



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**ASSESSING THE OPERATIONAL ROLES OF INSURERS
IN THE SALES OF LIFE INSURANCE PRODUCTS:
THE CASE OF ETHIOPIAN INSURANCE CORPORATION**

**BY
BETSELOT ABERRA HABTEMARIAM**

**A Thesis Submitted to Saint Marry's School of Graduate Studies in Partial
Fulfillment of the Requirement for the Degree of Master of Business
Administration**

DATE: October, 2020

ADDIS ABABA, ETHIOPIA

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By: Betselot Aberra

Department of Business Administration

Approval of Board of Examiners

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Advisor	Signature	Date
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Internal examiner	Signature	Date
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External examiner	Signature	Date

DECLARATION

I declare that this thesis entitled “**Assessing the operational roles of insurers on the sales of life insurance products: the case of Ethiopian Insurance Corporation**” is my original work. This thesis has not been presented for any other university and is not concurrently submitted in candidature of any other degree. To the best of my knowledge and belief this thesis contains no materials previously published or written by another person except where due reference is made.

Candidate;

Name: Betselot Aberra Habtemariam

Signature: _____

Acknowledgement

As once Eric Hoffer said “The hardest arithmetic to master is that which enables us to count our blessings” Even if it’s almost impossible to master that, I would just try:

Before all, I just look up, smile and say, “I know that was you again, THANKS!”

I am extremely grateful to my advisor Mohammed Mohammednur (Asst. Prof) for his dedication, patience, constructive advices and being a constant source of intellectual guidance. This thesis wouldn’t have been materialized without his timely comments and encouragements. THANK YOU SIR!

My deepest gratitude then shall pass to my parents; I just can’t put it into words how grateful I am for all the sweet and tough love you’ve given me.

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Abstract

The study sought to identify and assess the operational role of insurers on the sales of life insurance: the case of Ethiopian Insurance Corporation. The researcher used a descriptive approach in order to analyze the qualitative data collected from the sample respondents through a questionnaire. The sampling technique used was a non-probability sampling technique; from which, the judgmental sampling was specifically used. The target population includes the actors who plays a pivotal role to the quality and extent of the sales of the products which are mainly the management staffs of the company in general and the life insurance branch and district managers in particular, the marketing and business development team of the company and licensed agents and brokers in the market and the staff customers. The questionnaires were originally dispersed to 153 respondents and 127 of them filled and returned it appropriately. The data collected have been analyzed descriptively through frequency, percentage, mean value and standard variation using SPSS version 20. The findings revealed, the operational roles, which are marketing ability, knowledge and experience of the staff, claim handling procedure and access of actuarial data are the decisive roles that determined the sales of life insurance. The researcher finally have given number of recommendations on how to improve those operational limitations and escalate the sales of life insurance; like an aggressive promotion, conducting market analysis, formulating a marketing strategy that considers the awareness level of the potential buyers, empowering and training the staff, communicating agents and brokers, eliminating fraud and corruption, cut through bureaucracies, formulating a faster system, training more actuaries, developing the data base through institutional connections and many other recommendations were given.

Key words: Marketing ability, Staff knowledge and experience, Claim handling procedure and Actuarial data

CHAPTER-ONE

INTRODUCTION

1.1. Background of the Study

Insurance, it could be general or life insurance, as a mechanism of transfer of risk has great economic and social benefits to the individual insured, the society and the country in general.

A study of human history reveals a universal desire for security. The quest for security has been a potent motivating force in material and cultural growth. Early societies relied exclusively on family and tribe cohesiveness for their security. With industrial development, this security source weakened, being augmented by privately purchased and government- provided security programs. Among the private programs, life insurance has been a universal response. (Kenneth Black, 1994)

As a journal once published by OECD secretariat and UNCTAD, life insurance offers many advantages for individual:

Life insurance guarantees to pay a stated sum to a family on the death of its income earner(s). In so doing, it affords families a measure of protection against the adverse financial consequences of premature death, gives individuals a greater sense of economic security, and can help reduce worry and distress and thereby increase initiative. No other privately purchased financial instrument can perform this function.

Cash value life insurance can serve as a means through which individuals save. Many persons who might not otherwise save consistently will, nonetheless, regularly pay their life insurance premiums: thus, life insurance might constitute a type of quasi-compulsory savings.

Life insurance products, especially annuities, provide a convenient, if not unique, means by which individuals can make financial provisions for retirement.

Life insurance has also become an increasingly important component of the financial sector over the last 40 years by providing a variety of financial services for consumers and becoming a major source

of investment in the capital market. It is a significant part of modern economy and it is a huge source of employment as well. Beck and Webb (2002).

In case of our country, according to Girma Begashaw (1978), throughout the history and until now we use traditional banking and insurance institutions which are “EKUB” and “IDIR”, respectively. These self-help institutions of the society had been in service of general public in Ethiopia since long time in the remote past. On the other hand, modern insurance in Ethiopia though not as old as the traditional ones, introduced at the beginning of the 20th century.

As it can be observed from consecutive annual reports by NBE, despite its age of existence, the insurance sector in the country is under developed compared to other financial sectors and such under development is much worsened on life insurance products. Based on the analysis made in the last five years, the share of life insurance in gross premium income of the industry has been declining through time and now it has reached its worse. (Annual Premium Report of Ethiopian Insurance Corporation 2018)

The sector stood almost the least in the world whilst there is progress and matured market in African countries like South Africa, Morocco, and Egypt. The contribution of life insurance business to GDP in some countries such as USA was 5.14%, England 3.68%, whilst African average was 1.48%, Ethiopia’s life business contribution to GDP is only 0.02% (Swiss Re, Economic Research and Consulting, 2012)

Many possible reasons could be traced back to this slow and almost non-development of life insurance business in Ethiopia. From the previous studies on the life insurance business, different suggestions were made on why it is running backward. From those, macro-economic and demographic roles are widely assessed. But, when the researcher tried to find previous studies on the backward development of life insurance business in EIC and as a sector, there was almost non which based its analysis on the operational or institutional roles. Even if there are some studies that tried to identify the determinant factors for the declining market of life insurance in the company and as a sector, the operational roles were not seriously taken and the studies were too general. But the researcher on the other hand, wants to study the operational roles that contributed to the declining business and sales of life insurance in EIC, inside out. Because, insurers are one of the biggest players in the arena of insurance business, and it is undeniable that it has a great role in the development of the sector in general and the life insurance business in particular.

In addition to that, as it has been mentioned earlier, when the researcher tries to find literature and previous studies on the life insurance products, it happens to be very rare. Therefore, the researcher plans to enrich this lack of literature and fill the gap for the future researchers and to the company itself to recognize, appreciate and improve the internal or operational roles that can be played to enhance the sales of life insurance products in the corporation.

Therefore, we all as an individual, as an organization, as a citizen and as a government are responsible for lifting the societal and governmental burden coming from such an unfortunate circumstances. And it is necessary to promote insurance in general and life insurance in particular in order to avoid such inconvenience and make people's life easier.

