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FINANCE

EFFECT OF CLAIMS DIGITALIZATION ON SERVICE DELIVERY BY INSURANCE COMPANIES IN KENYA

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ABSTRACT

Purpose of the Study: With technological advancement, many processes that heavily relied on physical interactions have been virtualized in a bid to make them more efficient and streamlined. The claims' function plays a key role in the operations of insurance companies and digitalization of the processes can enable insurers focus more on customer experiences and improve service delivery. This study sought to establish the effect of claims digitalization processes on service delivery by insurance companies in Kenya.

Methodology: A descriptive research design was employed with the population being all 56 insurance companies in Kenya as at 31 December, 2021. Data was collected using questionnaires Descriptive statistics and regression analysis were used to assess the relationship between claims digitalization and service delivery.

Findings: Study findings indicate that for many insurance companies, claims digitalization has been implemented, though not fully. It was established that there is a strong positive relationship between claims digitalization and service delivery, hence implying that digitalization of the claims function impacts on service delivery. Claims automation, audit controls and back-end claims management emerged as statistically significant predictors of service delivery, with integration of third party service providers and self-service tools, not being significant predictors.

Recommendations: The study recommends that digitalization of the claims process be enhanced, by use of self-service tools and end-to-end claims automation. Claims eco-system, and databases of third-party service providers can further be developed and availed to customers, and training and upskilling of staff be enhanced on claims management alongside customer service. Insurance companies can also gather information from their records and/or clients to keep track of how loyal customers are. Further research can be done with a focus on service delivery from the customer's perspective.

Key Words: *Claims Management, Digitalization, Service delivery, Insurance Companies*

INTRODUCTION

Insurance holds a key role in enhancing resilience of the economy by minimizing the adverse effects of risk resulting in financial loss. The claims' function plays a key role in the operations of insurance companies and is guided by a policy which aims at superior service to customers (Machui, 2015). It is at the point of lodging a claim that the insurer gets to prove their promise as true and is regarded as a "moment of truth" and a defining point in a customer-insurer relationship (KPMG, 2017). The customers seek for an easy and stress-free process. According to Capgemini (2011), effective claims management improves service to customers, makes a business more agile, improves risk management, reduces indemnity costs and loss adjustment expenses and also acts as a core brand differentiator. It is also key to the success of insurers, and seeks to keep costs lean, reduce leakages, and keep customers satisfied.

Digital technologies provide opportunities for innovation, which is reflected on enhanced processes and new products (Gault, 2018). Digitalization of claims processes enhances operational efficiencies and improves service delivery. By leveraging on technology such as artificial intelligence, distributed ledger systems, robotic process automation and cloud computing, organizations can improve their internal claims processing, through seamless end-to-end workflows. This significantly reduces the time taken to review, process and pay claims and ultimately delivers value to customers.

Customer service refers to the process of meeting customer needs through a product or service, in an efficient, compassionate and sensitive manner (Gibson, 2013). Customer service has strategic significance, therefore companies ought to continually improve customer experience in order to maintain a competitive edge (Dean & Terziovski, 2000). Customer service delivery should be at the heart of any insurer's strategy and operations. Satisfaction occurs when performance fulfills expectations, whereas dissatisfaction occurs where performance falls below expectation (Swan & Combs, 1976). Each customer, being unique, expects to receive what they feel they have paid for. Satisfied customers rebound more and tell others about their experience (and so do unsatisfied customers). Delivering value to customers before, during and after the claims process is therefore key to any insurance company seeking to thrive in a competitive market, since it is not possible for it to grow if it disregards its customers' needs. (Tao, 2014).

STATEMENT OF THE PROBLEM

Claims management a key function of any insurance company and sets apart one insurer from another, giving them a competitive edge and enabling them to be attractive to customers in a very competitive market with multiple insurers covering similar risks. In this respect, digitalization is key in supporting operational efficiencies and making new service/offerings possible in what is termed as disruptive technologies (Parviainen *et al*., 2017).

