



**INSURANCE INDUSTRY REGULATION AND SERVICE QUALITY: A CASE OF  
UGANDA'S INSURANCE INDUSTRY**

**BY**

**JACQUELYN MAZINGA SSEMAKULA**

**13/MBA/9/039**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCE IN  
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE  
MASTERS DEGREE IN BUSINESS ADMINISTRATION (MBA) OF UGANDA  
MANAGEMENT INSTITUTE**

**JANUARY, 2018**

**DECLARATION**

I, *Jacquelyn Mazinga Ssemakula*, hereby declare that this is my original work and has not been presented to any university or institution of Higher Learning for any academic award. Where secondary sources of information were used in this work have been acknowledged.

Date .....

Signed .....

**APPROVAL**

This dissertation has been written under our supervision and is submitted for examination for the award of the Degree of Masters in Business Administration with our approval as Uganda Management Institute supervisors.

**Signature:** .....

**ASSOCIATE PROFESSOR GERALD KAGAMBIRWE KARYEIJJA**

**Date:** .....

**Signature:** .....

**DR. FLORENCE BAKIBINGA SAJJABI (MRS)**

**Date:** .....

## **DEDICATION**

This dissertation is dedicated to my late father Professor Mazinga Kalyankolo and Mother Florence Mazinga who always encouraged me to read, to my Husband Colonel Ssemakula Patrick who has always been supportive and tolerated me as “an absentee wife” for the years I spent pursuing the course.

## **ACKNOWLEDGEMENT**

With thankful and heartfelt appreciation, I acknowledge the contribution of my supervisors Associate Professor Gerald Kagambirwe Karyeija and Dr. Florence Bakibinga Sajjabi (Mrs) of Uganda Management Institute for their parental and academic guidance, commitment and readiness to help, including the professional listening skills rendered to me towards the completion of this work. May the almighty God bless them abundantly.

I acknowledge with gratitude the contributions and co-operation made by IRA staff and insurance brokers and their willingness to provide the necessary information during the research process. Without their cooperation, this study would have been impossible to accomplish.

I would like to deeply thank all my lecturers at UMI. These have adequately guided and equipped me with both theoretical and practical skills. I would also like to acknowledge the contribution of my classmates of UMI from whom I enjoyed fruitful discussions on challenging topics.

I also thank my colleagues at work, who always stood in for me. Special appreciation also goes to my employer for financial and moral support.

Finally, for those not mentioned here, thanks very much for your contribution.

**MAY GOD BLESS YOU**

## TABLE OF CONTENTS

<b>DECLARATION .....</b>	<b>i</b>
<b>APPROVAL .....</b>	<b>ii</b>
<b>DEDICATION .....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>TABLE OF CONTENTS .....</b>	<b>v</b>
<b>LIST OF TABLES .....</b>	<b>xi</b>
<b>LIST OF FIGURES .....</b>	<b>xii</b>
<b>LIST OF ACRONYMS .....</b>	<b>xiii</b>
<b>ABSTRACT.....</b>	<b>xiv</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>1</b>
1.1 Introduction.....	1
1.2 Background to the Study.....	1
1.2.1 Historical Background .....	1
1.2.1 Theoretical Background.....	4
1.2.3 Conceptual Background.....	4
1.2.4 Contextual Background .....	5
1.3 Statement of the Problem.....	6
1.4 Purpose of the study.....	7
1.5 Specific Objectives .....	8
1.6 Research Questions.....	8

1.7 Hypotheses of the study .....	8
1.8 Conceptual Framework.....	9
1.9 Significance of the study.....	10
1.10 Justification of the Study .....	11
1.11 Scope of the study.....	11
1.11.1 Geographical Scope .....	12
1.11.2 Content Scope .....	12
1.12 Operational Definition of Key Terms and Concepts .....	12
<b>CHAPTER TWO .....</b>	<b>14</b>
<b>LITERATURE REVIEW .....</b>	<b>14</b>
2.1 Introduction.....	14
2.2 Theoretical Review .....	14
2.3 Monitoring & Supervision and Insurance Service Quality.....	16
2.4 Mediation role and Insurance Service Quality .....	17
2.5 Policy Compliance and Insurance Service Quality.....	19
2.6 Summary of Chapter .....	20
<b>CHAPTER THREE .....</b>	<b>21</b>
<b>METHODOLOGY .....</b>	<b>21</b>
3.1 Introduction.....	21
3.2 Research Design .....	21
3.3 Study Population.....	21
3.4 Sample Size and Selection Techniques .....	22

3.4.1 Sample Size.....	22
3.4.2 Sampling Selection Techniques.....	22
3.5 Sources of data.....	23
3.6 Data Collection methods.....	23
3.6.1 Questionnaire Survey.....	23
3.6.2 Interviewing.....	24
3.6.3 Documentary Review .....	24
3.7 Data Collection Instruments .....	25
3.7.1 Self Administered Questionnaire.....	25
3.7.2 Interview Guide .....	25
3.7.3 Documentary Review Checklist .....	26
3.8 Quality control .....	26
3.8.1 Validity .....	26
3.8.2 Reliability.....	27
3.9 Data Collection Procedure .....	27
3.10 Data Analysis .....	27
3.10.1 Quantitative Analysis:.....	27
3.10.2 Qualitative Analysis:.....	28
3.11 Measurement of Variables .....	28
3.12 Ethical Considerations .....	29



<b>CHAPTER FOUR.....</b>	<b>29</b>
<b>PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS.....</b>	<b>29</b>
4.1 Introduction.....	29
4.2 Response Rate.....	30
4.3 Background of the Respondents .....	31
4.3.1 Gender of the respondents .....	31
4.3.2 Age of the Respondents .....	32
4.3.3 Level of Education of the Respondents .....	33
4.3.4 Time spent working with IRA .....	34
4.4 Empirical findings on insurance industry regulation and service quality in Uganda’s Insurance Industry.....	34
4.4.1 Findings on service quality in the Insurance industry of Uganda.....	35
4.4.2 Findings on monitoring & supervision of insurance industry players by IRA .....	37
4.4.2.1 Correlation results for monitoring and supervising role and service quality in Uganda’s Insurance Industry.....	41
4.4.2.2 Regression results for monitoring and supervising role and service quality in Uganda’s Insurance Industry.....	42
4.4.3.2 Findings on mediation role played by insurance regulatory bodies .....	42
4.4.3.1 Correlation results on the mediation role and service quality in Uganda’s Insurance Industry. ....	46
4.4.2.2. Regression results for mediation role and service quality in Uganda’s insurance industry. ....	47
4.4.4 Findings on policy compliance in Uganda’s Insurance Industry.....	47

4.4.4.1 Correlation results on policy Compliance and the Insurance Service Quality in Uganda’s insurance Industry .....	50
4.4.4.2. Regression results for policy compliance and service quality in Uganda’s Insurance Industry. ....	51
<b>CHAPTER FIVE .....</b>	<b>52</b>
<b>SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>52</b>
5.1 Introduction.....	52
5.2 Summary .....	53
5.2.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers .....	53
5.2.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver .....	53
5.2.3 Policy compliance and the insurance service quality in Uganda’s insurance Industry .....	54
5.3 Discussion of the study findings.....	54
5.3.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers .....	54
5.3.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver .....	55
5.3.3 Policy Compliance and the insurance service quality in Uganda’s insurance Industry .....	56
5.4 Conclusions.....	<b>58</b>

5.4.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers .....	58
5.4.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver .....	58
5.4.3 Policy Compliance and the insurance service quality in Uganda’s insurance Industry .....	58
5.5 Recommendations .....	59
5.5.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers .....	59
5.5.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver .....	59
5.5.3 Policy Compliance and the insurance service quality in Uganda’s insurance Industry .....	59
5.6 Limitations of the study .....	60
5.7 Areas recommended for further study .....	61
<b>REFERENCES.....</b>	<b>61</b>
<b>APPENDICES.....</b>	<b>i</b>
Appendix I: Research Questionnaire .....	i
Appendix II: Interview Schedule for top Management .....	v
Appendix III: Documentary Review Checklist .....	vi
Appendix IV: Table for Determining Sample Size from a given Population.....	vii
Appendix V: Field Research Letter .....	viii

## LIST OF TABLES

Table 1: Sample Size of Respondents and Sampling Technique.....	22
Table 2: Content Validity Indices.....	26
Table 3: Reliability indices.....	27
Table 4: The response rate.....	30
Table 5: Descriptive Statistics on Insurance industry regulation of IRA.....	35
Table 6: Descriptive Statistics on monitoring & supervision of insurance industry players.....	38
Table 7: Correlation results.....	41
Table 8: Model summary.....	42
Table 9: Descriptive Statistics on mediation role played by insurance regulatory bodies.....	43
Table 10: Correlation results.....	46
Table 11: Model summary.....	47
Table 12: Descriptive Statistics on policy compliance in Uganda’s Insurance Industry.....	48
Table 13: Correlation results.....	51
Table 14: Model summary.....	52

## LIST OF FIGURES

Figure 1: A Conceptual Framework for understanding the relationship between insurance regulation and service quality.....	9
Figure 2: Gender of the respondents.....	31
Figure 3: Age of the respondents.....	32
Figure 4: Level of education of the respondents.....	33
Figure 5: Time spent working with IRA.....	34

## **LIST OF ACRONYMS**

CVI	Content Validity Index
IRA	Insurance Regulatory Authority
MOFPED	Ministry of Finance, planning, and economic development
SPSS	Statistical Package for Social Scientists

## **ABSTRACT**

The study examined the relationship between insurance industry regulation and service quality using a case of Uganda's Insurance Industry. The study was underpinned by three objectives which included examining the relationship between monitoring & supervision of insurance industry players, mediation role played by insurance regulatory bodies, policy compliance and the insurance service quality in Uganda's insurance industry. The study was conducted as a cross section adopting a quantitative and a qualitative approach. 1226 respondents formed the sampling framework, of which, 318 respondents were chosen using Morgan and Krejcie as a sample size. This sample was approached using both simple random sampling and purposive sampling techniques. Findings revealed that monitoring & supervision of insurance industry players was significantly related to service quality they deliver to customers in Uganda's insurance industry. On second objective, it was established that mediation role played by insurance regulatory bodies had no significant relationship with the quality of the service that the insurance companies deliver. On third objective, it was revealed there is policy compliance had a significant relationship with quality of insurance services in Uganda's insurance industry. The study concluded that insurance industry regulations are partially adhered too, and this has affected negatively the quality of insurance services provided to customers in the industry. It was thus recommended that all insurance products are designed by experienced persons in the insurance industry, more monitoring and supervision is done so that customers are protected from exploitation, nonpayment and poor service delivery.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

This study intended to assess the relationship between insurance authority regulation and insurance service quality using a case of Insurance Regulatory Authority, Uganda. In this study, insurance authority regulation is the independent variable and is conceptualized as constituent of monitoring & Evaluation, Mediation Role of the Insurance regulators and Policy Compliance as per the regulators expectations. On the other hand, the Service Quality with respondents is the dependent variable and is comprised of responsiveness, empathy and the reliability of the employees in the insurance industry.

### **1.2 Background to the Study**

The background to the study is presented historically, theoretically, conceptually, and contextually.

#### **1.2.1 Historical Background**

Globally, the insurance came as a result of developments that were taking place in modern businesses which were marred with a lot of risks and they wanted to be insured to avoid risks and this was mostly in areas of cargo insurance, death insurance policies, property insurance covers, automobile accidents that were highly happening and medical insurance claims (Franklin, 2001). Saternna (1997) further ascertains that the emergency of insurance has been with man since early days up to current days when people seek to make insurance to obtain mutuality aid. Before, when the neighbor's house got destroyed or damaged by some disasters like fire or bad weather, the neighbors would take initiative and build it for him/her. However, the first attempt to transfer risk first appeared or was first heard in China being practiced by Babylonians and Chinese traders, and



that in years before Christ (Vaughan, 2009). Usually Chinese traders used to make long travels on their vessels and in the way to reduce on risks, they would distribute their wares to after being capsized. This practice spread among the Babylonians. During the medieval era, real insurance policies were established which started with Genoaian during the 14<sup>th</sup> Century who came up with Marine insurance covers. More sophiscated insurance policies were developed in London in 17<sup>th</sup> century when the Robert Hayman who was an English Colonist came up with two policies, property insurance policy and fire insurance policy. These were taken by the Chancellor of London, Arthur Duck.

National insurance programs were initiated later in the late 19<sup>th</sup> Century and these were mainly to guard against sickness and old age. These started mostly in Germany and the National Insurance Act was passed in Germany and Britain (Hannock, 2007). It can be observed that insurance industry regulations came into play globally to ensure that risks can be mitigated and service quality was highly emphasized through policies and insurance Acts.

In developing countries of Africa, the historical perspective of insurance legislation can be traced as early as 1960s where most of the countries after independence wanted to safeguard the employees against a lot of risks and they wanted to be insured to avoid risks and this was mostly in areas of cargo insurance, death insurance policies, property insurance covers, automobile accidents that were highly happening and medical insurance claims (Franklin, 2001). In Ghana, the first Insurance Act was passed in 1958, the government did not put in place a clear form of insurance for the whole country. When the Act was passed, a number of policies emerged and the concept 'insurance' was expanded to ensure that industrial unrests are controlled. In Kenya, the

first insurance policy was first announced in 1963 and was basically to safeguard employees against sickness. Later insurance claims on accidents, property and social security came into place.

In Uganda, the historical perspective of insurance legislation can be traced as early as 1960s which provided for the regulation of insurance, the insurance ordinance, and, in 1961 the insurance statute which by then had become an Act introduced the insurance Regulatory Authority which was initially known as 'Insurance commission' mandated with a duty to ensure that it effectively administers, supervises, regulates and controls all business of insurance in Uganda. It is the mandate of the Insurance Regulatory Authority to bridge this gap. Besides the unfavorable historical events in the 1970's and 1980's the industry's performance has still failed to pick up momentum despite a recorded steady growth in the economy (Namusisi, 2005).