➤ **Historical Background of Ethiopian Insurance Corporation**

As it has been depicted on the official website of the corporation, Ethiopian Insurance Corporation (EIC) was established in 1976 by proclamation No. 68/1975. The corporation came into existence by taking over all the assets and liabilities of the thirteen nationalized private insurance companies, with Birr 11 million (USD 1.29 million) paid up capital aiming the following objectives.

- Engage in all classes of insurance business in Ethiopia;
- Ensure the insurance services reach the broad mass of the people;

EIC has been operating the business for about nineteen years under protected monopolistic system as state owned sole insurer. But after the demise of the Marxist regime in 1991 a fundamental change has taken place and there was a shift in political, economic and social orientation from socialism (the command system) to that of liberalism.

As a result, EIC was reestablished as state owned enterprise under proclamation No. 201/94 with birr 61 million (USD 7.13 million) paid up capital. Up on reestablishment of the corporation in 1994 as enterprise, the following were new objectives to the corporation:

- Engage in the business of rendering insurance services;
- Engage in any other related activities conducive to the attainment of its purposes.

1.2. Statement of the Problem

As it can be observed from the annual reports of insurance companies through the National Bank annual magazine called “Brritu”, in Ethiopia, the development of insurance sector in general and life insurance in particular doesn’t comply with their age of existence in the country. According to Annual Premium Report of Ethiopian Insurance Corporation (2018), life insurance has the history in Ethiopia almost for a century but still covers only 3.9% of the total premium collected by EIC (95% and more is collected from the general insurance products).

Life insurance is one of the least developed insurance markets in Ethiopia. For instance, according to African Insurance Organization (AIO) conference on life insurance in 2012 the contribution of the life insurance business to the total gross written premium of the insurance industry is on average only 4.55 % as of Dec, 2012 while its share is more than 77.8%, 33.8% and 29.2% in South Africa, Kenya and Morocco respectively. Accordingly the major share of premium written in the world insurance market is generated from the life insurance business. However, this is not the case both in Ethiopian Insurance Corporation’s (EIC) and the industry as a whole. For example, the gross written premium of EIC for the year 2011/12 was Birr 1.6 billion but only 9.5% was generated from the life insurance business yet this is the best share that the business had ever seen and from the total gross written premium birr 4.0 billion only 6.7% comes from the life sector. Even if it’s hard to conclude that property is more important to people than themselves and their families, the demand and sales of life insurance is amazingly low throughout the years.

Various studies have been made to identify what makes the sales of life insurance products stagnant. And they came up with a lot of findings, which are mostly related to macro-economic, demographic and legal and political factors.

But the insurance companies also play a great role to the stagnant business of life insurance as well. As they promote their companies day in day out, this specific product is the only one stayed invisible throughout the years. But if the operational role to all of this has been identified and worked on, it would have been a mandatory life style for many of us and we won’t be witnessing so many social crises because of the economic loss that followed the disability, death and the very expensive medical expenses after the accident.

1.3. Research questions

- ✓ What does EIC's marketing ability contribute to the sales of its life insurance products?
- ✓ What does its claim handling procedure play a role on EIC's the sales of life insurance products?
- ✓ Does the knowledge and experience of staff contribute to the sales of life insurance products in EIC?
- ✓ How does the access of actuarial data matter on the sales of life insurance products in EIC?

1.4. Objectives of the study

General Objectives

The general objective of the study is to investigate the operational role of EIC on the sales of life insurance and how its institutional or operational contribution could impact the sales.

Specific Objectives

The specific objectives of the study are:

- To assess the role of Marketing Ability of Ethiopian Insurance Corporation on the sales of life insurance policy products.
- To investigate the role of Claim Handling Procedure on the sales of life insurance products in Ethiopian Insurance Corporation.
- To examine the role Knowledge and Experience of staff on the sales of life insurance product.
- To analyze the role of access of Actuarial Data on the sales of life insurance products.

1.5. Scope of the study

The scope of the study is bounded by three main aspects; geographical, organizational and conceptual.

Organizational scope;-Organizational scope of the study is limited to Ethiopian insurance corporation. It was because the corporation is the oldest insurance corporation in general and in

particular by giving life insurance cover, and it still has the largest share of sum insured in the country. As a result, it can be concluded that the corporation is the best sample to study on, to figure out the operational roles of insurers on the sales of this life insurance product.

Geographical scope; - the research is geographically limited to where all EIC's life insurances branches are located. Which are, Addis Ababa, where the head office, life insurance district and three life insurance branches are located, Adama, Hawassa, Bahirdar, Diredawa, Jimma, Gondar, Bati, Nekemt and Mekele, where there is life insurance branches in each of them.

Conceptual scope:-the study is conceptually limited to the main operational roles that EIC could contribute to the sales of life insurance products. The researcher chooses to make an emphasis on the sales of life insurance because it is on its worst level of performances and insurers have a dominant role on planning, selling, claim handling, controlling the whole process of sales of the product but previous studies neglected this side of view to come up with solution.

1.6. Significance of the study

The study's contribution can be seen from different angles. When it is viewed organizationally, the Ethiopian insurance corporation will get a tremendous amount of use full information about the roles it can play to boost up its sales on the life insurance products. And the information can be used on how to formulate and implement relevant marketing strategies, claim handling procedures, human resource development and generating actuarial data resources in order to address the problem and to generate life insurance customers, who are life time.

When it is viewed from the academic and sectoral importance of the study, it is a piece of contribution to the current knowledge in the practice of life insurance marketing in Ethiopia and invites further researchers and insurance companies to study the problem and give a lot of progressive ideas to the sector.

Hopefully, the findings of this paper will serve as an input for the government that is on the edge of establishing Community Based Health Insurance (CBHI) (Amrot, 2014).

1.7. Organization of the paper

This study is organized into five chapters. The five chapters include the Introduction, Review of Related Literature, Research Design & Methodology, Result & Discussion and Summary, Conclusions & Recommendations.

The first chapter provides a general introduction of the study including background of the study, statement of the problem, basic research questions, objectives of the study, and significance of the study and scope of the study.

Chapter two covers the literature relevant to the study. It also includes concepts and theoretical framework as well as the conceptual framework.

Chapter three elaborates the type and design of the study. It includes research method, sampling technique, data collection method and method of data analysis that were used in the study.

Chapters four summarizes the findings of the study and discuss the findings.

Chapter five is comprised of four sections which include summary findings, conclusions, Recommendations and limitations & suggestion for further study.

CHAPTER-TWO

LITERATURE REVIEW

2.1. Theoretical Review

According to Fasil Alemayehu and Merhatbeb Teklemedin (2009), insurance may be defined in various ways based on the party defining it. Firstly, from the point view of an individual, it may be defined as a risk transfer mechanism or an economic device whereby a person, called the insured/assured transfers a risk of a possible financial loss resulting from unforeseeable events affecting property, life or body to a person called the insurer for consideration. Secondly, from the perspective of the insurer, insurance may be defined as a mechanism through which a risk is distributed among the group of persons who are exposed to the same type of risk, i.e., persons who bear the risk of suffering a financial loss as a result of events affecting property, life or body.

