Innovations

The Effect of Slow Claim Settlement Process on Sales and Marketing of Insurance Products: The Case of Ethiopian Insurance Corporation Shashemene Branch

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Received: 16 May 2022 **Accepted:** 15 June 2022 **Published:** 30 June 2022

Abstract
Any delay or negative behavior by the insurer during claim settlement creates customer dissonance. The quick administration of Claim is therefore not only a legal obligation of an insurance firm, but a strong public relations and marketing strategy. Thus, the overriding objective of this study was to identify the effect of slow claim settlement process on sales and marketing of insurance products in the case of Ethiopian Insurance Corporation, Shashemene Branch. The study employed survey types of descriptive research design. The target population of the study was customer and staff of Ethiopian Insurance Corporation, Shashemene Branch. The questionnaire was administered to 102 sample respondents to collect primary data. The respondents were accessed through convenience sampling techniques. After it was coded and edited, the collected data entered the SPSS Version 23 for processing and analysis purpose. The data was analyzed using descriptive statistics and inferential statistics. The descriptive analysis that has been used is frequency, mean and standard deviation. Moreover, inferential statistics used are ANOVA, correlation and Regression analysis. The finding of the study revealed that the elements of claim settlement process have positive and significant impacts on the sales and marketing of insurance products and vice versa. The finding also revealed that improving fast and prompt claim settlement process could improve the overall image of the company sales and marketing strategy through repurchase of insurance product and further recommendation to others increasing the word of mouth advertising.

Key Words*: 1. Claim Settlement Process, 2.Sales and Marketing, 3. insurance product*

Introduction

Insurance serves as a protection against economic loss arising due to an unexpected event (Butler and Francis, 2010). In other words, an insurance policy is designed to indemnify the insured against all sums for which the insurer is legally liable upon receipt of premium by the insurer in the occurrence of the peril insured against (CII 510 1999).

The business world without insurance is unsustainable since risky business may not have the capacity to retain all kinds of risks in this ever-changing and uncertain global economy (Ahmed et al., 2011).

The right of the insured to receive the amount secured under the policy of insurance contract promised by the insurer is called claim (Butler and Francis, 2010). Barua (2015), indicating the importance of claims for an insurance company, warns that any delay or negative behavior by the insurer during claim settlement creates customer dissonance. Hewitt (2006) on Tajudeen and Adebowale(2013), therefore, rightly puts claims' handling as the moment of truth for the insurance company an opportunity to fulfill the promise made to customers to pay a valid claim thereby resulting in a satisfied customer.

Tajudeen and Adebowale (2013)defined claim management process as a combination of all managerial decisions and processes concerning the settlement and payment of claims in accordance with the terms of the insurance contract (Redja, 2008 cited on Tajudeen and Adebowale, 2013). Kiana (2010) in his identification of challenges in claims in Kenya also indicated elements of the claim management process like assessment, reporting a claim and participants like agents and brokers are causes of customer dissatisfaction.

Insurance in Ethiopia has been providing risk management since its introduction in 1905 following the establishment of the first bank, Bank of Abyssinia, that begin to transact fire and marine insurance as an agent of the foreign insurance company (Zeleke, 2007). Proclamation No. 86/1994 were, however, a new era for insurance business in Ethiopian that allowed the public and private insurance companies to operate. The industry currently constitutes (17) seventeen insurance companies providing a range of products across life and non-life insurance products.

A Company, which fails to settle claims to the satisfaction of customers, would definitely attract less business, as it is likely to discourage such clients to continue to insure with the company. Such clients might even advise their friends, colleagues and relations not to patronize such a company (Sanchez, 2011).

Statement of the Problem

Insurance companies in Ethiopia also wish to improve their public image, and retain the trust of their brokers (middlemen) and clients in order to meet their sales and marketing department projection. However, slow claim settlement process is the major challenges for selling and marketing of insurance products of insurance industries in Ethiopia in general and EIC in particular.