Nsubuga (2004) analyzed that despite the thriving economy, majority of the Ugandans have never heard about insurance or have conferred to completely ignore it. According to Kizito (1992) the few who have an idea of the insurance services and the related benefits are not insured even where they could afford premiums. According to Kiwanuka (1995), most people who sign up for insurance are mainly compelled by Law (Trade & Finance 1995). The growth of the national economy is not a reflection on the situation in the insurance industry as the industry only recovered premiums of only 125 Billion shillings which is a part comprising 0.5 percent of the National Gross Domestic Product (2007/2008 Report on insurance). The reluctance of concerned stake holders to follow guidelines and other relevant laws and policies is largely incomprehensible and inconceivable which has greatly affected quality of service thus there was a need to bridge this gap, which this study sought to do. At the end of this study, it was established that service quality was negatively affected by Insurance Regulation.

### **1.2.1 Theoretical Background**

This study was guided by Public Interest Theory. This theory was advanced by Arthur Cecil Pigou in 1930s. The Public Interest theory became a very important tool in the regulation of markets with a view to ensure that there is equity and fairness in business practices. The theory further supports the protection of the lowest social classes from fraud and dishonesty (Deegan and Unerman, 2011). Public Interest theory of Regulation holds that the regulatory authorities have enough information and enforcement powers to protect and develop the interests of the public in a particular social or economic sector (Posner, 1974; Vaughan, 2009). Regarding the information the regulatory authorities should have, many insurance scholars and professionals have argued that insurance regulation is only effective if the structures that constitute it are well understood and managed by the responsible authority (Firtescu, 2010). In this case, the Insurance Regulatory authority is believed to have adequate information and authorization about the industry players and the market, so as to regulate and manage the players in the sector. It should be noted that the regulatory structures in the insurance industry often fail simply because they are implemented by human beings who have their personal weaknesses such as egoism.

### **1.2.3 Conceptual Background**

This study was based on two main concepts, that is: Insurance industry regulation and service quality. In this study, insurance industry regulation was used to refer to the multi-faced initiative by Government to develop and define the boundaries within which the insurance industry regulatory players may operate with the use of the legal framework. This determines the scope of activity that the insurance players may exhibit when dealing with both the individuals and the corporate customers (Blind, 2012). In some cases, the players in the insurance industry may try to oppose these regulations for their own benefit, however, the government needs to put in place

measures such as the Monitoring and Evaluation, an effective mediator and ensure there is Policy Compliance if it is to withstand the selfish interests of the industry players (Blind and Mangelsdorf, 2016). In this study thus, Insurance Industry Regulation was limited to three main dimensions; monitoring and supervising of insurance players, mediation role and policy compliance.

On the other hand, service quality in the context of the Insurance industry, was used as the variance of what the customer expects relative to the kind of service that the customer actually receives from the service provider. Other scholars such as earlier on described it as the perceived superiority of the service that the customer attains or the “global judgment” of the service rating (Parasuraman et al., 1988). In later years, however, the scholars in the field of service delivery used several different measures to describe the Service Quality variable and the regulation of the insurance industry, the dimensions of Responsiveness, Empathy and Reliability were used as critical measures (Bielen and Demoulin, 2007).

#### **1.2.4 Contextual Background**

The Insurance Regulatory Authority which was initially known ‘Insurance commission’ was established by the Insurance Act, 213 of 2000, mandated with a duty to ensure that it effectively administer, supervise, regulate and control all business of insurance in Uganda. The overall relationship between the Act formerly the statute is that the Insurance industry in Uganda was from 1996 to be supervised. It came into effect on 4<sup>th</sup> April 1996 and operations commenced in April 1997. The Insurance Regulatory Authority since then has been able to license 88 firms which engage in transacting businesses to do with insurance with a record of new seven insurance companies joining the business. The mission of the Insurance Regulatory authority is legally to ensure that it regulates or put in place a regulative function for sustainable growth of the industry.

It is also mandated to ensure that it upholds best international practices. It envisions promoting a vibrant and secure insurance industry (Kiwauka, 1995). This opened up an environment where a number of insurance firms engage in practices which are not favorable to the insurers for instance grabbing corporate clients from one another, delayed payments to clients and sometimes even outright denial of payments over trivial issues (Kakuba, 2007). In pursuing its goal, IRA was mandated to ensure that it monitors and supervises all insurance players, mediate all aggrieved stakeholders and put in place policies to guide the work done by all insurance companies in Uganda. However, in Uganda, annually insurance problems have been steadily increasing since 2000 (UIC, 2014).

### **1.3 Statement of the Problem**

The insurance sector is beneficial to communities in that it minimizes the amount of risk that insurance policy customers face from time to time in a diverse set of responsibilities and undertakings (Asimit, et al., 2017). Suffice to note that Insurance agencies are meant to be financially sound and stable, conduct insurance affairs in a fair and reasonable manner. On the other hand the Insurance Regulatory Authority is mandated to ensure that regulative environment is in place and sustainable for the growth of the industry (AIMR, 2014). It is important to note that insurance business should not only be done fairly, honestly or transparently but rather must be seen conforming to good ethical standards while at the same time engineering Insurance products that are consumer friendly to attract clients.(Hon. Gaudioso Kabondo Chairman IRA,2014 ). It is from this basis that IRA was mandated to ensure that it monitors and supervises all insurance players, mediate all aggrieved stakeholders and put in place policies to guide the work done by all insurance companies in Uganda. However, despite the existence of the above insurance industry regulations, insurance service quality is still highly doubted and criticized because customer

grievances with the insurance players have been steadily increasing since 2000. For instance, customers are crying foul at the low level of responsiveness when customers get problems, the unsatisfactory reliability and the failure to express empathy when customers need services urgently (Kakuba, 2016). According to New Vision (2015), many customers complain on the insurance products given by some insurance companies which never yield anything.

It is evident that corruption among the employees of IRA was highly reported (Uganda Service Demographic Survey, 2014). These are enough to manifest poor insurance service quality. This observed unsatisfactory quality of services can be attributed to the simple reason that the Insurance Industry players have not been effectively regulated to deliver the right service to the customer. According to New Vision (2015) a complaint's bureau was established by the IRA and received 160 complaints, 45 included delayed claims payment, 17 unsatisfactory medical services, and figures indicate that by December, 2015 reluctance to pay claims had led to erosion of public confidence which in turn has grossly negated the mindset of the general public as regards empathy and responsiveness thus tainting the image of the insurance industry and related Insurance sectors. Mirroring on this state of affairs, the researcher sought to explore the relationship between the regulation of the insurance services sector and the insurance service quality in Uganda's insurance industry.

#### **1.4 Purpose of the study**

This study aimed at examining the relationship between the insurance authority regulation and service quality in the Insurance industry of Uganda.

### **1.5 Specific Objectives**

- i. To examine the relationship between monitoring & supervision of insurance industry players and service quality they deliver to customers in Uganda's insurance industry
- ii. To assess the relationship of the mediation role played by insurance regulatory bodies and quality of the service that the insurance companies deliver
- iii. To examine the relationship between policy compliance and the insurance service quality in Uganda's insurance industry

### **1.6 Research Questions**

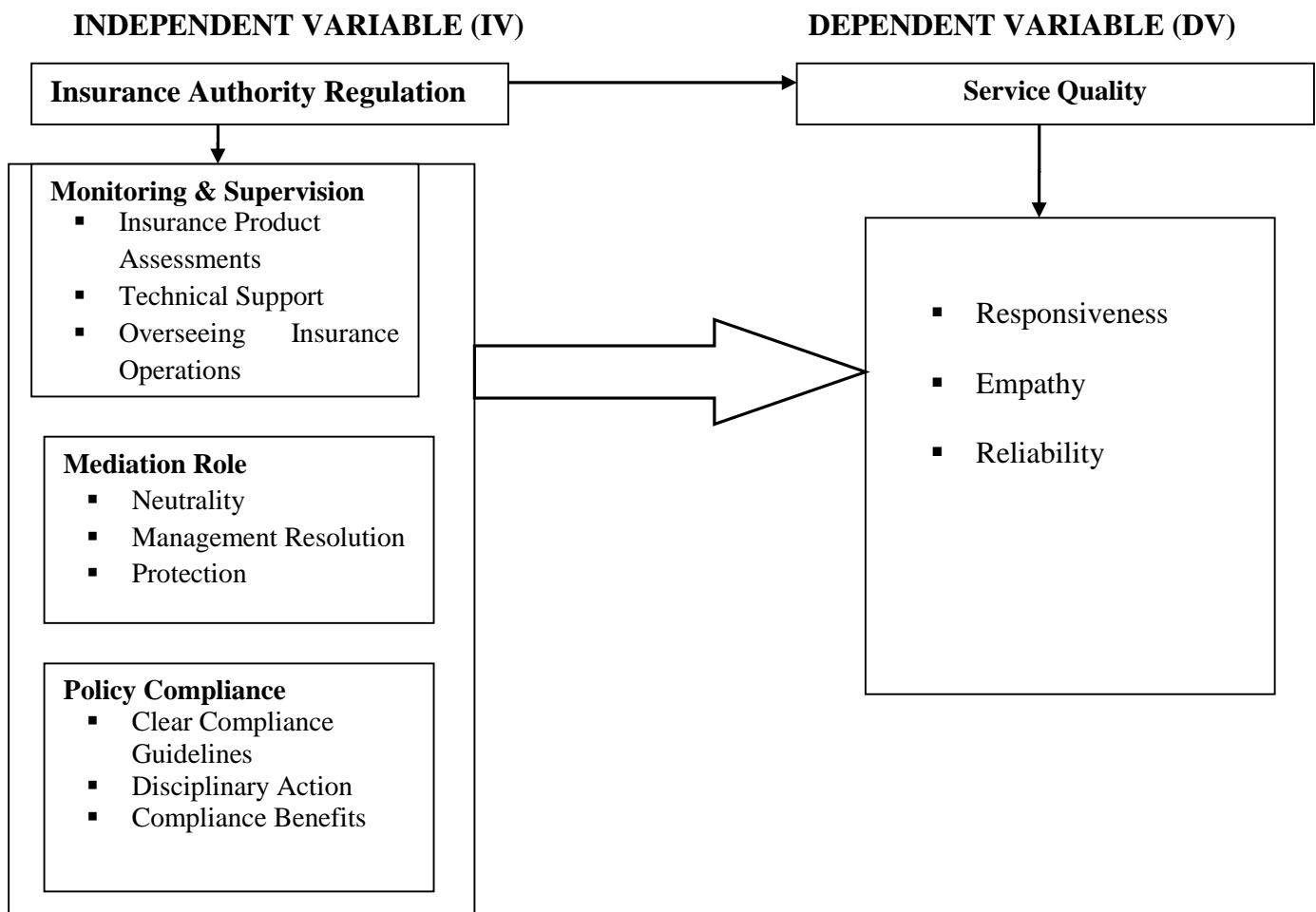
- i. What is the relationship of monitoring & supervision of insurance industry players and service quality they deliver to customers in Uganda's insurance industry?
- ii. What is the relationship between the mediation role played by insurance regulatory bodies and the quality of the service that the insurance companies deliver?
- iii. What is the relationship between policy compliance of the insurance industry players and service quality in Uganda's insurance industry?

### **1.7 Hypotheses of the study**

- i. There is a significant positive relationship between monitoring and supervision of Insurance industry players and insurance service quality delivered to customers.
- ii. There is a significant positive relationship between the mediation role played by insurance regulatory bodies and quality of the service that insurance companies deliver.
- iii. There exists a significant positive relationship between the Policy Compliance and Insurance Service Quality in Uganda's insurance Industry

## 1.8 Conceptual Framework

This section presents the conceptual framework as illustrated in figure 1, depicting the conceptualized relationship between the independent and dependent variables. The independent variable was Insurance Authority Regulation, with emphasis on Monitoring & supervision, Mediation role of the Insurance Regulatory authority and the Policy compliance. The dependent variable was conceived as service quality with emphasis on Responsiveness, Empathy and reliability all on the side of the service providers.



**Figure 1: A Conceptual Framework for understanding the relationship between insurance authority regulation and service quality.**

*Source: The Conceptual Framework adapted from (Vaughan, 2009; Gasper, 2002).*



Basing on ideas of Vaughan (2009); Gasper (2002) and Public Interest theory, which emphasizes equity, fairness and protection of the lowest social class, it was hypothesized as indicated in the conceptual framework that Insurance industry regulation which comprises the dimensions of Monitoring & supervision, Mediation role of the Insurance Regulatory authority and the Policy compliance, are expected to lead to improved Insurance service quality. This Insurance service quality has been conceptualized as comprising of Responsiveness, Empathy and reliability all on the side of the service providers. It is was assumed that the prevalence of Insurance Industry Regulations would lead to improved Insurance Service Quality in terms of service providers being responsive, empathetic and reliable.

### **1.9 Significance of the study**

The study may be beneficial in a number of ways and these are;

The study may help create awareness among the Insurance Industry services players so that they conform to the principles that are to guide their relationships with the customers. This may in the long run give an edge to the insurance industry players so that they enhance their image before the public and the customers.

At the same time, the study may benefit the insurance industry customers. Once the Insurance regulatory body gets to know the rights and the principles by which to transact business with the Industry players, then the customers shall be the ultimate beneficiary. This may be reflected by the decline in the number of customers in the insurance industry.

The study may benefit the academic and research community. The studies on regulation are so few and scanty in Uganda. This study shall add to the knowledge base available for future scholars and give room for further research in the area of regulation of insurance services and the service quality.

The study may benefit the researcher in that she shall be able to acquire a Post Graduate qualification and at the same time, may be able to gain a deeper understanding of the insurance industry. This understanding may help the researcher in future to advocate for consumer protection in the insurance industry.

### **1.10 Justification of the Study**

A number of studies have been done in relation to insurance authority regulation and service quality including Robertson et al 2006 and George and Hussel (2010), however, all these studies were not done in Uganda and they were not particularly investigating the situation in Uganda's insurance industry using IRA. In addition, the prevailing insurance service quality was still highly doubted and criticized because customer grievances with the insurance players have been steadily increasing since 2000. For instance, customers are crying foul at the low level of responsiveness when customers get problems, the unsatisfactory reliability and the failure to express empathy when customers need services urgently (Kakuba, 2016). There is evidence that many customers complain on the insurance products given by some insurance companies which never yield anything (New Vision,2015). In addition, corruption among the employees of IRA was highly reported (Uganda Service Demographic Survey, 2014). This study was highly called for because it highlights the relationship that exists between the regulation of the insurance sector players and the resultant level of service quality. It was against this background that this study was commissioned to find out the reasons for the continued poor service delivery that the insurance industry players offered coupled with their failure to comply with established professional insurance industry practices.