The Commercial code of Ethiopia (1961), defines it, insurance policy is a contract whereby a person, called the insurer, undertakes against payment of one or more premiums to pay to a person, called the beneficiary, a sum of money where a specified risk materializes. The most detailed definition of the term insurance is given by George J. Couch, couch on insurance, as follows;

“Insurance or as it is sometimes called, assurance, is a contract by which one party, for consideration, which is usually paid in money either in one sum or at different times during the continuance of the risk, promises to make a certain payment of money upon the destruction or injury of something in which the other party has an interest. In fire insurance and in marine insurance the thing insured property; in life or accident insurance it is the life or health of a person.”

The Common Elements Of The Above Definitions Are:

- It is a transfer of financial risk;
- There is a payment called premium by the insured for the risk to be taken by the insurer;
- The risk should materialize or the damage should happen in order for the promised payment to be paid by the insurer;

- Insurance is a contract:

If the general incite about the concept of insurance is addressed, It is time to move on to the specific concern of the research, which is life insurance. Life insurance has been defined by many scholars, laws and dictionaries, which, many of them have the same elements. The researcher would like to begin with the Black's law dictionary, which gives universally accepted definitions for legal terms.

Life Insurance:- An agreement between an insurance company and the policy holder to pay a specified amount to a designated beneficiary on the insured's death.

Considering the practical facts of life insurance business these days, the dictionary quoted 43 Am. Jur. 2nd Insurance (1982), as follows;

“Life and accident insurance has been defined as a contract where by one party, for a stipulated consideration, agrees to indemnify another against injury by accident or death from any cause not expected in the contract. Strictly speaking, however, a contract of life insurance is not one of indemnity, but is an absolute engagement to pay a certain sum at the end of definite or indefinite time.”

And as the presiding law of insurance in the country, the commercial code of Ethiopia defines life insurance on its article 691 as follows;

Art. 691. - Definition.

A life insurance is a contract whereby the insurer undertakes against the payment of one or more premiums to pay to the subscriber or to the beneficiary a specified sum on certain conditions dependent upon the life or death of the subscriber or third party insured.

According to practical cases, both of the above definitions are a bit outdated. Because they concluded that life insurance is all about after death matter. But nowadays, many insurance companies provide different types of life insurance products that many of them mature before death. To the retirement period of the insured, accident insurance for the medical expenses and permanent and temporary injuries, workmen's insurance for occupational accident and many different type of products are available on the market that are out of our expectations.

Financial institutions, channel funds and transfers risks from one economic unit to another economic units so as to facilitate trade and resources arrangement. Recent research, as surveyed by Naveed et al (2011), shows that the efficiency of financial intermediation and transfer of risk can affect economic growth while at the same time institutional insolvencies can result in systemic crises which have unfavorable consequences for the economy as a whole.

Hence, the important role that financial institutions such as insurance companies play remain in financing and insuring economic activity and contribute to the stability of the financial system in particular and the stability of the economy of concerned country in general is part of immune and repair system of the economy.

2.2. Empirical Review

Even if there are many participated in developing the theoretical framework to elaborate the demand for life insurance throughout years, Yaari (1965) and Hakansson (1969) were the first ones. Within this framework, the demand for life insurance is attributed to a person's desire to bequeath funds to dependents and provide income for retirement. This framework posits the demand for life insurance to be a function of wealth, expected income over an individual's lifetime, the level of interest rates, the cost of life insurance policies (administrative costs), and the assumed subjective discount rate for current over future consumption. But, some operational roles also play significantly from the supply side in the sales and demand of life insurance products.

According to Beck and Webb, 2002 life insurance consumption, however, is not only driven by consumer demand. There are important supply-side factors which affect the availability and price of life insurance. Insurance companies need both the human and information resources to effectively measure the pricing and reserving requirements for products as well as adequate investment opportunities in financial markets. An adequate protection of property rights and an effective enforcement of contracts also facilitate the investment function of life insurers.

- ✓ Gupta (2003), Tripathy (2004) and Banga (2007) indicated that the ability of an insurer to implement marketing mix and the sales of life insurance are positively correlated. Because, the decisions of purchasing life insurance services depends on the effectiveness of the promotional tools used, Advertising and publicity, organization of conferences and seminars, incentive to policyholders, arranging shows, exhibitions, participation in fairs and festivals drive help in effectively creating the impulse for purchase.

- ✓ The data collected and analyzed by Fatima Alinvi and MairaBabri (2007), showed that, price is a decisive factor in the choice of insurance, as income and life insurance sale positively and significantly correlated, price and sales goes vice versa. The findings by Lim and Haberman (2004), Babble (1985), and Browne and Kim (1993) also indicate that the cost of insurance was statistically significant and negatively associated with the purchase of life policy. This signifies that an increase in the prices of insurance policies reduces its consumption

Sathya Swaroop Debasish (2004)also suggests that prudent product design, by adding the feature expected by investors, will make the new life insurance product more attractive for investors and fuel up the sales.

- ✓ A study by Banga (2007), revealed that, if employees and agents working with insurance companies are not properly trained, results in slow business. According to Azam (2005), having experienced employees and favorable perception of customers have a statistically significant positive relationship. A study by Arora (1987), also suggested that the personnel department of life insurance companies should be equipped with specialized and qualified personnel to manage its functioning properly.
 - ✓ The tenability of a vibrant life insurance market depends to a large extent on the institutional framework and political stability of a country. If fraud is common in claim reporting, then the insurance mechanism will become prohibitively costly for a large part of the population. The inability to appeal the breach of life insurance contracts by insurers reduces the value of an insurance contract to consumers and may deter them from committing large sums of money into these products. The lack of property protection and contract enforcement impedes life insurers' ability to invest efficiently and control the price of their products. Finally, the lack of political stability shortens the economic horizon of both potential buyers and suppliers of life insurance products, dampening the development of a healthy life insurance market. [Beck and Webb, 2002]
- Azam (2005), also make sure that satisfactory claim settlement and favorable perception of customers have a statistically significant positive relationship.
- ✓ Predictive modeling tools have the potential to enable insurers to address some of the concerns resulting in the low penetration of life insurance among millennial. Stephen Abrokwah (2016)

As Deloitte (one of the biggest insurance consulting firm in the world) claims, as more insurers are beginning to use the underwriting predictive models, that essentially matches the expected data of the applicants, they issued more policies in fewer requirements.