The insurance industry in Kenya has had a negative perception from the public, either because of ignorance of the insurance concept, or due to a bad experience with insurers during the claim process with customers believing that they are shortchanged at the time of claims payment. Most of the challenges encountered may be attributed to the organizational internal systems of

claims management which are in most cases not automated. Embracing of digitalization in the claims function in enhancing service delivery, can therefore not be underestimated.

Some related empirical work in the area of insurance and claims management and in relation to various variables like firm performance and service delivery exist in different contexts, for example Łyskawa et al. (2019) on digitalization in insurance companies; Yusuf et al. (2017) on insurance claim management; Gachau (2016) on quality of insurance service delivery Chepkwony (2018) and Kiana (2010) on challenges in management of general insurance claims. However, the impact of digitalization in specifically the claims function of insurance companies on service delivery has not been delved into hence necessitating this research. This study therefore aimed to assess impact of incorporation of digital technologies in the claims process on service delivery.

RESEARCH OBJECTIVE

The objective of this study was to determine the effect of digitalization of the claims function on service delivery by insurance companies in Kenya.

RESEARCH HYPOTHESIS

H_1: There is a significant relationship between digitalization of the claims function and service delivery by insurance companies in Kenya.

THEORETICAL REVIEW

Theoretical Foundation

The study is based on three theories that explain the variables of digitalization and service delivery. The Process Virtualization Theory (PVT) seek to explain virtualizability of a process. It argues that amenability to virtualization varies from process to process and proposes that virtualization be viewed from a user's, not provider's perspective (Overby, 2008). Its main constructs are – Sensory requirements where process participants need to experience physical elements of the process. According to Apte & Mason (1995), business processes requiring physical interaction are not easy to conduct in virtual settings since elements like sight, hearing and touch cannot easily be replicated. Synchronism involves the way a process is set to minimize delay. As opposed to physical processes located in one setting with no delay in moving from one process to another, virtual processes are abstracted from participants and objects which can result in delays. For example an approval for claim payment done virtually would demand that the handler check on their tasks, whereas in a physical setting one might easily walk into an approver's office. (Arbaugh, 2000). Sproull and Kiesler (1991) however assert that this is not always a disadvantage but could enhance quality of work by allowing sufficient time to review tasks before auctioning. Relationship requirements involve the need to interact with other process participants, often resulting in trust development, knowledge and friendship. Social Presence Theory explores how sense of oneness is affected by digital interference (Short & Williams, 1976) and Media Richness Theory (Daft & Lengel , 1986) ranks face to face mediums as a richer and effective medium, compared to leaner and less effective medium for instance unaddressed documents, bulk mails / broadcast messaging. Finally, under identification & control requirements a process needs unique identification.

Processes with no requirement of identification of process participants can benefit from anonymity, but at the same time may result in fraud where client cannot determine the legitimacy of a seller / product (Friedman & Resnick, 2001). PVT is relevant to the study as it provides a framework for practitioners migrating processes from a physical to virtual system – thus improving service delivery and cutting costs.

The Digital Business Transformation Framework by Elkhuizen and Corver (2014) deals with how the digitization process ought to focus on the customer and is based on four determinants: the customer, the product, organisation processes and the systems (Nwaiwu, 2018). In this digital era, changes happen continuously, necessitating rethinking of business models to stay ahead of competition. According to Arakji and Lang (2007), through automation, organizations can respond to demand, thus sustaining profitability. Customers are also able to co-create and influence product development because of digital collaboration. This theory is applicable to the study since it is a tool that can be used by insurers to reposition themselves in a digital era, leveraging on technology in its processes and thus maximize opportunities in enhancing internal processes with an aim to serve customers better

The Expectation Confirmation Theory explains how expectations reflect on customer satisfaction. Service delivery quality from a customer's perspective is dependent on experience and expectations (Mwangi, 2010) Customer satisfaction is a key factor that determines consumers' subsequent behavior (Oliver, 1999). A satisfied customer is likely more loyal and will repurchase a product. On the other hand, a dissatisfied consumer will likely discontinue or find a substitute product. Based on this theory, a firm can increase customer satisfaction by increasing perceived performance of a service / product or minimizing expectations. At the point of signing policy contracts, the insured is aware of service levels, and this becomes the threshold of their expectations. This theory is relevant to the study since it explains the role of meeting customer expectations during the claims process, and how this affects customer retention and more so company image.