### **1.11 Scope of the study**

This theme explains the geographical, conceptual and time scope for the study.

### **1.11.1 Geographical Scope**

The geographical scope of this study was done in Kampala, Uganda. The reason for this was that Kampala is the head of the Insurance Regulatory Authority (Physical Address: Plot 5, 5 Kyadondo Road, Legacy Towers, Nakasero, Kampala,-Uganda as of May 2017) and all the insurance sector players are headquartered in this city.

### **1.11.2 Content Scope**

The content of the study was limited to the Insurance Industry Regulation and the Insurance Services Quality. The Insurance Industry Regulation is the independent variable while the Dependent variable is insurance service quality. The justification for this conceptual was limited to amount of research that has been done with regard to these study variables.

### **1.11.3 Time Scope**

The study made use of the existing data sources to examine the study variable attributes in the insurance sector over the period January 2015–March and 2016 so as to conduct a more informed study. It is during this time that issues associated with fraud were noted in the insurance industry (Adengo, 2016).

## **1.12 Operational Definition of Key Terms and Concepts**

The section presents the concepts and how they were operationalized in this study as below;

**Insurance Industry Regulation:** This referred to the multi-faced initiative by Government to develop and define the boundaries within which the insurance industry regulatory players may operate.

**Monitoring and Supervision:** This referred to the continuous combined effort by the government and the IRA to ensure that the insurance sector players are acting ethically with their customers.

The ultimate of the monitoring and supervision is to protect the customer interests.

**Mediation Role:** This referred to an activity that involves striking a balance between the customers and the insurance sector players with the chief aim of bringing about a semblance of fairness among two or more parties.

**Policy Compliance:** This referred to the degree to which the insurance players are abiding by the regulations and rules governing their trade. Flouting the rules in this case may lead to expulsion from the market so insurance players are expected to prioritize the policy standards.

**Service Quality:** This referred to the variance of what the customer expects relative to the kind of service that the customer actually receives from the service provider.

**Uganda Insurance Industry:** This referred to all the stakeholders engaged in the insurance business and the examples are insurance companies, insurance brokers, customers, the government and all the affiliated parties who have an interest say in the actions of the insurance industry.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter a critical review and analysis of related literature was carried out. The purpose of the literature review was to offer a deeper understanding of the insurance industry regulation and the service quality from the perspective of scholars who have examined these concepts before. The sources of the literature review were research journals that have been published by recognized publishing houses. This chapter commences by discussing the overview of the mandate of the Insurance Regulatory Authority that is the monitoring and compliance to policies in place, the supervision of insurance providers and resource availability. It attempts to show how all these variables relate to service quality.

#### **2.2 Theoretical Review**

As early as the 1930s, Arthur Cecil Pigou suggested the Public Interest theory which has become a very important tool in the regulation of markets with a view to ensure that there is equity and fairness in business practices. The theory further supports the protection of the lowest social classes from fraud and dishonesty (Deegan & Unerman, 2011). One other assumption of the theory is that markets and business sectors are susceptible to mediocrity and lawlessness if they are not monitored by a higher authority such as the government or a government affiliated entity. The government should however be a neutral player and willing to promote the interests of all the interested parties in the sector but ensuring that none of them gets a raw deal. This theory has been applied to a number of sectors other than insurance for instance the banking sector (Deegan & Unerman, 2011; Posner, 1974). Another clear assumption is that markets cannot be efficient if they are only left to the players without the intervention of a state related influence. This assumption

implies that there are bound to be great losses and higher risks if the government does not place some interventions and by laws for the sector players.

However, writers such as Stigler (1972) have critiqued the theory, arguing that the regulation of markets may cause inefficiencies because there is a greater potential for entry of new players and thus the existing players may exhibit all the negative traits of monopolistic firms, thereby compromising on customer satisfaction. For proper regulation of any market, the regulatory authority should have the main goal as the desire to protect the interests of the public and the stakeholders with which the insurance industry does business. The regulatory authority has to ensure that there is fairness in all aspects of the transactions between the service providers and the consumers of the services (Boadway and Bruce, 1984).

The main aspects of the regulation in the case of the insurance industry, relate to the dimensions of; monitoring & supervision, a mediating role and the compliance to the policies. The compliance is essential since it brings in an element of the legal framework which has to be followed by all players in the industry. It is thus essential to examine these three key dimensions of the insurance regulation which enable those who insure to acquire value from their efforts (Martin et al. 2007). This becomes handy in light of the need to examine the regulation and its impact on the service quality in the insurance industry.

The Public Interest Theory of regulation also reveals that the regulator should have the competencies and the capacity to conduct an audit of the players in the industry and thereby takes action where players have shown failure to meet the laid out standards in the present or future of

the industry. There are several reasons why firms may mistreat customers such as when there is an increment of risk if stakeholders switch service providers, In this case, the stakeholders perceive that this risk, will be transferred to the owners of the firm if things go wrong (Gasper, 2002). So in a good regulatory structure, strong protection of the customer interests is essential to saving what the customers have or else they stand to lose. It is thus essential to examine these three key dimensions of the insurance regulation which insure to acquire value from their efforts (Martin et al. 2007). This becomes handy in light of the need to examine the regulation and its impact on the service quality in the insurance industry.

### **2.3 Monitoring & Supervision and Insurance Service Quality**

Monitoring and Supervision are some of the core responsibilities of regulatory bodies. The techniques used to achieve the desired relationship between the monitoring and supervision ought to be revised from time to time so as ensure that they are abreast of the latest standards (Suhre, et al, 2007). The works of Sure are supported by the idea suggested by (Parkinson et al., 2010) whose work is indicative that continued Monitoring & Supervision is very essential if excellence is to be achieved not only on an individual level but also on an institutional level especially if the rules of performance are well stipulated for the actors in the sector. These views are further supported by the works of (Moran *et al.*, 2014) whose works have been applied to a number of sectors such as health and are relevant for other industries.

Every sector needs a comprehensive monitoring and supervision system which can help in meeting obligations as per the regulations of policy makers. It is important for monitoring bodies to ensure that the insurance providers have financial strength in order to meet their ongoing obligations. The overall interest for such an assessment should be the provision of enhanced delivery for the citizens

of any community so that the authorities are not rated negatively by the various stakeholders in the insurance industry (Franke, 2017).

In the long run, for markets that employ the monitoring and supervision well, we find that there is an improved service offering as members in the community tend to appreciate the responsiveness, the empathy of the staff and the reliability of the sectors which are well monitored and regulated (Kieninger, *et al.*, 2013). This highlights the fact that technological and hi-tech monitoring systems are relevant for purposes of improving service quality. Ceng and Wong (2004) investigated solvency of general property liability and life insurance companies and relate to the fact that there is need for different regulatory guidelines for different stages if satisfactory quality is to be realized. This means that policies or regulations have to cater for all categories of consumers or service providers to ensure proper compliance as such adding to improved service quality.

The justification for monitoring and supervision of this insurance industry is also very essential given the fact that insurance is an intangible service. This poses a loop hole which insurance service players may exploit so as to influence the purchase of their services regardless of whether they customer will benefit in the long run. Without such monitoring and supervision of the industry, insurance companies will make it a point to utilize their exploitation of the customers' right from design of their marketing programs. (Brady, Brodeau and Heskell, 2005). The Uganda Insurance Association in its celebration of 50yrs pledged to concentrate and critically supervise the products the insurers provide in order to determine relevance. (Magala, 2006).

#### **2.4 Mediation role and Insurance Service Quality**

Mediation is quite necessary for insurance industry players which generally operate in economic environments which offer very many opportunities to exploit customers especially in the



developing world. At the same time, they have to deliver quality insurance services to their customers or else they shall lose business (Davis, 2007). Mediation at the same time helps insurance sector players to align their business strategy to the prevailing rules that govern the insurance industry and meet customer expectations.

Without mediation, the Insurance industry players tend to set their own rules and play the game by these, regardless of who is affected. This rhymes with the research work of Ulrich and Wood (June 2004) which is indicative that what people respect about the companies is not how they are structured or their respective approaches to management, but their capabilities and ability to innovate or to respond to changing customer needs in a well regulated environment where the customer has someone to resort to should the transaction with the insurance players fail.

Once mediation is well managed for the case of the insurance industry, there is a great potential to bring about improved insurance service quality for the policy holders and other categories of customers in the insurance industry. This shall help realize not only a growth in the insurance sector which has already been observed in other more developed economies, but an improvement in the empathy with which the customers are served, an improvement in the responsiveness of the insurance staff and the reliability of the insurance firms as well, courtesy of strict regulatory policies which allow for unbiased and professional mediation of the regulatory authorities (Wells & Jones, 2016).

The mediation role cannot be over emphasized when the insurance sector is seeking to achieve the necessary levels of insurance service quality given the growing cases of fraud and mistrust worldwide which have seen some customers walking away with losses. Eling and Schnell, (2016) reveal the need for a respectable and reputable government agency to take on the mediation role

or else, the insurance sector players will take things into their own hands and end up setting their own rules.

## **2.5 Policy Compliance and Insurance Service Quality**

Sholz (1984) states that compliance has been referred to mean the exercising of efficient and effective mechanism which helps to ensure that resources are allocated with high maximization and meet the targeted respondents. The presence of work rules and procedures or standards put in place a good working environments that guide the level of compliance since the behavioral guidelines are well spelt out. Therefore, policy compliance is about ensuring that the law is enforced without using a lot of resources in the process (Nielson, 2006).

Newman (2008) further ascertained that the primary role of IRA is to make sure that complaints are made and or submitted and handled in the most efficient and effective manner. The more such complaints are monitored, the more they are used in feeding information to the compliance committees and this means reliability in service provision. The link between regulation of services and the quality of services is often more pronounced when the regulators have very clear, standard and well informed principles to guide the industry (Jacinth & Jordana, 2003). As such, the Insurance service quality can only be expected to improve if the regulators are professional and recognized as a government entity that has been commissioned to enforce fairness and justice in the Insurance services sector.

Compliance is made of differing perspectives which may range from mere policy making up to the stage of inspecting whether the policy is working or not. Manning (1988) explains that compliance takes the whole process of ensuring that the mandates of an institution are not ambiguous and implemented as planned. The concept is to provide guidance and regulation to

improve performance in the industry thus improving service delivery. Reiss (1994) states that compliance literature distinguishes regulatory enforcement styles from coercive and the more co-operative ones.

In the long run, for markets that employ the monitoring and supervision well, we find that there is an improved service offering as members in the community tend to appreciate the responsiveness, the empathy of the staff and the reliability of the sectors which are well monitored and regulated (Kieninger, *et al.*, 2013). This highlights the fact that technological and hi-tech monitoring systems are relevant for purposes of improving service quality. Ceng and Wong (2004) investigated solvency of general property liability and life insurance companies and relate to the fact that there is need for different regulatory guidelines for different stages if satisfactory quality is to be realized. This means that policies or regulations have to cater for all categories of consumers or service providers to ensure proper compliance as such adding to improved service quality.

## **2.6 Summary of Chapter**

The literature reviewed clearly indicated that there are a number of studies in place that have viably established that monitoring and supervision, mediation role and policy compliance affect service quality in the insurance industry in Uganda and all over the world. However, the literature reviewed had overlooked the case of Uganda's Insurance Industry. This thus rendered this study significant to fill this gap. Still, another gap that rendered this study to be done is historical; most of the literature reviewed seemed to have been done in years below 2017. This study established a number of findings in relation on how best insurance can be regulated to have service quality improve.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter includes the design adopted for the study, sampling population, size of sample determined and the sample selection, the sampling techniques which were used including the procedure, data collection instruments. This chapter further details pretesting using the validity and reliability measures. Finally, the measurements of variables and the data analysis have been presented in this section as well.

#### **3.2 Research Design**

A cross sectional survey design was preferred for this study. It adopted both elements of qualitative and quantitative approaches. This data was used to make inferences about the population of interest. This design was used in this study because this was an academic study that required a short period of time to be conducted (Lavrakas, 2008). Quantitative and qualitative methods were used to help reduce on the bias. Quantitative data is numerical data that was collected and statistically analyzed to explain, predict and control phenomenon of interest. On the other hand, qualitative data gave narrative and descriptive information that explains and gives deeper insight into the problem (Amin, 2005).

#### **3.3 Study Population**

There were a total of 17 Insurance companies, 11 dealing in Non-life products and 06 Insurance companies which were identified as offering Life Insurance Services (IRA, 2015). The records for the total number of employees in the insurance sector was noted at 1,195 according to the Annual Insurance Market Report of 2015, therefore, all targeted respondents were 1,226 in number.

### 3.4 Sample Size and Selection Techniques

This section explains the method that was used in determining the sample size and the sampling techniques employed in reaching out to the sample determined.

#### 3.4.1 Sample Size

From the population of 1,195, the researcher sought to sample a representative section so as to adequately address the research demands. The justification for sampling was that collecting data from the entire population is not possible due to time and cost constraints (Mugenda and Mugenda, 1999). The sample for this study was 291 employees from the population of 1,195 employees and this was selected with a consideration of the work by Krejcie and Morgan (1970). Thus, by studying the selected sample, the researcher was able to come to conclusions that were generalized and related to the entire population of interest.

**Table 1: Sample Size of Respondents and Sampling Technique**

Category of Population	Population Size	Sample Size	Sampling Technique
IRA Top Management	8	7	Purposive sampling
Supervisors	15	15	Purposive sampling
Junior staff members	1195	291	Simple random sampling
Customer representatives	8	5	Purposive sampling
<b>Total</b>	<b>1226</b>	<b>318</b>	

Source: UNDATA (2012)

#### 3.4.2 Sampling Selection Techniques

The study used purposive and simple random sampling. Purposive sampling involved selection of respondents that were knowledgeable and these included; IRA top management, customer

representatives and supervisors. The scope of employee categories to interview included; officials of the insurance industry sector players in the management positions. The rationale for these management personnel was rooted in the fact that these persons are knowledgeable about the operations of the insurance industry and the regulation of their firms by the Insurance Regulatory Authority. As such, these persons were more likely to give more credible responses which informed the requirements of the study. Simple random sampling was used in selecting junior staff members since they had a large sample and wanted to reduce on bias when selecting them.

