

## Research Article

# LIFE INSURANCE SERVICE QUALITY AND CUSTOMER SATISFACTION IN THE LIFE INSURANCE INDUSTRY IN UGANDA. A CASE OF UAP OLD MUTUAL LIFE ASSURANCE UGANDA LIMITED

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### ABSTRACT

**Aim:** The purpose of this paper was to assess the effect of life insurance service quality on customer satisfaction in the life insurance industry in Uganda. UAP Old Mutual Life Uganda Limited was used as a case since it registered the highest number of customer complaints amongst the life insurance companies over the period 2017-2019 according to the Insurance Regulatory Authority Annual Insurance Market Report of 2019. **Study Design:** The paper adopted a cross-sectional field survey design employing mixed methods approaches in collecting and analyzing data. **Methodology:** Primary data was collected from 317 life insurance policy holders and 30 staff of UAP, both descriptive and inferential statistics were generated. **Findings:** The findings indicated that life insurance service quality has a positive effect on customer satisfaction (R-square value of 0.670). Therefore assurance, reliability, and responsiveness of a life insurance service are paramount in explaining customer satisfaction of the policyholders. **Conclusion:** UAP and other life insurance companies ought to pay attention to timely customer claim settlement, ensure compliance with the industry claim settlement guidelines, prompt handling of complaints, increase staffing for its technical areas, implement the annual training program for agents in order to avoid miss-selling and reward professional staff who meet customer expectations. In this way customer satisfaction will be guaranteed.

**Keywords:** Life Insurance, Customer Satisfaction, Service Quality, Assurance, Responsiveness.

### INTRODUCTION

There are several strategies put in place by the Insurance Regulatory Authority of Uganda (IRA) aimed at ensuring that all insurance companies in Uganda improve their service quality levels (IRA, Annual Market reports 2000 - 2019). Some of the strategies include: the issuance of industry claim settlement guidelines that standardize the claims settling procedures and processes in the industry and provide timelines for prompt settlement of claims, undertaking periodic on-site supervision of insurance companies to ensure companies honour their obligations, prompt complaints handling through the complaints bureau, amongst other duties. Similarly, UAP Old Mutual Life Assurance Uganda Limited has accordingly put in place strategies aimed at improving service quality which include; staff training on service quality provision, putting in place a customer service desk to handle customer complaints, undertaking quarterly audits of their processes, developing a client service charter, a dedicated customer care team (UAP Old Mutual Life Assurance Uganda Limited, 2000-2018). Despite of the initiatives at the industrial and company level (by IRA and UAP Old Mutual Life Insurance Limited), there still some complaints about the poor service quality of the life insurance industry. For instance, according to the IRA Annual Insurance Market Report (2019), UAP Old Mutual Life Assurance Company Uganda Limited had the highest number of customer complaints amongst the life insurance companies over the period 2017-2019. The complaints related to delays in settlement of claims, dissatisfaction with the amount of life surrender values to be paid, and repudiation of claims amongst others which are indicators of low levels of customer satisfaction. This paper therefore sought to assess the effect of life insurance service quality on the customer satisfaction of policy holders.

### LITERATURE REVIEW

The paper's theoretical framework is based on three theories: the Expected Utility Theory, the Customer Service Theory, and the Disconfirmation Theory. According to the Expected Utility theory (Neumann and Morgenstern, 1944), people make decisions under conditions of uncertainty based on two factors: the utility of the outcomes and their relevant odds. This theory further states that, an individual selects events that maximize satisfaction. Of course, keeping in mind that contentment depends on a person's preferences. Consumers have different options when faced with different levels of risk, suggesting that people with different personalities may accept different levels of danger, which affects their intents to buy life insurance or not and the quantity they choose to consume. Significantly, risk-averse households are more likely to obtain life insurance in order to lessen the effects of the primary wage earner in the household passing away too soon.