On the contrary, dissatisfaction on claims is a crucial trigger for Switching (Accenture, 2014). According to Subashini and Velmurugan (2016), if policyholders are not satisfied in long run it will result in more number of terminations of the policies. Policyholders switch their insurer as a direct result of being unhappy with how their claim was handled hence the need for protecting the brand through efficient claims handling is a must (Accenture, 2014).

The consequent effects of the above problem could lead to downward trends in sales and marketing figure, low premium income, low capital formation (savings and loans) and minimal contribution of an insurance company to the gross domestic product (GDP) of a country. In this regards, a number of studies have been done focusing basically on both theoretical and practical gaps persisted in the industry (Bitadel, 2015; and Getachew, 2011). They tried to point out the overall effect of service quality on customer satisfaction but they didn't specify the effect of slow claim settlement service quality on sales and marketing of insurance products

in Ethiopian insurance industry's context. The Major objective of this study is therefore to critically examine the effect of slow claim settlement process on the sales and marketing of insurance products in the Ethiopian Insurance Corporation Shashemene Branch.

Research hypothesis

H1. Claim notification process has a positive and significant relationship with sales and marketing of insurance products.
H2. Claim response process has a positive and significant relationship with sales and marketing of insurance products.
H3. Claim investigation process has a positive and significant relationship with sales and marketing of insurance products.
H4. Claim evaluation process has a positive and significant relationship with sales and marketing of insurance products.
H5. Claim settlement has a positive and significant relationship with sales and marketing of insurance products.
H6. Complaint and dispute settlement process has a positive and significant relationship with sales and marketing of insurance products.

Literature review

Risk and Insurance

According to CII (655, 2002), risks come in many forms and are inevitable in every business. There is no business without risk. Whether we like it or not risk is always there. Risk is the dark and bright side of life. Risk is the future unwanted and unforeseen event living with us. It may be impractical, or even impossible, to protect against every single potential risk.

Insurance is not a tangible product. The insured transfers the future unforeseen risks to insurer by way of paying a fee called premium. An insurance company having collected the premium from the insured will provide insurance cover. The premium amount at least expected to cover the expected claims, reserves, expenses plus a margin for profit. They have a reasonable expectation of making a profit (CII PO1 2007).

Image of claim, Claim Management Process and Common Procedures

Claims management is critical to an insurer's success. Done right, it solidifies customer relationships. Tajudeen and Adebowale (2013) defined claim management process as a combination of all managerial decisions and processes concerning the settlement and payment of claims in accordance with the terms of the insurance contract. (Redja, 2008cited on Tajudeen and Adebowale, 2013).Wedge and Handley (2003) define Claims Management as the carrying out of the entire claims process with a particular emphasis upon the monitoring and lowering of claims costs. The two definitions combined together suggest that the claims management process has to strike a balance between customer expectations and maintaining cost efficiency.

Although different insurers follow different procedures, some of the basic elements include claims notification, claim review, responding to claimants, claim investigation, claim settlement and claim recovery if required. Understanding the importance of claims management, OECD Insurance Committee had documented and published best practices in claim management practices. Activities the OECD guideline identified as important include: adequate information and assistance to the policyholder for claim reporting; efficient claim filing methods; operational fraud detection and prevention measures; adequate, fair and transparent

claim assessment and processing; expeditious claim settlement; effective complaint and dispute settlement procedures; and appropriate supervision of claims-related services (OECD, 2004).

The various stages a claim goes through from its occurrence to conclusion are:
Claim notification: most policies state that the insured should notify their insurer of a claim promptly. The initial report may be verbal, though the insured will be required to give further information by completion of a claim form. When a claim is not reported promptly, the insurer misses out the opportunity to investigate facts when they are still fresh. Other factors also come into play, which may aggravate the loss. Besides, an insurer needs to separate genuine claims from fraudulent ones. Late reporting makes this separation difficult. The OECD guideline recommends that the insurance company should draw the attention of the policyholder to report claims timely during the signing of the policy. The guideline also recommends that the insurer prepares appropriate claim reporting forms and provide necessary information to help the client report the claim (OECD, 2004).