### **3.5 Sources of data**

Primary data and Secondary data sources were considered in this study. Primary sources of data involved the use of the research questionnaire and the interview while the secondary research data included; Annual Insurance reports of the Insurance Regulatory Authority, Government reports and reports from the Uganda Insurance Commission and Uganda Insurance Association.

### **3.6 Data Collection methods**

Face-to-face interview and survey questionnaires were preferred for this study. The researcher ensured that both qualitative and quantitative data was used since the methods of data collection are an integral part of research design. For quantitative data, questionnaire was used and for qualitative, interview and documentary review analysis was used. This included data collection mode including, telephone interview, face to face interviews, questionnaires, self-administered questionnaires (Paul Hall, 2008).

#### **3.6.1 Questionnaire Survey**

This method allowed the collection of quantified data from a large number of respondents. The researcher prepared a set of questions pertaining to the field of enquiry (Quantitative). The

designed questionnaire included mostly closed ended and although there were also some open ended questions. The Questionnaire was used because it was cheap to administer to the respondents that were scattered over a large area or organization within a short period of time. A questionnaire also allowed respondents to feel free to give information and respondents answer the questions at their own time sometimes without the influence of the researcher (Amin, 2005). The questionnaire was designed using the Likert scale format of Strong Agree to Strong Disagree. This approach was applicable because the respondents could read and write and also were able to answer structured defined alternatives, thus saving time (Amin, 2005).

### **3.6.2 Interviewing**

According to Mugenda and Mugenda, (1999), an interview is a dialogue between an interviewer and an interviewee aimed at gathering data about a particular topic hence a learning exercise on both parties involved. Using this method the researcher interviewed the respondents (Chief Executive officer of the Authority), the Board, the Insurance Brokers and the service consumers face to face to obtain in-depth and detailed information. An interview guide was used through face to face interviews to supplement the data from the self-administered questionnaires to give an in-depth understanding of the mandate of the Insurance regulatory authority and its impact on service quality in Uganda and this was done by the researcher recording all the responses from the respondents by herself. This was because interviews were flexible in terms of adapting to the changes in related questions as the researcher proceeds.

### **3.6.3 Documentary Review**

Documentary analysis included reviewing existing published and un published information and literature relating to regulation, monitoring and supervision and service quality in the Insurance

Regulatory Authority, whereby reports, journals, magazines, manuals, minutes of meetings, newspaper articles, internet abstracts relating to the study were reviewed. These eased data collection in reference to the Independent Variables.

### **3.7 Data Collection Instruments**

#### **3.7.1 Self-Administered Questionnaire**

Close-ended questionnaires were divided into sections that were distributed to the targeted population (junior staffs of IRA) and this was the basis for determining the quantitative measure from each respondent. This was designed using Likert Scale Type of designing questions basing on scales of strongly agree, agree, disagree and strongly disagree. This was important in capturing the perception of respondents on each and every statement that was presented to them in a shortest period of time. This tool allowed the collection of quantified data from a large number of respondents. The researcher prepared a set of questions pertaining to the field of enquiry. The designed questionnaire included mostly closed ended and although there were also some open ended questions. The Questionnaire was used because it was cheap to administer to the respondents that were scattered over a large area or organization within a short period of time. A questionnaire also allowed respondents to feel free to give information and respondents answer the questions at their own time sometimes without the influence of the researcher (Amin, 2005). The questionnaire was designed using the Likert scale format of Strong Agree to Strong Disagree.

#### **3.7.2 Interview Guide**

An interview guide refers to a qualitative tool of collecting data by asking people questions and following up or probing and prompting their answers (Kathuri, 2004). The researcher prepared and used a structured interview guide (Appendix II) to conduct interviews with selected officials from



IRA top management, customer representatives and supervisors. The interview was structured and comprised a set of guiding questions with standardized recording.

### 3.7.3 Documentary Review Checklist

The researcher constructed a documentary review checklist based on a list of documents including IRA minutes, annual reports, performance reports, dissertations and IRA Human resource manual. These were reviewed and facts were listed down for analysis. These eased data generation in respect of performance, monitoring, supervision and service quality of Insurance Regulatory Authority.

## 3.8 Quality control

This consisted of validity and reliability of the instruments to test the sample against the specification;

### 3.8.1 Validity

The researcher ensured that the tools that were used in the study possessed the required validity. Here, expert judgment was sought to make sure that the items in the questionnaire are rated in such a way that they have a content validity index of above 0.7 which is recommended by Amin (2005) as enough to guarantee the validity of the instrument. Table 2 below has details;

**Table 2: Content Validity Indices**

Variable	Description	No. of Questions	Content validity index
Independent	Monitoring and supervision	10	.888
	Mediation role	10	.861
	Policy compliance	10	.776
Dependent	Service quality	9	.845

*Source: Primary data (2017)*

### **3.8.2 Reliability**

This measures the degree at which the tool can consistently measure the different scenarios but providing the same results over time (Gay, 1996). In this case, the researcher undertook this by undertaking pretesting of the instruments twice using NIRA as an organization synonymous with IRA. It was established after pilot testing that, all items in the questionnaire had a Cronbach Alpha

**Table 3: Reliability indices**

Variable	Description	No. of questions	Cronbach alpha
Independent	Monitoring and supervision	10	.888
	Mediation role	10	.861
	Policy compliance	10	.776
Dependent	Service quality	9	.845

*Source: Primary data (2014)*

### **3.9 Data Collection Procedure**

A letter of introduction was obtained from Uganda Management Institute (UMI) and permission to collect data from the Insurance Regulatory Authority, insurance sector players and key informants. This letter also accompanied the questionnaires and interview guide to be distributed to the respondents.

### **3.10 Data Analysis**

#### **3.10.1 Quantitative Analysis:**

Quantitative data was analysed through descriptive and inferential means. Descriptive means included use of frequencies, percentages, means and standard deviations. This kind of data was

presented using frequency tables, pictograms and graphs or pie charts. Inferential means included; using both correlation and regression analysis means. In this case, a Pearson correlation and linear regression were used. Pearson Correlation was used in answering the study research hypotheses and Regression Analysis was used in establishing the extent to which the two variables under investigation are related (Oso and Onen, 2008).

### **3.10.2 Qualitative Analysis:**

For qualitative data analysis, the researcher organized statements and responses to generate useful interpretations and conclusions on the research objectives (Sekaran, 2003). This also involved coding of data, identifying categories and responses that emerge in monitoring and exercise of the mandate of the regulatory authority.

### **3.11 Measurement of Variables**

The independent variable (Insurance Industry Regulation) and the dependent variable (Insurance Service Quality) were measured by operationally defining these concepts. Insurance Industry Regulation was measured using the dimensions of Monitoring and supervision, Mediation Role and the Policy Compliance all in reference to the work of (Vaughan, 2009). On the other hand, the Insurance Service quality was measured using the dimensions of Responsiveness, Empathy and Reliability (Gaspar, 2002). They were then channeled into observable and measurable elements that enabled the development of an index of the concept using a five Likert scale to measure both the independent and dependent variables namely; 1- Strongly Disagree, 2- Disagree, 4- Agree, 5- Strongly Agree.

### **3.12 Ethical Considerations**

The researcher employed confidentiality in the course of data collection for the information to be given. Here the researcher was anxious not to explode what key informants and employees said. The researcher also employed cooperation, whereby she was able to continuously operate with respondents to establish a concrete rapport and this induced respondents to tell what they would not have said. Participation was made voluntary to allow open expression in the research to exhaust facts related to the study area. The researcher employed non-probability sampling techniques to ensure that sampling bias is minimized by ensuring that randomization is achieved. Lastly, non-responses were voluntarily mobilized to respond without being forced.

## **CHAPTER FOUR**

### **PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS**

#### **4.1 Introduction**

This chapter presents findings of the study which was conducted to examine the relationship between insurance industry regulations on service quality using the case of Uganda's Insurance Industry. The study examined the relationship between monitoring & supervision of insurance industry players on the service quality in Uganda's insurance industry; assessed the relationship

of the mediation and the quality of the services in Uganda’s insurance industry and examined the relationship between policy compliance and the insurance service quality in Uganda’s insurance industry).

#### 4.2 Response Rate

**Table 4: Response Rate**

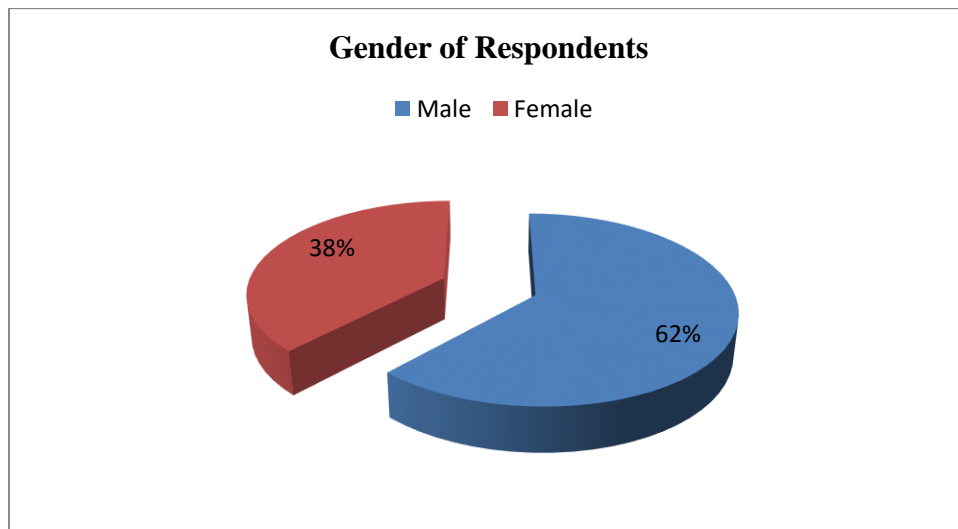
<b>Respondents</b>	<b>Sample size</b>	<b>Frequency</b>	<b>Percentage</b>
IRA Top Management	7	5	71.4%
Supervisors	15	10	66.7%
Junior staff members	291	268	92.1%
Customer representatives	5	5	100%
<b>Total</b>	<b>318</b>	<b>288</b>	<b>90.6%</b>

*Source: Primary data, 2017*

291 questionnaires were administered, however, 268 managed to be accessed which made a rate of response at 92.1%. On the side of interviews, 27 respondents had been targeted, 20 managed to be accessed meaning that 81.2% was the response rate. On overall, 90.6% managed to reply. This response rate of 90.6% deemed good because it was over and above the 70% recommended by Mugenda and Mugenda (2003).

## 4.3 Background of the Respondents

### 4.3.1 Gender of the respondents

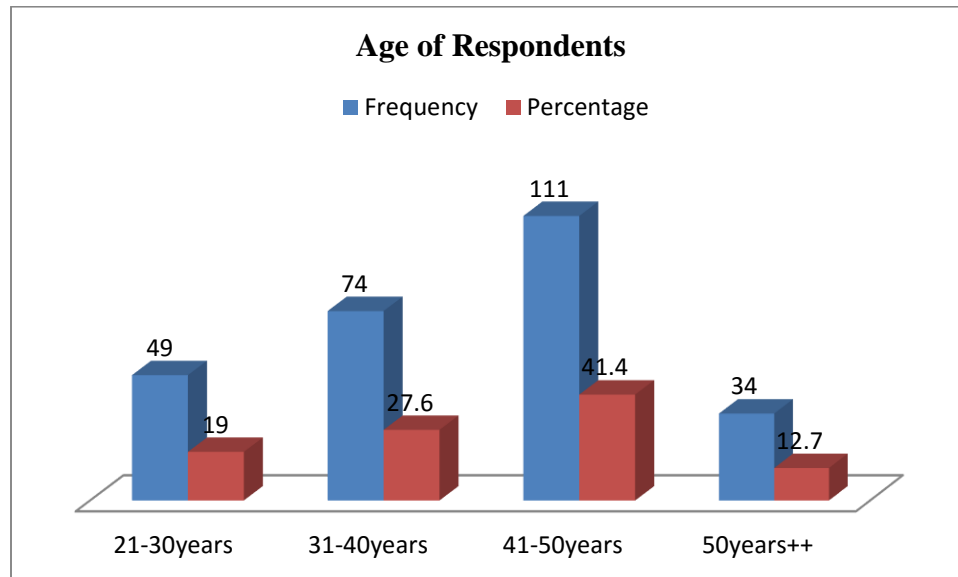


**Figure 2: Gender of the respondents**

*Source: Primary data, 2017*

Majority of respondents in the study were males constituting 62%. Females on the other hand, were constituted 38% of the respondents. The implication of this finding was that no matter the disparity in percentage of males and females who attended the study, at least views of both males and females were captured which is too vital in making a critical analysis in the performance of public procurement. This made the study findings representative and, therefore, enabled generalizations

### 4.3.2 Age of the Respondents

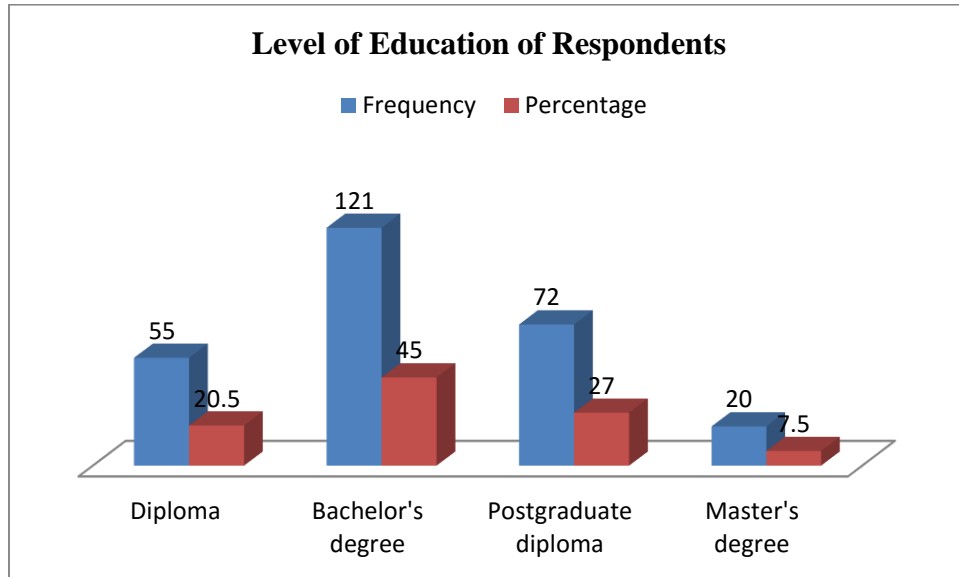


*Source: Primary data, 2017*

**Figure 3: Age of the respondents**

The study findings indicated those between 41-50years had 41.4%. Those who were in the category of 31-40 constituted 27.6%, those who were above 50years took 12.7% and the category of 21-30years was represented by 19%. The implication from this finding is since the majority of respondents were at least 30 years and above they were expected to have enough experience of what is exactly happening as far as the study was concerned.