The customer service theory on the other hand centers around identifying and satisfying customers' needs through exceeding customer expectations. The theory suggests that an organization must be fully dedicated to delivering high standards of service quality in order to create customer satisfaction and loyalty. A corporation can achieve success by fostering a culture of customer service. Evidently, customer loyalty and satisfaction are correlated with the effectiveness of customer service, which in turn influences the business's profitability (Musembi, 2017).

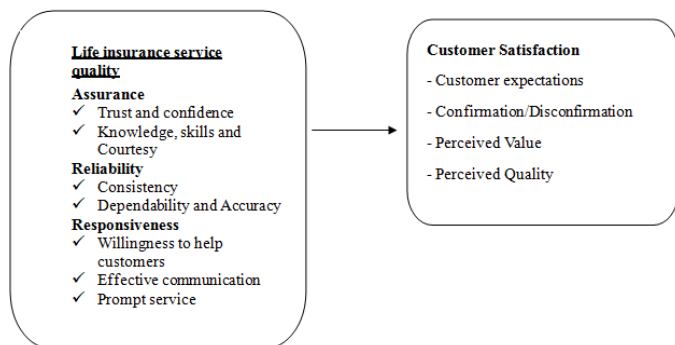
Similar to this is the Disconfirmation theory (Festinger, 1957) which holds that; "the amount and direction of the disconfirmation experience that results from measuring service delivery against expectations" is related to customer happiness. In their meta-analysis, Szymanski and Henard (2001) discovered that the disconfirmation paradigm is the best indicator of customer happiness

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despite the statement made by Ekinici and Sirakaya (2004) that: "Satisfaction is the guest's fulfilment response."

Basing on works of Parasuraman *et al.*, (1990); Crosby, *et al.*, (1990); Butt, *et al.*, (2015), it was hypothesized as indicated in figure 1 below that life insurance service quality which comprises of assurance, reliability, and responsiveness, are expected to lead to improved customer satisfaction which has been conceptualized as comprising of, customer expectations, confirmation/disconfirmation, perceived quality and perceived value ((Fornell, *et al.*, 1996); (Yi, 1990)).

**Fig 1: Theoretical and conceptual connections between the study variables**



**Source:** Adopted from Parasuraman *et al.*, (1990); Crosby, *et al.*, (1990); Butt, *et al.*, (2015) and modified by the researchers

Basing on the theoretical and conceptual connection, the study hypothesized as follows;

- H1:** Assurance of life insurance service has a significant effect on customer satisfaction.
- H2:** Reliability of life insurance service has a significant effect on customer satisfaction.
- H3:** Responsiveness of life insurance service has a significant effect on customer satisfaction.

**Life Insurance Service Quality**

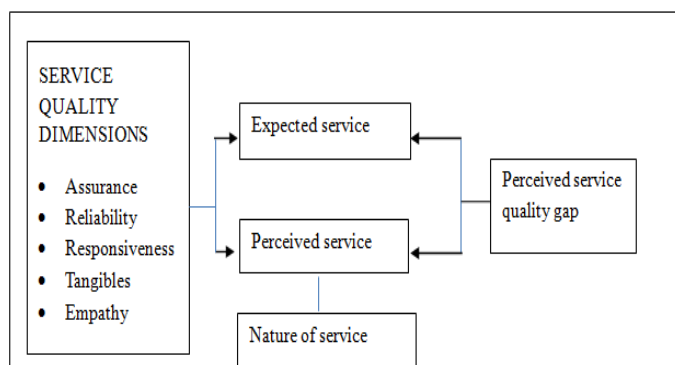
The products sold by life insurance companies by their nature are complex and intangible with little or no indicators of their quality and therefore life insurance customers usually rely on cues like the insurers' brand image to perceive service quality (Gronroos and Gummerus, 2014). In the context of Uganda, insurance customers may find it difficult to compare prices for insurance products due to lack of standardized life insurance products, but still the price factor cannot be effectively relied on in assessing the level of quality. In fact, the benefits that emanate from life insurance policies are long-term in nature, thus the immediate post-purchase evaluation of the quality of service under life insurance is a daunting task. As such, the consequence of a purchase of life insurance policies does not produce an immediate assessment towards overall satisfaction as the future benefits of the product cannot be easily assessed at the time of purchase (Crosby, *et al.*, 1990). Indeed, the purchase of life insurance products by consumers would mean an inability or difficulty in forming service quality expectations as explained by Johnston, *et al.*, (2014), that such a case would be due to limited understanding of and unfamiliarity with the service. At the same time, clients look for long-term connections with their insurance firms because of the amount of money that is normally invested in an insurance policy. This reduces risks and uncertainties. As a result, services that are just services, like life insurance, may raise different expectations than services that also involve real things. Keep in mind