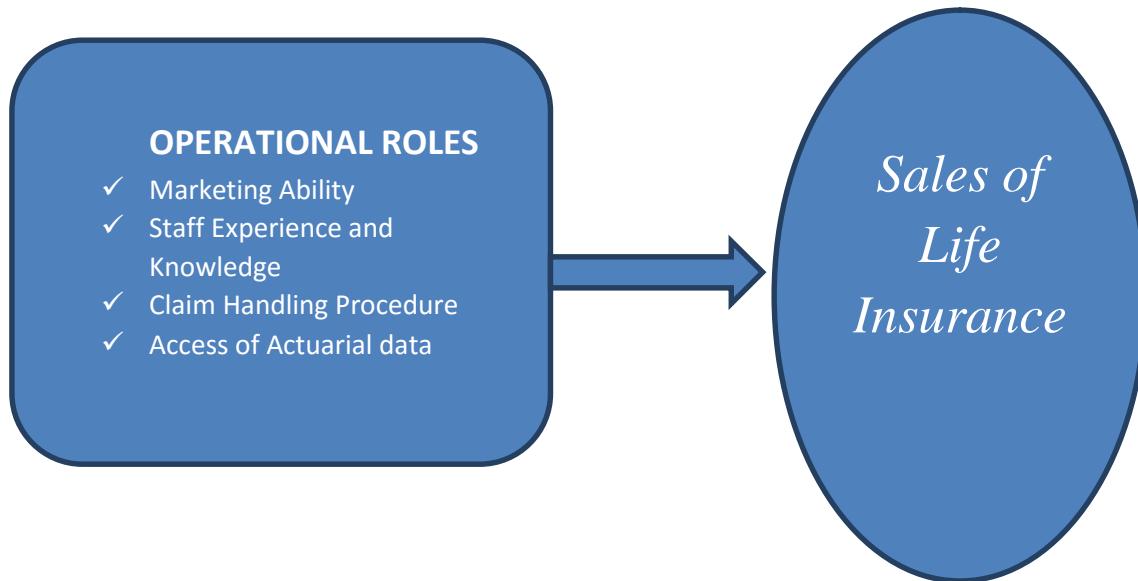
- ✓ The countries with well-being developed banks have higher levels of life insurance consumption as well as increased consumer confidence in other financial institutions (Beck & Webb, 2003); and as more financial assets are accumulated, the people will also purchase more life insurance. Due to this, financial development was introduced as financial intermediation which can be an important source of growth in the insurance.
- ✓ Yuqi li (2007) indicate that older banks expected to be more profitable due to their longer tradition and the fact that they could build up a good reputation. Obviously, the above empirical studies those include age as one of their explanatory determinant indicates a positive relationship between age and profitability.
- ✓ Athanasoglouet *al.*, (2005) as quoted by Dr. Yuvaraj Sambasivam*; Mr. Abate GashawAyele**, 2013, the effect of a growing size of a bank on profitability has been proved to be positive to a certain extent. Consequently, a positive relationship is expected between size and profitability by many insurance area researchers. However, for firms that become extremely large, the effect of size could be negative due to bureaucratic and other reasons Yuqi Li (2007).

2.3. Conceptual framework of the study

The study is conceptually limited to the operational roles that EIC contribute to the sales of life insurance products. The researcher chooses to make an emphasis on the sales of life insurance because it is on its worst level of performances and insurers have a dominant role on planning, selling, claim handling and controlling the whole process of sales of the product.

As a result, according to the theoretical and empirical reviews above, the researcher will be assessing the operational role of EIC from four significant directions; marketing ability, knowledge and experience of the staff, claim handling procedures and access of actuarial data.

Fig 2.1. Conceptual Frame Work of the Study



Source: Organized by the researcher from the Literature, 2020

CHAPTER-THREE

RESEARCH METHODOLOGY

This chapter describes the methods that have been used to gather the data relevant to the study. It contains the research design, research approach, population and sampling design, types and sources of data, methods of data analysis validity and reliability analysis and ethical considerations.

3.1. Research Design

This study have adopted descriptive approach based on the purpose of the research. Because the study aimed to critically assess and describe the operational role on the sales of life insurance products. Descriptive studies are those studies which are concerned with describing the characteristics of a particular individual, organization or a group. The major purpose of descriptive research is description of the state of affairs systematically, factually, and accurately utilizing facts as it exists at present.

In the course of analyzing the problem, both primary and secondary data collection procedures were employed.

3.2. Research Approach

Based on the data of the research, the researcher used Qualitative research method.

Why qualitative? Basically, the research is based on the use of qualitative data because, the researcher aims at finding out how the management and the agents feel or what they think about the decreasing rate of life insurance product sales and their recommendations as to how the company should come up with a better plan to boost its sales amount in the future.

3.3. Population and Sampling design

3.3.1. Target Population

As the main objective of this study is to find out the role of EIC on the sales of life insurance products, the target population includes the actors that plays a pivotal role to the quality and extent of the sales of the products; which are mainly the management staffs of the company in

general and the life insurance branch and district managers in particular, the marketing team of the company and licensed agents and brokers in the market and the staff customers.

3.3.2. Sample Size

EIC has 1 life insurance district and 12 life insurance selling branches all over the country. The researcher took generally 153 respondents, 50 managers, 50 agents and brokers on life insurance, 3 trainee actuaries, 20 members of marketing and business development team and 30 staff customers. From the managers, marketing and business development team, agent/brokers and trainee actuaries, it can be said that all of the concerned personalities were picked. But according to customers, in order to make the study timely, costly and manageable, the researcher took 30 staff customers because, when they are ‘staff’ customers, it is presumable that they would have a better know how about the sector and sales of life insurance, so they would be closer to the criteria of true representativeness to the problem.

3.3.3. Sampling Technique

As it can be predicated from the target population, the sampling technique used by the researcher is a non-probability sampling technique; from which, the judgmental sampling was specifically used. This is because the target population is selected by the judgment of the researcher considering their true representativeness to the problem in hand.

3.4. Types and Sources of data

The study utilized data from primary and secondary sources.

Primary Sources

The primary sources of data for the study have been Likert scale approach questionnaire and interviews collected and made with the management body of the corporation, marketing and business development team member, staff customers, trainee actuaries and sales agents and brokers.

Secondary Sources

To support the primary data, Journals, studies, books, policies, and reports have been analyzed.

3.5. Data Analysis Method

After the data has been collected from respondents through questionnaires, it was reviewed carefully and checked for completeness and consistencies. To compute the data, SPSS software version 20.0 were employed. After these, the data was analyzed and interpreted using the demographic and descriptive analysis. Then, after analyzing the data, findings were properly interpreted and summarized in a meaningful manner.

3.6. Validity and Reliability test

3.5.1 Validity test

Validity test indicates the degree to which an instrument measures what is supposed to measure. There are different ways of testing validity of a questionnaire. In case of this research, content validity test is utilized. Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. Validity in relation to questionnaires refers to the ability of questionnaire to measure what is intended it to measure. This means it is concerned that what is find with questionnaire actually represents the reality of what to be measured. This presents with a problem as if the reality of what were measured is actually known (Saunders et al.2009). This is done by providing adequate coverage of the investigative measurement questions in the questionnaire. Judgment of what is ‘adequate coverage’ was made through careful definition of the research through the literature reviewed. Also prior discussion was made with the thesis advisor to assess whether each measurement questionnaire have an adequate coverage to the issues raised.

