0.55
Assurance	4	0.54
Empathy	4	0.63
Customer satisfaction	5	0.65

Overall Cronbach's alpha result

Cronbach's Alpha	N of Items
0.92	27

Source: Own survey result (2020)

4.2 Demographic characteristics of the respondents

4.2.1 Age

Table 4.2 Age of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-30	19	5.7	5.7	5.7
31-40	111	33.3	33.3	39.0
41-50	131	39.3	39.3	78.4
Above 50	72	21.6	21.6	100.0
Total	333	100.0	100.0	

Source: Own Survey result (2020)

As can be seen in table 4.2, age ranging 41-50 constitutes the highest percentage share (39.3%) followed by age group of 31-40 constituting 33.3% and the least with age range of 20-30(5.7%). This shows that the adult group claims more in motor insurance than other groups of people and still indicates they are a dominant group in the economy; hence, have motor insurance cover at the corporation.

4.2.2 Sex

Table 4. 3 Sex of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	226	67.9	67.9	67.9
female	107	32.1	32.1	100.0
Total	333	100.0	100.0	

Source: Own Survey result (2020)

As table 4.3 depicts male constitutes 67.9% and female does 32.1% indicating that higher number of claimants in motor insurance are males than females.

4.2.3 Educational Background

Table 4.4.Educational background of the respondents.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid elementary -junior	7	2.1	2.1	2.1
High school	76	22.8	22.8	24.9
certificate	7	2.1	2.1	27.0
diploma	79	23.7	23.7	50.8
first degree	136	40.8	40.8	91.6
second degree	25	7.5	7.5	99.1
third degree	2	.6	.6	99.7
other	1	.3	.3	100.0
Total	333	100.0	100.0	

Source: Own Survey result (2020)

As table 4.4 shows, most of the respondents are first degree holder constituting 40.8% followed by diploma which is 23.7% of the total indicating that most of the claimants of motor insurance at the corporation are literate groups of people.

4.2.4 Job category

Table 4.5 Job category of the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid private	132	39.6	39.6	39.6
merchant	121	36.3	36.3	76.0
government	42	12.6	12.6	88.6
NGO	34	10.2	10.2	98.8
other	4	1.2	1.2	100.0
Total	333	100.0	100.0	

Source: Own Survey result (2020)

As can be seen in table 4.5, people who are engaged in running their private works dominate the percent of motor claimants (39.6%) followed by merchants (36.3%). Government and NGO workers follow the motor claimants with 12.6% and 10.2 % respectively. This may indicate that people who are running their private work and merchants have more frequency of movement than government and NGO workers where they usually spend times in offices with less frequency of movement with their vehicles.

4.2.5 Income

Table 4.6 Income of the respondents.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 15,000.00 and less	76	22.8	22.8	22.8
16,000-30,000.00	108	32.4	32.4	55.3
31,000.00-40,000.00	49	14.7	14.7	70.0
41,000.00-50,000.00	48	14.4	14.4	84.4
Above 51,000.00	52	15.6	15.6	100.0
Total	333	100.0	100.0	

Source: Own Survey result (2020)

As the table 4.6 shows, most of the income of the motor insurance respondents' lay ranging 16,000-30,000.00 per month showing that middle income respondents dominate as motor claimants.

4.2.6 Years since respondents have insurance cover at EIC

Table 4.7 years since respondents have insurance cover at EIC

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-3 years	65	19.5	19.5	19.5
4-6 years	147	44.1	44.1	63.7
7-10 years	87	26.1	26.1	89.8
11-15 years	30	9.0	9.0	98.8
Above 16 years	4	1.2	1.2	100.0
Total	333	100.0	100.0	

Source: Own Survey result (2020)

Table 4.7 shows that most of the claimants are those who have a stay at the corporation with 4-6 years followed by those of 7-10 years of stay. This shows most of the respondents are of on average 5 years of stay.

4.2.7 Frequency of claim for respondents of motor claim

Table 4.8 frequency for respondents of claim

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-3 times	306	91.9	91.9	93.7
4-6 times	21	6.3	6.3	100.0
Total	333	100.0	100.0	

Source: Own Survey result (2020)

As table 4.8 indicates, 91.9% of the respondents are claimants which have frequency of 1-3 times. Of course this research used respondents who had experience of claim frequency of at least once. Since there was no any figure collected for zero as at least one time frequency of claim was being selected and asked and there was no any available frequency of claim above six times, the spss software displayed the above table.

4.3. Customers satisfaction and service quality rate

According to Terzakis et al. (2012), if the gap is positive, the service quality is regarded to be better than expected, if the gap is zero, service quality is good, and if the gap is negative, improvements are demanded.

$$SQ_i = \sum_{j=1}^k (P_{ij} - E_{ij})$$

where: SQ_i = perceived service quality, k = number of service attributes, P = perception of individual 'i' with respect to performance of a service firm attribute 'j', E = service quality expectation for attribute 'j' that is the relevant norm for individual 'i'

4.3.1 Reliability dimension

Table 4.9 Reliability dimension showing customer expectation and perception

Dimension	Perception			Expectation		Gap
	N	Mean	Standard deviation	Mean	Standard deviation	
Reliability						
Vehicle documentation is free of error	333	2.09	0.725	4.45	0.504	-2.36
Tower vehicles are arranged, the assigned investigator reaches to the accident site and handover the vehicle to the tower without delay.	333	2.14	0.770	4.41	0.504	-2.27
Surveyor assesses the damage within required fixed time.	333	2.11	0.749	4.43	0.543	-2.32
Bidding process is conducted within fixed processing time.	333	2.12	0.769	4.38	0.575	-2.26
Insured's vehicles get repaired as per time gap scheduled, extent and quality need of repair.	333	2.11	0.777	4.44	0.515	-2.33
EIC serve customer in case of motor insurance claim as promised and equally.	333	2.11	0.745	4.56	0.515	-2.45
Overall mean		2.12	0.756	4.45	0.526	-2.33

Source: Own Survey result (2020)

As table 4.9 depicts overall satisfaction of customers expected value of 4.45 whilst they experienced low value which is 2.12 showing that there is a gap of 2.33. This shows that EIC's motor claimants have dissatisfaction regarding reliability dimension as their expectation is more than double of what they received from. This shows that much attention should be given in improving the claim service constituting the reliability dimension.

4.3.2 Tangibility dimension

Table 4.10 Tangibility dimension showing customer expectation and perception

Dimension	Perception			Expectation		Gap
	N	Mean	Standard deviation	Mean	Standard deviation	
<i>Tangibility</i>						
Location or proximity to customers	333	2.23	0.70	4.31	0.48	-2.08
Employees in position serving Customers	333	2.36	0.78	4.38	0.50	-2.02
Physical facility adequacy	333	2.28	0.72	4.43	0.51	-2.15
Serving in smile and attractive way	333	2.23	0.73	4.32	0.50	-2.09
Employees dressing professionally	333	2.17	0.73	4.45	0.51	-2.28
Overall mean		2.25	0.73	4.38	0.5	-2.12

Source: Own Survey result (2020)

Table 4.10 shows that customers' expectation regarding tangibility is much higher than perception. The gap for customer satisfaction of motor claimants' is high showing attention should be given in improving the elements of tangibility dimension.

4.3.3 Responsiveness dimension

Table 4.11 Responsiveness dimension showing customer expectation and perception

Dimension	Perception			Expectation		Gap
	N	Mean	Standard deviation	Mean	Standard deviation	
<i>Responsiveness</i>						
Employees make understand their customers about the claim handling procedures in case of motor insurance claim.	333	2.20	0.72	4.47	0.51	-2.27
Employees make understand how long repairing	333	2.24	0.72	4.40	0.50	-2.16

claimed vehicle takes.						
Employees fast response to questions raised by the claimants.	333	2.21	0.77	4.48	0.50	-2.27
Overall mean		2.22	0.73	4.45	0.50	-2.23

Source: Own Survey result (2020)

As table 4.11 shows there is a high level of dissatisfaction which can be seen in the gap. This shows that Ethiopian insurance corporation should improve its motor claim service in the responsiveness element.