that an insurance agent is nearly always responsible for selling the policy, and they are typically the customer's only point of contact. It is further noted that life insurance customers are therefore likely to place a high value on their agent's integrity and advice Zeithaml, *et al.*, (2018), inferring that, the quality of service provided by the agent is critical in addressing service quality aspects. Hence, providing prompt service, exhibiting trust and integrity are essential (Herman, 2022). On the other hand, Kotler and Keller, (2009), remark that although high quality service (defined as going above and beyond "customers' expectations") is uncommon in the life insurance sector, customers are increasingly demanding it. According to a study by the National Association of Life Underwriters, other significant factors were identified as key indicators of the calibre of life insurance services, including the company's financial stability, reputation as an insurer, agent integrity, and the quality of information and advice provided by the agent (Kotler and Keller, 2009).

It should be noted that there is a strong correlation between an organization's ability to provide goods and services that satisfy consumers' evolving requirements and desires. This is because such needs and desires are developed and shaped in light of their economic, cultural, and social realities. So, one of the factors which promotes survival of any insurance company is that it should provide services and products that meet the clients' needs with superior service quality in order to achieve a competitive advantage (Quadah *et al.*, 2013).

By developing the Gaps Model of Service Quality, Parasuraman *et al.*, (1988) developed the idea of expectations and perceptions of service quality. They characterize the idea by stating that the model concentrates on the discrepancy between customers' expectations and perceptions. (Parasuraman, *et al.*, 1985 and (Zeithaml, *et al.*, 1996). The perceived service quality gap as cited by Mukokoma and Van Dijk, (2013) is illustrated in Figure 2 below:

**Fig 2: The Perceived Service quality gap**



**Source:** Adapted from Zeithaml, *et al.*, (1996) as quoted by Mukokoma and Van Dijk, (2013)

Figure 2 above demonstrates how to identify the perceived service quality gap on the five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. To measure the level of satisfaction with the service delivery, one compares users' expectations with their perception of the service delivered. Service quality is defined as the discrepancy between the customer's expectations and perception of service performance, as seen in the framework (Mukokoma and Van Dijk, (2013). This means that the service quality gap depends on the capability to minimize the difference between expected quality and perceived quality by customers (Mukokoma and Van Dijk, (2013).

When the perceived service exceeds expected service (positive gap score), then the service level is more than satisfactory and conversely means the service level is unsatisfactory.

In examining Uganda's context, whilst the insurance claims have increased over the years, negative perception of insurance companies continues to hamper the insurance sector. Hence, service quality needs to improve in the insurance sector through evaluation of the current products, making improvements to the systems and processes so as to enhance operational efficiencies (Uganda Insurers Association, 2013).

### Customer Satisfaction

Solomon, (2009) refers to a customer as the most significant partner of a company who pays for products offered by the company with an objective of fulfilling a need and inevitably maximizing - satisfaction. This paper adopts the definition by (Solomon, 2009) who defines a client as a person who does the buying of a product offering and not really the individual who at last uses the product. According to Kotler and Keller (2009), satisfaction is the feeling of enjoyment or disappointment that outcomes from contrasting a product or service's perceived performance and its expectations. Along these lines, it is for the most part believed that satisfaction could be the happiness that one gets from the use of products and services. Besides, Tse and Wilton, (1988) describe customer satisfaction as the apparent disparity between past expectations and the genuine exhibition of the performance of the product or service as assessed after its utilization, henceforth they consider customer satisfaction as a post-purchase assessment.