3.5.2 Reliability test

Reliability refers to consistency. Although for questionnaire to be valid it must be reliable, this is not sufficient on its own. Respondents may consistently interpret a question in questionnaire in one way, when it mean something else as consequence although the question is reliable it does not really matter as it has no internal validity and so will not enable the research question to be answered.

The researcher used Cronbach’s Alpha method to conduct the reliability test of the questionnaire and it is highly reliable as it can be observed form the following table.

Table no 3.1 Reliability Statistics

Cronbach's Alpha	N of Items
.867	43

3.7. Ethical Considerations

All sources of materials used for thesis have been dually acknowledged with the organization. This study has conducted based on the respondent's response only and the researcher used it only for the purpose of the study, it will not be passed on to third party or attributed directly in any public way. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

Introduction

This chapter deals with the presentations, analysis and interpretation of the data which was collected from respondents. According to the research approach on chapter 3, qualitative data have been gathered through questionnaire. In order to find out the organizational role of EIC to the sales of life insurance, the researcher prepared the questionnaire by dividing it into 5 sections: marketing ability of the corporation, staff knowledge and experience, claim handling procedure, access of actuarial data and the sales of life insurance. The researcher picked those basis of analysis based on the previous studies that have been conducted on the internal issues of insurance companies all over the world. The questionnaire was prepared using the Likert scale approach and has 5 sections which generally have 43 questions.

The researcher will be analyzing the data collected in two ways; demographic analysis and descriptive analysis. And the results are presented as follows

Response Rate

The researcher dispersed 153 questionnaires to the management staff, the marketing and business development team, agents/ brokers, staff customers of life insurance products and trainee actuaries of the corporation and only 127 of them filled and returned their response properly.

4.1. Demographic Analysis

Under the demographic analysis, gender, work experience, educational status and the working position of the respondents will be analyzed.

Table 4.1. General status of the respondents

		Frequency	Percentage
Gender	Male	95	74.8
	Female	32	25.2
Experience level	< 5 years	15	11.8

	5-10 years	44	34.6
	> 10 years	68	53.5
Educational status	12 Completed	3	2.4
	Diploma	9	7.1
	Degree	86	67.7
	Masters & above	29	22.8
Working position	Management	43	33.9
	Marketing	20	15.7
	Agent or Broker	31	24.4
	Actuaries	3	2.4
	Staff customers	30	23.6

Sources: Own survey, (2020)

As illustrated on the above table, from the total of 127 respondents, 74.8% (95) were male and 25.2% (32) were female. Even if gender isn't one of the criteria for selecting the sample population and doesn't have any relationship with the results found, it can be observed that the number of female respondents are too low when it's compared with male respondents.

With regard to the experience level of the respondents, the researcher tried to be as inclusive as possible. As long as their work relationship to the subject matter allows them, the questionnaire were dispersed without restrictions based on experience. But as it can be observed from the table, 53.5% of the respondents have more than 10 years of experience, 34.6% of them have 5-10 years of experience and 11.8% of them have less than 5 years of experience. And that helps them to understand the questionnaire well and respond reliably.

The above table also revealed that, more than 90% of the respondents have a degree or more level of education. That helps them to understand the questionnaire better and respond reliably and that helps the study to base its analysis on qualified responses.

The respondents' relationship to the variables are the base criteria to be selected as a sample population. As it have been mentioned on chapter 3 and the above table depicted it, the sample population have been selected based on their positions in the corporation which are management (33.9%), marketing (15.7%), agent/brokers (24.4%), actuaries (2.4%) and staff customers (23.6%).

4.2. Descriptive Analysis

This section is going to analyze the results based on the mean value, standard deviation and the percentage value of the responses.

Table 4.2. Marketing Ability of the corporation

No.	Items	Values						
		SD %	D%	N%	A%	SA%	Mean	SD
1	The public is well aware of the general concept of life insurance through your promotion.	26.8	39.4	8.7	25.2	0	2.323	1.126
2	Public is well aware of the product packages of life insurance that are given by EIC	29.1	40.2	5.5	25.2	0	2.268	1.137
3	EIC have been creating adequate awareness to the public on the benefits of life insurance products	21.3	45.7	8.7	24.4	0	2.362	1.074
4	EIC conducts aggressive promotion and marketing campaigns to sale life insurance products?	26.8	61.4	3.1	8.7	0	1.937	.804
5	EIC periodically conducts marketing researches to analyze demand of life insurance	24.4	44.1	23	8.7	0	2.157	.895
6	EIC has well-articulated marketing strategy that considers the awareness level of the society	11.8	57.5	23	7.9	0	2.268	.771
7	EIC have varied types of life insurance products that address different customer needs	3.1	38.6	13	44.9	0	3	.984
8	The life insurance product provided by EIC has important features that satisfies the needs of insured	3.1	37.8	10	48	0.8	3.055	1.010
9	The premium rate of EIC is fair as compared to other insurance companies	27.6	47.2	19	6.3	0	2.039	.849

10	The premium rate of EIC for life insurance customers represents the service quality	3.9	37	19	39.4	0.8	2.961	.979
11	EIC conducts the market analysis to fix the service charge.	11.9	63	17	7.9	0	2.213	.752
12	the premiums charged do not recognize the needs and economic status of the society	0	16.5	11	44.9	28	3.835	1.014
13	Low income earners can afford the existing life insurance product	15	59.1	15	11	0	2.22	.835
14	the rate chart and the terms and conditions are revised in response to the dynamic environment	27.8	48	13	10.2	1.6	2.102	.975
	Grand mean						2.481	0.44

Sources: Own survey, (2020)

The researcher prepared the questionnaire using the marketing mix as a bench mark, mainly promotion, product and price.

Promotion: -as presented above, question no.1-6 examines the promotional activities of EIC. The respondents were generally asked if they think EIC has been working on putting its life insurance products out there by making awareness to the general public, by giving an awareness about the product packages and benefits of life insurance and by conducting aggressive promotion to the potential buyers of its life insurance products. The results are 66.2%, 69%, 67% and 88.2 % of them respectively, think not. And they are asked if EIC conduct market analysis in order to assess the demand side of the product and if it has a well-articulated marketing strategy to penetrate the market and boost up the sales. The results shows, 68.5% and 69.3% of the respondents respectively, think otherwise. This indicates that EIC failed to address the promotional marketing mix.

Product:- Two questions, 7&8, were posed about the product issues of EIC, to figure out what the respondents think about the varieties of life insurance products and if they satisfies the needs of customers. Accordingly, 44.9% and 48% of them (the greater numbers on the item) respectively agreed. These shows, EIC have worked on its product types and features a lot more than its promotion. But it is not to be forgotten that the number of respondents that think otherwise are also

too close to conclude just like that. Therefore, it can be said that EIC did a good job on product varieties and features but still got a lot to do.

Price:-as presented above, the respondents were asked that if EIC’s pricing is fair relative to the market and 74.8% of them thinks not. Only 6.8% of them thinks that it is fair and the other 18.9% of them stayed neutral.