### 4.3.3 Level of Education of the Respondents



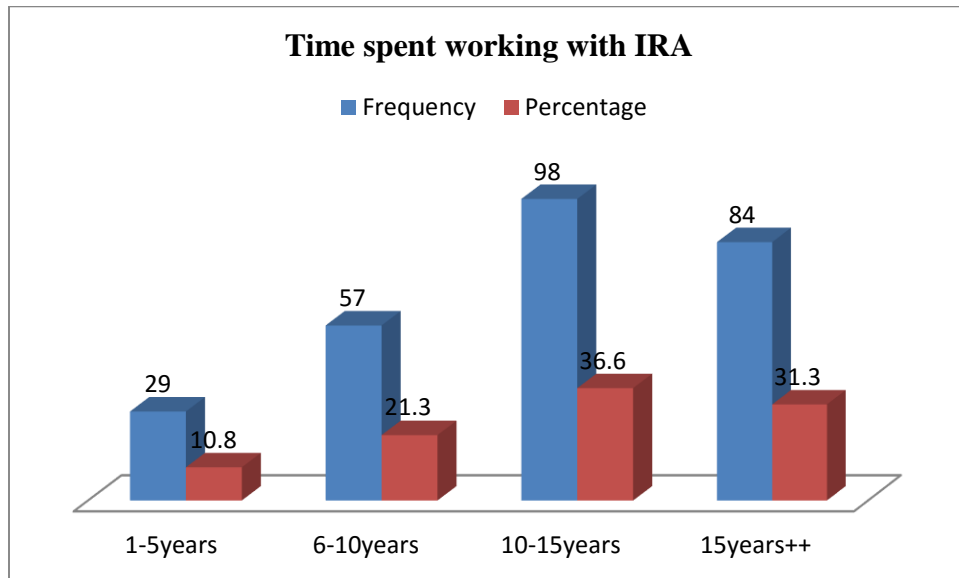
*Source: Primary data, 2017*

**Figure 4: Level of education of the respondents**

Majority among IRA officials had attained a bachelors degree (45%). 27% had a postgraduate diploma, 20.5% had achieved a diploma level of education. 7.5% of the respondents represented master's degree holders. Basing on the above findings, given the fact that the study was conducted in both much educated and less educated individuals, this provides a balanced perspective required by the study as per the mental and cognitive capacity of the respondents.



#### 4.3.4 Time spent working with IRA



**Figure 5: Time spent working with IRA**

*Source: Primary data, 2017*

Figure 5 above indicates that most of the respondents had been at IRA for 10-15 years and these amounted to 98%. 31.3% had been at IRA for 15 years and above and the least percentage of 21.3% of the respondents had been at IRA for 6-10 years. This thus implies that as per the number of years most respondents had dealt with most of the people at IRA. Such people were assumed to have enough experience to inform the study.

#### 4.4 Empirical findings on insurance industry regulation and service quality in Uganda's

##### **Insurance Industry**

Study findings were thus obtained on the relationship between the insurance industry regulation and the service quality in the insurance industry of Uganda.

#### 4.4.1 Findings on service quality in the Insurance industry of Uganda

To understand the level of service quality offered in insurance industry in Uganda, Table 5 has more details.

**Table 5: Descriptive Statistics on Insurance industry regulation of IRA**

	Percentage responses (%)					Mean
	SD	D	N	A	SA	
The operating hours are convenient for all customers	3.9%	3.9%	7.8%	39.4%	44.7%	3.50
We always provide prompt service to all the customers and concerned parties	3.9%	2.6%	6.5%	53.9%	34.2%	3.54
All our employees are always ready to help	5.2%	11.8%	5.2%	42%	35.5%	3.73
Our workers are never too busy to clarify customers' concerns	2.6%	3.9%	7.8%	59%	26.3%	4.00
We always provides services correctly the first time that customers want them	1.3%	1.3%	31.5%	61.8%	3.9%	4.02
All the employees' in this company understand members' needs	1.3%	1.3%	3.9%	71.8%	21.5%	4.07
Employees have customers' best interests at heart.	0%	0%	7.8%	50%	42.2%	4.11
We always do the customer assignments on time	0%	0%	2.6%	50%	47.3%	4.37
Workers in this company address members' problems with genuine interest	0%	0%	21.5%	41.3%	37%	4.43
We always provide accurate information to all stakeholders	4.4%	9.2%	7.8%	38.9%	36.8%	4.44
Employees in this company always offer individual attention to customers	1.3%	9.7%	14.4%	32.3%	40.2%	4.76
This company Performs services as promised.	0%	13%	6.5%	38%	42%	4.77
Our company provides error-free services the first time	0%	11.8%	15.7%	25%	48.6%	4.86

*Source: Primary data*

The results above revealed that service quality was very much convincing at IRA. Among the items that confirmed this claim included; Our company provides error-free services the first time (4.86); This company Performs services as promised (4.77); Employees in this company always offer individual attention to customers (4.76); We always provide accurate information to all

stakeholders (4.44); Workers in this company address members' problems with genuine interest (4.43); We always do the customer assignments on time (4.37); Employees have customers' best interests at heart (4.11); All the employees' in this company understand members' needs (4.07); We always provide services correctly the first time that customers want them (4.02); Our workers are never too busy to clarify customers' concerns (4.00); All our employees are always ready to help (3.73); We always provide prompt service to all the customers and concerned parties (3.54); The operating hours are convenient for all customers (3.50).

The study findings above can be interpreted to mean that there is good service quality offered in the insurance industry of Uganda and this is reflected in adherence to principles of empathy, reliability and responsiveness. These in short reflect good service quality especially since there is provision of error-free services the first time; meeting the promises; offering individual attention to customers; accuracy in information provided to all stakeholders; addressing members' problems with genuine interest; timeliness in deliveries and attending to client's work; compassion on the side of employees; ever readiness to help on the side of employees, prompt service provision and convenience of operating hours.

On the side of Key informants, it is clear that a largest portion seemed to support the above claim expressed in the questionnaire that service quality has been improving in Uganda's insurance industry. For instance, these key informants expressed that when it was still an Insurance Commission, the industry had a lot of issues including delays in service provision, employees were less responsive, many people did not know about its work and where to be found, it had few clients, its operating hours were not convenient and the commission was not accurate as far as provision of information to all stakeholders was concerned. However, they reported that, ever since it became an Authority, the level of service quality has been improving over time and today there' evidence

on ground. They opined that unlike before, currently, IRA provides error-free services when it promises it fulfils, giving attention to each person, reduced issues of corruption, customer preferences are met in time, the workers are responsive and highly trained to do the job and they are very prompt. One of the key informants was quoted saying:

*“Before, it was very hard to hear good comments in the insurance industry of Uganda because it was marred with a number of inconsistencies and delays...processing insurances would take a lot of time than now...currently IRA changed a number of things including the timeliness in receiving a service, the work team is very responsive, we are very prompt and we are ever ready to serve our customers as they come in...”*

The quotation above implied that service quality has been improving in IRA over time since it was rebranded in 1996 and this is depicted in improved work responsiveness, empathy and reliability which are key measures of service quality. These findings were found indifferent with the documents reviewed. For instance, according to Parliamentary Committee Report (2015), it indicated that service quality and insurance regulation under IRA is still entangled in a number of malfeasances. The Authority just collects money without clear accountability. It has a number of pending activities and delays were found at their peak. However, the parliamentary reports was not synonymous with what IRA Annual Report (2016) indicated that the authority has been performing well and the number of employees has increased, the area of operation has expanded and new reliable technology has been put into place.

#### **4.4.2 Findings on monitoring & supervision of insurance industry players by IRA**

To understand whether IRA monitors & supervises insurance industry players in Uganda, Table 6 provides details;

**Table 6: Descriptive Statistics on monitoring & supervision of insurance industry players by****IRA**

Items	1	2	3	4	5	Mean
We often receive IRA staff who visit to give us some technical advice on how to improve our products	61.8%	31.5%	1.3%	1.3%	3.9%	1.03
All our products are designed by experienced persons in the insurance industry	61.8%	25%	0%	3.9%	9.2%	1.09
The Insurance Regulatory Authority (IRA) has a good record of the Insurance Products our company has.	3.9%	11.8%	26.3%	31.5%	27.6%	4.14
Customers have access to the IRA guidelines governing our operations and therefore know their rights	0%	0%	7.8%	69.7%	22.3%	4.20
We receive a periodic appraisal of our insurance products from IRA	0%	0%	0%	63.1%	36.8%	4.37
All our product prices are governed by IRA principles	3.9%	3.9%	7.8%	39.4%	44.7%	4.50
IRA has set guidelines for the experience and qualifications of the board members in the insurance industry	0%	0%	7.8%	32.2%	60%	4.51
Our products are all approved by the Insurance Regulatory Authority	0%	0%	14.6%	29.3%	54.8%	4.67
There is a toll free line which Insurance companies can use to contact the IRA in case of serious operational challenges	3%	3%	22.5%	30%	40.5%	4.75

*Source: Primary data*

Findings above indicated that the IRA was adequately performing its role of monitoring and supervision insurance players in Uganda quite well. The items that confirmed the above statistical claim included; There is a toll free line which Insurance companies can use to contact the IRA in case of serious operational challenges (4.75); Our products are all approved by the Insurance Regulatory Authority (4.67); IRA has set guidelines for the experience and qualifications of the board members in the insurance industry (4.51); All our product prices are governed by IRA principles (4.50); We receive a periodic appraisal of our insurance products from IRA (4.37);

Customers have access to the IRA guidelines governing our operations and therefore know their rights (4.20); The Insurance Regulatory Authority (IRA) has a good record of the Insurance Products our company has (4.14)

The above statements implied that IRA seriously supervises and monitors insurance players in the industry especially when it comes to offering of technical support and overseeing Insurance Operations. This is reflected in the fact that there is a toll free line which insurance companies can use to contact the IRA in case of serious operational challenges; approvals of all insurance products offered by insurance companies; the prevalence of guidelines for the experience and qualifications of the board members in the insurance industry; the governing of product prices; provision of periodical performance appraisal of insurance products and keeping of records for insurance products sold.

However, IRA was found to measure low in assessing insurance products. This was reflected in the following assertions; all our products are designed by experienced persons in the insurance industry (1.09); We often receive IRA staff who visit to give us some technical advice on how to improve our products (1.03). This indicates that there are some insurance products which are not designed by experienced persons in the insurance industry and IRA staff rarely visit insurance companies to offer technical guidance. These are assumed to have a negative effect on service quality offered by IRA.

The above reportage seemed contrary to what key informants indicated in the interview. For instance, a good number of key informants showed that there has been much progress done on the monitoring and supervision of insurance players in the industry. They opinioned that by now there is no insurance product sold by any insurance company in Uganda that is not screened and designed

by IRA; they further reported that they consistently visit different insurance companies to offer technical advice and check their operations. They also put up a platform for clients who have any issue to raise and this has been too effective. One of them was quoted in details as below:

*“I think the inauguration of IRA was a very good idea because by now you would be hearing a number of issues...our work is purely to ensure that there is efficiency in the insurance industry in Uganda because we have a number of stakeholders...so we endeavor to see that we visit these companies and by now we have over 80 insurance companies we have registered and these are visited on annual basis to ensure that they are doing exactly the work we want ...”*

He further added:

*“We have been key in designing most of the insurance products and even those we did not design, we provide advice on how they should be handled...”*

The above quotation confirms the responses from the questionnaire that IRA has adequately monitored and supervised insurance players since it ensures that insurance products sold are technically designed by it and advises on those it does not design accordingly. Further, it is clear that IRA works hand in hand with all insurance players and clients. However, documents reviewed seemed to have a differing report on failure of IRA to undertake its role of monitoring and supervising insurance players. For instance, according to IRA Annual Report (2015), it registered cases of insurance players who were failing to meet the obligations in the claims they had given people. This showed that the role of monitoring and supervising all insurance players was kind of lacking. Further its failure to design clear insurance policies for funeral service insurance providers was highly reported in media reports reviewed.

#### 4.4.2.1 Correlation results for monitoring and supervising role and service quality in Uganda’s Insurance Industry

The first hypothesis stated, “There is a significant positive relationship between monitoring and supervision of Insurance industry players and the insurance service quality delivered to customers.” Table 7 provides details on the results towards the first hypothesis below.

**Table 7: Correlation results**

			Monitoring and Supervision	Service quality
Spearman's rho	Monitoring and Supervision	Correlation Coefficient	1.000	.709**
		Sig. (2-tailed)	.	.022
		N	268	268
	Service quality	Correlation Coefficient	.709**	1.000
		Sig. (2-tailed)	.022	.
		N	268	268

\*\* . Correlation is significant at the 0.05 level (2-tailed).

