

**THE RELATIONSHIP BETWEEN EFFECTIVE CLAIM MANAGEMENT
AND THE GROWTH OF THE NIGERIAN INSURANCE INDUSTRY**

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BENIN CITY**

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**A RESEARCH PROJECT WRITTEN AND SUBMITTED TO THE
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DECLARATION

I declare that:

This project work is based on a study undertaken by me in the Department of Banking and Finance (Insurance Programme), University of Benin under the supervision of **Ven. Prof. I.O. Osamwonyi**. This work has not been previously submitted for award of a degree elsewhere.

All ideas and views are product of my personal research effort and all references to works of others have been duly acknowledged.

Jennifer Osagie ABUMERE

Date: _____

CERTIFICATION

This is to certify that this research work was carried out by **Jennifer Osagie ABUMERE** with matriculation number MGS1808212 of the Department of Banking and Finance (Insurance programme), faculty of management sciences, University of Benin, Benin city, in partial fulfilment of the requirements for award of B.Sc Degree in Insurance

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Head of Department

Date

DEDICATION

This project is specially dedicated to God Almighty for His love, care protection and provision throughout my time in this prestigious University.

I also want to dedicate it to my Mum and grandma for their love, encouragement, spiritual and moral support. To my friends, for all the wonderful advice and guidance throughout this period I'm more than grateful.

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I would like to express my sincere gratitude to God Almighty for his guidance, provision and protection all through the period of writing this project.

My special appreciation goes to my esteemed and respected supervisor Ven. Prof. I. O. Osamwonyi and my course adviser Dr. B. Orobator for their constructive corrections, suggestions and encouragement through out this period.

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I specically want to acknowledge myself for all the sacrifices, consistency and determination I put to make this project a success.

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May God bless you all, Amen.

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ABSTRACT

This study examined the influence of effective claims management on the growth of the Nigerian insurance industry. The study raised five specific objectives to guide towards the actualization of the study's overall objective. Data were primarily sourced through online questionnaire, and a total of one hundred (100) questionnaire were found usable for the empirical analysis. The descriptive (frequency, mean and percentage) and inferential statistics (regression) were adopted for the study's analysis. Specifically, the analysis revealed the following: a significant positive relationship between effective claims management and growth of the Nigerian insurance industry; a significant negative relationship between inadequate claims management and growth of the Nigerian insurance industry; that improved customers' satisfaction has a significant relationship with growth of the Nigerian insurance industry; that strong regulatory framework does not have a significant relationship with growth of the Nigerian insurance industry; and that adoption of technology has a significant relationship with growth of the Nigerian insurance industry. Based on the findings, the following recommendations were made that insurance companies: should strengthen claims management practices; address inadequate claims management; enhance customer satisfaction, foster technological adoption; and adopt collaborative approach to regulatory framework.

CHAPTER ONE

INTRODUCTION

1.1 PREAMBLE

The Nigerian insurance industry has experienced growth in recent years, with the industry's gross written premiums reaching NGN 500 billion (\$1.3 billion) in 2019, up from NGN315 billion (\$818 million) in 2015. Despite this growth, the industry still faces challenges such as low penetration, poor perception, and low customer trust. One significant factor that can affect the growth of the Nigerian insurance industry is the effective management of claims.

Claims management is a vital aspect of the insurance industry, as it helps to build customer trust, enhances customer satisfaction, and strengthens the industry's reputation. Therefore, it is essential to investigate the relationship between effective claims management and the growth of insurance industry the Nigerian.

Effective claims management is crucial for the growth of the Nigerian insurance industry. Claims management refers to the process of handling claims made by policyholders and ensuring that they are resolved in a fair and efficient manner. The ability of insurance companies to effectively manage claims has a direct impact on their reputation and the trust that policyholders have in them. This, in turn, can have a significant impact on the growth of the insurance industry in Nigeria. When policyholders feel that their claims are being handled fairly and efficiently, they are more likely to renew their policies and recommend the insurance company to others. This

can lead to increased customer loyalty and retention, which is important for the long-term growth and sustainability of insurance companies. On the other hand, poor claims management can result in dissatisfied customers, negative reviews, and a damaged reputation. This can lead to a decrease in customer loyalty and a loss of potential customers.

In addition to the impact on customer loyalty, effective claims management can also lead to cost savings for insurance companies. By properly managing claims, insurers can reduce the number of fraudulent claims and minimize the amount of money paid out in settlements. This can help insurers maintain profitability and reinvest in their operations, which can ultimately lead to growth and expansion.

Overall, effective claims management is a critical component of the growth and success of the Nigerian insurance industry. By prioritizing claims management and investing in the necessary resources and technology to handle claims efficiently and fairly, insurance companies can build trust with their policyholders and position themselves for long-term growth and profitability.

Effective claims management is not only important for individual insurance companies, but also for the industry as a whole. A well-functioning claims management system can help to promote the growth of the insurance industry by improving public perception of insurance and increasing trust in insurers. This can lead to more people buying insurance policies, which can help to expand the market for insurance in Nigeria.

However, there are challenges to effective claims management in Nigeria. One major challenge is the prevalence of fraudulent claims, which can be difficult to detect and prevent. Insurers must invest in robust fraud detection systems and processes to minimize the impact of fraudulent claims on their operations and reputation.

Another challenge is the lack of skilled personnel in the insurance industry, particularly in the area of claims management. Insurers must invest in training and development programs to build the skills and expertise of their claims management staff, and also work to attract new talent to the industry.

In addition to these challenges, there are also regulatory and legal issues that can impact claims management in Nigeria. Insurers must comply with relevant laws and regulations, and work closely with regulatory authorities to ensure that their claims management processes are aligned with industry standards.

Effective claims management is essential for the growth and success of the Nigerian insurance industry. By prioritizing claims management, investing in the necessary resources and technology, and addressing the challenges that exist, insurers can build trust with their policyholders and position themselves for long-term growth and profitability.

Furthermore, effective claims management can also lead to cost savings for insurance companies. When claims are handled efficiently, the cost of processing and settling claims is

reduced. This, in turn, can lead to lower premiums for policyholders, which can make insurance products more attractive and affordable.

1.2 BACKGROUND TO THE STUDY

The Nigerian insurance industry has been experiencing steady growth in recent years, with a compound annual growth rate of 6.8% from 2013 to 2018 according to a report by National Insurance Commission (NAICOM) of Nigeria.

According to Augustine and Bamidele (2013), the British colonial trading businesses that opened agency offices in Nigeria on behalf of insurance corporations in the UK are responsible for the history of the insurance industry in Nigeria.

With Nigeria's political independence in 1960, locally controlled insurance businesses arose, but due to inadequate capital, they were unable to pay claims when they were due. With inadequate capital combined with a lack of administrative and technical expertise and poor insurance regulatory framework produced a crisis of confidence and a significant lack of interest in purchasing insurance in Nigeria (Augustine and Bamidele, 2013).

The insurance sector has received widespread recognition as an engine of societal advancement and economic expansion. Through the pooling and investing of premiums, the sector gives policyholders financial protection and compensates individuals who experience unforeseen losses (Unachukwu, Afolabi, Alabi, 2015). The turning point in an insurance company's

relationship with a client is the payment of a claim. It is an opportunity to demonstrate the value of the years spent paying premiums.

80 percent of all premiums are spent on claims payment and related handling fees, which is the insurers' single-largest cost from a commercial standpoint (Butler and Francis, 2010 cited in Yusuf and Dansu, 2014).

According to Unachukwu, Afolabi, and Alabi (2015), insurance companies have been highlighted as having the ability to accelerate the expansion of the sector through efficient and rapid claims settlement. So, according to Parsons (2005), one of the main purposes of insurance is to settle claims.

The monetary compensation given to a policyholder in the case of a loss is known as claims settlement. Ineffective claims management can damage a company's reputation and have an impact on the marketing and sales of its insurance products. The way insurance companies handle claims settlement has in the past drawn a lot of criticism from the public and even the attention of governments (Harry, 2012).

Effective data management systems are essential for using claims data to improve products and services, which is why claims management needs to be balanced with cost-effective processes (Rendek, Holtz, and Fonseca, 2014). The claims experience might also be impacted by the fact that insurance is typically an intangible commodity for consumers until they get a payout for a

covered loss.

A satisfying claims experience might produce a long-term customer and supporter of the insurance program. On the other hand, a bad encounter may result in distrust and the cancellation of an insurance. Thus, claims management is a crucial component of an insurer's efforts to deliver excellent customer service and keep clients (Barry, 2011).

But there are still significant challenges that need to be addressed in order to realize its full potential. One of these challenges is effective claims management, which plays a crucial role in the growth and development of the industry. Effective claims management involves the prompt and fair settlement of claims made by policyholders, and it is important for number of reasons. Firstly, it helps to build trust and confidence in the insurance industry, as policyholders are more likely to continue to buy insurance products if they feel that their claims will be handled fairly and efficiently. Secondly, it can help to reduce the number of disputes and complaints that arise between insurers and policyholders, which can be time-consuming and costly to resolve.

In Nigeria, the issue of claims management has been a major challenge for the insurance industry, with many policyholders experiencing delays and difficulties in getting their claims settled. This has contributed to a lack of trust in the industry and a relatively low level of insurance penetration in the country.

However, there have been efforts in recent years to improve claims management in the Nigerian

insurance industry. For example, the National Insurance Commission (NAICOM) has introduced new regulations that require insurers to establish claims settlement departments and to provide regular reports on claims settlements to the Commission. This has helped to improve transparency and accountability in the claims settlement process.

In addition, some insurance companies in Nigeria have invested in new technology and systems to help streamline the claims management process and reduce the time it takes to settle claims. This has helped to improve customer satisfaction and build trust in the industry.

Overall, effective claims management is an important factor in the growth and development of the Nigerian insurance industry. As the industry continues to invest in new technology and processes to improve claims management, it is likely that we will see continued growth and increased penetration of insurance products in Nigeria.

1.3 STATEMENT OF THE PROBLEM

There are several problems associated with effective claims management that are hindering the growth of the Nigerian insurance industry. Some of these problems include:

Lack of trust: There is a general lack of trust between insurance companies and customers in Nigeria, which often leads to delays or outright rejection of claims. This lack of trust is often due to past experiences of customers who have had to go through long and tedious processes to make a claim.

Inadequate infrastructure: The Nigerian insurance industry is still developing, and as such, there is a lack of adequate infrastructure to support the efficient processing of claims. This includes a lack of standardization in claims processing, as well as inadequate information technology systems.

Political Instability: Political instability can also affect the growth of the insurance industry in Nigeria. Political instability can lead to a decline in economic growth, which can affect the profitability of insurance companies. This can, in turn, affect the growth of the industry.

Cultural Attitudes: The cultural attitudes of Nigerians towards insurance can also affect the growth of the industry. Many Nigerians view insurance as a luxury or unnecessary expense, and may not see the value in purchasing insurance. This can lead to low insurance penetration, and ultimately affect the growth of the industry.

Insufficient claims management expertise: Many insurance companies in Nigeria lack the necessary expertise to effectively manage claims. This is often due to a shortage of experienced claims handlers, as well as inadequate training and development programs for claims staff.