And the questionnaire also pose a question if EIC did something about the unfair (according to the respondents) premium rate, like doing a market analysis or revising a rate chart in timely manner. But 74.9% and 75.8% of the respondents respectively, think EIC failed to do corrective measures about its pricing strategy on life insurance products. And more than 70% of them also think that the pricing strategy of EIC is not affordable and 72.5% of them thinks it does not consider the livings of potential customers. These indicate that EIC failed to address on the pricing marketing mix and failed to take corrective measures about it too.

In addition to that, the grand mean value of this specific variable which is 2.4283 also reveals that the respondents think that EIC failed on its marketing ability to help escalate the sales of life insurance products.

Table 4.3 Knowledge and Experience of the Staff

No.	Items	Values						
		SD %	D%	N%	A%	SA%	Mean	SD
1	Employees of EIC are well aware of the product that they are selling	15	55.9	5.5	23.6	0	2.38	1.007
2	There is a continuous human resource and Agent/Broker development	31.5	39.4	8.7	20.5	0	2.18	1.094
3	The company trained and updated its staff on life insurance practices.	32.3	47.2	7.9	12.6	0	2.01	0.955
4	EIC employees are responsive to handle customers enquiry	22.8	31.5	13.4	22	10	2.65	1.324
5	EIC management provides adequate instruction to its employees how to	11.8	49.6	18.1	20.5	0	2.47	0.95

	handle customers enquiry							
6	Management of EIC invites employees to participate in designing insurance service policy	29.1	52	15.7	3.1	0	1.93	0.758
7	All Staffs working in life insurance division have the required experience on the service line.	0.8	55.9	18.1	25.2	0	2.68	0.863
8	All brokers/agents working for EIC are getting updated with work procedure	33.8	38.6	11.8	15.7	0	2.09	1.042
9	EIC has a regular meeting with the brokers/agents	23.6	45.7	9.4	21.3	0	2.28	1.053
10	All brokers/agents working for EIC have the required experience	0.8	17.3	22.8	38.6	21	3.61	1.025
	Grand mean						2.403	0.524

Own source, (2020)

According to knowledge and experience of the staff, the researcher constructs the questionnaire in order to examine the issue in both sides: the management and the employees.

The results about the knowledge and experience of the staff shows that, 70.9% of the respondents think that the employees of EIC doesn't have the required awareness of the product that they are selling and 56.7% of them also thinks that the staffs working on life insurance division doesn't have the required experience. Their responsiveness is also not acceptable for more than 50% of the respondents too. Vice versa results are noticeable on the experience of agent & brokers though; almost 60% of the respondents think that agents and brokers does have the required experience.

When the role of the management on human resource development, training, updating the staff and agent/brokers with a work procedure and instruct them on handling the customers are examined, the results show that, almost on each of the mentioned items, more than 70% of the respondents think the management failed on empowering the staff, agents and brokers who are the main ingredients on selling the product in general. These shows that, the staff of life insurance division are not well experienced and well aware of the product that they are selling. And the management also failed to empower the personnel of the corporation.

In addition to that, the grand mean value of this specific variable which is 2.4031 also reveals that the respondents think that EIC's staff that works on life insurance division doesn't have enough knowledge and experience on the specific product and the management also did not work on the empowerment of its staff and its sales agents and brokers.

Table 4.4 Claim Handling Procedure of EIC

No.	Items	Values						
		SD %	D	N	A	SA	Mean	SD
1	Claim handling policy of EIC is simplistic and understandable.	22	43.3	11	23.6	0	2.36	1.074
2	Claim handling policy of EIC is developed by considering customers interest	25.2	44.9	11.8	18.1	0	2.23	1.025
3	Customers claim is entertained based on the terms both parties agreed on	26.8	39.4	12.6	21.3	0	2.28	1.083
4	Customers of EIC are handled as per it should be	21.3	40.2	19.7	18.9	0	2.36	1.021
5	Claims are handled on time.	43.3	37	11	8.7	0	1.85	0.935
6	Fraud happens usually in claim handling procedure of life insurance products	11.8	11.8	15	29.1	32.3	3.58	1.36
7	EIC settled customer Claims as per the terms and conditions	5.5	42.5	24.4	25.8	0.8	2.75	0.943
8	EIC settled customer Claims without bureaucracy	30.7	40.9	17.3	11	0	2.09	0.96
9	Corruption makes claim handling procedures difficult and impossible.	0	13.4	18.9	39.4	28.3	3.83	0.993
10	claim handling procedure of EIC motivates buyer of a life insurance product	27.6	39.4	21.3	11.8	0	2.17	0.969
Grand mean							2.5504	0.474

Source; Own survey, (2020)

Its timing, its cleanliness and customer satisfaction determines the quality of claim handling procedure. When the researcher construct the questionnaire, used those criterion as a benchmark.

Respondents were asked if claims are handled on time and if there is a bureaucracy in the system, more than 80% of the respondents don't think claims are handled in timely manner and 71.6% of them also claims, claims are handled with a staggering bureaucracy, which doesn't comply with the timing criteria.

When it comes to its cleanliness, the respondents agreed fraud happens in the procedure (>60% agreed) and corruption makes it complicated too (67.7% agreed). More than 60% of them also think that customers are not being handled as they should be. And their interest are also not considered in the claim handling policy (>70%) or the policy is not based on the agreement of both sides (>65%).

Generally, the respondents think, the claim handling procedure of EIC is not simplistic and understandable (>65%) and it doesn't motivate future buyers to get involved (>65%).

In addition to that, the grand mean value of this specific variable is 2.5504. It's a little bit higher than other variables because, question no. 6 and 9 are formed in the way they would be answered with a higher value. But it still reveals that the respondents think EIC's claim handling procedure does not fulfill the criterion of timing, cleanliness and customer interest and satisfaction.

Table 4.5 Access of Actuarial data

No.	Items	Values						
		SD %	D%	N%	A%	SA%	Mean	SD
1	There is well articulated data to access to, in order to estimate the probability of risk	24.4	42.5	28.3	4.7	0	2.13	0.839
2	Actuarial data are easily accessible	40.9	31.5	22.8	4.7	0	1.91	0.909
3	EIC's life insurance rate chart usually got updated based on the data collected in timely manner	38.6	41.7	14.2	5.5	0	1.87	0.858
4	There is enough actuaries to calculate and estimate the probability of risk	42.5	34.6	19.7	2.4	0.8	1.84	0.877

5	Access of actuarial data have an influence on the development of life insurance business	0	1.6	15.7	42.5	40.2	4.21	0.763	
6	Access of actuarial data have an role on the sales of life insurance products	0	0.8	14.2	51.2	33.9	4.18	0.695	
Grand mean								2.6916	0.436

Source: Own survey, (2020)

As presented above, the respondents have been asked about the access of actuarial data and its role on selling life insurance products. Mainly, only 2.4% of respondents think that there is enough actuaries to do the necessary work. And almost 70% of them thinks that there is no well setup actuarial data to access to whenever it is needed. And the rate chart also don't get to be updated based on the collected actuarial data in timely manner (>75%), which have a great deal of effect on its pricing problem as it has been observed earlier on the marketing ability of EIC on table no. 4.2.