Claim Review: involves analysis of the claim and includes comparison of information in claim form with what was provided in the proposal form, interpretation of the policy in light of the claim, economic considerations such as decision on whether the claim is too small to warrant further investigations or the need to call for additional documentation. Alternatively, a large claim may justify further investigations or legal action. Claims review is a crucial stage in the claims process; where likely conflicts arising from policy interpretation, economic considerations, market practice and legal requirements. A senior claims handler needs to be involved at this stage, in order to handle major issues accurately and promptly, including properly investigating the claim if need be (James, Lyn and Rowe, 2009).

Response to Claimant: the initial response is usually an acknowledgment, or a request for further information. Once the insurer is satisfied with information given, they either convey decision to pay, or decline to pay the claim. A third response may be offered to pay a lower amount than that claimed or enter into negotiations with the insured, without initially making any offer on amount (James, Lyn& Rowe, 2009).

Claim Investigation: in some cases, the insurer may not have full facts of the claim and is unable to make a decision on a claim. They may therefore require appointing an investigator, to carry out investigations and file a report to the insurer. This is mainly for motor and liability claims. Investigations are also necessary if a claim is suspected to be fraudulent. The nature of other claims requires an insurer to appoint a loss adjuster, to establish liability and quantum of the claim. This is especially for property claims, including Fire, Burglary, Domestic Package, All Risks, and Marine among others.

Claim settlement: where liability is not in dispute and both insurer and insured are in agreement on quantum, settlement follows immediately. However, in situations where either liability or quantum is in dispute, the claim is delayed. OECD (2004) points out, after an agreement has been reached between the insurer and the policyholder (claimant or beneficiary) on the amount of compensation, the payment should be completed within a reasonable amount of time. A quick claims settlement as well as high quality and punctual information provided to the policyholder (claimant or beneficiary) are key competition features for insurance companies. In case of any delay, the guideline recommends that the insurance company as soon as possible should advise in writing the policyholder (claimant or beneficiary) on the reasons for any delay and resolution (OECD, 2004).

Complaints and dispute settlement: in cases where the client has complaints or goes in to disputes, OECD (2004) suggests that complaints or disputes be filed, acknowledgement of the receipt of the complaint to the client within a reasonable period of time be made, explain how their complaints will be handled and on the procedures of follow up. Complaints should be processed promptly and fairly with communication of progress. Final response should be given in writing within a reasonable period of time (OECD, 2004).

Claim recoveries: although this process does not involve the policyholder, an insurer may require recovering all or part of their outlay. There are four sources of recovery; from a third party who was to blame for the accident, from a party insurer has subrogation rights against, from a reinsurer if reinsurance protection is in place or from sale of salvage.

Challenges in Management of Insurance Claims

A challenge can be described as a difficult task that tests a person‘s ability and skills (Hornby, 2005). In terms of claims management, a challenge may be described as a factor that hinders effective performance of the claims function. Some of the major challenges in management of general insurance claims are:

Insurance Fraud: Fraud is defined as a deliberate act done with intent to deceive (Cockerell, 1997). A claim is said to be fraudulent if the insured makes false statements of fact in his claim or made statements, knowing them to be false, or not believing them to be true, or that he made them carelessly not caring whether they were true or false. The insurer has a right to decline a claim if fraud is proved, as it amounts to breach of one of the basic principles of insurance, the principle of Utmost Good Faith (Bennett, 1992). Wedge and Handley (2003) note that fraud can take a variety of forms, including the inflation of a genuine claim, creating an entirely fictitious event, and causing deliberate as opposed to accidental damage to insured property. The main motive of insurance fraud is financial gain.