Poor Communication: Effective communication is crucial for the growth of the insurance industry. Insurance companies must communicate with policyholders in a clear and concise manner, and keep them informed about their policies and claims status. Poor communication can lead to misunderstandings and dissatisfaction among policyholders, which can affect the growth

of the industry.

Insufficient Capital: Insufficient capital can also affect the growth of the insurance industry. Insurance companies need capital to underwrite risks and pay claims. Without sufficient capital, insurance companies may not be able to meet their obligations, which can lead to a lack of trust in the industry and ultimately affect its growth.

Inadequate Technology Infrastructure: The insurance industry in Nigeria is faced with the challenge of inadequate technology infrastructure. This can result in inefficient claims management, leading to delayed claims payment and dissatisfaction among policyholders. This can affect the growth of the industry.

Lack of Skilled Personnel: The insurance industry in Nigeria is also faced with the challenge of a lack of skilled personnel. This can result in inadequate claims management and inefficient operations, which can affect the growth of the industry.

Lack of Awareness: Many Nigerians are not aware of the importance of insurance, and this lack of awareness affects the growth of the insurance industry. This lack of awareness can lead to inadequate claims management, which can affect the growth of the industry.

Fraudulent claims: Fraudulent claims are a significant problem in the Nigerian insurance industry, and this often leads to delays in processing legitimate claims. Insurance companies are therefore cautious and sometimes skeptical about claims, which can result in delays in

processing.

Inadequate regulation: The regulatory environment for the Nigerian insurance industry is still developing, and this can lead to inconsistencies and gaps in the regulatory framework. This can make it difficult for insurance companies to manage claims effectively and efficiently.

Addressing these challenges is critical to the growth of the Nigerian insurance industry. Insurance companies need to prioritize effective claims management to build trust with their customers and ensure the industry's long-term growth.

1.4 RESEARCH QUESTIONS

The study will be guided by the following research questions;

1. What is the current state of the Nigerian insurance industry?
2. How does effective claims management contribute to customer satisfaction in the Nigerian insurance industry?
3. What is the relationship between effective claims management and the growth of the Nigerian insurance industry?
4. How do insurance companies in Nigeria perceive claims management and its impact on their business growth?

5. What challenges are faced by insurance companies in Nigeria in implementing effective claims management practices?
6. What measures can insurance companies in Nigeria take to improve their claims management processes?
7. How does regulatory policies affect claims management practices in the Nigerian insurance industry?
8. What are the effects of effective claims management on the financial performance of insurance companies in Nigeria?
9. How does technology adoption impact claims management in the Nigerian insurance industry?
10. What are the future prospects for the growth of the Nigerian insurance industry with respect to claims management practices?

1.5 OBJECTIVES OF THE STUDY

The primary objective of this project is to investigate the relationship between effective claims management and the growth of the Nigerian insurance industry.

Specifically, the project aims to achieve the following objectives:

- Identify the current state of the Nigerian insurance industry, including the size of the industry, the market share of major players and the current level of claims management practices.
- Evaluate the factors that affect the growth of the Nigerian insurance industry, such as; the use of technology, the quality of customer service and the expertise of claims adjusters.
- Analyze the concept of claims management in the insurance industry.
- To investigate the impact of effective claims management on customer satisfaction and retention in the Nigerian insurance industry.
- To assess the relationship between effective claims management and financial performance indicators such as; profitability, revenue growth and return on investment.
- To identify the challenges faced by insurance companies in Nigeria in implementing effective claims management practices, including regulatory barriers, lack of skilled labour and limited access to technology.
- Make recommendations to policymakers and regulators on how to promote the development of effective claims management practices in Nigeria insurance industry, including the provision of incentives and the removal of regulatory barriers.

1.6 RESEARCH HYPOTHESES

In the course of the study, the following hypotheses are tested;

Hypothesis one

Ho: There is a negative relationship between effective claims management and the growth of the Nigerian insurance industry.

Hi: There is a positive relationship between effective claims management and the growth of the Nigerian insurance industry.

Hypothesis two

Ho: Inadequate claims management positively affects the growth of the Nigerian insurance industry.

Hi: Inadequate claims management negatively affects the growth of the Nigerian insurance industry.

Hypothesis three

Ho: Improved customer satisfaction resulting from effective claims management negatively impacts the growth of the Nigerian insurance industry.

Hi: Improved customer satisfaction resulting from effective claims management positively impacts the growth of the Nigerian insurance industry.

Hypothesis four

Ho: A strong regulatory framework negatively affects the relationship between effective claims management and the growth of the Nigerian insurance company.

Hi: A strong regulatory framework positively affects the relationship between effective claims management and the growth of the Nigerian insurance company.

Hypothesis five

Ho: The adoption of technology in claims management negatively affects the growth of the Nigerian insurance industry.

Hi: The adoption of technology in claims management positively affects the growth of the Nigerian insurance industry.

1.7 SCOPE OF THE STUDY

This project adopts a mixed-methods approach to investigate the relationship between effective claims management and the growth of the Nigerian insurance industry.

The study involves both primary and secondary data.

The primary data are obtained through surveys, interviews, and focus group discussions with stakeholders in the Nigerian insurance industry, such as insurers, brokers, and customers.

The secondary data are obtained from literature reviews, reports, and industry publications.

CHAPTER TWO

LITERATURE REVIEW

Effective claims management is an essential component of the insurance industry, as it is responsible for ensuring customer satisfaction and retention, reducing fraud, and maximizing profitability. In the Nigerian insurance industry, claims management has been identified as a critical factor in determining the growth and sustainability of the industry. Therefore, this literature review aims to examine the relationship between effective claims management and the growth of the Nigerian insurance industry.

According to Adeleke and Oyewo (2020), on the relationship between effective claims management and the growth of the Nigerian insurance industry, the authors found that effective claims management enhances customer satisfaction, reduces claim processing time, and minimizes fraudulent claims, which in turn, increases the confidence of customers in the insurance industry.

The article begins by providing an overview of the Nigerian insurance industry and its current state of affairs. The authors note that while the industry has made significant progress over the years, there are still several challenges that need to be addressed, including low insurance

penetration rates and a lack of public trust in insurance companies.

The authors then go on to explain how effective claims management can help address some of these challenges. They argue that by efficiently managing claims, insurance companies can improve their reputation and build trust with their customers. This, in turn, can lead to increased insurance penetration rates and overall growth of the industry.

The article also provides practical guidance on how insurance companies can improve their claims management processes. The authors suggest that companies should invest in technology and automation to streamline their claims processes and reduce the time it takes to settle claims. They also recommend that companies focus on customer service and communication, keeping policyholders informed throughout the claims process.

Overall, Adeleke and Oyewo's article makes a compelling case for the importance of effective claims management in the Nigerian insurance industry. By implementing the strategies outlined in the article, insurance companies in Nigeria can improve their reputation, build trust with their customers, and ultimately drive growth in the industry.

The study concludes that effective claims management is a catalyst to the growth of the Nigerian insurance industry.

Olaide and Oyekunle (2019) also conducted a review on the relationship between effective claims management and the growth of the Nigerian insurance industry. The study employed a

survey research design and collected data from 120 employees of insurance companies in Nigeria using a structured questionnaire. The data collected were analyzed using descriptive statistics and regression analysis. The results of the study revealed a significant positive relationship between effective claims management and the growth of the insurance industry in Nigeria.

The authors reviewed relevant literature on the topic and identified several factors that contribute to effective claims management in the insurance industry. These factors include the use of technology, staff training and development, prompt and fair claims settlement, effective communication, and customer service.

The study also found that effective claims management can lead to increased customer satisfaction, which in turn can lead to customer loyalty and retention. This can ultimately contribute to the growth of the Nigerian insurance industry by attracting by attracting new customers and retaining existing ones.

Furthermore, the study highlighted some challenges faced by the Nigerian insurance industry in effective claims management. These challenges include inadequate regulatory framework, lack of skilled professionals, fraud, and corruption.

In conclusion, the study recommends that the Nigerian insurance industry should prioritize effective claims management to enhance its growth and development.

This can be achieved through the implementation of effective policies and regulations, investment in technology and staff training, and the adoption of best practices in claims management.

Babatunde and Adeleke (2021) also argue that regulatory bodies play a crucial role in ensuring effective claim management in insurance. They suggest that insurance companies often face challenges in managing claims effectively, which can result in dissatisfaction among policyholders, litigation, and reputational damage. In such cases, regulatory bodies can step in to provide guidance and oversight to ensure that claims are managed efficiently and fairly.

The authors note that one of the key challenges faced by insurance companies is fraudulent claims, which can be difficult to detect and prevent. Regulatory bodies can help by providing guidelines and best practices for detecting and preventing fraud, as well as enforcing penalties for those who engage in fraudulent activities.

Another challenge faced by insurance companies is the complex nature of some claims, which may require specialized knowledge or expertise to manage effectively. In such cases, regulatory bodies can provide training and education to ensure that claims are handled by professionals with the necessary skills and qualifications.

Babatunde and Adeleke (2021) also emphasize the importance of communication between insurance companies and policyholders during the claims process. They suggest that regulatory

bodies can play a role in ensuring that insurers communicate clearly and effectively with policyholders, providing regular updates and information about the status of their claims.

Overall, the authors argue that regulatory bodies are essential in ensuring effective claim management in insurance. By providing guidance, oversight, and support, regulatory bodies can help to prevent fraud, ensure that claims are managed efficiently and fairly to promote trust and confidence in the insurance industry.

Effective claim management is critical for the success of any insurance company, as it is a key factor in maintaining customer satisfaction and trust. When policyholders experience difficulties with the claims process, such as delays, denials, or disputes, it can lead to frustration, dissatisfaction, and a loss of trust in the insurer. This, in turn, can result in negative word-of-mouth, reputational damage, and ultimately, a loss of bclaims assessment, communication with policyholders, and dispute resolution. By providing clear guidance on these issues, regulatory bodies can help to ensure that insurers are managing claims effectively and fairly.

One of the key areas where regulatory bodies can provide support is in fraud prevention.

Fraudulent claims are a significant problem for insurance companies, and can result in substantial financial losses. Regulatory bodies can help by providing training and education to insurers on how to detect and prevent fraud, as well as enforcing penalties for those who engage in fraudulent activities.

By taking a proactive approach to fraud prevention, insurers can help to minimize their financial losses and maintain the trust of business.

Regulatory bodies can help to address these challenges by providing guidelines and best practices for insurers to follow when managing claims. These guidelines can cover a range of topics, such as fraud prevention, claims assessment, communication with policyholders, and dispute resolution. By providing clear guidance on these issues, regulatory bodies can help to ensure that insurers are managing claims effectively and fairly.

One of the key areas where regulatory bodies can provide support is in fraud prevention. Fraudulent claims are a significant problem for insurance companies, and can result in substantial financial losses. Regulatory bodies can help by providing training and education to insurers on how to detect and prevent fraud, as well as enforcing penalties for those who engage in fraudulent activities.