*Source: Primary data*

Findings show that there was a positive correlation ( $\rho = .709$ ) between monitoring and supervision of Insurance industry players and the insurance service quality delivered to customers. These findings were subjected to a test of significance ( $p$ ) and it is shown that the significance of the correlation ( $p = .022$ ) is less than the recommended critical significance at 0.05. Thus, the relationship was significant. Due to the, hypothesis “There is a significant positive relationship between monitoring and supervision of Insurance industry players and the insurance service quality delivered to customers” was accepted. Thus, the implication of the findings was that the



higher the compliance with the role of monitoring and supervision of Insurance industry players, the higher the insurance service quality delivered to customers.

#### 4.4.2.2 Regression results for monitoring and supervising role and service quality in Uganda’s Insurance Industry

A further analysis was conducted using a regression to determine the influence or extent to which monitoring and supervising role affect service quality in Uganda’s Insurance Industry, findings are presented in Table 8, accompanied by analysis and interpretation.

**Table 8: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.860 <sup>a</sup>	.725	.688	1.157

a. Predictors: (Constant), Monitoring and supervision

*Source: Primary data*

The study findings  $R^2 = 0.725$  and adjusted  $R^2 = 0.688$  implies that for every unit change in quality of Services offered by IRA, 68.8% change in quality of Services offered by IRA is explained by monitoring and evaluation role as shown in table 8. The results of Analysis of variance (ANOVA) for regression coefficients revealed that the significance of F statistics is 15.098 which is greater than 4. This implies that there is a significant relationship between monitoring and supervisory role and service quality in Uganda’s Insurance Industry.

#### 4.4.3.2 Findings on mediation role played by insurance regulatory bodies

To establish whether IRA was undertaking the mediation role, Table 9 has more details in regard to this inquiry;

**Table 9: Descriptive Statistics on mediation role played by insurance regulatory bodies**

Items	1	2	3	4	5	Mean
IRA is always very objective when it comes to dealing with conflicts between insurance companies and the firms.	26.3%	21%	9.2%	17.1%	34%	1.48
Customers of all categories are protected by IRA regardless of their social economic status.	23.6%	6.5%	22.3%	25%	26.3%	1.53
IRA officials solve issues involving our customers with fairness and professionalism	47.3%	22.3%	5.2%	11.8%	13%	1.61
The IRA officials who manage conflicts in the insurance industry are really good at it	38%	27.6%	13%	13%	7.8%	1.75
IRA officials concerned with the mediation work are not corrupt at all.	42%	25%	2.6%	7.8%	22.3%	2.07
IRA laws are not partial considering the relationship between our firm and the clients	51.3%	22.3%	0%	15.7%	10.5%	2.15
Customers do not need lawyers if they are to resolve issues with us as long as IRA is present in the case	35.5%	26.3%	3.9%	5.2%	21%	2.38
The IRA officials quickly respond whenever there is a misunderstanding with our customers	34.2%	30.2%	11.8%	14.4%	6.5%	2.46
IRA officials are all very principled when it comes to solving issues with customers	28.9%	36.8%	9.2%	7.8%	14.4%	2.58
The IRA laws protect the customers of the Insurance industry	28.5%	57.3%	19%	4.8%	4.8%	2.63

*Source: Primary data*

The study findings established that IRA does not perform its mediation role equitably. This is confirmed by the following assertions; The IRA officials quickly respond whenever there is a misunderstanding with our customers (2.63); Customers do not need lawyers if they are to resolve issues with us as long as IRA is present in the case(2.58); The IRA laws protect the customers of the Insurance industry(2.46); IRA officials are all very principled when it comes to solving issues with customers(2.38); Customers of all categories are protected by IRA regardless of their social economic status (2.15); IRA officials concerned with the mediation work are not corrupt at all (2.07); The IRA officials who manage conflicts in the insurance industry are really good at it

(1.75); IRA officials solve issues involving our customers with fairness and professionalism (1.61); IRA laws are not partial considering the relationship between our firm and the clients (1.53) and IRA is always very objective when it comes to dealing with conflicts between insurance companies and the firms (1.48).

The above responses thus suggest that IRA does not undertake very well their mediation roles and they have failed to be neutral in managing conflicts, resolve conflicts as they occur and always fail to protect the interests of customers and the companies equitably. This is exemplified in the fact that IRA officials do not quickly respond whenever there is a misunderstanding between customers and insurance companies; there is a need for legal support on the side of customers who have issues with an insurance company; customers are not well protected by IRA laws and regulations; IRA officials are not all very principled when it comes to solving issues with customers; customers of all categories are not protected by IRA regardless of their social economic status; IRA officials concerned with the mediation work are corrupt; The IRA officials who manage conflicts in the insurance industry are not really good at it; IRA officials do not solve issues involving our customers with fairness and professionalism and IRA is not always very objective when it comes to dealing with conflicts between insurance companies and the firms.

The findings from the questionnaire seemed incongruent with the findings established in key informants' interviews. For instance, a big number of key informants indicated that it was very difficult to mediate different disputed parties before the establishment of IRA than now. They opinioned that IRA has a number of lawyers who are available to protect the interests of customers in case they are being cheated; they further reported that their officials are very fair and

professional in mediating disputed parties and attend to conflicts immediately as they occur. Other key informants said that IRA has put in place a number of laws that allow mediating conflicting parties than it were before. One of them said:

*“In principle, one of the hardest job is mediating between conflicting parties because it is hard to satisfy all of them because our issues involves a lot of money...you cannot tell me that you will be losing over 100millions after mediation and you are happy with me if I put the case on you...otherwise we have always referred to our laws and regulations in mediating parties....”*

Further, another key informant added:

*“...issues of corruption have been reported on the side of our officials and I may not say it is true or false but as you know, disputes are hard to resolve and its painful for someone to lose his/her money...so whoever loses may always think that there has been bribery...otherwise we always give lawyers to customers who are aggrieved and we are very professional and fair if you follow all the details and do not just read headlines...”*

The above responses clearly indicate that there are complaints involved in the mediation role done by IRA no matter the wrong or right perceptions. This thus means that the mediation role done by IRA is marred with a lot of inconsistencies that are assumed to affect the quality of services received by the customers at the end of the day. The next section will assess whether the mediation role done by IRA has had an effect on quality of services received by the customers.

#### 4.4.3.1 Correlation results on the mediation role and service quality in Uganda’s Insurance Industry.

The second hypothesis stated, “There is a significant positive relationship between the mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver.” Table 10 provides details on the results towards the first hypothesis below

**Table 10: Correlation results**

			Mediation role	Service quality
Spearman's rho	Mediation role	Correlation Coefficient	1.000	-.544**
		Sig. (2-tailed)	.	.139
		N	268	268
	Service quality	Correlation Coefficient	-.544**	1.000
		Sig. (2-tailed)	.139	.
		N	268	268

\*\* . Correlation is significant at the 0.05 level (2-tailed).

*Source: Primary data*

Findings show that there was a negative correlation ( $\rho = -.544$ ) between the mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ( $p = .139$ ) is greater than the recommended critical significance at 0.05. Thus, the relationship was not significant. Because of this, the hypothesis “There is a significant positive relationship between the mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver” was rejected and an alternative hypothesis was taken. Thus, the implication of the findings was that the higher the abuse of the

mediation role played by insurance regulatory bodies, the lower the quality of the service that insurance companies deliver and vice versa.

#### 4.4.2.2. Regression results for mediation role and service quality in Uganda’s insurance industry.

A further analysis was conducted using a regression to determine the extent to which mediation role played by insurance regulatory bodies affect the quality of the service that insurance companies deliver, findings are presented in Table 11, accompanied by analysis and interpretation.

**Table 11: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.376 <sup>a</sup>	.137	.029	3.009

a. Predictors: (Constant), Mediation role

*Source: Primary data*

The study findings  $R^2 = 0.137$  and adjusted  $R^2 = 0.029$  implies that for every unit change in quality of Services offered by IRA, 2.9% change in quality of Services offered by IRA is explained by the mediation role as shown in table 11. The results of Analysis of variance (ANOVA) for regression coefficients revealed that the significance of F statistics is 1.098 which is less than 4. This implies that there is no significant relationship between the mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver.

#### 4.4.4 Findings on policy compliance in Uganda’s Insurance Industry

To establish whether there is policy compliance in Uganda’s Insurance Industry, Table 12 provides details on this inquiry;

**Table 12: Descriptive Statistics on policy compliance in Uganda’s Insurance Industry**

Items	1	2	3	4	5	mean
The benefits that IRA gives for those players who comply with guidelines are very motivating	23.6%	36.8%	30.2%	6.5%	3.9%	2.14
The disciplinary action for all the Insurance Industry players deters negative conduct among the insurance firms.	21%	30.2%	18.4%	22.3%	21%	2.19
Our compliant customers are given discounts and incentives periodically	9.2%	32.8%	19.7%	25%	14.4%	2.24
IRA has tough disciplinary action for all the Insurance Industry firms which disregard its policies	15.7%	39.8%	12.8%	22%	17.6%	2.43
The IRA disciplinary action applies to all the insurance firms in Uganda	10.5%	19.7%	30.2%	22.3%	14.4%	3.16
It is very easy to comply with the IRA Guidelines	3%	28.5%	31.5%	30%	6%	3.24
Insurance firms which comply with IRA guidelines are given annual recognition	11.8%	25%	48.6%	0%	15.7%	3.26
The IRA compliance guidelines are very applicable to the insurance industry	3.9%	3.9%	7.8%	52.6%	31.5%	4.12
IRA has clear compliance guidelines for insurance companies	2.6%	2.6%	6.5%	53.9%	34.2%	4.14
All management staff in this company are very conversant with the IRA guidelines for operation of the Insurance firms	0%	5.2%	16.6%	44%	33.1%	4.22

*Source: Primary data*

The results indicated that IRA does not adequately comply with policy framework in place on a high extent. Among the items that had means below 3.5 included; The benefits that IRA gives for those players who comply with guidelines are very motivating (2.14); The disciplinary action for all the Insurance Industry players deters negative conduct among the insurance firms (2.19); Our compliant customers are given discounts and incentives periodically (2.24); IRA has tough disciplinary action for all the Insurance Industry firms which disregard its policies (2.43);The IRA disciplinary action applies to all the insurance firms in Uganda (3.16); It is very easy to comply with the IRA Guidelines (3.24); Insurance firms which comply with IRA guidelines are given annual recognition (3.26).

The above findings implied that IRA does not equitably conform with the compliance guidelines in place, does not comply with disciplinary actions and compliance benefits are not adequately practiced. This is assumed to affect the quality of insurance services received by customers in the industry. For instance, it was found out that the benefits that IRA gives for those players who comply with guidelines are not very motivating; The disciplinary action for all the Insurance Industry players does not adequately deter negative conduct among the insurance firms; compliant customers are not adequately given discounts and incentives periodically; IRA has no tough disciplinary action for all the Insurance Industry firms which disregard its policies; The IRA disciplinary action does not adequately apply to all the insurance firms in Uganda; It is not always very easy to comply with the IRA Guidelines and insurance firms which comply with IRA guidelines are not adequately given annual recognition.

On the other hand, some of the items were indicated with means above 3.5 which meant that IRA partly complies with the policy framework in place. Among these items included: All management staff in this company are very conversant with the IRA guidelines for operation of the Insurance firms (4.12); IRA has clear compliance guidelines for insurance companies (4.14); The IRA compliance guidelines are very applicable to the insurance industry (4.22). This thus means that to a certain extent IRA complies with the policy in place especially when it comes to ensuring that all management staff in companies are very conversant with the IRA guidelines for operation of the Insurance firms; having in place clear compliance guidelines for insurance companies and ensuring that such guidelines are very applicable to the insurance industry.



The findings from the interviewees seemed incongruent to what most of the respondents in the questionnaire had indicated. For instance, a bundle of key informants reported that IRA has changed the policy operation in insurance regulation in Uganda. For instance, they opined that it is IRA that first introduced benefits for players who comply with guidelines and this motivated a number of insurance firms to comply with IRA guidelines. Further, they reported that IRA introduced a number of disciplinary actions for all the Insurance Industry players which adequately deterred negative conduct among the insurance firms. They further acknowledged that IRA annually provides discounts and incentives to compliant customers and IRA was talked of as an authority that prioritises recognition of those who comply with its guidelines. It was quoted from one of the key informants saying:

*“Compliance is our mandate and we are periodically assessed if not doing that...our reports and external supervisors have been very positive about our level of compliance despite the fact that there are some gaps we look forward to close with time because currently we lack enough resources.”*

The views from the interviewees seemed to imply that IRA complies with policy framework in place especially when it comes to compliance guidelines in place, disciplinary actions and compliance benefits. These are very important in meeting insurance service quality.

#### **4.4.4.1 Correlation results on policy Compliance and the Insurance Service Quality in Uganda’s insurance Industry**

The third hypothesis stated, “There exists a significant positive relationship between the Policy Compliance and the Insurance Service Quality in Uganda’s insurance Industry.” Table 13 provides details on the results towards the third hypothesis below

**Table 13: Correlation results**

			Policy	Service quality
Spearman's rho	Policy compliance	Correlation Coefficient	1.000	-.387**
		Sig. (2-tailed)	.	.099
		N	268	268
	Service quality	Correlation Coefficient	-.387**	1.000
		Sig. (2-tailed)	.099	.
		N	268	268

\*\*Correlation is significant at the 0.05

level(2-tailed)

*Source: Primary data*

Findings show that there was a negative correlation ( $\rho = -.387$ ) between policy compliance and the insurance service quality in Uganda's insurance industry. These findings were subjected to a test of significance ( $p$ ) and it is shown that the significance of the correlation ( $p = .099$ ) is greater than the recommended critical significance at 0.05. Thus, the relationship was not significant. Because of this, the hypothesis "There exists a significant positive relationship between the policy compliance and the insurance service quality in Uganda's insurance Industry" was rejected and alternative hypothesis was taken. Thus, the implication of the findings was that the higher the non-compliance with IRA policy framework, the lower the quality of the service that insurance companies deliver and vice versa.

#### **4.4.4.2. Regression results for policy compliance and service quality in Uganda's Insurance Industry.**

A further analysis was conducted using a regression to determine the extent to which policy compliance affect the quality of the service that insurance companies deliver, findings are presented in Table 14, accompanied by analysis and interpretation.