The respondents also think that, more than 80% of them, access of actuarial data have influenced the development of life insurance and its sales on each item. This shows that, access of actuarial data will highly affect the risk assessment, pricing and market analysis of an insurance company. And if an insurer doesn't have the right numbers on its data, the analysis it make, the pricing it decides and the risks it take will have a great deal of impact on its sales of a product.

In addition to that, of the grand mean value of this specific variable is 2.6916. It is a little bit higher than other variables because, question no. 5 and 6 are formed in the way they would be answered with a higher value. But it still reveals the respondents think that the actuarial data are not easily accessible and that hurts the sales of life insurance in great manner.

Table 4.6 Sales of Life Insurance

No.	Items	Values						
		SD %	D%	N%	A%	SA%	Mean	SD
1	The number of life insurance buyers are very small compared to the general insurance.	0	0	6.3	34.6	59.1	4.53	0.615

2	the current sales of life insurance are inadequate	1.6	0.8	7.1	51.2	39.4	4.26	0.758
3	The sales growth of life insurance is insignificant	29.9	46.5	22.8	0.8	0	1.95	0.775
Grand Mean							3.5801	0.39

Source: Own survey, (2020)

As presented above, more than 90% of the respondents make sure that the sales of life insurance products are inefficient and very incompetent with the general insurance products (93.7%). And this very low sale of the product actually happens even if more than 75% of the respondents are thinking selling the product is highly significant.

In addition to that, table 4.2 of the grand mean value of this specific variable is 3.5801. These shows higher no. of respondents agreed that the sales and development of life insurance is at its worse and it is a significant product that EIC should consider boost up its sales.

As it has been mentioned on the chapter's introduction part, the marketing ability, knowledge and experience, claim handling procedure and access of actuarial data of EIC has been taken as one of the criteria to assess its role on the sales performance, because its proven that on previous studies, those roles or variables of insurance companies defines and determines its sales performance decisively. Therefore, it is presumed that the result fully assessed the marketing role of EIC.

4.3. Interview Analysis

Besides the data collected through the questionnaire, the researcher conducted an interview that are very limited in number, with the life insurance branch managers, trainee actuaries and customers to support the data collected through the questionnaire. The interview was really appreciable and helped to strengthen the findings, conclusions and recommendations made in the study. And it is summarized as follows;

- ✓ What are the major challenges in selling life insurance products that EIC faced?
 - Life insurance products are expensive (not cost effective) for buyers;
 - Low level of awareness among the public;
 - Strict rules and regulations by National bank of Ethiopia on insurance companies in general;

- Shortage of skilled man power, like actuaries and other professionals;
 - Less priority given by the corporation compared to general insurance products;
 - Different religious and socio-cultural factors among the society;
 - Complicatedness in claim settlement issues;
 - Shortage of data.
- ✓ Please suggest any possible solutions to EIC to deal with the challenges?
- Revision of rate charts;
 - Empowering the personnel;
 - Giving due attention to the life insurance products too;
 - Find a way to make National Bank ease the restrictions;
 - New marketing strategies.
- ✓ What are the challenges faced according to access of actuarial data? And it's role on selling life insurance products?
- Due to absence of actuaries in the country, every actuarial evaluation is done by imported actuaries from Kenya and that affects the sales of life insurance regarding cost, time and other factors;
 - It is impossible to evaluate any life insurance products in accordance with price, profit and others;

These indicate that EIC played number of operational roles to the declining rate of sales of life insurance. And they also mentioned and reassured that the variables selected by the researchers are the major roles played by EIC to get the sales of life insurance products where it is. They also suggested that the challenges would be improved with the operational effort if the corporation gets its priorities straight.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The main purpose of this study is to identify and analyze the operational role that EIC played for the staggeringly declined sales of life insurance products. The basic aim of this chapter is to present the overall view of the research by summarizing the main findings of the study, concluding and giving recommendations.

5.1. Summary of Major Findings

- ✓ Based on the responses collected, the respondents think that, EIC haven't been working on the promotion and price contents of the marketing mix. According to the analysis, potential buyers are not well aware of life insurance product in general, the product packages and benefits of EIC in particular, through the promotion made and the strategies framed by EIC. But the finding shows that product side of marketing is good as it provides varieties of products and features.
- ✓ According to the findings, the respondents think staff of EIC do not have the required knowledge and experience on life insurance products. And the management also haven't been providing the required empowerment programs to the employees as well as sales agents and brokers.

But the respondents think otherwise on the knowledge and experience of sales agents and brokers.

- ✓ As the findings presented on the previous chapter, the claim handling procedure of EIC doesn't fulfill the criterion set by the researcher, which are timing, cleanliness and customer satisfaction. As the respondent's feedback, claims took time to be handled, there's bureaucracy in the process, fraud and corruption make the procedure complicated and the policies are not considerate of the customer's interest and satisfaction.
- ✓ Based on the responses collected, the respondents highly believe that access of actuarial data affects the development and sales of life insurance products. But they also believe that there's no well setup actuarial data and actuaries available and the available ones are not easily accessible too.

- ✓ The responses collected shows that higher no. of respondents agreed that the sales and development of life insurance is at its worse and it is a significant product that EIC should consider boost up its sales.

5.2. Conclusions

- Based on the findings above, sales of life insurance products are inefficient and very inadequate compared to the general insurance products, even if they are believed significant. Therefore, the researchers' main objective is finding out the internal reasons why the sales of life insurance products are shockingly low. And four different variables were assessed to reach to the following conclusions.
- According to findings, promotion and price are the two main components of the marketing mix that EIC failed to address. Even if EIC manages to have varieties of products that are provided with an important feature, it is having a hard time on making awareness about them to the potential buyers of the product through aggressive promotion.

The pricing strategy of the corporation is also the other reason that affects the sales of these good products, because the price are relatively high, unfair, unaffordable and isn't considerate to the economic level of the society. The findings also show that, the corporation haven't been taking a corrective measure, through market analysis and rate chart revisions.

- Based on the findings on the knowledge and experience of staff in EIC, it can be concluded that staff of EIC in life insurance division are not well experienced and well aware of the product that they are selling. They are also not responsive to handle customer enquiry. The management also failed to empower the staff through training and human resource development. As a result, fore players of the sales of the product stays inefficient and the product remained invisible.
- The claim handling procedure of the corporation seems to be time and resource consuming, full of fraud and corruption and not considerate to the interest of the customers. Therefore, it drains out the interest and motivation of the potential buyers to get involved in the process at all.
- The above findings about the access of actuarial data show that, there is no well setup actuarial data available and the available are not accessible. There is no enough actuaries to handle the data and calculate the risks either. Therefore, the rate charts don't get to be updated in timely manner. As data is one of insurance companies' most valuable assets, the absence of it interrupts

the business decision it makes, like pricing and other marketing strategies that directly influences the sales of life insurance products. The findings directly prove that the accessibility of actuarial data have influenced the development and sales of life insurance.