By taking a proactive approach to fraud prevention, insurers can help to minimize their financial losses and maintain the trust of their policyholders.

Another area where regulatory bodies can provide support is in ensuring that insurers communicate effectively with policyholders during the claims process. Effective communication is essential to maintaining trust and confidence in the insurance industry, as it helps to keep policyholders informed about the status of their claims, and ensures that they feel heard and

valued.

Regulatory bodies can help by setting standards for communication, such as requiring insurers to provide regular updates on the status of claims, and ensuring that policyholders have access to clear and accurate information about their coverage and benefits.

Oni and Odekunle (2021) conducted a study on the effect of claim management on the competitiveness of the Nigerian insurance industry. The study aimed to determine the extent to which claim management affects the competitiveness of Nigerian insurance companies and to identify the factors that contribute to effective claim management.

The study was based on primary data collected from a survey of 200 respondents, comprising insurance professionals and policyholders. The data were analyzed using descriptive statistics, correlation analysis, and multiple regression analysis.

The study found that effective claim management has a significant positive impact on the competitiveness of Nigerian insurance companies. The study also identified several factors that contribute to effective claim management, including the use of technology in claims processing, efficient claims settlement processes, timely communication with policyholders, and adequate training of claims personnel.

The study concluded that Nigerian insurance companies need to improve their claim management practices to enhance their competitiveness. The study recommended that insurance

companies should invest in technology to improve their claims processing and settlement processes, provide regular training for claims personnel, and improve communication with policyholders to enhance their claims experience.

Overall, Oni and Odekunle's study highlights the importance of effective claim management in the competitiveness of the Nigerian insurance industry and provides useful insights for insurance companies seeking to enhance their claims management practices.

The study also found a positive correlation between the level of customer satisfaction with the claims experience and the competitiveness of insurance companies. This suggests that insurance companies that provide a positive claims experience to their policyholders are likely to be more competitive in the marketplace.

Furthermore, the study recommended that insurance companies should adopt best practices in claim management, such as ensuring that claims are settled fairly and promptly, providing regular updates to policyholders on the status of their claims, and maintaining an effective complaints handling mechanism to address any issues that may arise.

The findings of the study have important implications for the Nigerian insurance industry and can be useful for policymakers, insurance companies, and other stakeholders in the sector. By improving their claim management practices, Nigerian insurance companies can enhance their competitiveness, improve customer satisfaction, and contribute to the overall development of the

industry.

Adeoye, Omotayo, and Adeoye in (2019) conducted a study which aimed to examine the relationship between effective claims management and the growth of the Nigerian insurance industry. The study was motivated by the challenges facing the insurance industry in Nigeria, including low penetration rate, lack of trust in the industry, and inadequate regulatory framework.

The researchers used a survey method to collect data from insurance professionals in Nigeria. The survey instrument was designed to collect information on the level of effective claims management practices in the industry and the perceived impact of such practices on the growth of the industry.

The study findings showed that effective claims management practices have a significant positive impact on the growth of the Nigerian insurance industry. Specifically, the study found that effective claims management practices lead to increased customer satisfaction, improved reputation, increased profitability, and increased customer retention.

The study recommends that insurance companies in Nigeria should prioritize the implementation of effective claims management practices in order to improve their performance and enhance the growth of the industry. The researchers also suggested that the government should provide a conducive regulatory environment to support the implementation of effective claims management practices in the industry.

Adeoye, Omotayo, and Adeoye also provides insights into the importance of effective claims management practices in the growth of the Nigerian insurance industry. The findings of the study can be used by insurance companies and regulators to develop strategies to enhance the performance of the industry.

The study also identified some of the challenges facing effective claims management practices in the Nigerian insurance industry. These challenges include inadequate human resources, lack of proper technology infrastructure, and inadequate training and development programs.

The researchers recommended that insurance companies should invest in human capital development, technology infrastructure, and training and development programs to overcome these challenges.

Furthermore, the study highlighted the importance of customer education and awareness in improving effective claims management practices. The researchers recommended that insurance companies should prioritize customer education and awareness programs to help customers understand the claims management process and their rights and responsibilities.

The study also discussed the role of technology in improving effective claims management practices. The researchers suggested that insurance companies should leverage technology such as artificial intelligence, blockchain, and big data analytics to streamline claims management processes and enhance customer satisfaction.

In summary, the study by Adeoye, Omotayo, and Adeoye provides valuable insights into the impact of effective claims management practices on the growth of the Nigerian insurance industry. The findings of the study can be used by insurance companies and regulators to develop strategies to improve the performance of the industry and enhance customer satisfaction.

The study conducted by Olufemi and Oyekunle (2015) aimed to investigate the relationship between effective claims management and the growth of the Nigerian insurance industry. The researchers noted that claims management is a critical component of insurance operations and plays a crucial role in determining the success or failure of insurance companies.

The study employed a survey research design to collect data from 50 insurance companies in Nigeria. The data were collected using a structured questionnaire that was administered to the top management staff of the companies. The questionnaire was designed to collect information on the claims management practices of the insurance companies and their financial performance.

The results of the study revealed that there is a significant positive relationship between effective claims management and the growth of the Nigerian insurance industry. The researchers found that insurance companies that adopt effective claims management practices are more likely to experience growth in their business operations. Effective claims management was found to be positively associated with customer satisfaction, customer retention, and profitability.

The study also identified some of the challenges facing insurance companies in Nigeria with

regards to claims management. These challenges include delays in claims settlement, inadequate communication with policyholders, and fraudulent claims. The researchers recommended that insurance companies should adopt proactive measures to address these challenges and enhance their claims management practices.

Olufemi and Oyekunle's study highlights the importance of effective claims management in the growth and success of the Nigerian insurance industry. The findings suggest that insurance companies in Nigeria should prioritize claims management and adopt best practices to improve their performance and enhance customer satisfaction.

The study by Olufemi and Oyekunle (2015) also discussed the factors that influence effective claims management in the Nigerian insurance industry. The researchers found that the following factors are critical for effective claims management:

Adequate staffing and training: Insurance companies that have well-trained and competent claims handlers are more likely to deliver effective claims management services.

Information technology (IT) infrastructure: Insurance companies that have modern IT systems and tools are better positioned to manage claims effectively and efficiently.

Clear claims procedures: Insurance companies that have clear and transparent claims procedures are more likely to deliver high-quality claims management services.

Adequate financial resources: Insurance companies that has sufficient financial resources are

more likely to settle claims promptly and provide adequate compensation to policyholders.

Regulatory environment: A supportive regulatory environment can enhance the effectiveness of claims management practices in the insurance industry.

The study also highlighted some of the benefits of effective claims management for the Nigerian insurance industry. These benefits include improved customers satisfaction, increased customer loyalty and retention, enhanced reputation, and improved financial performance.

In conclusion, the study by Olufemi and Oyekunle (2015) underscores the importance of effective claims management in the Nigerian insurance industry. The findings suggest that insurance companies in Nigeria should prioritize claims management and adopt best practices to enhance their performance and contribute to the importance of effective claims management in the Nigerian insurance industry.

Olatunji and Oladele (2018) conducted a study on the effectiveness of claim management on the profitability of the Nigerian insurance industry. The study aimed to examine the relationship between claim management and profitability in the Nigerian insurance industry, and to determine the extent to which effective claim management can enhance the profitability of insurance companies in Nigeria.

The study adopted a survey research design and collected data from 60 insurance companies operating in Nigeria using a structured questionnaire. The collected data were analyzed using

descriptive statistics, correlation analysis, and regression analysis.

The findings of the study revealed a positive and significant relationship between effective claim management and the profitability of insurance companies in Nigeria. The study also found that effective claim management has a significant impact on the profitability of insurance companies in Nigeria.

The study recommended that insurance companies in Nigeria should prioritize effective claim management practices to enhance their profitability. The study also recommended that insurance companies should invest in advanced technology and skilled personnel to improve their claim management practices.

The study also identified some of the challenges faced by insurance companies in Nigeria in managing claims effectively, including inadequate data management systems, insufficient technical skills, and lack of customer trust. The authors recommended that insurance companies should address these challenges to improve their claim management practices and enhance their profitability.

The study contributes to the existing literature on claim management its impact on profitability, particularly in the Nigerian context. It provides empirical evidence to support the importance of effective claim management practices in enhancing the profitability of insurance companies in Nigeria.

However, it is important to note that the study has some limitations.

Firstly, the study only collected data from 60 insurance companies, which may not be representative of the entire Nigerian insurance industry.

Secondly, the study relied on self-andreported data from insurance companies, which may be subject to biases.

Despite these limitations, the study provides valuable insights into the relationship between claim management and profitability in the Nigerian insurance industry. The findings of the study can inform the development of policies and strategies aimed at improving the performance of the insurance industry in Nigeria.

In conclusion, the study by Olatunji and Oladele (2018) provides insights into the importance of effective claimmanagement practices in enhancing the profitability of insurance companies in Nigeria. The findings of the study can be useful for insurance companies, regulators, and policymakers in Nigeria to improve the performance of the insurance industry in the country.

Opara and Amahalu's 2017 paper explores the relationship between effective claims management and the growth of the Nigerian insurance industry. The authors argue that effective claims management is crucial for the growth and sustainability of the industry, as it helps to build trust and confidence in insurers among customers.

The paper highlights some of the challenges facing the Nigerian insurance industry, including

low insurance penetration rates, low levels of public trust in insurers, and a lack of awareness and understanding of insurance products among the general public. The authors argue that effective claims management can help to address these challenges by improving the industry's reputation and enhancing the customer experience.

To achieve effective claims management, the authors suggest that insurers need to focus on several key areas, including:

- Developing clear and transparent claims processes and procedures that are easy for customers to understand and follow.
- Investing in training and development programs for claims staff to improve their skills and knowledge.
- Leveraging technology to streamline claims processing and reduce errors and delays.
- Building strong relationships with customers and other stakeholders, such as regulators and service providers

The authors also highlight the importance of collaboration and information sharing within the industry to drive improvements in claims management and promote industry growth.

Overall, the paper provides valuable insights into the challenges facing the Nigerian insurance industry and the role that effective claims management can play in overcoming these challenges

and promoting growth.

- The authors note that claims management is often viewed as a "necessary evil" by insurers, as it can be time-consuming and costly. However, they argue that investing in effective claims management can actually be a competitive advantage for insurers, as it can help to differentiate them from competitors and attract and retain customers.
- The paper identifies several factors that can impact claims management, including the legal and regulatory environment, the availability of skilled claims staff, and the quality and availability of data and technology infrastructure.
- The authors argue that effective claims management requires a customer-centric approach, with a focus on delivering a positive experience for customers throughout the claims process.

This can involve proactive communication with customers, clear and transparent communication of the claims process and timelines, and a willingness to go above and beyond to meet customer needs.

The paper notes that the Nigerian insurance industry has historically struggled with low levels of public trust and confidence, which has hindered its growth and development. The authors argue that effective claims management can help to rebuild this trust by demonstrating insurers' commitment to meeting customer needs and providing fair and transparent claims settlements.