4.3.4 Assurance dimension

Table 4.12 Assurance dimension showing customer expectation and perception

Dimension	Perception			Expectation		Gap
	N	Mean	Standard deviation	Mean	Standard deviation	
<i>Assurance</i>						
Serving customers friendly.	333	2.13	0.73	4.41	0.51	-2.28
Employees' knowledge and competence.	333	2.18	0.71	4.52	0.52	-2.34
Serving trustworthily.	333	2.20	0.72	4.33	0.50	-2.13
Employees put confidence on customers.	333	2.17	0.71	4.38	0.50	-2.21
Overall mean		2.17	0.72	4.41	0.51	-2.24

Source: Own Survey result (2020)

As table 4.12 shows, overall mean of expectation for the assurance dimension is 2.17 whilst its mean expectation is 4.41. This shows that there is a big gap between the expectation and perception implying that huge improvements should be made in motor claim service of EIC regarding the elements of assurance.

4.3.5 Empathy dimension

Table 4.13 Empathy dimension showing customer expectation and perception

Dimension	Perception			Expectation		Gap
	N	Mean	Standard deviation	Mean	Standard deviation	
<i>Empathy</i>						
Employees serve understandably & empathetically	333	2.24	0.70	4.44	0.53	-2.20
Employees give individual attention	333	2.19	0.70	4.33	0.49	-2.14
Time comfortably	333	2.09	0.74	4.39	0.50	-2.30
Employees' communication with customers.	333	2.20	0.77	4.44	0.50	-2.24
Overall mean		2.18	0.73	4.40	0.50	-2.22

Source: Own Survey result (2020)

Table 4.14 Summary result of the service quality dimensions.

Dimensions	Mean		Gap	Rank
	Perception	Expectation		
<i>Reliability</i>	2.12	4.45	-2.33	1st
<i>Tangibility</i>	2.25	4.38	-2.12	5th
<i>Responsiveness</i>	2.22	4.45	-2.23	3rd
<i>Assurance</i>	2.17	4.41	-2.24	2nd
<i>Empathy</i>	2.18	4.40	-2.22	4th
Overall mean score	2.19	4.42	-2.23	

Table 4.14 indicates the overall summary of the customers' expectation versus the perceived quality. As the table shows reliability gap rank first with 2.33 followed by assurance (2.24), responsiveness (2.23), empathy (2.22) and tangibility (2.12) in descending orders. This data shows that much attention should be given for the mean of the highest gap following the next in their descending orders.

Let's summarize what the research findings imply regarding the five dimensions with the descriptive statistics.

1. Reliability

Reliability scored 2.12 in a mean score of perception which indicates the claimants of motor insurance responded to the questionnaire with most of them a little below the average value of the score. This indicates that promises were not fulfilled satisfactorily. That means vehicles claim documentation, response of towing damaged vehicles of the customers, assessment of damaged vehicle, bidding process of damaged vehicles, repairing of damaged vehicles, the extent and quality of repair of the damaged vehicle, serving claimants equally and as promised were valued below average as per the perception of the customers. Whilst the mean expectation of the customers were 4.45 where a gap of 2.33 was observed between perception and expectation. That means claimants promise should be kept during claim service which indicates needing such service is a human nature. The mean standard deviation of perception (0.756) is higher than expectation (0.526) indicating that most of the respondents in perception were deviating from the average value (mean) more than in the case of expectation. This might indicate that people respond and behave the same way to their expectation than what they really perceived. The reliability score gap was ranked negative and 1st which indicates that priority should be given by the corporation in minimizing it.

2. Assurance

Assurance scored 2.17 in a mean score of perception which indicates the claimants of motor insurance responded to the questionnaire with most of them a little below the average value. This implies that serving customer's friendly and trustworthily during motor claim, employees' knowledge and competence in motor claim, employees putting confidence on motor claimants were unsatisfactory. Whilst the mean expectation of customers were 4.41 where a gap of 2.24 was observed between perception and expectation. That means competence, knowledge trustworthiness and being friendly is what is expected from the insurer. The mean standard deviation of perception (0.72) is higher than expectation (0.51) implying that most of the respondents answer in "expectation" resided around the average value than "perception". Assurance gap scored negative and 2nd after reliability which indicates that attention should be given by the corporation in minimizing it.

3. Responsiveness

Responsiveness scored 2.22 in a mean score of perception which indicates the claimants of motor insurance responded to the questionnaire with most of them a little below the average value. This implies that making claimants to understand about motor claim procedures and how long does their vehicle repair take and fast response to questions raised by claimants were a little below average or unsatisfactory. Whilst the mean expectation of customers were 4.45 where a gap of 2.23 was observed between perception and expectation. That means fast response to questions raised by claimants and making them understand about the claim procedures is what is expected from the insurer. The mean standard deviation of perception (0.73) is higher than expectation (0.50) implying that most of the respondents answer in “expectation” resided around the average value than “perception”. Assurance gap scored negative and 3rd which indicates that still attention should be given by the corporation in minimizing the gap.

4. Empathy

Empathy scored 2.18 in a mean score of perception which indicates the claimants of motor insurance responded to the questionnaire with most of them a little below the average value of the score. This indicates that employees serving claimants sympathetically, understandably and giving attention to a specific claimant as well as time comfortably of claimants were not satisfactory. Whilst the mean expectation of the customers were 4.40 where a gap of 2.22 was observed between perception and expectation. That means claimants should be served sympathetically and with attention. The mean standard deviation of perception (0.73) is higher than expectation (0.50) indicating that most of the respondents in perception were deviating from the average value (mean) more than in the case of expectation. The empathy gap was ranked negative and 4th which indicates that least attention should be given in minimizing the gap.

5. Tangibility

Tangibility scored 2.25 in a mean score of perception which indicates the claimants of motor insurance responded to the questionnaire with most of them a little below the average value of the score. This indicates that location of the corporation to the claimants, employees’ way of dressing; smile and adequacy of physical facility were not satisfactory. Whilst the mean expectation of the customers were 4.38 where a gap of 2.12 was observed between perception and expectation. That means tangible evidences like physical facilities, infrastructures and

attractive way of dressing should be improved. The mean standard deviation of perception (0.73) is higher than expectation (0.50) indicating that most of the respondents in perception were deviating from the average value (mean) more than in the case of expectation. The tangibility gap was ranked 5th indicating that motor claimants give least attention to physical and tangible looks of the corporation rather in need of being served fast and responded to their claim but the score gap is still negative which indicates that least attention should be given by the corporation in minimizing the gap.

According to (Kassahun, 2015) on the study in the corporation all the service quality gap dimensions were negatively scored with reliability and responsiveness scored the highest gap. The service gap score vector (negative) does comply with this research. Furthermore, reliability is among the dimensions to be given priority by the corporation which is in line with this research. According to (Demisse, 2014) and (Beyene, 2019) all the service dimensions were below expectation and hence dissatisfaction which agrees with this research.

4.4 Pearson correlation analysis

4.4.1 Correlation between service quality dimensions and customer satisfaction

Pearson correlation is conducted to assess the relationships of claim service quality dimensions (independent variables) with customer satisfaction (dependent variable). The following measure of association developed by MacEachron (1982) is used as a reference to check the magnitude of the correlation.

Table 4.15 Measures of association with their descriptions.