Carman, (1990) agrees that a buyer's degree of satisfaction alludes to the satisfaction that an individual feels at whatever point his or her wants, needs, targets or desires have been accomplished. Satisfied clients have a more noteworthy probability of staying faithful, would devour more products and services of the company, and would recommend companions and family members to the company. Kotler and Armstrong, (2012) have characterized consumer satisfaction as the degree to which a product's apparent performance matches a purchaser's desires and expectations. Oliver, (1980) asserts that there are three situations; negative disconfirmation when clients are profoundly disappointed, zero disconfirmation when execution matches desires and positive disconfirmation when clients are exceptionally fulfilled. In the assessment of Borah, (2012), the level of customer satisfaction with the services and products provided by private life insurance companies in Assam recognized that components of tangibility, accessibility and understanding had the most extreme effect on Customer satisfaction. At the point when an insured risk occurs and a claim is initiated, insurance companies generally delay in handling claims and communicating to policyholders which to a great extent a directly results from the bureaucratic process involved. These delays imply that insurance companies lose referral value as they are seen as not to be happy to pay claims. Referral value is the most significant worth a client can bring to any business yet this remains insufficient in most life insurance industries (Siddiqui and Sharma, 2010).

Note that the concept of consumer satisfaction is broadly utilized in assessing the quality of business execution. A number of stakeholders including clients, competitors, suppliers, company directors, regulators and so forth utilize consumer satisfaction results to assess a company's service quality. As noted, consumer satisfaction is higher in business sectors with more noteworthy product separation, elevated levels of rivalry, low complex levels, low switching costs and where the nature of products can be

standardized (Anderson, 1994). As indicated by Anderson, (1994), consumer satisfaction decidedly impacts client loyalty, which empowers an organization to make sure about future income and lessens the expenses of future client referrals.

In the case of Uganda, 153 complaints were registered in the year 2018, arising from issues such as delays in compensation by insurers, disagreements over the amounts of surrender value and other benefits which all provides an insight in the fact that a number of policyholders were dissatisfied with the life insurance services (Annual Insurance Market Report 2018). Lastly, for purposes of this paper, customer satisfaction is the dependent variable which focuses on perceived value, perceived quality, customer expectations and confirmation/disconfirmation. Note that the perceived value, perceived quality and customer expectations directly influence customer satisfaction with perceived quality having the greatest influence ((Fornell, *et al.*, 1996);(Yi, 1990)).

### Life Insurance Service Quality and Customer Satisfaction

Gayathri, *et al.*, (2005) found that assurance is one of the most significant determinants that significantly affect customer satisfaction in their study titled "A pilot study on the service quality of Life Insurance Companies," which examined the relationship between customer satisfaction and the score on the service quality dimensions. Based on the study of Getachew, (2019), with a goal of ascertaining the expectations of customers concerning insurance, study findings reveal that company employees had the ability to fix problems timely, were knowledgeable, skilled, effective in solving problems, had the ability to provide quality of service and innovative. The study findings further revealed that there is a strong relationship between assurance as a service quality dimension and customer satisfaction in insurance. Regarding the impact of assurance on customer satisfaction at Oromia Insurance Company, Kuma, (2015) reveals that employees have the required knowledge and skills to provide the service coupled with the ability to inspire trust and confidence in customers toward the company thus making it effective in its provision of quality insurance service at the expected level. In his study, Parthiban, (2014) advances that, if customers' information is treated with full confidentiality by the company; staff follow proper procedure; and have high capacities to provide the service, it would result in customer satisfaction. Another important factor in the insurance industry is addressed by Kwadwo and Amankwah, (2012) in their research survey about the dimensions of service quality and their impact on customer satisfaction specifically in the insurance industry of Ghana. It was observed that assurance has the highest score because people reassured in dealing with the companies and that the companies had high capacities to provide the services. The issue of customer satisfaction is also addressed in Upadhyaya and Badlani, (2011) study on service quality and customer satisfaction in life insurance in India. From the study findings, it is identified that the customers are more satisfied with the way staff are able to provide services at high capacities, knowledge and skills.