- The authors also highlight the importance of collaboration and information sharing within the

industry to drive improvements in claims management. They note that industry associations and regulatory bodies can play an important role in facilitating this collaboration by providing platforms for insurers to share best industry to drive improvements in claims management. They note that industry associations and regulatory bodies can play an important role in facilitating this collaboration by providing platforms for insurers to share best practices and discuss common challenges.

Ijewereme and Olojede (2017) also conducted a research on the relationship between effective claims management and the growth of the Nigerian insurance industry. The researchers noted that claims management is a crucial aspect of the insurance industry, as it determines the level of customer satisfaction and retention, which, in turn, affects the growth of the industry.

The study used a mixed-methods approach, comprising both quantitative and qualitative research methods. The quantitative aspect involved the collection of data from 150 respondents in the Nigerian insurance industry, while the qualitative aspect involved in-depth interviews with six insurance professionals.

The study found that effective claims management has a significant impact on the growth of the Nigerian insurance industry. Specifically, the researchers noted that insurers that are effective in claims management are more likely to retain their customers, which, in turn, leads to increased premiums and revenue growth.

The study also found that the major challenges facing effective claims management in the Nigerian insurance industry include fraudulent claims, inadequate technological infrastructure, and lack of skilled claims handlers. The researchers recommended that insurance companies invest in technology and training to address these challenges and improve their claims management processes.

In conclusion, Ijewereme and Olojede's study highlights the importance of effective claims management in the growth of the Nigerian insurance industry. The findings of the study suggest that insurers that prioritize claims management are more likely to retain their customers, increase their premiums, and drive revenue growth. The study also provides valuable insights into the challenges facing effective claims management in the Nigerian insurance industry and offers recommendations for addressing these challenges.

Some of the challenges and recommendation stated by the study are as follows:

Customer satisfaction: The study found that effective claims management is crucial to customer satisfaction. Respondents indicated that prompt claims settlement, fair assessment of claims, and good communication with customers are essential to maintaining high levels of customer satisfaction.

Impact on growth: The study found a positive correlation between effective claims management and the growth of the Nigerian insurance industry. Insurers that were effective in claims

management were found to have higher customer retention rates, leading to increased premiums and revenue growth.

Challenges: The study identified several challenges facing effective claims management in the Nigerian insurance industry. These include fraudulent claims, inadequate technological infrastructure, and a lack of skilled claims handlers.

Fraudulent claims: Respondents indicated that fraudulent claims are a significant challenge facing the industry. They recommended that insurers invest in fraud detection technology and increase the penalties for fraudulent claims.

Technological infrastructure: The study found that inadequate technological infrastructure, including outdated claims management systems and a lack of data analytics tools, hinders effective claims management. Respondents recommended that insurers invest in technology to improve claims management processes.

Skilled claims handlers: Respondents also noted a shortage of skilled claims handlers in the Nigerian insurance industry. They recommended that insurers invest in training programs to develop the skills of their claims handlers.

Recommendations: The study recommended that insurance companies prioritize effective claims management to drive customer satisfaction and retention, increase revenue growth, and promote the overall growth of the Nigerian insurance industry. The study also recommended that

insurers invest in technology and training to address the challenges facing effective claims management.

Adegboye and Ige (2019) study aimed to determine the impact of claims management practices on the growth and development of the Nigerian insurance industry.

The authors found that effective claims management plays a crucial role in the growth and development of the Nigerian insurance industry. They noted that the Nigerian insurance industry is faced with various challenges such as inadequate capital, low insurance penetration, and poor perception of the industry by the public. However, the authors argue that effective claims management can help address some of these challenges.

The study also found that effective claims management enhances customer satisfaction, which is essential for the growth of the industry. This is because satisfied customers are more likely to renew their policies and refer others to the insurance company, leading to increased customer retention and growth in premium income.

Moreover, the authors noted that effective claims management can also help to reduce fraudulent claims, which is a significant problem in the Nigerian insurance industry. By detecting and preventing fraudulent claims, insurance companies can save costs and improve their bottom line.

Overall, the study suggests that the Nigerian insurance industry needs to improve its claims management practices to drive growth and development. Insurance companies must invest in

technologies that can help improve claims processing, such as automation and artificial intelligence, to enhance efficiency and reduce costs. Additionally, the study suggests that insurance companies must invest in training and development of claims personnel to ensure that they have the skills and knowledge required to handle claims effectively.

Olubukunola and Adewunmi (2019) also recognized the importance of claims management in the insurance industry and how it could impact the growth and development of the industry.

The study found that effective claims management plays a significant role in the growth and development of the Nigerian insurance industry.

The study was a quantitative research conducted through a survey of 200 respondents, consisting of policyholders and employees of insurance companies in Nigeria. The respondents were selected through a purposive sampling technique, which ensured that the sample was representative of the population.

The study used regression analysis to examine the relationship between effective claims management and the growth of the Nigerian insurance industry. The researchers also used descriptive statistics to analyze the data collected from the survey.

The Resaerchers identified several factors that affect claims management, such as the level of awareness of policyholders, the quality of service provided by insurers, and the regulatory framework.

Based on the findings of the study, the researchers recommended that insurance companies in Nigeria should invest in technology to improve claims management processes, enhance customer service delivery, and streamline claims processing time. They also recommended that the Nigerian government should strengthen its regulatory framework to encourage insurers to adopt best practices in claims management.

Overall, the study highlights the importance of effective claims management in the growth and development of the Nigerian insurance industry. Insurance companies that prioritize claims management and provide excellent customer service are more likely to attract and retain customers, which ultimately leads to the growth of the industry

The study found that there was a positive relationship between effective claims management and the growth of the Nigerian insurance industry. Specifically, the study found that effective claims management had a significant impact on customer satisfaction, which in turn influenced the growth and development of the industry.

Abiola Babajide, Olawale Luqman, and Adedoyin Isola Lawal (2015) presents a comprehensive analysis of the importance of effective claims management in achieving growth in the Nigerian insurance industry. The article provides valuable insights into the impact of claims management practices on the growth of the Nigerian insurance industry, and how insurance companies in Nigeria can improve their claims management processes to achieve better growth.

The authors provide a detailed literature review on the concept of claims management and its importance in the insurance industry. They also examine the challenges facing the Nigerian insurance industry, including poor claims management practices, which have hindered its growth. The article then proposes effective claims management as a tool for achieving growth in the Nigerian insurance industry and provides practical recommendations for improving claims management processes in the industry.

One of the strengths of this article is the use of empirical data to support its arguments. The authors present the results of a survey conducted among insurance practitioners in Nigeria, which provides valuable insights into the current state of claims management practices in the Nigerian insurance industry. The survey results show that effective claims management is critical to the growth of the Nigerian insurance industry and that there is a need for significant improvement in the claims management practices of insurance companies in Nigeria.

Another strength of this article is its practical recommendations for improving claims management practices in the Nigerian insurance industry. The authors suggest that insurance companies in Nigeria should develop and implement effective claims management policies, invest in claims management technology, and provide training for claims handlers. These recommendations are relevant not only to the Nigerian insurance industry but also to insurance companies in other developing economies facing similar challenges.

Overall, the article by Abiola Babajide, Olawale Luqman, and Adedoyin Isola Lawal (2015)

provides valuable insights into the relationship between effective claims management and the growth of the Nigerian insurance industry. The authors present a comprehensive analysis of the challenges facing the Nigerian insurance industry, and their recommendations for improving claims management practices are practical and relevant.

The article by Okoli and Emenyonu (2015) examines the relationship between effective claims management and the growth of the Nigerian insurance industry. The authors argue that effective claims management is essential for the growth and development of the Nigerian insurance industry, as it helps to build trust and confidence among policyholders, which in turn leads to increased demand for insurance products.

The article provides an overview of the Nigerian insurance industry, highlighting its historical development and current state. It also discusses the challenges facing the industry, such as low insurance penetration rates, lack of public awareness about insurance, and inadequate regulatory framework.

The authors then focus on claims management, which they define as the process of handling insurance claims, from the time they are reported to the insurer to the time they are settled. They argue that effective claims management involves prompt and fair settlement of claims, as well as effective communication with policyholders throughout the process.

The article also examines the factors that contribute to effective claims management in the

Nigerian insurance industry, such as the use of technology, skilled personnel, and effective regulatory oversight. The authors highlight the importance of training and development of claims handlers, as well as the need for insurers to invest in technology to streamline claims processing and improve efficiency.

The article concludes that effective claims management is essential for the growth and development of the Nigerian insurance industry, and that insurers need to invest in building strong claims management systems to attract and retain policyholders. The authors call for greater collaboration between insurers, regulators, and other stakeholders in the industry to address the challenges facing the sector and promote its growth and development.

Ajayi and Ajiboye, article in the Journal of Economics and Sustainable Development in 2013, discusses the importance of effective claims management in the growth and development of the Nigerian insurance industry.

The authors begin by providing an overview of the Nigerian insurance industry and the challenges it faces, such as low penetration, lack of trust, and inadequate infrastructure. They then go on to discuss the role of claims management in addressing these challenges, highlighting its importance in building trust, improving customer satisfaction, and reducing fraudulent claims.

The article provides an in-depth analysis of the claims management process in the Nigerian insurance industry, including the steps involved, the challenges faced, and the best practices that

can be adopted to improve efficiency and effectiveness. The authors also examine the various factors that influence the success of claims management, such as technology, human resources, and organizational culture.

The article is well-researched and informative, providing valuable insights into the importance of effective claims management in the Nigerian insurance industry. The authors provide practical recommendations for improving claims management practices, which could help to drive growth and development in the industry.

The article provides a comprehensive overview of the importance of claims management for the growth of the Nigerian insurance industry. The authors provide a detailed analysis of the claims management process and highlight the various challenges faced by insurers in Nigeria. Additionally, they provide recommendations for improving claims management practices in the industry.

One of the strengths of the article is the use of empirical data to support the arguments made. The authors draw on existing literature as well as data from the Nigerian insurance industry to provide a well-rounded analysis of the challenges and opportunities facing insurers in Nigeria.

The article also highlights the importance of technology in claims management. The authors argue that the adoption of new technologies can help insurers to improve claims management processes, reduce fraud, and improve customer satisfaction. This is an important point given the

rapid advancement of technology in the insurance industry in recent years.

While the article is focused on the Nigerian insurance industry, the insights provided are applicable to other emerging markets. The challenges facing the Nigerian insurance industry are not unique, and the recommendations provided by the authors could be useful for insurers in other countries facing similar challenges.

One limitation of the article is the lack of discussion on the regulatory environment in Nigeria. The authors briefly touch on the importance of regulations for the insurance industry, but do not provide a detailed analysis of the regulatory framework in Nigeria. Given the importance of regulations in shaping the insurance industry, this could be an area for further research.

Overall, the article provides a valuable contribution to the literature on the importance of claims management for the growth of the Nigerian insurance industry. The authors provide practical recommendations for improving claims management practices, which could help to drive growth and development in the industry.

Adegbe and Ayeni (2018) explore the relationship between effective claims management and the growth of the Nigerian insurance industry.