Measure of association	Descriptive adjective
>0.00 to 0.20; <-0.00 to -0.20	Very weak or very low
>0.20 to 0.30; <-0.20 to -0.30	Weak or low
>0.30 to 0.60; <-0.30 to -0.60	Moderate
>0.60 to 0.80; <-0.60 to -0.80	Strong or high
>0.80 to 1.00; <-0.80 to -1.00	Very Strong or very high

Table 4.16 Correlations between customer satisfaction and quality dimensions.

		Correlations					
		REL	TAN	RSP	ASSR	EMP	CS
REL	Pearson Correlation	1	.633**	.519**	.590**	.527**	.701**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	333	333	333	333	333	333
TAN	Pearson Correlation	.633**	1	.504**	.652**	.633**	.640**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	333	333	333	333	333	333
RSP	Pearson Correlation	.519**	.504**	1	.591**	.570**	.646**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	333	333	333	333	333	333
ASSR	Pearson Correlation	.590**	.652**	.591**	1	.631**	.682**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	333	333	333	333	333	333
EMP	Pearson Correlation	.527**	.633**	.570**	.631**	1	.692**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	333	333	333	333	333	333
CS	Pearson Correlation	.701**	.640**	.646**	.682**	.692**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	333	333	333	333	333	333

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

Source: Own SPSS result (2020)

As table 4.16 depicts all the claim service quality dimensions have a positive correlation with customer satisfaction. Reliability, empathy, assurance, responsiveness and tangibility are in descending order of their correlation coefficient strengths.

Reliability

Reliability has a coefficient of 0.701 with significance level of 0.000 as $p < 0.01$ means the value is considered statistically significant and shows there appears a strong positive correlation between reliability which is an independent variable and customer satisfaction which is the dependent variable. That means to satisfy claimants, promises during policy underwriting should be fulfilled during claim period; fast responses should be provided. Delivering on promise during motor claim service is therefore a crucial factor in EIC's customer claim service. According to

(Kassahun, 2015) the reliability coefficient($r=0.88$) showed a positive and strong correlation with customer satisfaction. According to (Anantha Raj A.Arokiasamy and Huam Hon Tat, 2014) on assessing the relationship between service quality and customer satisfaction at Malaysian automotive insurance, the relationship between reliability and customer satisfaction was found strong. According to (Kasse, 2017) there found $r=0.465$ showing that there was a moderate and positive relationship between reliability and customer satisfaction. This shows that the results are in comply with the researcher findings.

Empathy

Empathy has a coefficient of 0.692 with significant level of 0.000 as $p < 0.001$ means the value is considered statistically significant and shows there appears a strong positive correlation between empathy which is an independent variable and customer satisfaction which is the dependent variable. This indicates that to have a satisfied claimant ,employees should serve claimants sympathetically, understandably and giving attention to a specific claimant as well as giving time comfortably to claimants should, therefore, be given due attention. According to (Kassahun, 2015) the empathy coefficient($r=0.853$) showed a positive and strong correlation with customer satisfaction. According to (Anantha Raj A.Arokiasamy and Huam Hon Tat, 2014) on assessing the relationship between service quality and customer satisfaction at Malaysian automotive insurance, the relationship between empathy and customer satisfaction was found strong. According to (Kasse, 2017) found $r=0.509$ showing that there was a moderate and positive relationship between empathy and customer satisfaction. This shows that the results are in comply with the researcher findings.

Assurance

Assurance has a coefficient of 0.682 with significance level of 0.000 as $p < 0.001$ means the value is considered statistically significant and shows there appears a strong positive correlation between reliability which is an independent variable and customer satisfaction which is the dependent variable. This implies that serving customer's friendly and trustworthily during motor claim, employees' knowledge and competence in motor claim, putting confidence on motor claimants by employees should be given attention. According to (Kassahun, 2015) the assurance coefficient($r=0.80$) showed a positive and strong correlation with customer satisfaction. According to (Anantha Raj A.Arokiasamy and Huam Hon Tat, 2014) on assessing the

relationship between service quality and customer satisfaction at Malaysian automotive insurance, the relationship between assurance and customer satisfaction was found strong. According to (Kasse, 2017) found $r=0.485$ showing that there was a moderate and positive relationship between empathy and customer satisfaction. This shows that the results are in comply with the researcher findings.

Responsiveness

Responsiveness has a coefficient of 0.646 with significant level of 0.000 as $p < 0.001$ means the value is considered statistically significant and shows there appears a strong positive correlation between responsiveness which is an independent variable and customer satisfaction which is the dependent variable. This implies that to have a satisfied claimants, motor claim procedures, how long does claimants vehicle repair take and fast response to questions raised by claimants should be given attention. According to (Kassahun, 2015) the responsiveness coefficient ($r=0.853$) showed a positive and strong correlation with customer satisfaction. According to (Anantha Raj A. Arokiasamy and Huam Hon Tat, 2014) on assessing the relationship between service quality and customer satisfaction at Malaysian automotive insurance, the relationship between responsiveness and customer satisfaction was found strong. According to (Kasse, 2017) found $r=0.415$ showing that there was a moderate and positive relationship between responsiveness and customer satisfaction. This shows that the results are in comply with the researcher findings.

Tangibility

Tangibility has a coefficient of 0.640 with significant level of 0.000 as $p < 0.001$ means the value is considered statistically significant and shows there appears a strong positive correlation between tangibility which is an independent variable and customer satisfaction which is the dependent variable. This indicates that location of the corporation to the claimants, employees' way of dressing; smile and adequacy of physical facility should be given attention. According to (Kassahun, 2015) the tangibility coefficient ($r=0.872$) showed a positive and strong correlation with customer satisfaction. According to (Anantha Raj A. Arokiasamy and Huam Hon Tat, 2014) on assessing the relationship between service quality and customer satisfaction at Malaysian automotive insurance, the relationship between tangibility and customer satisfaction was found strong. According to (Kasse, 2017) found $r=0.370$ showing that there was a moderate and positive

relationship between tangibility and customer satisfaction. This shows that the results are in comply with the researcher findings

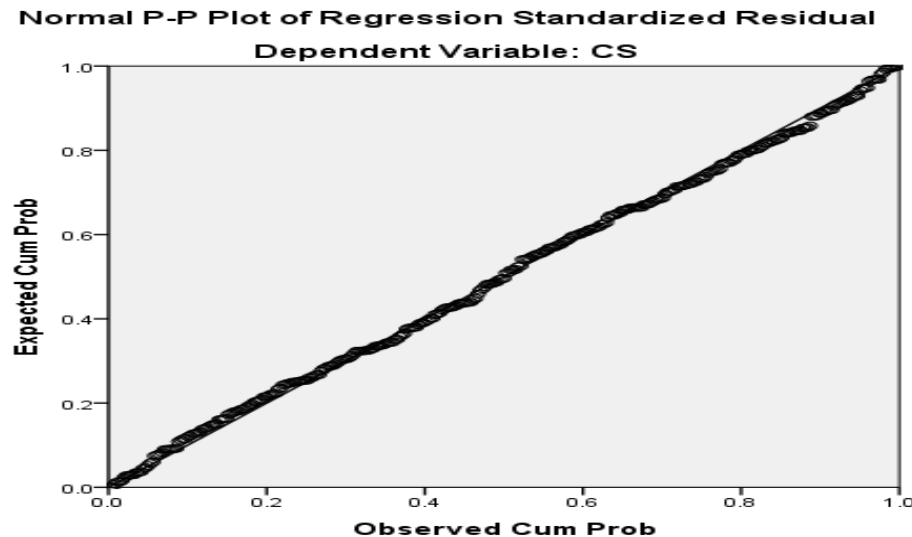
4.5 Regression test

The assumptions that the researcher is able to conduct before analyzing regression are linearity, normality, homoscedasticity, multicollinearity and independent of residual will be presented one by one.