Conceptual Review

Claims Digitalization

According to Gartner (2020), digitalization uses digital technologies to leverage on opportunities. Digital transformation ranks among the top three business priorities. Successful digital transformation enables industry players to cut costs, increase profits and implement new business models (Bouée & Schaible, 2015). Almost all industries have been immersed in digitalization of their processes and the financial sector has not been the exception. With emergence of technologies such as software robotics, AI, machine learning and cognitive solutions, insurers are presented with automation opportunities that can be used to transform customer experience in claims management.

However, technology without the proper knowledge of the surrounding digital transformation environment cannot achieve much, without knowing such environment. This requires reorganizing in the organization, culture, and business (Stark, 2020). Digital transformation requires commitment of all the resources including technological, financial, physical, human, and organizational (Kutnjak et al., 2019). In an insurance setting, multiple parties are involved

viz- the police, insurance intermediaries, reinsurers, loss surveyors, risk adjustors, medical practitioners, legal entities, among others. A good claim management process supports efficiency in claims handling, resulting in high service levels, end-to-end integration, reporting capabilities, and customer intimacy (Commission, 2002). Insurers ought to focus on fulfilling customer needs during each phase of the client venture – claims management being one of them.

Service Delivery

Service delivery satisfaction is defined by Zeithaml et al. (1993) as a customer's judgement about a product's overall excellence evaluative behavior toward an experience or product. Customer satisfaction measures the degree to which an organizations' products or services meet customer expectations (Kim, 2005) and is done by comparing the actual quality of service against the customer expectants (Ghobadian et al. 1994). Expectations are key in evaluation of customer satisfaction levels and are shaped by what customers hear from other customers (firsthand), personal needs of customers, experience upon using product/service and external communication such as adverts. (Zeithaml & Bitner, 2003). Understanding the customers' expectations is therefore valuable feedback on effectiveness of services.

According to Armistead and Clark (1994), the customer service triangle has the customer at the center, with each aspect – strategies, systems, and people being seen in their impact to customer satisfaction. The general evaluative dimensions used by customers to assess service quality are tangibles, reliability, responsiveness, competence, and courtesy (Zeithaml et al. , 1996). Most organizations would measure growth /performance based on sales numbers or profits. However, most commonly one detail – the customer – is overlooked. There is need to measure customer service and look for weak points that can be improved upon. This can be done through surveys, calls, focus groups online search of complaints or mystery shopping (Cook, 2002).

Empirical Review

Abbasi and Weigand, (2017) in their study on the impact of digital financial services on firm's performance in Netherlands noted that financial services were expanding and making use of innovative technologies to serve customer needs better with the digital products helping organizations improve their performance, profitability, and overall financial position. Chepkwony's (2018) study on influence of E-Business strategies on the performance of insurance companies in Kenya established that new insurance products can be easily disseminated to the market via digital technologies, compared to older forms on dissemination of information. Customers expect personalized services and appear more satisfied when e-Business strategies are used. Some companies also noted improved performance and productivity following implementation of e-Business.

Kiana (2010) in a research on challenges in management of claims in Kenya noted that the claims department plays an important role in customer service delivery. The study established that there was need for education to stakeholders on reporting of claims to minimize delays in claim processing and claim handlers ought to be adequately upskilled and provided with appropriate systems to increase efficiency in claims processing, reporting and fraud detection.