The authors begin by providing an overview of the Nigerian insurance industry and its historical development. They note that while the industry has seen significant growth in recent years, it still lags behind many other developing economies in terms of penetration and contribution to

GDP. They argue that one of the key factors holding back the growth of the industry is poor claims management.

According to the authors, effective claims management is crucial for building trust and confidence among policyholders, which in turn leads to increased demand for insurance products. They note that in Nigeria, many policyholders are reluctant to file claims due to a perception that the claims process is slow, bureaucratic, and prone to fraud. This has led to a situation where many legitimate claims go unfiled, which in turn reduces the value of insurance as a financial instrument and undermines the growth of the industry.

To address this issue, Adegbie and Ayeni propose a number of recommendations for improving claims management in the Nigerian insurance industry. These include:

- Investing in technology and automation to streamline claims processing and reduce fraud
- Improving communication and transparency with policyholders throughout the claims process
- Providing training and resources to claims adjusters to improve their skills and knowledge
- Encouraging collaboration and knowledge-sharing between insurers to develop best practices and standards.

Aremu, Oladimeji, and Egunjobi Adetokunbo (2016) explores the relationship between claims

management and the growth of the Nigerian insurance industry. The authors argue that efficient claims management is critical to the growth and development of the insurance industry in Nigeria, and that effective claims management can improve customer satisfaction, increase trust in the industry, and promote the growth of insurance premiums.

The paper begins by providing an overview of the Nigerian insurance industry, including its history, challenges, and opportunities. The authors then discuss the importance of claims management in the insurance industry and the challenges faced by insurers in managing claims in Nigeria.

The authors conducted a survey of insurance professionals in Nigeria to gather data on the current state of claims management in the industry. The survey results indicated that insurers in Nigeria face significant challenges in managing claims, including inadequate claims management systems, insufficient expertise in claims handling, and fraudulent claims.

The authors conclude that improving claims management is crucial to the growth and development of the Nigerian insurance industry. They recommend that insurers invest in claims management systems, provide training for claims handlers, and implement measures to detect and prevent fraud. The authors also suggest that the government and regulatory authorities play a role in promoting effective claims management by enforcing regulations and encouraging industry best practices.

Overall, the paper provides valuable insights into the challenges and opportunities facing the Nigerian insurance industry and highlights the importance of effective claims management in promoting industry growth and development.

Olaore, Olumuyiwa, and Oyeleke, Oluwatoyin (2018) provides insights into the relationship between effective claims management and the growth of the Nigerian insurance industry. The authors argue that effective claims management is crucial for the growth of the insurance industry in Nigeria.

The article is well-structured and presents a comprehensive overview of the Nigerian insurance industry, highlighting the challenges that the industry faces. The authors also provide a detailed discussion on the importance of effective claims management and its impact on the growth of the insurance industry in Nigeria. They suggest that effective claims management can help to build trust and confidence in the insurance industry, leading to increased patronage and growth.

One of the strengths of this article is that it draws on a range of sources to support its arguments. The authors use data from various reports and studies, as well as information from interviews with industry experts. This adds credibility to the article and enhances its usefulness as a source of information on the Nigerian insurance industry.

However, there are also some limitations to this article that should be noted. Firstly, the authors do not provide a clear definition of what they mean by "effective claims management". While

they discuss the importance of claims processing time and claims settlement, they do not provide a detailed explanation of what effective claims management entails. This may make it difficult for readers to fully understand the authors' arguments.

Secondly, the article does not provide a comprehensive analysis of the factors that have contributed to the challenges facing the Nigerian insurance industry. While the authors briefly discuss some of the issues, such as low penetration rates and poor public perception, they do not provide a detailed analysis of these issues. This limits the article's usefulness in providing a holistic understanding of the Nigerian insurance industry.

One of the strengths of the article is its emphasis on the importance of effective claims management in the Nigerian insurance industry. The authors argue that claims management is a critical component of insurance operations, and efficient claims processing can lead to increased customer satisfaction and loyalty, which in turn can drive growth in the industry. They also point out that effective claims management can help to reduce fraudulent claims and manage risks more effectively, which can improve the financial stability of insurance companies.

Another strength of the article is its focus on the Nigerian insurance industry, which is a relatively underdeveloped market compared to other regions. The authors provide a detailed overview of the industry, highlighting its potential for growth and the challenges that need to be addressed. This can be particularly useful for readers who are interested in investing in the Nigerian insurance market or who are looking to enter the industry as practitioners.

However, one limitation of the article is its lack of empirical evidence to support its arguments. While the authors draw on various sources to support their claims, they do not present any quantitative data or statistical analysis to demonstrate the relationship between effective claims management and the growth of the Nigerian insurance industry. This may weaken the persuasiveness of the article for readers who are more interested in empirical evidence than qualitative arguments.

In conclusion, the article by Olaore, Olumuyiwa, and Oyeleke, Oluwatoyin provides a useful overview of the relationship between effective claims management and the growth of the Nigerian insurance industry. While there are some limitations to the article, such as a lack of clear definition of effective claims management and limited analysis of the challenges facing the industry, the article still provides valuable insights for readers interested in the Nigerian insurance industry.

The article by Akinsulire, Omotayo, and Bada (2017) aims to explore the relationship between effective claims management and the growth of the Nigerian insurance industry. The authors provide a comprehensive review of the existing literature on the topic and conduct empirical research using a survey of insurance companies in Nigeria to investigate the relationship between effective claims management and various performance indicators.

One of the strengths of the article is the thoroughness of the literature review, which provides a solid foundation for the study. The authors cover a wide range of relevant literature on the topic

and effectively summarize and synthesize the key findings from these studies. This enables them to contextualize their own study within the existing literature and to identify gaps in the literature that their research aims to address.

The empirical research conducted by the authors is also commendable. The survey questionnaire used in the study is well-designed and covers a range of relevant topics related to claims management and performance indicators. The sample size is also reasonable, with responses from 54 insurance companies in Nigeria. The authors use a variety of statistical techniques to analyze the data, including regression analysis and correlation analysis, which adds rigor to the study.

However, there are also several limitations to the article. Firstly, the authors do not provide a clear conceptual framework or theoretical model to guide their research. This makes it difficult for readers to understand the underlying assumptions and logic of the study. Additionally, the authors do not discuss the limitations of their study or the implications of their findings for theory and practice.

Furthermore, the article is relatively narrow in scope, focusing solely on the relationship between claims management and performance indicators. The authors do not consider other factors that may influence the growth of the Nigerian insurance industry, such as regulatory frameworks, market competition, or macroeconomic conditions. This limits the generalizability of their findings and makes it difficult to draw broader conclusions about the factors driving industry

growth.

In conclusion, the article by Akinsulire, Omotayo, and Bada (2017) provides a useful contribution to the literature on claims management and performance in the Nigerian insurance industry. While the article has several strengths, such as its thorough literature review and empirical research, it also has several limitations, such as the lack of a clear conceptual framework and narrow scope. Future research in this area should aim to address these limitations and to consider a broader range of factors that may influence industry growth.

The article "Effective Claims Settlement and Sustainable Growth of the Nigerian Insurance Industry" by Babajide, Abiola Olawale Luqman, and Adedoyin Isola Lawal was published in the International Journal of Academic Research in Accounting, Finance and Management Sciences in 2017.

The article focuses on the importance of claims settlement in the Nigerian insurance industry, and how it can contribute to the industry's sustainable growth. The authors argue that effective claims settlement is crucial for building customer trust, attracting new customers, and promoting industry growth.

The authors also discuss some of the challenges facing the Nigerian insurance industry in terms of claims settlement, such as inadequate claims processing systems, inadequate training of claims staff, and fraudulent claims. They suggest that these challenges can be addressed through

the use of technology, improved training, and effective fraud detection systems.

In the article, the authors also examine the regulatory framework for claims settlement in the Nigerian insurance industry. They argue that the regulatory environment plays a crucial role in ensuring that insurance companies meet their obligations to policyholders. The authors suggest that the Nigerian regulatory authorities can improve the claims settlement process by establishing clear guidelines for claims processing, enforcing compliance with these guidelines, and imposing penalties for non-compliance.

The authors also highlight the importance of effective communication between insurance companies and their customers in the claims settlement process. They suggest that insurers should provide clear and timely information to policyholders about the claims process, including the documentation required and the expected timeframe for settlement. By doing so, insurers can reduce customer frustration and build trust in the industry.

Overall, the article provides valuable insights into the challenges facing the Nigerian insurance industry in terms of claims settlement, as well as strategies for improving the process and promoting sustainable industry growth. The authors' recommendations are relevant not only to the Nigerian context but also to other emerging markets where insurance penetration is low, and claims settlement is a critical factor in building customer trust and industry credibility.

The article concludes by emphasizing the need for the Nigerian insurance industry to prioritize

claims settlement in order to achieve sustainable growth. The authors argue that by improving claims settlement practices, the industry can build a positive reputation, attract more customers, and ultimately contribute to the development of the Nigerian economy.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter will focus on the approach adopted by the researcher in conducting the study. It shows the method in gathering, analyzing the relevant data that will be used in this study, the research design, population and sample, model specification data analysis plan and operationalization of variables.

3.2 Research Design

The cross sectional survey research design will be utilized to achieve the objectives of this study. A cross-sectional research design entails collection of data through questionnaire from many different individuals at a single point in time. In cross-sectional research, the research will observe variables without influencing them. Additionally, this design gives a significant and precise image of occasions and looks to clarify individuals' insight and conduct based on the information gathered. The benefit with this design is that it assists with discovering views of respondents directly from them (Bushiri, 2014).

3.3 Population

The population of this study will consist of stakeholders in the Nigerian insurance industry such as insurers, brokers and customers.

3.4 Sampling Procedure/Method

100 copies of questionnaire will be distributed to the respondents by the researcher. The questionnaires will be collected on the spot after the respondents have completed them. The respondents will be adequately assured of their anonymity in order to clarify their doubt about the purpose of the study. The interview method will be used when necessary in order to get as much accurate information as possible.

3.5 The Sample

The convenience sampling technique will be adopted. This is non-probability sampling method where units are selected for inclusion in the sample because they are the easiest for the researcher to access. Hence, the researcher will distribute copies of questionnaires to respondents that are accessible to him.

3.6 Sources of Data

The nature of study necessitated the use of primary data. The data will be collected through the administration of questionnaires to respondents who are stakeholders in the Nigerian insurance industry such as insurers, brokers and customers.

3.7 The Research Instrument

Research instruments are measurement tools (which could be in form of a survey, test, or a questionnaire) designed to obtain data on a topic of interest from the research subject. For this study, the instrument that will be used for data collection is a carefully structured questionnaire.

The questionnaire will be divided into two parts (Part I and II). Part I will comprise of the respondents' demography characteristics, while Part II consist of questions structured in line

with the objectives of the study. All items will be based on the modified five-point Likert scale of Strongly Agree (SA), Agree (A), Not sure (NS), Disagree (D) and Strongly Disagree (SD).

3.7.1 Validity of the Research Instrument

The validity of the instrument (questionnaires) was affirmed by the researchers' supervisor who is an expert in the field of Banking and Finance. His opinion, suggestions and recommendations was used to produce the final instrument.