4.5.1 Test for normality of data

A graphical tool for assessing the normality of data is the normal probability plot of standardized data against the standard normal distribution. If the data is normally distributed, the point in QQ-normal plot lies on straight diagonal line.(Gujarati.D.N, 2002) As can be seen in the fig 4.2 most of the data fall in straight line and therefore, it fulfilled the first criterion test of regression.

Fig 4.2 Test for normality of data

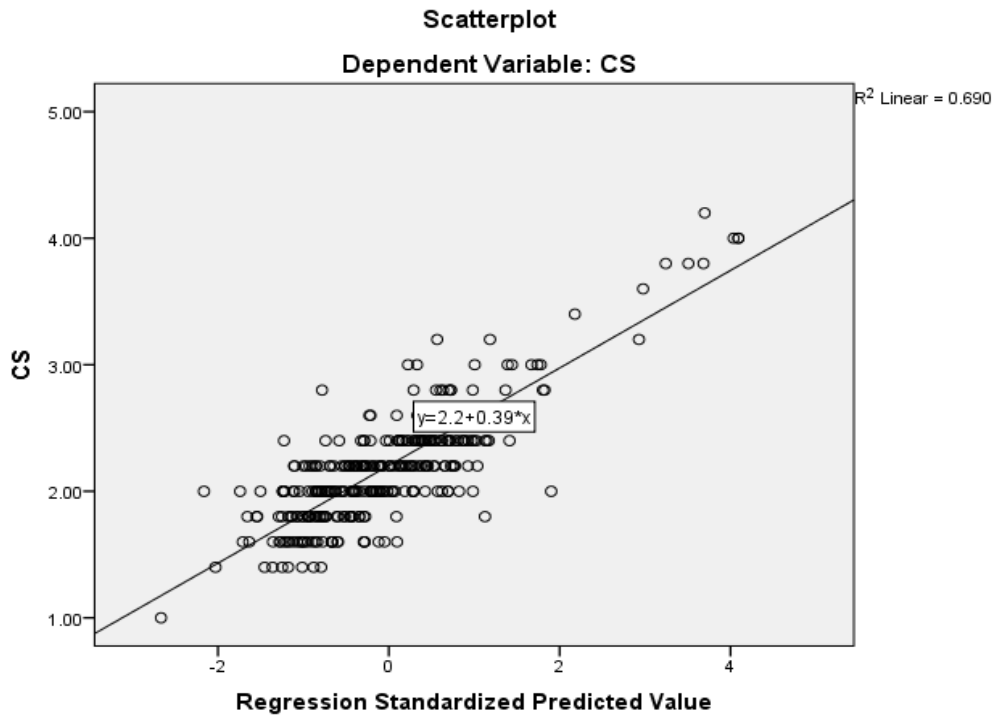


Source: Own SPSS result (2020)

4.5.2 Test for homoscedasticity

Homoscedasticity refers a condition in which the variance of the residual or error term in a regression model is constant.(Gujarati.D.N, 2002).That is the error term does not vary much as the value of the predictor variable changes. As can be seen in the figure 4.3 the homoscedasticity has met since the scores are evenly distributed around the prediction line.

Fig 4.3 Test for homoscedasticity of data



Source: Own SPSS result (2020)

4.5.3 Test for Multicollinearity

In statistics multicollinearity is a phenomenon in which one predictor variable in a multiple regression model can be linearly predicted from the others with a substantial degree of accuracy or refers to a situation in which two or more variables in a multiple regression model are highly linearly related. (O'Brein, 2007). Variance inflation factor (VIF) is a measure of the amount of multicollinearity in a set of multiple regression variables. In this research VIF technique was used and is equal to the ratio of the overall model variance to the variance of model that includes only that single independent variable. The decision rule is a variable whose VIF is greater than 10 indicates the possible existence of multicollinear problems. Tolerance is defined as $1/VIF$ and can be also used to check multicollinearity and the decision rule is TOL value is less than 0.1 shows existence of multicollinearity problem.

Table 4.17 Test for multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
REL	.520	1.923
TAN	.433	2.309
RSP	.563	1.777
ASSR	.434	2.306
EMP	.478	2.092

Source: Own SPSS result (2020)

4.5.4 Test for independent of residuals

Multiple linear regression models assume that the residuals are independent of one another. The Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50.

Table 4.18. Test for independent of residuals.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.831 ^a	.690	.685	.26032	1.851

a. Predictors: (Constant), EMP, REL, RSP, ASSR, TAN

b. Dependent Variable: CS

Source: Own SPSS result (2020)

Table 4.18 shows the independent of residuals and the assumption has met since Durbin-Watson value fall in the acceptable range.

As a conclusion, the multiple regression models have met all the five assumptions and hence the data can be modeled. Therefore, in multiple regression,

$$Y_n = a_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + \dots + b_nx_n + e_n$$

Where, Y_n = the outcome variable

$$a_0 = \text{constant}$$

b_1 = the coefficient of the first predictor

b_n =the coefficient of n^{th} predictor

e_n =error term

Therefore, in this research the following variables are used.

CS_i (Y_n) =customer satisfaction

R_{x1}=Reliability

T_{x2}=Tangibility

Rsp_{x3}=Responsiveness

Ass_{x4}=Assurance

Emp_{x5}=Empathy

Let's see the following table for ANOVA first. As can be seen in table 4.18 the significant value is below alpha level of 0.02 showing that all the independent variables or the overall claim service quality are statistically significant and can be explain the value of the dependent variable.

Table 4.19 ANOVA table

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49.355	5	9.871	145.660	.000 ^b
	Residual	22.160	327	.068		
	Total	71.516	332			

a. Dependent Variable: CS

b. Predictors: (Constant), EMP, REL, RSP, ASSR, TAN

Source: Own SPSS result (2020)

Table 4.20 describes model summary and in it there is a parameter named 'R square' that shows a value of 0.690 which means at significant value of 0.02 the dependent value is described by independent value 69% times.

Table 4.20 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.831 ^a	.690	.685	.26032	1.851

a. Predictors: (Constant), EMP, REL, RSP, ASSR, TAN

Source: Own SPSS result (2020)

Table 4.20 shows all the independent variables are statistically significant at sig value of 0.02 except for tangibility dimension which is above the sig value of alpha 0.02.

Table 4.21 Regression coefficient result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.212	.078		2.707	.007
REL	.273	.036	.322	7.541	.000
TAN	.055	.046	.056	1.196	.232
RSP	.172	.036	.197	4.809	.000
ASSR	.170	.047	.170	3.647	.000
EMP	.248	.041	.267	5.998	.000

Source: Own SPSS result (2020)

Considering standardized beta coefficients, the multiple regression model is:

$$CS=0.212+0.322REL+0.056TAN+0.197RSP+0.17ASSR+0.267EMP$$

4.6 Hypothesis Testing

H₀₁: Reliability has no effect on customer satisfaction.

H₁: Reliability has a positive and significant effect on customer satisfaction.

The outcome of multiple regressions coefficient, as presented in table 4.20, showed that reliability has a positive and significant effect on customer satisfaction with a Beta value (Beta = 0.322), at 98% confidence level (p<0.02). This implies that, one percent increase in reliability results in 32.2 percent increase in customer satisfaction. Therefore, the researcher may reject the null hypothesis and it is accepted that, reliability has a positive and significant effect on customer satisfaction.

H₀₂: Tangibility has no significant effect on customer satisfaction.

H₂: Tangibility has a positive and significant effect on customer satisfaction.

The result of table 4.20 showed that, p-value is not significant as the sig value is 0.232 ($p > 0.02$). Therefore, the researcher fail to reject the null hypothesis and tangibility has no significant effect on customer satisfaction.