A study by Yusuf et al. (2017) on insurance claim management in Nigeria concluded that there is need to improve systems used by claim handlers, which impacts on organizational efficiency of insurers and ensures complaints by clients are handled with ease thus boosting service delivery. Murrey (2016) in a research on effects of technology adoption on customer loyalty in commercial banks concluded that adoption ensures customer satisfaction, repurchase of products, and services, encourages customer referrals, and minimizes costs resulting from switching behavior. Mohammad and Alhamadani (2011) in a similar study in Jordan averred that the key aspect in technological processes is ensuring dependability, handling the problem correctly. Qadeer (2013) study on service quality and customer satisfaction in the banking industry in Liberia noted that quality of service affects customer satisfaction distinctly arising from human interaction, physical environment, value, or price. Gachau (2016) in a study on insurance service delivery concluded that management needs to prioritize employees' welfare training and work-life quality.

CONCEPTUAL FRAMEWORK

The conceptual framework in Figure 1 shows the study variables and helps depict the relationship amongst these variables. The study hypothesizes that digitalization of the claim functions influences service delivery in insurance companies in Kenya

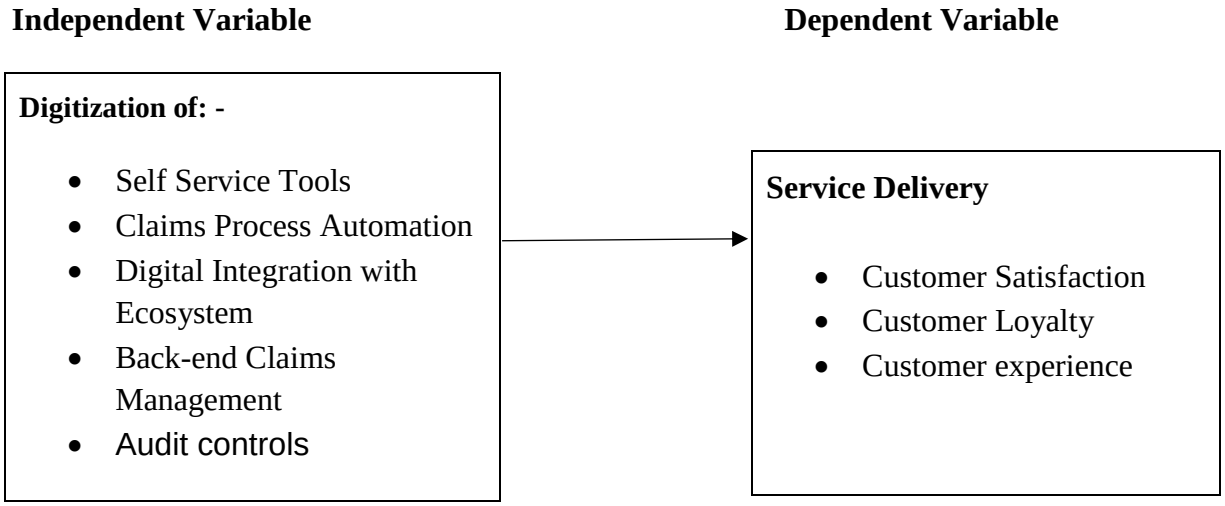

Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

The study adopted a cross-sectional descriptive design. The population, which was a census included all the 54 insurance firms operating in Kenya as at December, 2021. A structured questionnaire was used for data collection on web-based Google Forms platform. In addition, follow up calls were made to respondents to increase the response rate. Descriptive statistics and simple regression analysis were used for data analysis. A 5-point Likert scale was used to measure the variables ranging from 1 to 5 denoting "Strongly disagree"(1), "Disagree"(2), Neutral/Unsure"(3), "Agree" (4) and "Strongly Agree"(5) in influencing service delivery

The linear regression model to analyze the relationship between the independent and dependent variables, was: -

$S = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$

Where: S = service delivery (the dependent variable) in insurance claims process because of claims digitalization

α is the Y-intercept (constant term)

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ = Slope parameters

X_1 = Self-Service tools

X_2 = Claims process automation

X_3 = Digital integration with claims ecosystem

X_4 = Back-end claims management

X_5 = Audit controls

ε = error term

RESULTS AND DISCUSSIONS

Descriptive Statistics

The response rate from the study was 76%. A summary of descriptive statistics is as given in the following tables focusing on the five aspects that represent digitalization of the claims process. Table I shows the extent to which insurers have incorporated self-service tools for their customers within the claims process.