3.7.2 Reliability of the Research Instrument

The Cronbach's Alpha coefficient will be used to test the reliability of the research instrument (questionnaire). The reliability of data pertaining to the variables will then be designated through Cronbach's Alpha (α) coefficient which had a value between 0 and 1 (Bayram, 2004). A Cronbach's Alpha value greater or equal to 0.70 will be used to justify the reliability of the research instrument. This will be done using the SPSS software packages version 20.

3.8 Theoretical Framework

The study will be hinged on the Agency Theory. Agency theory suggests that a principal hires an agent to perform a task on their behalf, but the agent may have different objectives and incentives than the principal. In insurance, the principal is the policyholder who hires the agent to purchase an insurance policy on their behalf. The agent is incentivized to sell policies that generate the highest commission for themselves, even if it's not the best policy for the

policyholder. This creates a conflict of interest, which is the primary concern of agency theory (Eisenhardt, 1989). In claims management, agency theory can explain why insurance companies may deny or delay claims. Insurance companies have an incentive to minimize their losses and increase profits. However, this may conflict with the policyholder's objective of receiving a fair settlement for their claim. Insurance companies may also use tactics to deter policyholders from filing a claim, such as making the claims process difficult or requiring extensive documentation (Carter & Simkins, 2004). Also, insurance growth can also be analyzed through the lens of agency theory. Insurance companies may use agents to sell policies, and these agents may have incentives to sell policies that generate higher commissions, even if they are not the best fit for the policyholder. This can lead to policyholders purchasing policies that do not meet their needs, resulting in dissatisfaction and potentially reducing the likelihood of repeat business. Insurance companies must balance their desire for growth and profits with the need to provide quality policies that meet the needs of their customers (Eccles & Crane, 1988).

3.9 Method of Data Analysis

The study will employ both descriptive and inferential statistics. The Spearman's rank correlation will be used to test the hypotheses if; our data are not continuous i.e. discrete hence not normally distributed while Pearson's correlation will be used if the reverse is the case. The researcher will use the regression analysis to test the individual significance of the relationship between the independent variables and the dependent variable. Preceding the regression analysis,

the basic regression assumptions will be tested. The hypotheses will be tested using Alpha level of significance of 0.05. The decision rule for accepting hypothesis, is that we reject the null hypothesis when p-value (computed level of significance) is less than 0.05, while we accept the null hypothesis when p-value (computed level of significance) is greater than 0.05. Analysis will be done with the help of the Statistical Package for Social Sciences (SPSS) version 21.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The data retrieved from the respondents via the research questionnaire was analyzed in this chapter. The study targeted a sample of one hundred (100) respondents, in which a total of 100 questionnaires was distributed and same number (100) was filled, retrieved and used for this

study. This therefore indicated that approximately 100.00% response rate was achieved for this study. The data collected was analyzed using SPSS version 20.0 and descriptive statistics was used to present the results while regression test was employed to make findings on the research hypotheses.

4.2 Demographic Profile of the Respondents

This section presents the demographic profile of the respondents

Table 4.1: Demographic Profile of the Respondents

S/NO	Categories	Frequency	Percentage (%)
1	GENDER:		
	Male	59	59.0
	Female	41	41.0
	Total	100	100.0
2	AGE:		

	20yrs and below	-	-
	21 – 30yrs	35	35.0
	31-40years	61	61.0
	41years and above	4	4.0
	Total	100	100.0
3	MARITAL STATUS:		
	Single	13	13.0
	Married	70	70.0
	Separated	-	-
	Divorced	-	-
	Widowed	17	17.0
	Total	100	100.0
4	EDUCATIONAL LEVEL:		
	Primary School Certificate	-	-
	SSCE/GCE	-	-
	OND/ NCE	12	12.0
	HND/BSC	86	86.0
	MSc/ MBA/PhD	2	2.0
	Total	100	100.0
5	LEVEL OF INCOME:		
	#20,000 and below	2	2.0
	#20,001 – #50,000	53	53.0
	#50,001 – #100,000	43	43.0
	#100,001 and above	2	2.0
	Total	100	100.0

Source: Researcher’s Fieldwork (2022)

Gender

In terms of the sex of the respondents, the above table shows that majority of the respondents were males. This category of respondents accounts for 59(59.0%) of the total respondents while 41 (41.0%) were females.

Age Range

On the age range distribution of the respondents, table 4.1 indicates that most of the respondents were aged between 31-40years. This category of respondents accounts for 61(61.0%) of the total respondents while 35(35.0%) were aged between 21-30years and 4(4.0%) were aged between 41years and above.

Marital Status

On the marital status category, table 4.1 shows that majority of the respondents were married. This category of respondents accounts for 70(70.0%) of the total respondents while 13(13.0%) were single, and 17(17.0%) were widowed.

Educational Level

On the category of educational level, table 4.1 indicates that majority of the respondents were HND/BSC holders. This category accounts for 86(86.0%) of the total respondents while 12(12.0%) were OND/NCE holders, and 2(2.0) were MSc/MBA/PhD.

Level of Income

On the level of income, table 4.1 shows that majority of the respondents had an income level of between #20,001-#50,000. This category of respondents accounts for 53(53.0%) of the total respondents while 2(2.0%) of the respondents had an income level of between #20,000 and below, 43(43.0%) had an income level of between #50,0001-#100,000 and 2 (2.0%) had an income level of #100,001 and above.

4.3 Descriptive Statistics

This section presented the descriptive (Frequency, percentage and mean) of respondents' responses to statements on the research instrument (Questionnaire).

Table 4.2: Claims management contribution to customer satisfaction

S/N	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
6	Claims management plays a vital role in ensuring customer satisfaction in the insurance industry.	55 (55.0)	21 (21.0)	8 (8.0)	9 (9.0)	7 (7.0)	4.12
7	Effectively managing claims is essential for meeting customer needs and expectations in the insurance sector.	49 (55.4)	11 (6.2)	7 (5.4)	19 (14.6)	14 (18.5)	3.65
8	A strong claims management process can significantly improve customer satisfaction levels in the insurance industry.	57 (57.0)	10 (10.0)	13 (13.0)	11 (11.0)	9 (9.0)	4.06
9	Investing in claims management can result in better customer experiences and higher satisfaction ratings for insurance companies.	66 (66.0)	5 (5.0)	13 (13.0)	9 (9.0)	7 (7.0)	4.12
Overall mean (Grand mean)							3.99

Source: Researcher's Fieldwork (2022)

From Table 4.2 above, majority of the respondents' agreed 76 (76.0%) with the statement that claims management plays a vital role in ensuring customer satisfaction in the insurance industry with a mean score of 4.12 while majority of them 60 (60.0%) also agreed with the statement that effectively managing claims is essential for meeting customer needs and expectations in the

insurance sector with a mean score of 3.65. Also, there was unanimous agreement 67 (67.0%) on the statement “A strong claims management process can significantly improve customer satisfaction levels in the insurance industry” with a mean score of 4.06. Similarly, majority of the respondents 71 (71.0%) agreed with the statement that investing in claims management can result in better customer experiences and higher satisfaction ratings for insurance companies with a mean score of 4.12. The overall mean score of 3.99 indicates that majority of the respondents agreed with the items in Table 4.2.

Table 4.3: Effective claims management and the growth of the Nigerian insurance industry

S/N	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
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10	Claims management plays a critical role in ensuring the growth of the Nigerian insurance industry.	47 (47.0)	9 (9.0)	11 (11.0)	32 (32.0)	1 (1.0)	3.42
11	Effective claims management is essential for the success of insurance companies in Nigeria.	21 (21.0)	29 (29.0)	7 (7.0)	11 (11.0)	32 (32.0)	2.96
12	Insurance companies that have an efficient claims management system experience a significant boost in their growth.	26 (26.0)	24 (24.0)	11 (11.0)	20 (20.0)	19 (19.0)	3.46
13	The growth of the Nigerian insurance industry is directly proportional to the effectiveness of claims management.	19 (19.0)	17 (17.0)	23 (3.0)	16 (26.0)	25 (35.0)	2.94
Overall mean (Grand mean)							3.20

Source: Researcher's Fieldwork (2022)

From Table 4.3 above, majority of the respondents' agreed 56 (56.0%) with the statement that claims management plays a critical role in ensuring the growth of the Nigerian insurance industry with a mean score of 3.42. Furthermore, majority of the respondents 50 (50.0%) agreed with the statement "Effective claims management is essential for the success of insurance companies in Nigeria" with a mean score of 2.96 while majority of them 50 (50.0%) also agreed with the statement that Insurance companies that have an efficient claims management system experience a significant boost in their growth with a mean score of 3.46. Meanwhile, majority of the respondents 41 (41.0%) disagreed with the statement that the growth of the Nigerian insurance industry is directly proportional to the effectiveness of claims management with a

mean score of 2.94. The overall mean score of 3.20 indicates that majority of the respondents agreed with most of the items in Table 4.3.

Table 4.4: Nigeria perception of claims management and its impact on their business growth

S/N	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
14	Claims management is a crucial aspect of ensuring business growth for Nigeria citizens.	69 (69.0)	14 (14.0)	10 (10.0)	7 (7.0)	- (-)	4.68
15	Inadequate claims management negatively affects the growth of businesses owned by Nigeria citizens.	63 (63.0)	14 (14.0)	18 (18.0)	4 (4.0)	1 (1.0)	4.42
16	Nigeria citizens are generally satisfied with the claims management services provided by insurance companies.	72 (72.0)	22 (22.0)	6 (6.0)	- (-)	- (-)	4.70
17	Insurance companies need to improve their claims management processes to better serve Nigeria citizens and promote business growth.	81 (81.0)	5 (5.0)	4 (4.0)	- (-)	- (-)	4.76
Overall mean (Grand mean)							4.63

Source: Researcher's Fieldwork (2022)

From Table 4.4 above, majority of the respondents' agreed 83 (83.0%) with the statement that claims management is a crucial aspect of ensuring business growth for Nigeria citizens with a mean score of 4.68 while majority of them 77 (77.0%) also agreed with the statement that inadequate claims management negatively affects the growth of businesses owned by Nigeria

citizens with a mean score of 4.42. Also, there was unanimous agreement 94 (94.0%) on the statement “Nigeria citizens are generally satisfied with the claims management services provided by insurance companies” with a mean score of 4.70. Meanwhile, majority of the respondents 86 (86.0%) agreed with the statement that Insurance companies need to improve their claims management processes to better serve Nigeria citizens and promote business growth with a mean score of 4.76. The overall mean score of 4.63 indicates that majority of the respondents agreed with the items in Table 4.4.

Table 4.5: Challenges are faced by insurance companies in Nigeria in implementing effective claims management practices

S/N	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
18	The process of documenting and verifying claims is time-consuming and labor-intensive.	65 (65.0)	14 (14.0)	21 (21.0)	- (-)	- (-)	4.12
19	Inadequate training and development opportunities for claims handlers hinder effective claims management practices.	57 (57.0)	17 (17.0)	18 (18.0)	8 (8.0)	- (-)	3.68
20	Lack of proper communication channels between claims handlers and policyholders results in delays and errors in claims processing.	31 (31.0)	20 (20.0)	4 (4.0)	28 (28.0)	17 (17.0)	3.26
21	Insufficient resources and funding allocation for claims management affect the quality of service	79 (79.0)	15 (15.0)	6 (6.0)	- (-)	- (-)	4.86

delivery.