Clearly, when a company offers services in a reliable manner, it benefits from increased customer confidence, loyalty, enhanced policyholder confidence, and recommendation of other customers to the company. This also confirms what Zeithaml, *et al.*, (2018) found; that reliability influences customer satisfaction. Girish and Eldhorse, (2008) carried out a study captioned, "Customer Perceptions of Life Insurance Services- A comparative Study on Public and Private Sectors", where they observed that customers from the public sector have a high level of awareness than private sector customers with regard to various aspects of insurance products. The study also revealed that customers are more satisfied with transparency, quick

handling of complaints, quick services, and so forth. A similar study was done by Parthiban, (2014) and he observed that service quality dimensions influence overall customer satisfaction directly. Parthiban, (2014) found out that reliability has got a significant positive correlation with customer satisfaction, while empathy had a significant negative correlation on customer satisfaction in private sector life insurance companies in Chennai city. The impact of reliability on customer satisfaction was assessed in a study at Jordan Insurance Company by Qudah *et al.*, (2013) and established that the company provides services in time without delay, has capacity to provide the service without interruption, and is keen on solving customers problems regarding services provided easily.

Another study by Boadu and Opoku, (2014) carried out in Ghana Life Insurance Company, revealed that staff had the ability to provide services timely where about 98% of the respondents strongly agreed and very few (2%) disagreed, 87% of the respondents strongly agreed that the company had the ability to keep promises, and all respondents strongly agreed that the company was dependable and consistent in solving customers complaints. Hence, this case study done in Ghana Life Insurance Company further concretizes the fact that reliability has a strong relationship with customer satisfaction. Chou, *et al.*, (2011) aimed at evaluating insurance service quality in Taiwanese Insurance Company Limited found out that reliability is the first important dimension. The study revealed that the company had the ability to handle customers complaints, timely provision of services and that the company was consistent in the provision of services.

In a study titled "Total Quality Management in the Insurance Sector" by Alali, (2021), it was shown that responsiveness influences both urban and rural consumers' levels of satisfaction. Customer satisfaction is increased by pre-sales services like assistance with policy selection, product knowledge, and the ability to explain policy advantages, as well as post-sales services like communication with policyholders and other services. Additionally, Prakash Vel, *et al.*, (2005) noted that timely service, good response by the agents and employees to the customers and insurers prompt action on the policyholder grievances improves the level of customer satisfaction. A similar study by Hellier, *et al.*, (2003) "Customer Repurchase Intention: A General Structural Equation Model", reveals that insurance providers responsiveness to the customers and treating the customers impartially are the main factors that influence customer satisfaction. Hanaysha, *et al.*, (2011) assert that, customers feel more confident when staff exhibit pleasant and courteous behaviour in the service delivery process which is essential in determining the service quality. Higher responsiveness relatively results in higher service quality and tends to higher customer satisfaction.

The literature reviewed clearly indicates that there are a number of studies in place that have established that insurance service quality affects customer satisfaction. However, the literature reviewed was very scanty regarding the life insurance sector of Uganda. This, therefore, rendered this study significant to fill the identified gap. Even more important, most of the studies reviewed were conducted before 2015. Therefore, this study focused on recent experiences within the life insurance sector of Uganda.