Table 1: Self Service Tools

Extent	Mean	Std Deviation
Customers can report claims directly from their devices	3.79	1.166
Customers can notify us of claims directly without involving an intermediary	4.23	0.971
Customers can monitor the position of their intimated claims	3.62	1.091
Customers are well informed of relevant information throughout the claims process	3.95	1.132
Customers are aware of documentation required to report a claim beforehand, as well as the policy terms and conditions	3.93	1.014
Overall mean	**3.90**	**1.100**

Source: Research Data

The findings indicate that many companies have provisions for customers to report claims directly from their devices, without involving intermediaries and are well informed on relevant information throughout the claims process therefore giving them a sense of control and thus positively impacting service delivery. This could largely be attributed to E-mails which had a great popularity followed by calls, texts, and WhatsApp, indicative of open channels of communication by insurance companies with their clients, implying that the length of time a claimant waits to be served is shortened, thus enhancing service delivery. It also implies that customers have access to information and can intimate claims on their own with ease in most of the companies (overall mean = 3.90, SD= 1.100)

On claims process automation and the effect on service delivery of the firms, the results are reflected in Table 2

Table 2: Claim Process Automation

Extent	Mean	Std Deviation
The claims process is fully automated	3.37	1.024
The claims process is end-to-end i.e., no steps are done off-system	3.34	1.325
The claims system is integrated with underwriting, legal and payment processes etc.	3.76	1.13
The claims system can generate reports to monitor KPIs (Key Performance Indicators)	3.33	1.252
Manual work / paperwork during claims processing is minimal/ non-existent	3.44	1.24
Payments of claims are automated	3.20	1.282
Mean Scores	**3.49**	**1.209**

Source: Research Data

Results show that the claim process is automated, though not fully with minimal paperwork, also mirrored in responses of whether the claims process is end-to-end. To a moderate extent, the claims system is also integrated with other processes making it seamless and reducing time taken to review claim cases and make approvals. Generation of reports and reporting capability as well as claims appeared not to be widely adopted judging from the neutral responses. It therefore appeared that even when the claims processing may be generally automated, the payments are not necessarily automated thus could cause delays in settlement of claims (overall mean =3.49). However, the situation varied greatly amongst the respondents as depicted by the standard deviation (1.209).

The findings on digital integration with the claims eco system are reflected in Table 3.

Table 3: Digital Integration with Claims Ecosystem

Extent	Mean	Std Deviation
A panel of third-party service providers is present	3.81	1.239
Customers have access / contacts of these third-party service providers	3.34	1.251
Arbitration frameworks are present, thus avoiding extended / protracted litigation	3.69	1.08
Mean Scores	**3.61**	**1.190**

Source: Research data

Many insurers appear to have a panel of third-party service providers within the claims process (mean = 3.81), with insureds having access / contacts of these service providers, and arbitration frameworks to some extent. The implication is that a good number of companies have taken steps toward digital integration with third party service providers. This ideally would make the claims process quicker and seamless particularly for the claimants, open communication channels and reduce time taken through litigation thus enhancing service delivery

The results on back end claims management as reflected in Table 4.

Table 4: Back-end Claims Management

Extent	Mean	Std Deviation
The insurance policy terms are strictly adhered to in the event of a loss	4.30	0.887
Service level agreements are defined for the claims process in the company claims manual	4.25	1.002
Claims are settled on a first come first pay basis	3.74	1.236
Claims handlers can process claims with ease because of periodic training and upskilling	4.23	0.996
The insurance policy terms are strictly adhered to in the event of a loss	4.3	0.887
Mean Scores	**4.13**	**1.030**

Source: Research Data

Findings reflect an overall mean of 4.13 and standard deviation 1.030, with policies having been set up guiding claims processing, service level agreements indicating how long claims can take before payment and frequent training and upskilling of claim handlers to build capacity and enhance service delivery, implying that enhanced back-end management of claims has a direct effect on service delivery.