Insurance companies have had to undergo very tough times and incur huge payouts in claims, some of which have proved to be fraudulent. This has forced insurance companies to rethink the way they handle claims (Karau, 2008). Fraud is perpetrated by a cartel of crooks, through non-existent or exaggerated claims. Fraud has been cited as one of the causes of the collapse insurance companies in the last decade (Wahome, 2010). As much as genuine customers need to be paid promptly, they must be separated from the fraudulent ones through investigations, which is time consuming and a major cause of customer dissatisfaction. If a fraudulent claim is paid, the insurer loses a lot of money to fraudsters. The insurer may resort to increasing premiums, which affects both the good and bad customers (Roff, 2004).

Cash Flow Constraints: Cash flow management is the process of monitoring, reviewing and regulating a company‘s cash flows. The statement of cash flows reports a company‘s cash inflows and outflows for a period and provides a company‘s ability to generate cash from operations, maintain and expand its operating capacity, meet its financial obligations and pay dividends (Reeve, Warren &Duchac, 2009). For a general insurance company, cash inflows include premium, investment income, capital injections, policy excess, sale of salvages and reinsurance recoveries. Cash outflows include claim payouts, costs, investments made in shares/bonds, distribution payments to owners and creditors of the insurer, tax to the government and payment of reinsurance premiums (General Insurance, 2010).

Capacity of claim personnel: In a service industry such as insurance, contact employees are the face of the organization, and can directly influence customer satisfaction (Zeithaml&Bitner, 2003). Employees in Claims Department are in close contact with the customer and/or intermediary from the time a claim is reported,

throughout its processing, until it is eventually settled or rejected. The difference between one service supplier and another often lies in the attitude and skills of their employees (Lovelock &Wirtz, 2007).

It is the responsibility of the Claims Manager to recruit, train and retain intelligent and competent staff. He should also delegate responsibilities within the department in a way that whereas a substantial proportion of claim advices do not have to be referred to his office, decisions with serious ramifications on the business are not left to inexperienced or incompetent staff (Wedge & Handley, 2003).

However, due to various factors, some of which are not within the manager‘s control, claims staff leave employment and have to be replaced. Whereas direct costs associated with loss and replacement of employees is measurable, there are also indirect costs associated with loss of employees, including loss in customer service and customer satisfaction. The company also suffers loss of specific job skills and disruption of service (Mwangi, 2008).

Information Technology Support: Information Technology (IT) is defined as ―the use or production of a range of technologies (especially computer systems, digital electronic and telecommunications) to store, process and transmit information)‖ (Wedge & Handley, 2003). Claims managers need to maximize the use of information technology, in order to reduce claims processing cycle, thus enhancing efficiency and customer satisfaction. Ineffective IT governance and control is likely to be the main cause of the negative experiences many organizations and especially insurance firms have had with the use of IT, including lost business, damaged reputations, weakened competitive position, inability to meet deadlines, failed or aborted projects, budget overruns and poor returns on investments (Nyakomitta, 2009).

Weak Underwriting Standards: Underwriting refers to the process of evaluating a proposal that comes for insurance and making a decision of whether to accept the proposal or not. If the proposal is to be accepted, at what price and on what terms, conditions and scope of cover (Brown, 1997).The underwriter also has a responsibility to ensure that there is no adverse selection against the insurer, and that the proposer is not a moral hazard. The underwriter must ensure that the premium charged is commensurate with the risk exposure.

To a large extent, the quality of underwriting has a bearing on claims eventually made. Moral hazard proposers and adverse selection are also not detected. Within the insurance period, such proposers lodge claims, which would have been avoided if they were detected at underwriting stage. Unissued policy documents pose a major challenge to a claims handler. The insured feels unjustly treated, if the claims manager relies on breach of a policy condition to decline a claim which policy the insurer had not issued and sent it to the insured. Other challenges include wrongly worded policy documents, incomplete or no proposal forms, agents completing proposal forms on behalf of the insured among others. The claims manager ends up paying claims, which would otherwise not have been paid if proper underwriting were done. Inability to adhere to internationally accepted underwriting standard brings a level of risk, which leads to charging premium which is less than the risk exposure (Karau, 2008).