H₀₃: Responsiveness has no effect on customer satisfaction.

H₃: Responsiveness has a positive and significant effect on customer satisfaction.

The outcome of multiple regressions coefficient, as presented in table 4.20, showed that responsiveness has a positive and significant effect on customer satisfaction with a Beta value (Beta = 0.197), at 98% confidence level ($p < 0.02$). This implies that, one percent increase in reliability results in 19.7 percent increase in customer satisfaction. Therefore, the researcher may reject the null hypothesis and it is accepted that, responsiveness has a positive and significant effect on customer satisfaction.

H₀₄: Assurance has no effect on customer satisfaction.

H₄: Assurance has a positive and significant effect on customer satisfaction.

The outcome of multiple regressions coefficient, as presented in table 4.20, showed that assurance has a positive and significant effect on customer satisfaction with a Beta value (Beta = 0.170), at 98% confidence level ($p < 0.02$). This implies that, one percent increase in reliability results in 17 percent increase in customer satisfaction. Therefore, the researcher may reject the null hypothesis and it is accepted that, assurance has a positive and significant effect on customer satisfaction.

H₀₅: Empathy has no effect on customer satisfaction.

H₅: Empathy has a positive and significant effect on customer satisfaction.

The outcome of multiple regressions coefficient, as presented in table 4.20, showed that empathy has a positive and significant effect on customer satisfaction with a Beta value (Beta = 0.267), at 98% confidence level ($p < 0.02$). This implies that, one percent increase in empathy results in 26.7 percent increase in customer satisfaction. Therefore, the researcher may reject the null hypothesis and it is accepted that, empathy has a positive and significant effect on customer satisfaction.

The overall fitness of the model can be explained by different model determining factors. The first way was by ANOVA (analysis of variance). According to table 4.19 the significant value is 0.00 which is below the alpha level of 0.02. That means the overall independent variable have statistically relationship with the dependent variable.

The coefficient of determination R^2 is the proportion of variance in the dependent variable that is predictable from the independent variables. As table 4.17 showed R^2 value is 0.69 which implies that 69% of the variability of the dependent variable had been accounted for and the remaining 31% of the variability was still unaccounted for.

The coefficient of correlation R is the measure of the degree of relationship between independent variables and dependent variable. In table 4.18 the R value is 0.831 which implies that there was a strong positive relationship between the dependent variable and independent variables.

So, the overall model of regression explained adequately customer satisfaction of the corporation. The individual effects of the dependent variables are explained by beta coefficients. As table 4.21 clearly depicted, reliability has a strong positive correlation with customer satisfaction and implied that a 1 unit increase in reliability produce 32.2% of customer satisfaction increment. Secondly, 1 unit increases in responsiveness produce 19.7% of customer satisfaction increment. The third variable is assurance and a 1 unit increase in assurance variable produce 17% of customer satisfaction increment. The fourth one is empathy and a 1 unit increase in empathy dimension produce 26.7% of customer satisfaction increment. Tangibility had a significant value of ($\text{sig} > 0.05$) and hence its impact in the customer satisfaction was found insignificant according to this study.

According to (Kassahun, 2015) tangibility, reliability, responsiveness, assurance and empathy are in order of their significant to customer satisfaction though responsiveness is not statistically significant at sig value of 0.02. As can be seen here tangibility is the most significant variable to customer satisfaction in (Kassahun, 2015) but insignificant to the researcher as this research basically tries to study service on claim specifically where the issue is sensitive and respondents had priorities on the other service quality dimensions.

Qualitative data for managers of the six districts were noted with the following points.

1. At this time of globalization where the world is at dynamism, service should be in line and competent with the time. This needs to modernize the system of claim service with good quality and to have competent and knowledgeable human resources that run the system; therefore, Ethiopian Insurance corporation practice of claim service is not good enough to serve its customers and due to this much complaints are heard.

2. Much efforts were tried to satisfy customers especially in motor claim service as in Ethiopian insurance industry motor insurance holds the greatest share than other classes of business. Various times efforts have been made in improving the claim service of motor insurance by identifying motor insurance class of business as the main bottleneck. To mention, BPR was implemented in EIC on 2011, though failed to bring results as expected. After that several studies including foreign consultants were part of the study as frequency of claim is high and the claim amount increases from time to time risking the profit of the corporation but still the results are not satisfactory.

3. Ethiopian Insurance Corporation is the pioneer in insurance sector of Ethiopia for more than forty four years of serving the public. This experience can be taken as an opportunity and the numbers of motor insurance customers are increasing though still the number is little compared to what is expected as a corporation with a one of long stay. Today there are about seventeen insurance companies found in Ethiopia and still several are being established. As we know almost all the private insurance companies are experienced in giving motor insurance class of business because at one hand due to the flexibility of policy and the amount of risk that the insurance companies can bear for motor insurance and on the other hand due to that the community has better awareness for motor insurance than other classes of insurance businesses.

4. Ethiopian Insurance Corporation is being under a reform. Already studies have been started to be conducted and are on the verge of being implemented. To this end, renowned abroad consultants are part of the study and it will be a turning point for the corporation to change, especially, regarding improvement in customer service. Modernizing and automating the way of doings, capacities building of human capital, changing processes of doings are supposed to be the main areas of the focus.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of the findings and conclusions

This study tried to identify the claim service quality using the five dimensions of SERVQUAL model. Here it showed the relationship that the claim service quality dimensions had with customer satisfaction and the extent or impact do they had, too. By doing so, it answered the research questions that this study had and pointed out those areas where improvement regarding the claim service quality needed to focus on so that the corporation would gain competitive advantage.

Customer gaps were identified using the claim service quality dimensions and the result showed there is a huge gap of customer expectation and perception attributes. The result showed that the overall mean gap of the claim service quality dimensions of score perception ($m=-2.19$) and expectation ($m=4.42$) with a gap of ($m= -2.23$) yielding a negative gap. Moreover, all the claim service quality dimensions had a negative gap implying customer expectation was higher than perception and improvements should be made.

Reliability showed the highest positive correlation ($r=0.701$) with customer satisfaction followed by empathy with positive correlation ($r=0.692$), and thirdly assurance with positive correlation ($r=0.682$), responsiveness with positive correlation ($r=0.646$) and tangibility with positive correlation ($r=0.640$) with the least in descending orders implying that all claim service quality dimensions were positively correlated with customer satisfaction but with the order listed aforementioned.

The overall fitness of the model can be explained by different model determining factors. The first way was by ANOVA (analysis of variance). According to table 4.19 the significant value is 0.00 which is below the alpha level. That means the overall independent variable have statistically relationship with the dependent variable.

The coefficient of determination R^2 is the proportion of variance in the dependent variable that is predictable from the independent variables. As table 4.17 showed R^2 value is 0.69 which implies

that 69% of the variability of the dependent variable had been accounted for and the remaining 31% of the variability was still unaccounted for.

The coefficient of correlation R is the measure of the degree of relationship between independent variables and dependent variable. In table 4.18 the R value is 0.831 which implies that there was a strong positive relationship between the dependent variable and independent variables.

So, the overall model of regression explained adequately customer satisfaction of the corporation. The individual effects of the dependent variables are explained by beta coefficients. As table 4.21 clearly depicted, reliability has a strong positive correlation with customer satisfaction and implied that a 1 unit increase in reliability produce 32.2% of customer satisfaction increment. Secondly, 1 unit increases in responsiveness produce 19.7% of customer satisfaction increment. The third variable is assurance and a 1 unit increase in assurance variable produce 17% of customer satisfaction increment. The fourth one is empathy and a 1 unit increase in empathy dimension produce 26.7% of customer satisfaction increment. Tangibility had a significant value of (>0.05) and hence its impact in the customer satisfaction was found insignificant according to this study.