Table 5 focuses on audit controls that insurers have in their claims process. Results show that policies on claims management exist, claims guidelines, authorization limits, and segregation of roles as well as mechanisms to minimize leakages occasioned by fraud exist as reflected by

the overall mean of 4.28. While protecting insurers, this also protects the insureds as in ensures continuity of insurance companies and ultimately protection of insured's interests. In addition, internal controls ensures that claims are processed within set frameworks thus ensuring that service delivery is closely monitored to ensure customers are served well.

Table 5: Audit Controls

Extent	Mean	Std Deviation
There is a policy that details how claims are to be managed	4.25	0.902
Claims are processed following set out guidelines	4.21	1.059
Authorization limits	4.28	0.959
There is a maker-checker control (segregation of roles)	4.28	1.031
Mechanisms to minimize fraud have been incorporated within the claims process	4.37	0.900
Mean Scores	**4.28**	**0.970**

Source: Research Data

The summary of claims digitalization is as reflected in table 6 indicating that digitalization is relatively high (mean of 3.88) with varied responses from the respondents as reflected by the standard deviation (1.010).

Table 6: Summary of Claims Digitalization

Extent	Mean	Std Deviation
Self Service Tools	3.90	1.100
Claim Process Automation	3.49	1.209
Digital Integration with Claims Ecosystem	3.61	1.190
Back-end Claims Management	4.13	1.030
Audit Controls	4.28	0.970
Mean Scores	**3.88**	**1.010**

Source: Research Data

The implication is that with the claim function being digitalized, the time and effort taken to receive, review, analyze, process, pay and archive a claim is greatly minimized, meaning that a customer is served within acceptable timelines and is made aware of any developments during the claims process thus significantly boosting customer experience and service delivery.

Customer Service Delivery

In summary the findings under customer service delivery are reflected in Table 7. It appears that in most companies, customer service delivery was fairly good (overall mean 3.79) although the responses are varied (SD= 1.032). Customer satisfaction in the claims process involving aspects of complaints handling, customer service, and timelines for claims settlement was fairly high (mean 3.84. SD=1.083). Customer experience involving response time, digital self-service

tools, reviews on claims experience and periodical customer service training was also fairly good (Mean 3.73, SD= 1.030)

Table 7: Summary of Customer Service Delivery

Extent	Mean	Std Deviation
Customer Satisfaction	3.84	1.083
Customer Experience	3.73	1.030
Customer Loyalty	3.80	0.983
Mean scores	**3.79**	**1.032**

Source: Research Data

Results also reflect a high level of customer loyalty represented by referrals by existing customers and renewal of policies after expiry (mean 3.80, SD 0.983). This implies that on average many companies have a good customer service delivery.

Regression Analysis

Relationship between Claims Digitalization and Service Delivery

A simple regression model was used to establish the relationship between claim digitalization (predictor variables) and service delivery (dependent variable). Results are as shown in Table 8(a-c).

Table 8. 1(a): Model Summary

				Change Statistics			
Model	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**F-change**	**DF1**	**DF2**	**Kruskal Wallis p-value**
1	0.939	0.9186	93.14	46.16	3	4	0.00244

Source: SPSS Research Data

a. Predictors: (Constant), Self-service tools, claim automation, integration with claims ecosystem, back-end claims management, audit controls.
b. Dependent variable: Service Delivery

The coefficient of multiple determination (R^2) is 0.9186 showing that the regression line is a good fit, explaining 91.86% of variation in service delivery following claims digitalization. The p-value is 0.00244 which is less than significance level of 0.05 means that the regression model fits the data and effect of claims digitalization on service delivery is significant at 5% confidence level.

As depicted in Table 8(b), the probability corresponding to F-Value of 46.16 is 0.00652 which is less than alpha level of 0.05 therefore the predictor variable (digitalization of claims function) is statistically significant.