**Table 14: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.433 <sup>a</sup>	.200	.087	2.0765

a. Predictors: (Constant), Mediation role

*Source: Primary data*

The study findings  $R^2 = 0.200$  and adjusted  $R^2 = 0.087$  implies that for every unit change in quality of Services offered by IRA, 8.7% change in quality of Services offered by IRA is explained by policy compliance as shown in table 14. The results of Analysis of variance (ANOVA) for regression coefficients revealed that the significance of F statistics is 2.8760 which is less than 4. This implies that there is no significant relationship between policy compliance and the quality of the service that insurance companies deliver.

## **CHAPTER FIVE**

### **SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter entails study summary, discussions of objectives set for the study, conclusions derived from the findings, and the recommendations that will help in improving service quality offered in Uganda's Insurance Industry based on the findings of the study. Limitations, contributions of the study and areas of further study are also suggested.

## **5.2 Summary**

The study established a number of findings, the summary of the findings are explained here under; The study was based on three insurance industry regulation attributes which included; monitoring & supervision of insurance industry players; mediation role played by insurance regulatory bodies; policy compliance and the insurance service quality in Uganda's insurance industry and the results indicated that, only one of the three attributes (monitoring & supervision of insurance industry players) was being done but two (mediation role played and policy compliance) are threatening the service quality provided in Uganda's Insurance Industry. The study established that the relationship between insurance industry regulation and service quality provided in Uganda's Insurance Industry was inadequately weak, negative and not significant.

### **5.2.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers**

The study results after testing hypothesis, it was determined that monitoring and supervision of insurance industry players strongly, positively and significantly related to insurance service quality delivered to customers. This was due to correlations results obtained at 0.709 which was further significant at 0.022. This implied that the higher the compliance with monitoring and supervising of insurance industry players, the higher the quality of services offered in Uganda's Insurance Industry.

### **5.2.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver**

The study results after testing hypothesis, it was determined that mediation role of insurance industry bodies had a weak, negative and non-significant relationship with insurance service

quality delivered to customers. This was due to correlations results obtained at -0.544 which was further significant at 0.139. This implied that the higher the non-compliance with the mediation role played by insurance regulatory bodies, the lower the quality of services offered in Uganda's Insurance Industry.

### 5.2.3 Policy compliance and the insurance service quality in Uganda's insurance Industry

The study results after testing hypothesis, it was determined that policy compliance of insurance industry players had a weak, negative and non-significant relationship with insurance service quality delivered to customers. This was due to correlations results obtained at -0.387 which was further significant at 0.099. This implied that the higher the non-compliance with policy framework, the lower the quality of services offered in Uganda's Insurance Industry.

## **5.3 Discussion of the study findings**

The discussion of the study findings has been made as per the study objectives below;

### **5.3.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers**

The first hypothesis stated, "There is a significant positive relationship between monitoring and supervision of Insurance industry players and the insurance service quality delivered to customers." The inferential statistics indicated that there is a significant positive relationship between monitoring and supervision of Insurance industry players and the insurance service quality delivered to customers. This finding is in line with the literature of Parkinson et al. (2010) who had earlier ascertained that monitoring and supervision are some of the core responsibilities of regulatory bodies. The techniques used to achieve the desired relationship between the monitoring and supervision ought to be revised from time to time so as to ensure that they are

abreast with the latest standards (Suhre, et al, 2007). The works of Suhre are supported by the idea suggested by (Parkinson et al., 2010) whose work is indicative that continued monitoring & supervision is very essential if excellence is to be achieved not only on an individual level but also on an institutional level especially if the rules of performance are well stipulated for the actors in the sector. These views are further supported by the works of (Moran *et al.*, 2014) whose works have been applied to a number of sectors such as health and are relevant for other industries.

Franke (2007) concurs with study findings while indicating that every sector needs a comprehensive monitoring and supervision system to meet the ongoing obligations to policy holders. This opinion is derived from the analysis of many quantitative and qualitative measures including industry standards priority benchmarks. It is important for monitoring bodies to ensure that the insurance providers have financial strength in order to meet their ongoing obligations. The overall interest for such an assessment should be the provision of enhanced delivery for the citizens of any community so that the authorities are not rated negatively by the various stakeholders in the insurance industry. This is in line with Ceng and Wong (2004) investigated solvency of general property liability and life insurance companies and relate to the fact that there is need for different regulatory guidelines for different stages if satisfactory quality is to be realized. This means that policies or regulations have to cater for all categories of consumers or service providers to ensure proper compliance as such adding to improved service quality.

### **5.3.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver**

The second hypothesis stated, “There is a significant positive relationship between the mediation role played by insurance regulatory bodies and the quality of the service that insurance companies

deliver.” The inferential statistics indicated that there is no significant positive relationship between the mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver. These findings are confirmed by the works of (Davis, 2007) who had earlier indicated that mediation is quite necessary for insurance industry players who generally operate in economic environments which offer very many opportunities to exploit customers especially in the developing world. At the same time, they have to deliver quality insurance services to their customers or else they shall lose business. Mediation at the same time enables insurance sector players to align their business strategy to the prevailing rules that govern the insurance industry and meet customer expectations.

In congruence with the study findings, June (2004) argues that without mediation, the Insurance industry players tend to set their own rules and play the game by these, regardless of who is affected. The mediation role cannot be over emphasized when the insurance sector is seeking to achieve the necessary levels of insurance service quality given the growing cases of fraud and mistrust worldwide which have seen some customers walking away with losses. Eling and Schnell, (2016) reveal the need for a respectable and reputable government agency to take on the mediation role or else, the insurance sector players will take things into their own hands and end up setting their own rules.

### 5.3.3 Policy Compliance and the insurance service quality in Uganda’s insurance Industry

The third hypothesis stated, “There exist a significant positive relationship between the Policy Compliance and the Insurance Service Quality in Uganda’s insurance Industry.” The inferential statistics indicated that there exists no significant positive relationship between the policy compliance and the insurance service quality in Uganda’s insurance Industry. These findings

confirmed the works of Newman (2008) further ascertained that the primary role of IRA is to make sure that complaints are made and or submitted and handled in the most efficient and effective manner. The more such complaints are monitored, the more they are used in feeding information to the compliance committees and this means reliability in service provision. The link between regulation of services and the quality of services is often more pronounced when the regulators have very clear, standard and well informed principles to guide the industry (Jacinth & Jordana, 2003). As such, the Insurance service quality can only be expected to improve if the regulators are professional and recognized as a government entity that has been commissioned to enforce fairness and justice in the Insurance services sector.

Manning (1988) further explains that compliance takes the whole process of ensuring that the mandates of an institution are not ambiguous and implemented as planned. The concept is to provide guidance and regulation to improve performance in the industry thus improving service delivery. Reiss (1994) states that compliance literature distinguishes regulatory enforcement styles from coercive and the more co-operative ones. In the long run, for markets that employ the monitoring and supervision well, we find that there is an improved service offering as members in the community tend to appreciate the responsiveness, the empathy of the staff and the reliability of the sectors which are well monitored and regulated (Kieninger, *et al.*, 2013). This highlights the fact that technological and hi-tech monitoring systems are relevant for purposes of improving service quality. Ceng and Wong (2004) investigated solvency of general property liability and life insurance companies and relate to the fact that there is need for different regulatory guidelines for different stages if satisfactory quality is to be realized. This means that policies or regulations have to cater for all categories of consumers or service providers to ensure proper compliance as such adding to improved service quality.



## **5.4 Conclusions**

5.4.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers

The findings of this study showed that there is a significant positive relationship between monitoring and supervision of Insurance industry players and the insurance service quality delivered to customers. Centered on the empirical results of this study, it is concluded that service quality delivered to customers in Uganda's insurance industry heavily relies on undertaking monitoring & supervision of insurance industry players.

**5.4.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver**

The findings of this study showed that there is no significant positive relationship between the mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver. Centered on the empirical results of this study, it is concluded that service quality delivered to customers in Uganda's insurance industry is highly affected by non-compliance to proper implementation mediation role.

5.4.3 Policy Compliance and the insurance service quality in Uganda's insurance Industry

The findings of this study showed that there is no significant positive relationship between policy compliance and the insurance service quality in Uganda's insurance Industry. Centered on the empirical results of this study, it is concluded that service quality delivered to customers in Uganda's insurance industry is highly affected by non-compliance with the policy framework.

## **5.5 Recommendations**

In light of the above conclusions, below are the suggested recommendations as per each study objective;

### **5.5.1 Monitoring and Supervision of insurance industry players and the insurance service quality delivered to customers**

Basing on study findings, there is a need for IRA staff to visit each and every insurance company in Uganda and continually give them some technical advice on how to improve their products. This can be done by ensuring that all the listed 88 insurance companies are well located and continually supervised on how they offer insurance claims. There is a need for all insurance products to be designed by experienced persons in the insurance industry so that customers are protected from payment for services that are not of quality.

### **5.5.2 Mediation role played by insurance regulatory bodies and the quality of the service that insurance companies deliver**

Basing on study findings, it is highly important that IRA endeavors to always be objective when it comes to dealing with conflicts between insurance companies and the firms. This can be done by ensuring that all customers of all categories are protected by IRA regardless of their social economic status. Further, this can be done by ensuring IRA officials solve issues involving our customers with fairness and professionalism. It is important that IRA officials concerned with the mediation work are sensitized and well screened to reduce on corruption that affects insurance service quality.

### **5.5.3 Policy Compliance and the insurance service quality in Uganda's insurance Industry**

Basing on the study findings, it is further recommended that the benefits that IRA gives for those players who comply with guidelines should be motivating so that IRA guidelines are complied with. This can be done by ensuring that all compliant customers are given discounts and incentives periodically. Further, there is a need to adhere to disciplinary actions for all the insurance industry players to deter negative conduct among the insurance firms. This can be done by ensuring that there are tough disciplinary actions for all the insurance industry firms which disregard its policies.

### **5.6 Limitations of the study**

The study registered a number of limitations and these majorly included;

Some respondents deliberately failed to answer the questionnaire. This gave the researcher hard time but she had to resource and replaced such people with the same people in the target population.

Secondly, some respondents wrongly filled the questionnaires. This came as a result of time constraints as some of them rushed to answer the question and attend to their work. But the researcher managed to recover most of the questionnaires well filled. Those which were wrongly filled were ignored.

Time was one of the study's major constraints as the researcher couldn't meet some people as expected since they had travelled abroad. Since the study had a specified time, the researcher replaced such people with their personal assistants.

In spite of all these challenges however, the researcher did everything she could to undertake and complete the study successfully.

## 5.7 Areas recommended for further study

Future research should follow the longitudinal approach to predict beliefs and behavior over time since the model in this study is cross-sectional, which measures the intention only at a single point in time.

There is a need for another study covering all insurance companies and customers in Uganda not only IRA to clearly obtain their views on how service quality can be improved.

## REFERENCES

- Adengo, J. C. (2016). The effect of service evaluations on behavioral intentions and quality of life. *Journal of Service Research*, 9(1), 3-18.
- Ambrose, C., & Carroll, M. M. (1994). An analysis of the title insurance industry. *Journal of Insurance Regulation*, 17(2), 213.
- Amin, M.E. (2005). *Social Sciences Research: Conception, Methodology and Analysis*, Kampala; Makerere University Printery.
- Annual Insurance Report, (2012 and 2013), *Insurance Regulatory Authority*
- Asimit, A., Bignozzi, V., Cheung, K., and Hua, J., and Kim, E. (2017). Robust and Pareto optimality of insurance contracts. *European Journal of Operational Research* 262, pp.720–732
- Bielen, F. and Demoulin, N. (2007). Waiting time influence on the satisfaction-loyalty

- Blind, K., (2012). The influence of regulations on innovation: a quantitative assessment for OECD countries. *Res. Policy* 41 (2), 391–400.
- Blind, K., and Mangelsdorf, A., (2016). Motives to standardize: empirical evidence from Germany. *Technovation* 48-49, 13–24.
- Blind, N. M. K. (2012). A study of customer perception towards service quality of life Insurance companies in Delhi NCR Region. *Global Journal of Management And Business Research*, 14(7).
- Boadway, R., and Bruce, N. (1984), *Welfare Economics*, Oxford, Basil Blackwell.
- Brady, S. S., Brodeau, S. D., & Heskell, N. (2005). The influence of intrinsic brand cues in intangible service industries: An application to life insurance services. *Procedia-Social and Behavioral Sciences*, 130, 347-353.
- Ceng, P., & Wong, G. (2004). Governance and performance of a mixed public-private enterprise: an assessment of a company in the Estonian water sector. *Public Organization Review*, 13(2), 185-196.
- Davis, R., (2007). Service quality, relationship satisfaction, trust, commitment and business-to-business loyalty. *European journal of marketing*, 41(7/8), 836-867.
- Deegan, C., and Unerman, J. (2011). *Financial Accounting Theory*. Maidenhead: McGraw-Hill Education.
- Deegan, D., & Unerman, G. (2011). Governance and performance of a mixed public-private enterprise: an assessment of a company in the Estonian water sector. *Public Organization Review*, 13(2), 185-196.
- Dickson, R. T. (1960). *Service quality: New directions in theory and practice*. Sage Publications.
- Eling M, and Schnell, W. (2016). What do we know about cyber risk and cyber risk insurance? *Journal of Risk Finance*, 17(5):474–91.
- Firtescu, T., (2010). The Analysis Of The Financial Possibilities On The Life Insurance Market After Economic Crisis-Case Of Republic Of Croatia. *Interdisciplinary Management Research*, 11, 409-420.
- Foster, M. W., (1998). A model agreement for genetic research in socially identifiable populations. *The American Journal of Human Genetics*, 63(3), 696-702.