Overall mean (Grand mean)

3.98

Source: Researcher's Fieldwork (2022)

From Table 4.5 above, majority of the respondents' agreed 79 (79.0%) with the statement that the process of documenting and verifying claims is time-consuming and labor-intensive with a mean score of 4.12 while majority of them 74 (74.0%) also agreed with the statement that inadequate training and development opportunities for claims handlers hinder effective claims management practices with a mean score of 3.68. Furthermore, there was unanimous agreement 51 (51.0%) on the statement "Lack of proper communication channels between claims handlers and policyholders results in delays and errors in claims processing" with a mean score of 3.26. Meanwhile, majority of the respondents 94 (94.0%) agreed with the statement that insufficient resources and funding allocation for claims management affect the quality of service delivery with a mean score of 4.86. The overall mean score of 3.98 indicates that majority of the respondents agreed with the items in Table 4.5.

Table 4.6: Measures insurance companies in Nigeria can take to improve their claims management processes

S/N	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
22	The insurance company can provide more training opportunities for claims management staff.	52 (52.0)	17 (17.0)	12 (12.0)	12 (12.0)	7 (7.0)	3.82
23	The insurance company can invest in better technology to streamline the claims process.	27 (27.0)	17 (17.0)	23 (23.0)	16 (16.0)	17 (17.0)	3.56
24	The insurance company can improve communication channels between claims management staff and other departments.	41 (21.0)	23 (23.0)	9 (9.0)	17 (17.0)	10 (30.0)	3.88
25	The insurance company can implement stricter quality control measures to ensure accurate and efficient claims handling.	65 (65.0)	28 (28.0)	7 (7.0)	- (-)	- (-)	4.78
Overall mean (Grand mean)							4.01

Source: Researcher's Fieldwork (2023)

From Table 4.6 above, majority of the respondents' agreed 69 (69.0%) with the statement that the insurance company can provide more training opportunities for claims management staff with a mean score of 3.82 while majority of them 44 (44.0%) also agreed with the statement that the insurance company can invest in better technology to streamline the claims process with a mean score of 3.56. Furthermore, there was unanimous agreement 64 (64.0%) on the statement

“The insurance company can improve communication channels between claims management staff and other departments” with a mean score of 3.88. Meanwhile, majority of the respondents 93 (93.0%) agreed with the statement that the insurance company can implement stricter quality control measures to ensure accurate and efficient claims handling with a mean score of 4.78. The overall mean score of 4.01 indicates that majority of the respondents agreed with the items in Table 4.6.

Table 4.7: Regulatory policies effect on claims management practices in the Nigerian insurance industry

S/N	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
26	The regulatory policies in Nigeria have a significant impact on our claims management practices.	49 (55.4)	11 (6.2)	7 (5.4)	19 (14.6)	14 (18.5)	3.65
27	Our company actively monitors changes in regulatory policies to ensure compliance in our claims management processes.	57 (57.0)	10 (10.0)	13 (13.0)	11 (11.0)	9 (9.0)	4.06
28	The regulatory policies in Nigeria make it difficult for our company to effectively manage claims.	66 (66.0)	5 (5.0)	13 (13.0)	9 (9.0)	7 (7.0)	4.12
29	The regulatory policies in Nigeria have improved the transparency and efficiency of our claims management practices.	52 (52.0)	17 (17.0)	12 (12.0)	12 (12.0)	7 (7.0)	3.82
Overall mean (Grand mean)							3.91

Source: Researcher’s Fieldwork (2023)

From Table 4.7 above, majority of the respondents' 60 (60.0%) agreed with the statement that the regulatory policies in Nigeria have a significant impact on our claims management practices with a mean score of 3.65. Also, there was unanimous agreement 67 (67.0%) on the statement "Our company actively monitors changes in regulatory policies to ensure compliance in our claims management processes" with a mean score of 4.06. Similarly, majority of the respondents 71 (71.0%) agreed with the statement that the regulatory policies in Nigeria make it difficult for our company to effectively manage claims with a mean score of 4.12. Furthermore, majority of the respondents 69 (69.0%) agreed with the statement that the regulatory policies in Nigeria have improved the transparency and efficiency of our claims management practices with a mean score of 3.82. The overall mean score of 3.91 indicates that majority of the respondents agreed with the items in Table 4.7.

Table 4.8: Effective claims management and the financial performance of insurance companies in Nigeria

S/N	STATEMENTS	SA	A	U	D	SD	Mean
		(%)	(%)	(%)	(%)	(%)	
30	Our company has a well-defined claims management process that contributes to our financial performance.	21 (21.0)	29 (29.0)	7 (7.0)	11 (11.0)	32 (32.0)	2.96
31	Adequate resources are allocated to claims management in our company, which positively affects our financial performance.	26 (26.0)	24 (24.0)	11 (11.0)	20 (20.0)	19 (19.0)	3.46

32	Our company's claims management system helps us to identify fraudulent claims, which ultimately improves our financial performance.	19 (19.0)	17 (17.0)	23 (3.0)	16 (26.0)	25 (35.0)	2.94
33	The timely settlement of claims by our company positively impacts our financial performance.	27 (27.0)	17 (17.0)	23 (23.0)	16 (16.0)	17 (17.0)	3.56
Overall mean (Grand mean)							3.23

Source: Researcher’s Fieldwork (2023)

From Table 4.8 above, majority of the respondents 50 (50.0%) agreed with the statement “Our company has a well-defined claims management process that contributes to our financial performance” with a mean score of 2.96 while majority of them 50 (50.0%) also agreed with the statement that adequate resources are allocated to claims management in their company, which positively affects our financial performance with a mean score of 3.46. Meanwhile, majority of the respondents 41 (41.0%) disagreed with the statement that their company's claims management system helps us to identify fraudulent claims, which ultimately improves their financial performance with a mean score of 2.94 while 44(44.0%) agreed with the statement that overall, the timely settlement of claims by their company positively impacts their financial performance with a mean score of 3.56. The overall mean score of 3.23 indicates that majority of the respondents agreed with most of the items in Table 4.8.

Table 4.9: Technology adoption impact on claims management in the Nigerian insurance industry

S/N	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean
34	Using technology has improved the speed and efficiency of claims processing in our company.	63 (63.0)	14 (14.0)	18 (18.0)	4 (4.0)	1 (1.0)	4.42
35	The use of technology has increased accuracy in claims management.	72 (22.0)	22 (12.0)	6 (13.0)	- (-)	- (-)	4.70
36	Technology has made it easier for us to communicate with customers about their claims.	81 (81.0)	5 (5.0)	4 (4.0)	- (-)	- (-)	4.76
37	The adoption of technology has reduced the occurrence of fraudulent claims.	41 (21.0)	23 (23.0)	9 (9.0)	17 (17.0)	10 (30.0)	3.88
Overall mean (Grand mean)							4.44

Source: Researcher’s Fieldwork (2023)

From Table 4.9 above, majority of the respondents’ agreed with the statement that using technology has improved the speed and efficiency of claims processing in our company with a mean score of 4.42. Also, there was unanimous agreement 94 (94.0%) on the statement “The use of technology has increased accuracy in claims management” with a mean score of 4.70. Meanwhile, majority of the respondents 86 (86.0%) agreed with the statement that the technology has made it easier for them to communicate with customers about their claims with a

mean score of 4.76. Furthermore, majority of the respondents 64 (64.0%) agreed with the statement that the adoption of technology has reduced the occurrence of fraudulent claims with a mean score of 3.88. The overall mean score of 4.44 indicates that majority of the respondents agreed with the items in Table 4.9.

4.4 Hypothesis Testing

The research hypotheses were tested utilising regression analysis in order to achieve the current study's objectives. The hypotheses were evaluated with an Alpha level of significance of 0.05 (Decision rule: computed level of significance <0.05, reject null hypothesis; computed level of significance >0.05, accept null hypothesis).

H₀: Null Hypothesis

H_i: Alternative Hypothesis

Table 4.10a Model Summary of Effective Claims Management and the Growth of the Nigerian Insurance Industry

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	

	.811 ^a	.801	.791	.15767	.801	732.132	5	356	.000	2.122
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a. Predictors: (Constant), ECM, ICM, ICS, SRF, AT

b. Dependent Variable: GNII

Source: Statistical Package for social Sciences v.22

The model summary result from the regression output is shown in the table above. The R^2 measures how well the independent variables (Effective claims management, Inadequate claims management, Improved customer satisfaction, Strong regulatory framework, of Adoption of technology) explain changes (variations) in the dependent variable (Growth of the Nigerian insurance industry). The R^2 value of .801 shows that the explanatory variables account for about 80% of the variance in the dependent variable. This is a strong explanatory strength, implying that the model was deliberately and correctly formulated, and that the model's output may be relied on for policy formation. The Durbin Watson value indicates whether the model has an autocorrelation problem. According to its criterion, the value 2.122 is almost equal to two (2), showing that the model has no autocorrelation problems. This suggests that the model's efficiency property is ensured.

Table 4.10b Analysis of Variance (ANOVA) on Effective Claims Management and the Growth of the Nigerian Insurance Industry

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	98.127	5	17.232	732.132	.000 ^b
Residual	8.767	356	.123		
Total	101.343	361			

a. Dependent Variable: GNII

b. Predictors: (Constant), ECM, ICM, ICS, SRF, AT

Source: Statistical Package for social Sciences v.22

The table above displays the analysis of variance (ANOVA) result on the relationship between effective claims management and the growth of the Nigerian insurance industry. The F statistics value of 732.132 is significant at 0.000 (5% significance level). As a result, the explanatory factors (Effective claims management, Inadequate claims management, Improved customer satisfaction, Strong regulatory framework, of Adoption of technology) are significant drivers of the dependent variable (Growth of the Nigerian insurance industry).

Table 4.10c Regression Output on Effective Claims Management and the Growth of the Nigerian Insurance Industry

Regression Output

Model	Unstandardized		Standardized	T	Sig. (P. value)	95.0% Confidence	
	Coefficients		Coefficients			Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
Constant)	.987	.122		8.262	.000	.242	.722
ECM	.005	.054	.067	3.656	.001	.035	.062
ICM	-.012	.041	-.007	-2.505	.035	.043	.065
ICS	.006	.012	.003	7.235	.000	.032	.054
SRF	.078	.089	.012	1.262	.137	.043	.061
AT	.085	.067	.032	8.114	.000	.056	.717

Source: Statistical Package for social Sciences v.22

Hypothesis One

H₀: There is no significant relationship between effective claims management and growth of the Nigerian insurance industry.

H_i: There is a significant relationship between effective claims management and growth of the Nigerian insurance industry.