## METHODOLOGY

The study was carried out at UAP Old Mutual Life Assurance Limited headquarters, located at Nakawa Business Park, Kampala. The company was chosen because it had more complaints about the quality of its services from the public than any other life insurance company. (IRA Annual Reports for the period 2015-2019). The study adopted a cross-sectional field survey design and blended both quantitative and qualitative approaches. The target population consisted of approximately 7,560 life insurance customers of UAP Old Mutual Life Assurance Uganda Limited based on the company's regulatory returns as at 30<sup>th</sup> September 2019 and 41 Staff based on the UAP Old Mutual Organogram 2019. A sample of 380 policyholders and 37 staff was generated using the sampling formula recommended by Kothari, (2004). Simple random sampling technique was employed for both the policyholders as well as the staff. Primary sources of data were individual policy holders drawn from the company policy holder database and employees/staff of UAP drawn randomly while secondary data was collected from available industry-published reports, company reports, journals, and other research reports. Data was collected using a structured survey questionnaire administered to the policy-holders while an interview guide was used for the staff. The questionnaire passed the validity test with a CVI of 0.969 and reliability tests as shown in table I below;

**Table I: Reliability Results**

No.	Variable	N	No of Items	Cronbach's Alpha Value
1.	Assurance	10	10	0.815
2.	Reliability	10	9	0.774
3.	Responsiveness	10	8	0.864
4.	Customer Satisfaction	10	17	0.913

**Source:** Primary data (2020)

Data analysis was done using SPSS version 16 and both descriptive and inferential statistics were generated, interpreted and hypotheses tested.

## RESULTS

The response rate was 83.4% and 81.1% for the questionnaires and interviews respectively. Table II shows the summary of the bio data that was collected from the respondents.

**Table II: Bio data collected from the respondents.**

<b>Sex</b>	
Male	62.0%
Female	38.0%
<b>Age Bracket</b>	
18-35	58.0%
35-50	32.2%
50-65	9.8%
Above 65	0.0%
<b>Marital Status</b>	
Monogamously married	55.0%
Never married	32.0%
Polygamous married	6.0%
Divorced/Separated	4.0%
Widow/Widower	3.3%
<b>Highest Level of Education</b>	
Diploma	41.0%
Undergraduate	33.0%
Post graduate	17.0%
Secondary	9.0%
Primary	0.0%
No formal education	0.0%
<b>Number of Dependents in Household</b>	
1 to 3	57.4%
4 to 6	36.9%
7 and above	5.7%
<b>Main Source of Livelihood</b>	
Employment	24.3%
Business	75.7%
Agriculture	0.0%
Others	0.0%
<b>Type of Life Insurance Policy held</b>	
Child education policy	30.0%
Endowment assurance policy	22.7%
Whole life assurance policy	2.5%
Annuity/Pension	42.6%
Unit linked policy	2.2%
<b>Duration of Policy with Company</b>	
1 month - 3 years	56.5%
3 - 5 years	40.4%
5 - 10 years	1.6%
Above 10 years	1.6%

**Source:** Primary data (2020)

Bio data in table II above shows that 62% of the respondents were male while 38% were female, 58% were in the age bracket from 18-35 years. 41% of the respondents were diploma holders followed by 33% who were bachelor's holders, 57.4% of the respondents had between 1 to 3 dependents in their household, and business was their main source of livelihood as reflected by 75.7% while the rest, 24.3% are employed. In terms of the type of life insurance policy held, 42.6% of the respondents subscribed to Annuity/Pension policy followed by 30% for child education policy. It was also noted that 56.5% have held life insurance policies for a period of 1 month to 3 years followed by 40.4% for a period of 3 to 5 years.