Methodology of the Study

Research Design

This research is designed as a both descriptive and explanatory research. Additionally, the study employed a quantitative research approach. A quantitative data was therefore collected using a survey of customers and

employee's attitude across the claim settlement process. The research is also designed as a cross-sectional research as data was collected at one point in time.

Source and type of Data

There are two types of data which is used in this research, primary and secondary data. The primary data was collected using a questionnaire from customers and staffs. Additionally, secondary data regarding the process of claim settlement at EIC was also collected from the policy manual and different publications.

Data Collection Methods

A self-administered, structured questionnaire has been used to gather data from respondents. Each respondent was supposed to fill a questionnaire after a brief introduction and objective of the study has been explained. The customers has been approached in the office of the insurance company's after they have got Insurance service and asked to fill a questionnaire as the researcher and/or the research assistants is waiting for them and also the questionnaire was handed to intended respondents, who completed and returned them later. The researchers approach as many customers as possible on each visit until the required numbers of sample size were filled. The staffs of organization are asked to fill a questionnaire at their convenience in their office. The researchers used closed ended and Likert scale questions aligned with the insurance claim settlement process and activities in each of those claim settlement processes.

Sample and Sampling Technique

The target population of the study constitutes customers and Employees of EIC Shashemene Branch. This research took a sample of those customers and census of employees to collect data from them. In order to have a good representative from the population, the researcher have classified the population into two sub groups; Customers of the branch as a one group and employees of the Branch as the other group.

The study targets the customer's population of all active policyholder corporate and individual insurance customers who claimed compensation and not claimed also. As insurance is a yearly renewable contract, the period of renewal varies based on customer's preference; only active policy holders during the period of data collection were eligible for this study.

Population and Sample Size Determination

The target population of the study was 18 employees of the EIC Shashemene branch and 5000 customer of the corporation. As a result of limited data on the total population, cost and time constraints, a convenient sampling method were used to get an appropriate sample size. The researcher used de Vaus (2002) formula to draw the sample from customer population. The sample size of the customer is determined as follows:

a) Sample Size for EIC Shashemene Branch customers

$$n = \frac{N}{1+N(e)^2} \quad n = \frac{5000}{1+5000(0.1)^2} = 98$$

Where n= sample size

N= Population Universe

e= (10%) is the level of precision or sampling error = (0.1) Source:-de Vaus (2002)

Method of Data Analysis

Data collected through questionnaire were edited and coded with great care. The coding of the possible responses in the questionnaire was made through both pre coding and post coding. After it was coded and

edited, the data collected through questionnaire were processed by using different types of statistical tools like tables, charts, frequency, percentage, mean score and standard deviation. In addition, the coded and edited data was also entered the SPSS vs. 20 for further analysis.

As the study was quantitative in nature, correlation analysis (Pearson Correlation Coefficient) also used to determine the correlation type and degree of strength between independent variables (claim Notification, claim response, Claim investigation, claim evaluation, claim settlements as well as complaints and dispute settlement processes) and the dependent variable (sales and marketing).

On the other hand, multiple regressions were used to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained. Accordingly, the model specification is therefore as follows:

$Y= \beta 0+ \beta 1x1 + \beta 2X2+ \beta 3X3+ \beta 4x4+ \beta 5X5+ \beta 6X6$

Where: Y= Sales and Marketing

βo = Constant term

X1=Claim Notification, X2=Claim Response, X3=Claim Investigation, X4=Claim Evaluation X5=Claim Settlement and X6= Compliant and Dispute settlement

Discussion and Major Findings

Correlation Analysis

In this study, to explore the relationship between claim settlement process and overall sales and marketing, Pearson correlation was calculated to see the relationship between the dependent variable 'sales and marketing' and the independent variables claim notification, claim response, claim investigation, claim evaluation, claim settlement as well as complaints and dispute settlement.