5.2 Recommendations

As presented in the findings of the study there was a huge gap of claim service quality in customers' expectation and perception in each of the dimensions. Additionally, the finding approved there is a positive relationship between the claim service quality dimensions and customer satisfaction. Therefore, the following specific recommendations are provided by the researcher to improve the quality of motor claim service and customer satisfaction at EIC.

- ✓ Regarding reliability claim service quality dimension, the element "vehicle documentation is free of error" and "EIC serve customers as promised and equally in motor claim" scored the highest gap so that making frequent error in handling claim documents are sensitive and create lack of confidence in customers' mind so that handling documents free of error and serving customers as promised and equally should be given due attention. "Tower vehicles are arranged and the assigned investigator reaches the accident site and handover the damaged vehicle to the tower without

delay” scored the next highest score gap and therefore, EIC should give due attention in serving their customers during accident by quickly towing damaged vehicles of customers so that they fulfill what they promised.

- ✓ From the assurance claim service quality dimension, “employees serve customers friendly and “having employees’ knowledge during motor claim service” scored the highest gap and therefore EIC should improve its capacity knowledge building of its employees through giving relevant trainings on the subject matter and taking due care in human resource management department while conducting selection of customer care officers so as to have those who have ability to communicate friendly with customers.
- ✓ Regarding responsiveness claim service quality dimension, the gap of “employees make understand their customers in briefing claim handling procedures and giving response to questions raised by customers” scored the highest. This implies that employees of EIC should transparently equip customers with the procedures of the claim and respond quickly to questions raised by customers. This needs flexibility and good communication which is expected from employees especially customer officer cares who are supposed to have active communication with customers.
- ✓ Regarding empathy claim service quality dimension, “time comfortably and conducting communication with customers” scored the highest gap and hence improvement should be done in good communication as well in making customers to use their time comfortably.

5.3 Future Research

This research is limited to those branches or districts found in Addis Ababa and it will be helpful and taken as an initial document to study and extend the case to areas found outside of Addis Ababa. Furthermore, the research can be basically extended to other insurance classes of business like fire, marine and engineering.

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ANNEXES

JIMMA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION

Masters Degree in Business Administration

Questionnaire prepared for motor insurance customers of EIC

Dear Respondent;

My name is ZelalemAmene. I am a student in the postgraduate program at the College of Business and Economics, Jimma University and working towards the Masters Degree in Business Administration. The purpose of this questionnaire is to collect primary data on “**The Impact of claim handling practices on customer satisfaction of motor insurance in Ethiopian Insurance corporation**” for partial fulfillment of the requirements for the award of Masters Degree in Business Administration (MBA).It is with due respect and gratitude that I extend my sincere appreciation and thanks for your kindness in filling out this questionnaire.

Please be sure that any information provided is strictly confidential; therefore, please do not write your name or sign anywhere in the questionnaire.

You are kindly requested to tick on your choices and provide short and clear answer to the open-ended questions where necessary.

Thank you very much for your cooperation in advance and if you have any queries or doubt please feel free to contact me with the following address:

ZelalemAmene: Email: zelaame3083@gmail.com;

Cell phone; +251-924-859247

Part one

Demographic data

1. Age.....
2. Gender.....
3. Educational level.....
4. Occupation.....
5. Monthly income.....

6. What type of motor insurance cover do you have?

7. For how long have you been to Ethiopian Insurance Corporation as motor insurance customer?.....

8. How frequent have you paid for motor insurance claim?.....

Part Two

Survey of your expectation and perception towards impact of customer satisfaction towards motor claim of EIC. This survey deals with your opinion about EIC motor insurance claim. Please show the extent to which you expect and perceive the organization’s offering services should possess features described by each statement. There is no right or wrong answers all I am interested in is a number that best show your expectations and perceptions about the Service Delivery System of EIC. Based on this please put a tick (√) in the boxes which mostly explain your attitudes.

a) Level of EXPECTATION towards practice of motor claim service of EIC

b) Level of PERCEPTION towards practice of motor claim service of EIC

The score levels are described as:

- 1- Strongly Disagree 2.Disagree 3.Neutral 4.Agree 5.Strongly Agree

	Dimensions	Expectation level					Perception(actual)level					
		5	4	3	2	1	5	4	3	2	1	
	Reliability											
9	EIC’s insured’s vehicle documentation is free of error.											
10	Tower vehicles are arranged, the assigned investigator reaches to the accident site and handover the vehicle to the tower without delay.											
11	Surveyor assesses the damage within required fixed time.											
12	Bidding process is conducted within fixed processing time.											
13	Insured’s vehicles get repaired as per time gap scheduled, extent and quality need of repair.											
14	EIC serve customer in case of motor insurance claim as promised and equally.											

	Dimensions	Expectation level					Perception(actual)level				
		5	4	3	2	1	5	4	3	2	1
	Tangibility										
15	EIC's branch/district location is proximate or near to you.										
16	Employees of EIC are in a position/ready to serve customers in case of motor insurance claim.										
17	EIC's physical facilities (customer seats, toilets, office layouts, telephone, computer systems etc...) are full and modern.										
18	EIC's employees serve their customers in smile and attractive way in case of motor insurance claim.										
19	Employees appear professionally dressed.										

	Dimensions	Expectation level					Perception(actual)level				
		5	4	3	2	1	5	4	3	2	1
	Responsiveness										
20	Employees make understand their customers about the claim handling procedures in case of motor insurance claim.										
21	Employees tell their customers transparently and in willingness about how long it takes to repair their vehicles.										
22	Employees are willing to give fast responses to customers' questions in case of motor insurance claim.										

	Dimensions	Expectation level					Perception(actual)level				
		5	4	3	2	1	5	4	3	2	1
	Assurance										
23	Employees serve their customers in friendly manner in case of motor insurance claim.										
24	Employees have knowledge and competent to serve their customers in case of motor insurance claim.										
25	Employees serve their customers trustworthy in case of motor claim.										

26	The behavior of employees puts confidence in their customers in case of motor claim.										
----	--	--	--	--	--	--	--	--	--	--	--

Dimensions		Expectation level					Perception(actual)level				
Empathy		5	4	3	2	1	5	4	3	2	1
27	Employees serve their customers in understanding and empathy in case of motor insurance claim.										
28	Employees serve their customers by giving attention to individual customer in case of motor insurance claim.										
29	Working time is comfortable to you.										
30	Employees communicate well with its customers in case of motor claim.										

PART THREE

Customer satisfaction

Customer satisfaction		5	4	3	2	1
31	Considering time, money and effort spend, motor insurance claim service meet my expectations					
32	I will renew my motor insurance in the future					
33	I will recommend EIC to my friends and family members					
34	EIC acts in my best interest in motor insurance claim.					
35	overall, I feel comfortable and feel secured with the motor claim service provided					

የጅምቤ ከርሲቲድህረምረቃት/ቤት

የኤም.ቢ.ኤዲፓርትመንት

በኢትዮጵያ መድንድርጅትየ ተሸከርካሪኢንሹራንስደንበኞችየ ማህላ ማጠቀሚያ

ይህ ማጠቀሚያ የጅምቤ ከርሲቲድህረምረቃት/ቤት ለሚጠየቁ ስዲታዎች ላይ የሚደረግ የጥናቱ ዓላማ ላይ ኢትዮጵያ መድንድርጅት በተሸከርካሪ የካሳ ማጠቀሚያ ስራ ላይ ስርዓቱን ለማረጋገጥና ለማረጋገጥ የሚደረግ ጥናት ነው። ይህ ማጠቀሚያ በደንበኞች መሠረት የሚደረግ ጥናት ነው። የዚህ ማጠቀሚያ ዓላማ ኢትዮጵያ መድንድርጅት የተሸከርካሪ ኢንሹራንስ ስዲታዎችን ለማረጋገጥና ለማረጋገጥ የሚደረግ ጥናት ነው። ስለሆነ ማጠቀሚያው ለሁሉም የሚደረግ ጥናት ነው።

ማህበረሰብ

- ስምዎን ማሰቃት ስፈልግዎት :
- የሚጠቅሙዎት ጽሑፍን ማስገባት :

ክፍል 1

የግልዳታ

1. እድሜ
2. ጾታ.....
3. የትምህርት ደረጃ.....
4. ስራ.....
5. የወር ገቢ.....
6. ምን ዓይነት የጥቅር ኢንሹራንስ ስፈራን ነው ወይ ገዘብ?.....
7. የኢትዮጵያ መድንድርጅት የጥቅር ኢንሹራንስ ደንበኛ ከሆኑ ምን ያህል ጊዜ ይሆናል?.....
8. ለምን ያህል ጊዜ የጥቅር ኢንሹራንስ ካሳ ተከፈለች?.....