Using Pearson Correlation and Linear Regression, the data analysis, hypothesis testing, and estimation between the study variables were performed (Tabachnick, *et al.*, 2007). The tables below present the correlation results;

**Table III: Correlation between Assurance and Customer Satisfaction.**

		<b>Assurance</b>	<b>Customer satisfaction</b>
Assurance	Pearson Correlation	1	.572**
	Sig. (2-tailed)		.000
	N	317	317
Customer	Pearson Correlation	.572**	1
	Sig. (2-tailed)	.000	
	N	317	317

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

**Source:** Primary data (2020)

**Table IV: Correlation between Reliability and Customer Satisfaction.**

		<b>Reliability</b>	<b>Customer satisfaction</b>
Reliability	Pearson Correlation	1	.465**
	Sig. (2-tailed)		.000
	N	317	317
Customer satisfaction	Pearson Correlation	.465**	1
	Sig. (2-tailed)	.000	
	N	317	317

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

**Source:** Primary data (2020)

**Table V: Correlation Between Responsiveness and Customer Satisfaction**

		<b>Responsiveness</b>	<b>Customer satisfaction</b>
Responsiveness	Pearson Correlation	1	.716**
	Sig. (2-tailed)		.000
	N	317	317
Customer Satisfaction	Pearson Correlation	.716**	1
	Sig. (2-tailed)	.000	
	N	317	317

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

**Source:** Primary data (2020)

Correlation analysis results in tables III, IV and V all show positive and significant relationships between assurance and customer satisfaction, reliability and customer satisfaction, responsiveness and customer satisfaction with ( $r = 0.572$ ,  $p < 0.01$ ), ( $r = 0.465$ ,  $p < 0.01$ ), and ( $r = 0.716$ ,  $p < 0.01$ ) respectively. These positive and significant relationships all imply that improvement in assurance, reliability and responsiveness of life insurance services will lead to improved customer satisfaction for the policyholders. In order to determine the effect of the three dimensions of life insurance service quality (Assurance, Reliability, and Responsiveness) on customer satisfaction, a multiple regression analysis was conducted as shown below;

**Table VI: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 <sup>a</sup>	.670	.667	.225

Source: Primary data (2020)

Table VI above shows that R = 0.818, which is the multiple correlation coefficient for the service quality perspectives under study (assurance, reliability and responsiveness) with customer satisfaction after all the inter-correlations among them are taken into account. Further, the coefficient of determination, the R-square is 0.670, which is a measure of the proportion of variance accounted for in customer satisfaction by service quality indicators. Thus, in the study, the service quality indicators have explained only 67% of the variance in customer satisfaction at UAP Old Mutual Life Uganda Ltd which is indeed consistent with literature by Parasuraman *et al.*, (1990); Crosby, *et al.*, (1990); Butt, *et al.*, (2015) who asserted that life insurance service quality, which comprises the dimensions of assurance, reliability, and responsiveness, have an effect on customer satisfaction.

**Table VII: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.860	.182		26.697	.000
	Assurance	.041	.045	.330	.902	.000
	Reliability	.379	.020	.675	19.327	.000
	Responsiveness	.215	.011	.686	20.240	.000

a. Dependent Variable: Customer Satisfaction  
 b. Predictors: overall satisfaction, perceived value and quality, price factor

Source: Primary data (2020)

Table VII above shows that assurance has a standardized beta coefficient of 0.330 with a relative importance of (t=0.902). This implies that for any unit increase in assurance, there is 0.330 or 33.0% increase in customer satisfaction. Therefore, the study accepts the hypothesis that assurance has a significant effect on customer satisfaction. This conclusion is consistent with literature from a number of scholars such as Zeithaml, *et al.*, (2018), Ahmad and Sungip, (2008), Getachew, (2019), Kuma, (2015), and so forth who asserted that assurance has an effect on customer satisfaction. Reliability has a standardized beta coefficient of 0.675 with a relative importance of (t = 19.327). This implies that 67.5% variation in customer satisfaction is explained by reliability. Therefore, the study accepts the hypothesis that reliability has a significant effect on customer satisfaction. This finding is consistent with literature from Zeithaml, *et al.*, (2018), Parthiban, (2014) who assert that reliability of a service affects customer satisfaction. The highest predictor of customer satisfaction is responsiveness (beta=0.686) with a relative importance of (t = 20.240). This implies that 68.6% variation in customer satisfaction is explained by responsiveness. Therefore, the study accepts the hypothesis that responsiveness has a significant effect on customer satisfaction. The conclusion from the hypothesis test is consistent with literature from scholars such as Mengi, (2009), Alali, (2021), Prakash Vel, *et al.*, (2005), and so forth who advanced responsiveness as having an effect on customer satisfaction.