Table. 4.3. Correlation Coefficient

Correlations							
		Claim Notification	Claim response	Claim Investigation	Claim Evaluation	Claim Settlement	Complaint Settlement
	Pearson Correlation	.540**	.205*	.632**	.745**	.783**	.705**
	Sig. (2-tailed)	.000	.038	.000	.000	.000	.000
	N	102	102	102	102	102	102
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Source: Calculated from Survey (2019)

From the above table 4.3 we can identify that all the independent variables showed correlation with the dependent variable. In their order of strength of relationship 'claim settlement' was strongly correlated to sales and marketing with Pearson correlation coefficient r (102) = 0.783, p< .01, followed by 'claim

evaluation' with *r* (102) = 0.745, *p*< .01. Third was 'complaint and dispute settlement' with *r* (102) = 0.705, *p*< .01. 'Claim investigation' and 'claim notification' were fourth and fifth with *r* (102) = 0.632, *p*< .01and*r* (102) = 0.540, *p*< .01 respectively. The last variable 'claim response' had a week positive relationship with sales and marketing but a lesser degree of significance (*r* (102) = 0.205, *p*< .05.

Based on the above relation analysis, there was no strong relation coefficient among the predictor variables which is greater than 0.80 and this clearly implies there is no multi-co linearity problem in this model confirming that the data were suitable for conducting multiple regression analysis.

Multi - Regression Analysis

A standard multiple regression analysis was conducted to evaluate how well the different elements of the claim settlement process particularly claim notification, claim response, claim investigation, claim evaluation, claim settlement as well as complaints and dispute settlement predicted overall sales and marketing.

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843[a]	.711	.693	.53796

a. Predictors: (Constant), Complaint, Response, Investigation, Notification, Evaluation, Settlement

b. Dependent Variable: Sales and Marketing

From the above table 4.5 model summary, we can infer that overall sales and marketing is explained by the predictors of claim settlement processes. The multiple correlation coefficient was 0.843, indicating that the R-Square value is 0.711 which implies that 71.1% of the variance in the overall sales and marketing is accounted for predictors claim notification, claim response, claim investigation, claim evaluation claim settlement as well as complaints and dispute settlement, thereby confirming the fitness of the model.

Table 4.6: ANOVA

Model		Sum of Squares	Df	Mean Square	F
1	Regression	67.571	6	11.262	.000[b]
	Residual	27.493	95	.289	
	Total	95.064	101		

a. Dependent Variable: Sales and Marketing

b. Predictors: (Constant), Complaint, Response, Investigation, Notification, Evaluation, Settlement

From the above table 4.6 ANOVA analysis it can be inferred that the multiple linear regression of the dependent variable (sales and marketing) and the independent variables (claim notification, claim response, claim investigation, claim evaluation claim settlement as well as complaints and dispute settlement) resulted in a significantly related equation with F (6,95) = 38.914, is significant at the level of significance .000 (p < .001).

Table 4.7. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant)	-.031	.238	-.130	.897	Constant)
	Notification	.147	.095	.147	1.553	.124
	Response	.046	.063	.060	.734	.465
	Investigation	.026	.066	.034	.397	.692
	Evaluation	.270	.100	.271	2.687	.009
	Settlement	.341	.111	.316	3.055	.003
	Complaint	.156	.065	.211	2.380	.019

The multiple linear regressions also showed that the independent variables 'claim evaluation' and 'claim settlement' were significant at $p < 0.01$ while 'complaint and dispute settlement' was significant at $p < 0.05$. The other three predictors 'claim notification', 'claim response' and 'claim evaluation' were not found to be statistically significant at $p < 0.05$.

In general, the result of his study showed that, claim settlement procedures have positive and significant impact on sales and marketing of organization. The findings of this study show that sales and marketing of insurance products with insurance claim settlement process is close to 'acceptable' (a mean value of 2.88 and sd of 0.97). This in contrast, is much lower than European experience of insurance claim settlement process, which is on average, extremely positive (EY, 2010).