ክፍል 2

ይህ ጥናት በተሸከርካሪ ኢንሹራንስ ካሳ ማጠቀሚያ ስራ ላይ ስርዓቱን ለማረጋገጥና ለማረጋገጥ የሚደረግ ጥናት ነው። በአጠቃላይ ይህ ጥናት የሚደረግ ወሰን ለኢትዮጵያ መድንድርጅት ነው። ደግሞ የተሸከርካሪ ኢንሹራንስ ካሳ ማጠቀሚያ ስራ ላይ ስርዓቱን ለማረጋገጥና ለማረጋገጥ የሚደረግ ጥናት ነው። ደግሞ የተሸከርካሪ ኢንሹራንስ ካሳ ማጠቀሚያ ስራ ላይ ስርዓቱን ለማረጋገጥና ለማረጋገጥ የሚደረግ ጥናት ነው።

ከርካሪ ኢንሹራንስ ካሳ መስተግብራት ስለሚጠየቁ አገልግሎት አይነትና ሁኔታዎች እርስዎን ግምት እና አመለካከት በትክክል እና ግልጽ በሆነ ሁኔታ ማረጋገጥ ይቻላል። ከላይ በተጠቀሱት ማህበራዊ ምረቃዎች ላይ ተመክሮ ተወክተሰ ጠቅላይ ጭቆናዎች ጥያቄ እርስዎን አመለካከት እና ፍላጎትዎ በሌሎች ላይ ለሌላ ወቅት ማረጋገጥ ለማድረግ ወሳኝ ጥንቃቄ ጥላቻ ላይ ስለሚገኙት ሁኔታዎች ይህንን ምረቃ ክፍት < <□> > ያድርጉበት፡፡

- በሞተር ካሳ መስተግብራት ኢ.መ.ደዩ አገልግሎት ጥራት ላይ ደንበኛዎች ድርጅቱ የሚጠበቀው አገልግሎት ደረጃን በተመለከተ፡፡
- በሞተር ካሳ መስተግብራት ኢ.መ.ደዩ አገልግሎት አስጠጥሮ ጥራት ላይ ደንበኛዎች ለወይን አመለካከት ደረጃን በተመለከተ የተሰጠው የጥብደት ምዘድ ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡

1. በሞተር ካሳ መስተግብራት ኢ.መ.ደዩ አገልግሎት ጥራት ላይ ደንበኛዎች ድርጅቱ የሚጠበቀው አገልግሎት ደረጃን በተመለከተ
 2. አገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡
 3. አገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡
 4. አገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡
 5. በሞተር ካሳ መስተግብራት ኢ.መ.ደዩ አገልግሎት ጥራት ላይ ደንበኛዎች ድርጅቱ የሚጠበቀው አገልግሎት ደረጃን በተመለከተ

ተአማኒነት	ደንበኞች ከድርጅቱ የሚጠበቁት የአገልግሎት ደረጃ					ደንበኞች ከድርጅቱ የሚጠበቁት የአገልግሎት ደረጃ				
	5	4	3	2	1	5	4	3	2	1
9. የተሸከርካሪ ሰነድ ደንበኛዎች ለአገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										
10. በአደጋ ወቅት የተሸከርካሪ ማንኛውንም ማረጋገጫ ለማድረግ ወጭ ጥንቃቄ ይሰጣል፡፡ አንድ ስራ ተገቢ ለሆነ ሰነድ ደንበኛዎች ለአገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										
11. ሰርቪየር በሚሰጠው ሰነድ ደንበኛዎች ለአገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										
12. የተሸከርካሪ የጥገና ሰነድ ደንበኛዎች ለአገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										
13. የደንበኞች የተሸከርካሪ በተባለው ሰነድ ደንበኛዎች ለአገልግሎት ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										
14. ደንበኛዎች የተሸከርካሪ ካሳ መስተግብራት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										

ተጨማሪነት	ደንበኞች ከድርጅቱ የሚጠበቁት የአገልግሎት ደረጃ					ደንበኞች ከድርጅቱ የሚጠበቁት የአገልግሎት ደረጃ				
	5	4	3	2	1	5	4	3	2	1
15. የኢትዮጵያ ማህበራዊ ምረቃዎች/ዲስትሪቢዥኖች ለደንበኞች ማረጋገጫ ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										
16. ሠራተኞች ደንበኞችን ለማረጋገጥ የተሰጠው የጥብደት ምዘድ ስርዓት ስለሆነ ልዩ ልዩ አገልግሎት ይሰጣል፡፡										

17. የቢሮአገልግሎት ፋሲላቲዎች (የመስተናገጃ ወንበሮች፣ የሜላዳቫታ፣ የቢሮአቀማመጥ፣ ስልክ፣ ኮምፒተር፣ ስለተምዘተ.../የተሟላ እና ዘመናዊ ዊናቸው) :											
18. ሠራተኞች የተሸከርካሪ ኢንሹራንስ ደንቦችን በቅቻቸው በካሳ መስተንግዶ ወቅት በፈገግ ታላቅና ሳቢቢሆን አቀራረብነ ወይ ማይ ስተናግዳት :											
19. ሠራተኞች አለባበሳቸው ጥሩ ፈላጊነት ወይስ ጥሩ አይደለም :											

ምላሽ መስጠት	ደንበኞች ከደርጅቱ የሚጠበቁት የአገልግሎት ደረጃ					ደንበኞች ከደርጅቱ ያገኙት የአገልግሎት ደረጃ				
	5	4	3	2	1	5	4	3	2	1
20. ሠራተኞች የተሸከርካሪ ኢንሹራንስ ደንቦችን በቅቻቸው ስለካሳ ሂደት ደንበኞች በጣም ባቸው መንገድ ያስረዳሉ :										
21. ሠራተኞች የደንበኞችን የተሸከርካሪ ለጥገና ምን ያህል ጊዜ እንደሚጠበቅ ለደንበኞቻቸው ያስረዳሉ :										
22. ሠራተኞች የተሸከርካሪ ኢንሹራንስ የካሳ መስተንግዶ ወቅት ደንበኞች ለሚጠበቁት ዋና ዋና ጭቆናዎች ምላሽ ለመስጠት ፍቃድ ናቸው :										