Table 8 (b): ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	400,423	1	400,423	46.16	0.00652[b]
	Residual	26,025	3	8675		
	Total	426,448	4	409,098		

Source: SPSS Research Data

a. Predictors: (Constant), Self-service tools, claim automation, integration with claims ecosystem, back-end claims management, audit controls
b. Dependent variable: Service delivery

The results in Table 8(c) indicate that not all predictor variables had a significant impact on customer service delivery of insurance companies in Kenya. This is because the p-values for three variables: claims process automation, back-end claims management and audit controls had p-values less than 0.05 hence indicating they are significance predictors of service delivery, whereas digital integration with claims ecosystem and self-service tools had p-values greater than 0.05 hence not significant predictors. This may be attributed to the fact that self-service tools have generally not been incorporated into the claims processes of many companies.

Table 8(c): Model Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	z	Sig. p-value	95% Confidence Interval	
		Beta	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)[a]	0.45760	0.15755		-1.4130	0.3920	-0.57350	0.95340
	Self Service Tools	0.11664	0.18617	0.120689	0.6300	0.5310	-0.24825	0.48153
	Claim Process Automation	0.89713	0.21644	1.019742	4.1400	0.0001	0.47291	1.32135
	Digital Integration with Claims Ecosystem	0.07199	0.17164	0.080558	0.4200	0.6750	-0.26441	0.40840
	Back-end Claims Management	0.44465	0.20858	0.405643	2.1300	0.0330	0.03584	0.85345
	Audit Controls	0.67570	0.25042	0.616431	2.7000	0.0070	0.18488	1.16652

Source: SPSS Research Data

a. Dependent variable: Service Delivery

The possible the explanation for digital integration with the claims eco-system not being a significant predictor of service delivery could be due to the many customers who deal directly

with their insurer in the event of a claim, then in turn, the insurer deals with the necessary third parties.

The most influential variable is claims automation with the highest regression coefficient of 0.8971, followed by audit controls 0.6757, back-end claims management at 0.44465, self-service tools at 0.11664 and least being digital integration with claims ecosystem at 0.07199.

The initial equation that was envisaged was: -

$$S = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where:

S is service delivery in insurance claims process because of claims digitalization

X_1 = Self-Service tools

X_2 = Claims process automation

X_3 = Digital integration with claim ecosystem

X_4 = Back-end claims management

X_5 = Audit controls

ε = error term

The resultant equation generated from the results after striking out the non-significant determinants from the result becomes: -

$$S = 0.48760 + 0.89713 X_2 + 0.44465 X_4 + 0.67570 X_5$$

CONCLUSIONS

The study revealed that many companies had a high level of claims digitalization, with low incorporation of self-service tools for customers whereas use of e-mails, intermediaries and calls were common in claim intimation indicating that the level of control and awareness of the workflow processes were limited. On automation it was established that the claims process was automated to a fairly high extent mirroring closely with findings on an end-to-end process that was integrated with other sections of the claim's process, reporting on key performance indicators and automation of payments. The implication is that more needs to be done by insurance companies regarding automating their claims systems to create a seamless process to enhance service delivery.

The research findings, as depicted by regression analysis affirm that service delivery is largely dependent on claim digitalization with automation of claims, audit controls and back-end claims management being the most significant aspects. Self-service tools and digital integration with claims ecosystem were not as significant in as much as they had a positive impact. It is therefore concluded that as companies embrace and incorporate technologies in the claims process, customer service is enhanced thus driving customer satisfaction, acquisition, and retention.

RECOMMENDATIONS

Digitalization of the claims process is key in enhancing service delivery to consumers. In majority of companies, steps have been taken toward claims digitalization, but it is evident that more could be done, in order to enhance customer service, for example by availing self-service tools to their clients, minimization of paperwork and integration between their various insurer systems. Feedback from customers on the claims experience should be sought periodically and recommendations implemented. Insurers can also gather information on customer loyalty from their clients or from records to keep track of how loyal customers are in order to take corrective action. In addition, a study from the customers perspective could be carried for more conclusive findings since this study focused on the insurance firms.

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