Further, inferential statistics showed that all the six processes or elements have a positive correlation with overall sales and marketing with claim notification (0.540), claim investigation (0.632), claim evaluation (0.745),claim settlement (0.783) and complaint settlement (0.705) with $p< 0.01$ while claim response (0.205) with $p< 0.05$. In line with this, the regression model developed to predict sales and marketing showed that a statistically significant linear model using the independent variables was possible. The model also showed that the predictors 'claim settlement' with coefficient 0.341 and 'claim evaluation' with coefficient 0.270 were the highest predictors of sales and marketing with $p<0.01$ followed by 'complaint and dispute settlement' with coefficient 0.156 with ($p<0.05$). The regression model also showed that the predictive ability of element of claim settlement processes like 'claim notification' with coefficient 0.147, 'claim response' with coefficient 0.046 and 'claim investigation' with coefficient 0.026 where all three were insignificant.

Hypothesis Testing

Hypothesis 1: Claim notification process has a positive and significant relationship with sales and marketing of insurance products, From Pearson correlation coefficients indicated on the table 4.3 it can possible to

conclude that claim notification had a positive and significant relationship with sales and marketing ,(r (102) =0.540, p<0.01).

Hypothesis 2: Claim response process has a positive and significant relationship with sales and marketing of insurance products.

From Pearson correlation coefficients indicated on the table 4.3 it can possible to conclude that claim response had a weak positive significant relationship with sales and marketing ,(r (102) = 0.205, p< .05).

Hypothesis 3: Claim investigation process has a positive and significant relationship with sales and marketing of insurance products.

From Pearson correlation coefficients indicated on the table 4.3 it can possible to conclude that claim investigation had a positive significant relationship with sales and marketing ,(r (102) = 0.632, p< .01).

Hypothesis 4: Claim evaluation process has a positive and significant relationship with sales and marketing of insurance products.

From Pearson correlation coefficients indicated on the table 4.3 it can possible to conclude that claim evaluation had a strong positive significant relationship with sales and marketing ,(r (102) = 0.745, p< .01).

Hypothesis 5: Claim settlement has a positive and significant relationship with sales and marketing of insurance products.

From Pearson correlation coefficients indicated on the table 4.3 it can possible to conclude that claim settlement had a strong positive significant relationship with sales and marketing ,(r (102) = 0.783, p< .01).

Hypothesis 6: Complaint and dispute settlement process has a positive and significant relationship with sales and marketing of insurance products. From Pearson correlation coefficients indicated on the table 4.3 it can possible to conclude that compliant and dispute settlement had a positive significant relationship with sales and marketing ,(r (102) = 0.705, p< .01).

Conclusions

The research intended to assess the impact of slow of claim settlement process on sales and marketing of insurance products at EIC Shashemene Branch. In light of the analysis done and the summary presented above, the following encompassing conclusions are given:

- Both the correlation analysis as well as the multiple regression models has indicated that sales and marketing is positively related to all the elements of the claim settlement process. Specifically, 'claim settlement' showed the strongest correlation as well as the highest coefficient in the regression analysis leading to the conclusion that 'claim settlement' is the most important element of the claim settlement

process to customers. This if followed by 'claim evaluation' and 'complaint and dispute settlement' processes, which were observed to be the second and third important element of the insurance claim settlement process with the respectively highest correlation and regression coefficients. The other three elements of the claim settlements process were seen to have positive relationship with sales and marketing however were not found out to be statistically significant predictors of sales and marketing.

- The finding of the study showed that the highest drivers for selling and marketing of insurance products are the claim settlement process with direct impact on the monetary value of the claim (claim evaluation, claim settlement, and 'complaints and dispute settlement') as opposed to the feel-good elements of the claim settlement process (claim notification, claim response and investigation).
- It is evidently identified that the performance of claim settlements process elements has also a significant and positive association with sales and marketing of insurance products.

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