ሚረጋገጥ መሆኑን	ደንበኞች ከደርጅቱ የሚጠበቁት የአገልግሎት ደረጃ					ደንበኞች ከደርጅቱ ያገኙት የአገልግሎት ደረጃ				
	5	4	3	2	1	5	4	3	2	1
23. ሠራተኞች በተሸከርካሪ ኢንሹራንስ ካሳ ወቅት ደንበኞቻቸውን በማቅረብ መሪ ፈላጊነት ስተናግዳሉ :										
24. ሠራተኞች በተሸከርካሪ ኢንሹራንስ ካሳ መስተንግዶ ወቅት እውቀት ባለው መንገድ ደንበኞቻቸውን ያስተናግዳሉ :										
25. ሠራተኞች የተሸከርካሪ ካሳ መስተንግዶ ወቅት በታላቅ ትዕዛዝ ትዕዛዝ ደንበኞቻቸውን ያስተናግዳሉ :										
26. ሠራተኞች የተሸከርካሪ ካሳ መስተንግዶ ወቅት ደንበኞች ደህንነት ና እርግጠኝነት እንዲሰጣቸው ያደርጋሉ :										

ሚዳት	ደንበኞች ከድርጅቱ የሚጠበቁት የአገልግሎት ደረጃ					ደንበኞች ከድርጅቱ የገኙት የአገልግሎት ደረጃ				
	5	4	3	2	1	5	4	3	2	1
27. ሠራተኞች በተሸከርካሪ ኢንሹራንስ ካሳ መስተንግዶ ወቅት ደንበኞቻቸውን በሚዳት ማፈሰያ ስተናግዳሉ፡፡										
28. ሠራተኞች በተሸከርካሪ ኢንሹራንስ ካሳ ወቅት ስለአንድ ደንበኛ ትኩረት ስጠው ስተናግዳሉ፡፡										
29. ደንበኞች በመስተንግዶ ወቅት ጊዜያቸውን በአግባቡ ወያ ማጠቃለያ፡፡										
30. ሠራተኞች በተሸከርካሪ ኢንሹራንስ ካሳ መስተንግዶ ወቅት ከደንበኞቻቸው ጋር በመግባባት ስተናግዳሉ፡፡										

ክፍል 3

የደንበኞች እርካታ ማጠቃለያ

	የደንበኞች እርካታ ጥያቄ	5	4	3	2	1
31	ጊዜዎን፣ ገንዘቤን እና ጉልበቴን ግንዛቤ ወስጥባቸው ለገባቸው ተሸከርካሪ ማድን ካሳ ጠበኩትን መስተንግዶ አግኝቻለሁ፡፡					
32	የተሸከርካሪ ማድን ዋስትና ለወደፊቱ አድሳለሁ፡፡					
33	ለወዳጆቼ እንዲሠጡ ለተሰባሳቢዎቼም አገልግሎት ማድን ድርጅት ዋስትና እንዲኖራቸው እመክራለሁ፡፡					
34	ኢ.መ.ድ በተሸከርካሪ ካሳ ወቅት የእኔን ፍላጎት ስጠኛልኛል፡፡					
35	በአጠቃላይ የተሸከርካሪ ማድን ካሳ አገልግሎት አሰጣጥ ስተናግዳለሁ፡፡					

JIMMA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION
Masters Degree in Business Administration
Interview prepared for managers of EIC

Dear Respondent;

My name is Zelalem Amene. I am a student in the postgraduate program at the College of Business and Economics, Jimma University and working towards the Masters Degree in Business Administration. The purpose of this questionnaire is to collect primary data on “**The Impact of claim service quality on customer satisfaction of motor insurance class of business: The case of Ethiopian Insurance corporation**” for partial fulfillment of the requirements for the award of Masters Degree in Business Administration (MBA). It is with due respect and gratitude that I extend my sincere appreciation and thanks for your kindness in filling out this questionnaire.

Please be sure that any information provided is strictly confidential; therefore, please do not write your name or sign anywhere in the questionnaire.

Thank you very much for your cooperation in advance and if you have any queries or doubt please feel free to contact me with the following address:

Zelalem Amene: Email: zelaame3083@gmail.com;

Cell phone; +251-924-859247

1. What is your current working position in Ethiopian Insurance Corporation?

2. How long have you been working for Ethiopian insurance corporation?

3. Do you feel that EIC'S customers are happy with quality of motor claim service they receive from the corporation? Please mention the main reasons.

4. What efforts have been made to improve quality of motor claim service to satisfy them?

5. What are the achievements and challenges EIC faced with motor claim handlings?

6. Do you think that EIC has the ability to provide its appropriate claim service quality for its customers in the future? Please mention the reasons.

7. If you have any other comment or suggestion?

THANK YOU FOR YOUR PATIENCE AND TIME!

IN 000 birr

Fiscal Year	FIRE	MOTOR	MARINE	LIABILITY	AVIATION	OTHER	LIFE	TOTAL
2014	141,989	758,023	340,978	46,453	235,994	359,659	99,440	1,982,536
2015	138,027	827,210	336,065	56,271	209,199	407,046	122,146	2,095,964
2016	168,631	1,045,696	296,888	59,831	259,820	365,252	100,670	2,296,788
2017	208,228	1,105,169	305,597	67,620	448,604	481,828	104,422	2,721,468
2018	254,639	1,169,715	272,869	62,224	561,335	537,443	116,540	2,974,764

Table 1 Insurance premium collected over the past five years of EIC (source, EIC strategic Management).

Fiscal Year	FIRE	MOTOR	MARINE	LIABILITY	AVIATION	OTHER	LIFE	TOTAL
2014	18,908	573,415	7,048	12,886	39,195	37,513	37,766	726,731
2015	35,236	678,363	12,141	17,159	118,939	59,169	60,499	981,506
2016	28,344	750,450	7,462	17,171	137,238	53,651	43,218	1,037,534
2017	23,849	830,595	43,379	16,305	334,656	59,855	42,150	1,350,789

2018	10,559	886,865	28,209	16,565	69,773	87,281	63,340	1,162,865
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Table 2 Insurance Claim paid over the past five years of EIC (source, EIC strategic Management).

Item	2018	2017	2016	2015	2014
Gross Premium	4,346,317	3,982,203	3,489,111	2,830,635	2,421,725
Net Premium	3,942,447	3,652,888	3,325,761	2,718,095	2,323,094
Ret Ratio in (%)	91	92	95	96	96
Net Earned Premium	3,876,184	3,505,507	2,990,617	2,494,874	2,129,205
Net Claim Incurred	2,930,903	2,817,256	2,348,377	2,077,704	1,722,881
Loss Ratio in (%)	76	80	79	83	81

Table 3 Financial information of insurance industry for motor insurance over the past five years. (Source, National Bank of Ethiopia).

Fiscal year	MARKET SHARE					
	MOTOR	AVIATION	FIRE	MARINE	LIABILITY	OTHERS
2014	0.31	0.96	0.51	0.64	0.28	0.5
2015	0.29	0.95	0.47	0.68	0.3	0.48
2016	0.30	0.96	0.45	0.63	0.36	0.49
2017	0.28	0.98	0.43	0.57	0.3	0.5
2018	0.27	0.98	0.44	0.58	0.24	0.49

Table 4: Market share of motor insurance in EIC as compared to the insurance industry. (source, financial information of insurers, National Bank of Ethiopia).

Fiscal Year	Motor	Aviation	Fire	Eng	Marine	liability	Accident	Empl.liability	Pecuniary	Others
2018	55%	7%	7%	7.50%	6%	3%	4%	2.20%	5.70%	2%
2017	56%	6.40%	6.80%	7%	7.50%	3%	3.60%	2%	6%	1.30%
2016	57%	4.40%	6%	7%	7.70%	2.70%	3%	2.30%	7.70%	1%
2015	54%	4.20%	5.80%	8.20%	9.40%	3.60%	3.60%	3.60%	8%	1.70%
2014	52%	5.20%	6%	9.20%	11.50%	3.50%	3.60%	3.60%	7.50%	0.60%

Table 5 Market share of different classes of business over the past five years in the industry.
(Source, financial information of insurers, National Bank of Ethiopia).