**Limitations**

There was slight resistance from the Management of UAP Old Mutual Life Assurance Uganda Limited because of suspicion of the researchers' intention of conducting research and usage of the study results. To overcome this limitation, the researchers held a meeting with a Management representative at UAP and provided reasons on the purpose of conducting the study, which brought to light the fact that the research is for academic purposes.

Also, some customers were not willing to provide answers to the questionnaires, however this was solved by conducting regular follow ups and in the process explaining the relevance of the information customers provided to the study.

**CONCLUSIONS**

This research aimed at analyzing the effect of assurance in life insurance on customer satisfaction at UAP. Based on the analysis undertaken, it can be concluded that assurance has a positive relationship and effect on customer satisfaction. The results indicate that assurance should be maintained at UAP in order to achieve high levels of customer satisfaction. Assurance at UAP was mainly exhibited through knowledgeable and skilled staff, provision of quality services, innovation and reputation of the company, courtesy of staff towards clients, confidence and trust exhibited, amongst others. However, it should be noted the company had few technical staff, few new products, and the company agents did not explain all the key policy terms, and so forth. By examining the effect of reliability in life insurance on customer satisfaction, this research study has shown that there is a positive relationship and effect of reliability on customer satisfaction at UAP. The company should therefore strive at having high levels of effectiveness in service delivery. The claims process was viewed as too bureaucratic and the industry claims guidelines had not been adhered to.

Further, this research also aimed at assessing the effect of responsiveness in life insurance on customer satisfaction. What can be drawn from the study findings is that there is a positive significant relationship and effect of responsiveness on customer satisfaction at UAP. Prompt service delivery is indeed paramount in creating customer satisfaction. The timely delivery of services, prompt responses to requests, effective communication with clients, approachable staff and willingness to provide service are among the highest contributors towards customer satisfaction at UAP. Yet delays in handling complaints by the complaints desk, delays in issuance of policy statements and errors in computation of cash/surrender values on policies had caused dissatisfaction amongst the policyholders. It should be noted that the service quality dimensions of assurance, reliability and responsiveness had positive relationships and effects on customer satisfaction at UAP. It can therefore be concluded that Life Insurance service quality has an effect on customer satisfaction.

**RECOMMENDATIONS**

In regard to assurance of the life insurance service, UAP should focus on having adequate technical staff with professional qualifications in insurance that will provide high quality services. Additionally, the insurance agents should be put on strict training programs in order to avoid miss-selling and to ensure that the agents are knowledgeable on the policy terms of the products. Certificate trainings in insurance and an annual training program for agents should be implemented. UAP should also undertake a review of the claims management process to ensure that the claims process is made easier and faster. For instance, the claims process could be

automated to ensure quick review and handling of claims. Further, UAP should ensure compliance with the claims settlement guidelines for the industry which were issued by the Authority. The claims settlement guidelines provide service standards procedures and timelines that should be followed by all companies in the insurance industry as they settle claims. UAP should handle complaints reported to its complaints desk expeditiously to avoid future possible cases of litigation. Also, the issues regarding delays in issuance of policy statements and errors in computation of cash/surrender values on policies that cause dissatisfaction amongst the policyholders should be addressed by the Management Team. Other recommendations include having more focus on product development and innovation for purposes of developing new products that meet customers' ever-changing needs so as to enable the company to remain competitive and to create improved customer satisfaction. Also, in order to maintain high levels of customer satisfaction, UAP should consider rewarding employees that are courteous, act professionally, respond timely to queries, are innovative, and exceed customer expectations.

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