- Franke, U. (2007). Service quality and satisfaction: an international comparison of professional services perceptions. *Journal of Services Marketing*, 21(6), 410-423.
- Franke, U. (2017). The cyber insurance market in Sweden. *Journal of Computers and Security*, 68, 130–144.
- Franklin, G. (2001). Corporate image and corporate reputation in customers' retention decisions in services. *Journal of retailing and Consumer Services*, 8(4), 227-236.
- Gasper, J.J (2002).Statement of the American Council of Life Insurers.*Product and Financial Regulation*, June 11.
- Gay, P. (Eds.). (1996). *Questions of Cultural Identity: SAGE Publications*. Sage.
- George, R., &Hussel, K. (2010).Risk regulation, management and compliance. *London School of Economics and Political Science, London*.
- Grasper, G. K. (2002).Intervening to address constraints through health sector reforms in Tanzania: some gains and the unfinished business. *Journal of International Development*, 15(1), 115-131.
- Hannock, E., (2007). Cultural influences on service quality and customer satisfaction: evidence from Greek insurance. *Managing Service Quality: An International Journal*, 17(4), 467-485.
- Hawkins, N. (1984). The dimensions of service quality: the original European perspective revisited. *Service Industries Journal*, 17(1), 173-189.
- Hutter,, P. (1997). The cascade effect in insurance pricing. *Journal of Risk and Insurance*, 465-480.
- Inside Insurance Issue No.3( An article written on 26/06/16. Author. Faith Ekudu
- Insurance Act of 2000 (Cap 213); Laws of Uganda
- Insurance Act of 1964 (Cap 92): Laws of Uganda. The author.
- Jacinth, C. H., &Jordan, G. S. (2003). Consumers' technology adoption behaviour: an alternative model. *The Marketing Review*, 7(4), 355-368.
- Kaddunabbi, L (2013). New Vision (2013).Insurance Regulation Quality in Uganda.An article written on Novemeber 3/2013 by Kaddunabi. The Author

- Kakuba, E (2007). *The influence of Insurance Premium and Investment on Indemnity in the Uganda Insurance Industry*
- Kapito, N. A. (2013). *Consumer protection in Ghana: Understanding the relationship between consumer awareness and policy responsiveness* (Doctoral dissertation).
- Kieninger A, Straeten D, Kimbrough SO, Schmitz B, Satzger G. (2013). Leveraging service incident analytics to determine cost optimal service offers, pp. 1015–1029,
- Kiwanuka, C. (1995). *Private provision of public services in developing countries*. University of Twente.
- Kothari, N. J. (1990). *Introduction to educational research*. Winter, pp 387-402.
- Lavrakas, N. O., (2008). Interplay between air passengers' service quality, satisfaction, loyalty and loyalty programmes in South African owned airlines. *Acta Commercial*, 17(1), 19.
- Manning, W. G.,(1988). Health insurance and the demand for medical care. *USA: The Rand Corporation (supported by flagrant from the US Department of Health and Human Services)*.
- Martin, G.F, Klein, R., and Phillips, R. (2007). *Insurance Company Failures: Why do they cost so much?* Working Paper, The Center for Risk Management and Research, George State University.
- Miriam Magala; (2015) CEO Uganda Insurance Association- *statement of purpose: Inside Insurance Issue No.03*
- Moran, A.M., Coyle, J., Pope, R., (2014). Supervision, support and mentoring interventions for health practitioners in rural and remote contexts: an integrative review and thematic analysis of the literature to identify mechanisms for successful outcomes. *Human Resource and Health* 12, 10.
- Morgan, B., and Yeung, K. (2007). *An Introduction to Law and Regulation: Text and Materials*. Cambridge: Cambridge University Press.
- Mugenda, O. M. and Mugenda, A. G (1999), *Research Methods Quantitative and Qualitative Approaches*, Nairobi; Acts press

- Namusisi, M. (2005). *Application: A2007032* (Doctoral dissertation, University of Linköping). National Gross Domestic Product (2007/2008 Report on insurance). The author.
- New Vision (2013). Insurance Regulation Quality in Uganda. An article written on November 3/2013 by Kaddunabi. The Author.
- Newman, C. T., (2008). Importance-performance analysis and the measurement of service quality. *European journal of marketing*, 27(2), 59-70.
- Nielson, L. (2006). *Decent work in Malawi: social security; extension of social insurance to all workers* (Doctoral dissertation, University of Cape Town).
- Nsubuga, J. (2004). *Insurance Law and the Financial Ombudsman Service*. Taylor & Francis.
- Parasuraman, A., Zeithaml, Valerie A. & Berry, Leonard L. (1988). SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, vol. 64(1), p. 12-40
- Parkinson, M., Fairman, A., & Pramuka, M. (2010). Enhancing quality of life through telerehabilitation. *Physical medicine and rehabilitation clinics of North America*, 21(1), 195-205.
- Paul, C. H., (2008). Systematic Review: The Evidence That Publishing Patient Care Performance Data Improves Quality of Care The Impact of Publishing Performance Data on Quality of Care. *Annals of internal medicine*, 148(2), 111-123.
- Penrose, J. (2010). A conceptual framework to analyze hospital competitiveness. *The Service Industries Journal*, 30(3), 437-448.
- Posner, R. A. (1974). Theories of Economic Regulation, *The Bell Journal of Economics and Management Science*, Vol. 5, No. 2, pp. 335-358
- Posner, S. A. (1974). Assessing the use of regression analysis in examining service recovery in the insurance industry: Relating service quality, customer satisfaction, and customer trust. *Journal of Insurance Issues*, 30-57.
- Reiss, J. M. (1994). Comparing three signals of service quality. *Journal of Services Marketing*, 22(1), 48-58.
- relationship in services. *Managing Service Quality*, Vol. 17 No. 2, pp. 174-193.



- Robertson, K., Dagger, T. S., & Sweeney, J. C. (2006). The effect of service evaluations on behavioral intentions and quality of life. *Journal of Service Research*, 9(1), 3-18.
- Roland Trust, Richard Oliver (1994)
- Saternna, T. M., (1997). Improving the quality of workers' compensation health care delivery: the Washington State Occupational Health Services Project. *The Milbank Quarterly*, 79(1), 5-33.
- Scholz, J. T. (1984). In Search of Regulatory Alternatives. *Journal of Policy Analysis and Management*, 4(1), 113-116.
- Sebaana Kizito, (1992). A paper on *Decentralization and urban governance in Uganda*
- Sekaran, U., (2003). *Research Methods for Business: A Skill-building Approach*. USA: John Willey & Sons.
- Sekeran, A. (2003). *Research Methods for Business, A skill Building Approach*, Fourth edition, p. 87
- Stigler, G.J. (1972). The Theory of Economic Regulation. *Bell Journal of Economics and Management Science* 11: 3-21.
- Suhre, C. J., Jansen, E. P., & Harskamp, E. G. (2007). Impact of degree program satisfaction on the persistence of college students. *Higher Education*, 54(2), 207-226.
- Trade & Finance (1995). Customer service quality in the Greek Cypriot banking industry. *Managing Service Quality: An International Journal*, 15(1), 41-56.
- Trust, R. B., & Oliver, R. J. (2008). Perceived service quality and customer trust: does enhancing customers' service knowledge matter?. *Journal of service research*, 10(3), 256-268.
- Uganda Service Demographic Survey, 2014
- Ulrich, P., & Wood, M. (2004). Better user-developer communication in service development by collaborative physical modeling. *International Journal of Services and Operations Management*, 23(2), 169-186.
- Vaughan, T. (2009). The economic Crisis and Lessons from US Insurance Regulation. *Journal of the National Association of Insurance Commission*.

- Wells, A., and Jones, S.K. (2016). Growth in cyber coverage expected as underwriting evolves. *Insurance Journal*.
- Wells, B. P., & Stafford, M. R. (1995). Service quality in the insurance industry: consumer protection versus regulatory perceptions. *Journal of Insurance Regulation*, 13(4), 462.
- Wells, W., & Jones, L. (2006). Collaborative depression care: history, evolution and ways to enhance dissemination and sustainability. *General hospital psychiatry*, 32(5), 456-464.
- Yin, R.K. (1994). *Case Study Research Design and Methods*. *Applied Social Research Methods Series* Vol.5. Sage Publications, London, U.K

## APPENDICES

### Appendix I: Research Questionnaire

#### Introduction

Dear Respondent,

I am undertaking research on “The relationship between Insurance Industry Regulation on service quality: The case of Uganda’s Insurance Industry” as part of the requirements for the award of a Post Graduate Degree at Uganda Management Institute. The questions presented to you are only intended to help me undertake my research and will not be used for any other purpose. Your answers given will be treated with utmost confidentiality.

#### SECTION A Background Information

Name of the Insurance Player (Firm) \_\_\_\_\_

##### A1. Majority Share holder in the insurance company?

Foreign	Local	Others
1	2	3

##### A2. Period the company has operated in the country?

Less than 3 yrs	3 – 6 yrs	7 – 10 yrs	Over 10 yrs
1	2	3	4

##### A3. Number of branches the company has in the country ?

Only 1	2 – 3	4 – 5	Over 5
1	2	3	4

#### Section A1: Individual Characteristics

A1. Gender Male  Female

##### A2. Age Group

21 – 30 yrs	31 – 40 yrs	41 – 50 yrs	Over 50 yrs
1	2	3	4

##### A3. Highest level of education

Below Diploma	Degree	Post Graduate	Other (Please specify)
1	2	3	5

A4.

How

would you describe your position in the company?

Top Management	Middle Management	Lower Level Management
1	2	3

A5. Time spent working with IRA?

.....

**B1-For the questions that follow in the section below, please use a suitable response for each of the items that follow**

SN	Insurance Industry Regulation	Strongly Disagree	Disagree	Agree	Strongly Agree
	<b>Monitoring and Supervision</b>				
1	Our products are all approved by the Insurance Regulatory Authority	1	2	3	4
2	All our products are designed by experienced persons in the insurance industry	1	2	3	4
3	The Insurance Regulatory Authority (IRA) has a good record of the Insurance Products our company has.	1	2	3	4
4	We often receive IRA staff who visit to give us some technical advice on how to improve our products	1	2	3	4
5	There is a toll free line which Insurance companies can use to contact the IRA in case of serious operational challenges	1	2	3	4
6	We receive a periodic appraisal of our insurance products from IRA	1	2	3	4
7	All our product prices are governed by IRA principles	1	2	3	4
8	IRA has set guidelines for the experience and qualifications of the board members in the insurance industry	1	2	3	4
9	Customers have access to the IRA guidelines governing our operations and therefore know their rights	1	2	3	4
	<b>Mediation Role</b>				
1	IRA officials solve issues involving our customers with fairness and professionalism	1	2	3	4
2	IRA officials are all very principled when it comes to solving issues with customers	1	2	3	4
3	IRA laws are not partial considering the relationship between our firm and the clients	1	2	3	4
4	The IRA officials quickly respond whenever there is a misunderstanding with our customers	1	2	3	4
5	The IRA officials who manage conflicts in the insurance industry are really good at it	1	2	3	4
6	IRA officials concerned with the mediation work are not corrupt at all.	1	2	3	4
7	IRA is always very objective when it comes to dealing with conflicts between insurance companies and the firms.	1	2	3	4
8	The IRA laws protect the customers of the Insurance industry	1	2	3	4

9	Customers do not need lawyers if they are to resolve issues with us as long as IRA is present in the case	1	2	3	4
10	Customers of all categories are protected by IRA regardless of their social economic status.	1	2	3	4
		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>Policy Compliance</b>				
1	IRA has clear compliance guidelines for insurance companies	1	2	3	4
2	All management staff in this company are very conversant with the IRA guidelines for operation of the Insurance firms,	1	2	3	4
3	The IRA compliance guidelines are very applicable to the insurance industry	1	2	3	4
4	IRA has tough disciplinary action for all the Insurance Industry firms which disregard its policies	1	2	3	4
5	The IRA disciplinary action applies to all the insurance firms in Uganda	1	2	3	4
6	The disciplinary action for all the Insurance Industry players deters negative conduct among the insurance firms.	1	2	3	4
7	Insurance firms which comply with IRA guidelines are given annual recognition	1	2	3	4
8	Our compliant customers are given discounts and incentives periodically	1	2	3	4
9	It is very easy to comply with the IRA Guidelines	1	2	3	4
10	The benefits that IRA gives for those players who comply with guidelines are very motivating	1	2	3	4
	<b>SERVICE QUALITY</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>C. Responsiveness</b>				
1	We always provide accurate information to all stakeholders	1	2	3	4
2	We always provide prompt service to all the customers and concerned parties	1	2	3	4
3	All our employees are always ready to help	1	2	3	4
4	Our workers are never too busy to clarify customers' concerns	1	2	3	4
	<b>E. Empathy</b>				

1	Employees in this company always Offer individual attention to customers	1	2	3	4
2	The operating hours are convenient for all customers	1	2	3	4
3	All the employees' in this company understand members' needs	1	2	3	4
4	Employees have customers' best interests at heart.	1	2	3	4
	<b>B. Reliability</b>				
1	We always do the customer assignments on time	1	2	3	4
2	Workers in this company address members' problems with genuine interest.	1	2	3	4
3	We always provides services correctly the first time that customers want them	1	2	3	4
4	This company Performs services as promised.	1	2	3	4
5	Our company provides error-free services the first time	1	2	3	4

**Appendix II: Interview Schedule for top Management**

- 1. Position in IRA .....
- 2. Department /Section.....

3) Is there compliance with IRA guidelines in place? *Please tick the appropriate option.*

- a)  Yes
- b)  No

If yes mention some of them? (Probe for monitoring and supervision, mediation roles and policy compliance)

4a) Explain the extent to which monitoring and supervision of insurance players is being done by IRA? Please tick the appropriate option.

b) How is adherence and non-adherence to monitoring and supervision of insurance players affect the quality of insurance services delivered to customers?

5a) Explain the extent to which mediation of insurance players is being done by IRA? Please tick the appropriate option.

b) How is adherence and non-adherence to proper mediation of insurance players affects the quality of insurance services delivered to customers?

4a) Explain the extent to which policy compliance in managing insurance players is being done by IRA? Please tick the appropriate option.

b) How is compliance and non-compliance to policy framework affects the quality of insurance services delivered to customers?

**THANK YOU SO MUCH**

### Appendix III: Documentary Review Checklist

No.	Documents	Yes	No
1.	IRA Annual Reports		
2.	IRA policy documents		
3.	IRA minutes		
4	Insurance policy framework		
5	Civil society Reports on insurance service quality		



#### Appendix IV: Table for Determining Sample Size from a given Population

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

*Source: Krejcie & Morgan (1970, as cited by Amin, 2005)*

Note.—*N* is population size.

*S* is sample size.

## **Appendix V: Field Research Letter**