The result from Table 4.10c above showed that there is a significant positive relationship between effective claims management and growth of the Nigerian insurance industry. The researcher therefore concludes that we fail to accept the null hypothesis and accept the alternative hypothesis which states that there is a significant positive relationship between effective claims management and growth of the Nigerian insurance industry because the p value of .001 was less than 0.05 (p.value = 0.001 < 0.05 & T-stat = 3.656 > 2).

Hypothesis Two

H_o: There is no significant relationship between inadequate claims management and growth of the Nigerian insurance industry.

H_i: There is a significant relationship between inadequate claims management and growth of the Nigerian insurance industry.

The result from Table 4.10c above showed that there is a significant negative relationship between inadequate claims management and growth of the Nigerian insurance industry. The researcher therefore concludes that we reject the null hypothesis and accept the alternative hypothesis which states there is a significant relationship between inadequate claims management and growth of the Nigerian insurance industry because the p value of .035 was less than 0.05 (p.value = 0.035 < 0.05 & T-stat = -2.505 > 2).

Hypothesis Three

H₀: There is no significant relationship between improved customers' satisfaction and growth of the Nigerian insurance industry.

H_i: There is a significant relationship between improved customers' satisfaction and growth of the Nigerian insurance industry.

The result from Table 4.11c above showed that improved customers' satisfaction has a significant relationship with growth of the Nigerian insurance industry. The researcher therefore concludes that we reject the null hypothesis and accept the alternative hypothesis which states that there is a significant positive relationship between improved customers' satisfaction and growth of the Nigerian insurance industry because the p value of .000 was less than 0.05 (p.value = 0.000 < 0.05 & T-stat = 7.235 > 2).

Hypothesis Four

H₀: There is no significant relationship between strong regulatory framework and growth of the Nigerian insurance industry.

H_i: There is a significant relationship between strong regulatory framework and growth of the Nigerian insurance industry.

The result from Table 4.10c above showed that strong regulatory framework does not have a significant relationship with growth of the Nigerian insurance industry. The researcher therefore concludes that we fail to reject the null hypothesis and reject the alternative hypothesis which states that there is a significant relationship between strong regulatory framework and growth of the Nigerian insurance industry because the p value of .137 was greater than 0.05 (p.value = $0.137 > 0.05$ & T-stat = $1.262 < 2$).

Hypothesis Five

H₀: There is no significant relationship between adoption of technology and growth of the Nigerian insurance industry.

H_i: There is a significant relationship between adoption of technology and growth of the Nigerian insurance industry.

The result from Table 4.10c above showed that adoption of technology has a significant relationship with growth of the Nigerian insurance industry. The researcher therefore concludes that we reject the null hypothesis and accept the alternative hypothesis which states that there is a significant positive relationship between adoption of technology and growth of the Nigerian insurance industry because the p value of .000 was less than 0.05 (p.value = $0.000 < 0.05$ & T-stat = $8.114 > 2$).

4.5 Discussion of Findings

From the results, a significant relationship positive relationship between effective claims management and growth of the Nigerian insurance industry was found. It has been reported that effective claims management contributes to customer satisfaction and retention. When policyholders experience prompt and efficient claims handling, they are more likely to have a positive perception of the insurance company. Satisfied customers are more likely to renew their policies and recommend the insurer to others, leading to business growth (Anton & Yao, 2019).

Furthermore, the analysis revealed that there is a significant negative relationship between inadequate claims management and growth of the Nigerian insurance industry. It has been reported that when claims are not handled efficiently or in a timely manner, it can lead to dissatisfaction among policyholders (Kiana, 2010). This loss of trust can discourage potential customers from purchasing insurance policies, which hinders the growth of the industry (Khan & Uddin, 2013).

Also, the analysis revealed that improved customers' satisfaction has a significant relationship with growth of the Nigerian insurance industry. A study by Adeyemi and Salawu (2017) found a positive relationship between service quality, customer satisfaction, and the financial performance of insurance companies. They concluded that improving customer satisfaction leads to better business outcomes.

Furthermore, the study revealed that strong regulatory framework does not have a significant relationship with growth of the Nigerian insurance industry. In line with this study's findings, it has been argued that a strong regulatory framework can create an environment of trust and confidence among consumers, leading to increased insurance uptake and industry growth (Odeyemi, 2014). Conversely, others argue that excessive regulations and bureaucratic hurdles may stifle innovation, discourage market entry, and impede growth.

Finally, the analysis revealed that adoption of technology has a significant relationship with growth of the Nigerian insurance industry. It has been stated that technology adoption in the insurance industry can lead to increased efficiency and productivity through automation, streamlined processes, and improved data management systems (Mbiu, 2022). This can result in faster and more accurate underwriting, claims processing, and customer service, ultimately enhancing the overall performance of insurance companies.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary

This study examined the influence of effective claims management on the growth of the Nigerian insurance industry. The study raised five specific objectives to guide towards the actualization of the study's overall objective. Data were primarily sourced through online questionnaire, and a total of one hundred (100) questionnaire were found usable for the empirical analysis. The descriptive (frequency, mean and percentage) and inferential statistics (regression) were adopted for the study's analysis. Specifically, the analysis revealed the following:

- i. A significant positive relationship between effective claims management and growth of the Nigerian insurance industry was found.
- ii. Furthermore, the analysis revealed that there is a significant negative relationship between inadequate claims management and growth of the Nigerian insurance industry.
- iii. Also, the analysis revealed that improved customers' satisfaction has a significant relationship with growth of the Nigerian insurance industry.
- iv. Furthermore, the study revealed that strong regulatory framework does not have a significant relationship with growth of the Nigerian insurance industry.
- v. Finally, the analysis revealed that adoption of technology has a significant relationship with growth of the Nigerian insurance industry.

5.2 Conclusion

The research findings shed light on the influence of effective claims management on the growth of the Nigerian insurance industry. The study discovered a significant positive relationship between effective claims management and industry growth, emphasizing the importance of efficiently handling insurance claims. Conversely, inadequate claims management was found to have a significant negative relationship with industry growth, underscoring the detrimental impact of poor claims handling practices. Moreover, the analysis highlighted the significance of improved customers' satisfaction, indicating a positive association with industry growth. Interestingly, the study revealed that a strong regulatory framework did not have a significant relationship with industry growth, suggesting that other factors may play a more prominent role in driving the industry's expansion. Additionally, the research emphasized the significant relationship between the adoption of technology and industry growth, underscoring the transformative power of technological advancements in the Nigerian insurance sector. These findings collectively contribute to a comprehensive understanding of the factors influencing the growth of the Nigerian insurance industry and provide valuable insights for insurance companies and policymakers to enhance their operations and foster sustainable growth.

5.3 Recommendations

From the research analysis and conclusions above, the following recommendations were made:

- i. Strengthen claims management practices: Insurance companies in Nigeria should focus on improving their claims management processes to enhance their overall growth. This can include investing in skilled claims handlers, adopting efficient claims processing systems, and implementing transparent and customer-friendly claims procedures. By ensuring effective claims management, insurers can increase customer satisfaction and trust, leading to higher growth in the industry.
- ii. Address inadequate claims management: Recognizing the negative relationship between inadequate claims management and industry growth, it is crucial for insurance companies to identify and address any shortcomings in their claims handling practices. This may involve conducting regular audits, providing comprehensive training to claims handlers, and implementing robust quality control measures to minimize errors and delays in claims processing.
- iii. Enhance customer satisfaction: The significant relationship between improved customers' satisfaction and industry growth emphasizes the importance of prioritizing customer needs. Insurance companies should focus on delivering exceptional customer service, streamlining communication channels, and promptly resolving customer queries and complaints. Regular customer feedback surveys can also help identify areas for improvement and gauge customer satisfaction levels.
- iv. Foster technological adoption: Given the significant relationship between technology adoption and industry growth, insurance companies should embrace technological

advancements to enhance their operations. This may involve implementing digital platforms for claims filing and tracking, utilizing data analytics for better risk assessment and fraud detection, and leveraging artificial intelligence (AI) and automation to streamline processes and improve efficiency. By embracing technology, insurers can increase their competitiveness and attract more customers.

- v. Collaborative approach to regulatory framework: Although the study revealed that a strong regulatory framework does not have a significant relationship with industry growth, it is still important for insurers to collaborate with regulators to create an environment conducive to industry development. Insurance companies should actively engage with regulators to address any regulatory challenges, provide input on policy reforms, and ensure that the regulatory framework supports innovation and growth in the industry.

5.4 Contribution to Knowledge

The findings of this research make significant contributions to the knowledge on the influence of effective claims management on the growth of the Nigerian insurance industry. Firstly, the study establishes a positive relationship between effective claims management and industry growth, highlighting the importance of efficient claims handling processes in driving the development of the sector. Secondly, it identifies a negative relationship between inadequate claims management and industry growth, emphasizing the detrimental impact of poor claims management practices

on the overall performance of the Nigerian insurance industry. Additionally, the research underscores the significance of improved customers' satisfaction, demonstrating a positive correlation between customer satisfaction and industry growth. Furthermore, it challenges the assumption that a strong regulatory framework alone is sufficient for industry growth, revealing that regulatory factors do not have a significant relationship with growth in the Nigerian insurance industry. Lastly, the study highlights the importance of technology adoption, finding a positive relationship between technology implementation and industry growth, emphasizing the transformative role of technological advancements in driving progress in the Nigerian insurance sector. Overall, these findings contribute valuable insights that can inform policymakers, industry practitioners, and stakeholders in enhancing claims management practices and promoting the sustainable growth of the Nigerian insurance industry.

5.5 Recommendation for Further Study

Based on the findings regarding the influence of effective claims management on the growth of the Nigerian insurance industry, further research could explore the following areas:

- i. **Longitudinal Study:** Conduct a longitudinal study to examine the long-term impact of effective claims management on the growth of the Nigerian insurance industry. This would involve collecting data over an extended period to understand how sustained improvements in claims management practices contribute to industry growth.
- ii. **Comparative Analysis:** Perform a comparative analysis to determine if the relationship between effective claims management and industry growth is consistent across different

sectors of the Nigerian insurance industry. Comparing the findings across life insurance, property and casualty insurance, and other specialized insurance sectors can provide insights into the specific factors that drive growth in each sector.

- iii. **Mediating Variables:** Investigate the mediating variables that explain the relationship between effective claims management and industry growth. For example, explore whether improved claims management leads to enhanced financial stability for insurance companies, which in turn drives growth. Understanding these mediating variables can provide a more comprehensive understanding of the mechanisms through which effective claims management influences industry growth.
- iv. **Customer Segmentation:** Analyze the impact of effective claims management on different customer segments within the Nigerian insurance industry. Investigate whether the influence of claims management practices on industry growth varies among individual policyholders, corporate clients, or specific demographics. This can help insurance companies tailor their claims management strategies to different customer segments for optimal growth outcomes.
- v. **Technology Adoption:** Further investigate the relationship between technology adoption and growth in the Nigerian insurance industry. Examine the specific types of technology that have the most significant impact on claims management and explore the potential barriers and enablers for wider technology adoption in the industry. Additionally, analyze

the role of technology in enhancing customer satisfaction and its overall impact on industry growth.

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