5.3. Recommendations

As per the findings of this study, the following recommendations are forwarded so as to improve the internal issues of EIC that impacted the sales of its life insurance products.

❖ In order to escalate the sales of life insurance products, EIC better work on its marketing activities especially, on its promotional and pricing strategies. As it has been depicted on the analysis, even if EIC have varieties of products which have an important features, the potential buyers doesn't even know about them. Therefore, the corporation needs to make an awareness through the following outlets:

- Aggressive promotions;
- Preparing different awareness creation programs about the packages of life insurance products, their benefits and how dependable they are through discussion panels, medias and internet;
- By penetrating into corporate markets using its connection with different organizations;
- By empowering and updating its sales agents and brokers through training and timely meetings;
- By rewarding the sales agents and brokers who brings more life insurance customers than the general insurance customers;

In addition to make improvements on the promotional activities, EIC is advised to revise its pricing strategies too.

- Through conducting market analysis to identify where it's pricing strategies took the corporation compared with other insurers
- EIC better have the right actuarial data to come up with the best possible and fair price to compete with the other insurers;
- EIC better be willing to revise its rate chart to the promotional price and make it affordable to the society. Once the awareness got created, and life insurance becomes a mandatory way of life, the rate chart can be reviewed again.

- ❖ As the researcher tried to mention on the conclusion part, as long as fore-players (staff, agents and brokers) of the sales of the product stays inefficient, the product remained invisible. Therefore, EIC is highly recommended to work on empowering the staff, agents and brokers through academic and technical training, timely meetings and well defined job description and instructions.
- ❖ Complicated claim handling procedures discourage potential buyers of the product. As a result, EIC is advised to
 - Make the procedure simple and understandable for walking customers;
 - Find a way to shorten the time it takes to handle the claim and cut through the bureaucracy;
 - Formulate a system to resist fraud and corruption and make investigations to identify where the problem is and clean the house;
 - Take a serious measure against the party at fault to deter future abuses;
 - Make the claim handling procedure participatory to the customer too by letting them have a say on the matters.
- ❖ As the absence of actuarial data interrupts and wrongs the big decisions making ability of the corporation, EIC better do the following measures to improve the access of actuarial data.
 - Train more actuaries in order to solve the problem in permanent basis;
 - Pushes the stake holders, like Statistical Agency of the country and other organizations to let out more data and make them available online.
 - Hire independent actuarial service contractors frequently, to get timely service in order to be flexible and contextual to revise different policies, strategies and rate charts.

Appendixes



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

Questionnaire to be filled by employees of Ethiopian Insurance Company

Purpose of the Questionnaire

This questionnaire is prepared to collect primary data from the employees of Ethiopian Insurance Corporation to conduct a study on Factors Affecting the Sales of Life Insurance the case of Ethiopian Insurance Corporation for the partial fulfillment of Master of Business Administration (MBA) in St. Mary University. Dear respondents, your response to the questions is significant for the successful accomplishment of the above objective. The responses are to be kept confidential and will be used for academic purpose only. In addition, all personal data shall be treated collectively rather than on personal levels. So please answer as honestly as possible to the best of your knowledge. I would like to confirm you, the information you provide will certainly be kept confidential. If you faced with any unclear questions, please contact BetselotAberra (0919347666). Thank you in advance for filling the questionnaire by making considerable sacrifice.

Part I. General Characteristics of the respondents

1. Please indicate your Gender

Male Female

2. For how many years you have been working in the company

5 years 5- 10 years 10 years

3. Educational Status

A. 12 complete B. Diploma C. Degree D. Masters & above

4. Status in EIC

A. Management B. Agents and Brokers C. Customers

D. Trainee Actuaries E. Marketing and Business development team members

Instruction:

Please indicate the extent to which you Agree/disagree with the following statements. Strongly disagree carries the least weight of 1 while strongly agree carries the highest weight of 5. Please put “ ” mark accordingly.

Keys: 1= Strongly Disagree (SD); 2= Disagree (D); 3=Neutral (N); 4= Agree (A); 5=Strongly Agree (SA)

S/No	Marketing Ability	SD (1)	(D) (2)	(N)(3)	(A)(4)	SA(5)
1.1	The public is well aware of the general concept of life insurance through you promotion.					
1.2	Public is well aware of the product packages of life insurance that are given by EIC					
1.3	EIC have been creating adequate awareness to the public on the benefits of life insurance products					

1.4	EIC conducts an aggressive promotion and marketing campaigns to sale life insurance products?					
1.5	EIC periodically conducts marketing researches to analysis the demand of life insurance					
1.6	EIC has well articulated marketing strategy that considers the awareness level of the society					
1.7	EIC have varied types of life insurance products that address different customer needs					
1.8	The life insurance product provided by EIC has important features that satisfies the needs of the insured					
1.9	The premium rate of EIC is fair as compared to other insurance companies					
1.10	The premium rate of EIC for life insurance customers represent the service quality					
1.11	EIC conducts the market analysis to fix the service charge.					
1.12	The premiums charged do not recognize the needs and economic status of the society					
1.13	Low income earners can afford the existing life insurance product					
1.14	The rate chart and the terms and conditions are revised in response to the dynamic environment					
2.	Staff Knowledge And Experience	SD (1)	(D) (2)	(N)(3)	(A)(4)	SA(5)
2.1	Employees of EIC are well aware of the product that they are selling					
2.2	There is a continuous human resource and Agent/Broker development					
2.3	The company trained and updated its staff on life insurance practices.					
2.4	EIC employees are responsive to handle customers enquiry					
2.5	EIC management provides adequate instruction to its					

	employees how to handle customers enquiry					
2.6	Management of EIC invites employees to participate in designing insurance service policy					
2.7	All Staffs working in life insurance division have the required experience on the service line.					
2.8	All brokers/agents working for EIC are getting updated with work procedure					
2.9	EIC has a regular meeting with the brokers/agents					
2.10	All brokers/agents working for EIC have the required experience					
3.	Claim Handling Procedure	SD (1)	(D) (2)	(N)(3)	(A)(4)	SA(5)
3.1	Claim handling policy of EIC is simplistic and understandable.					
3.2	Claim handling policy of EIC is developed by considering customers interest					
3.3	Customers claim is entertained based on the terms both parties agreed on					
3.4	Customers of EIC are handled as per it should be					
3.5	Claims are handled on time.					
3.6	Fraud happens usually in claim handling procedure of					
3.7	EIC settled customer Claims as per the terms and conditions					
3.8	EIC settled customer Claims without bureaucracy					
3.9	Corruption makes claim handling procedures difficult and impossible.					
3.10	Claim handling procedure of EIC motivates buyer of a life insurance product					
4.0	Actuarial Data Access	SD (1)	(D) (2)	(N)(3)	(A)(4)	SA(5)

4.1	There is well articulated data to access to, in order to estimate the probability of risk					
4.2	Actuarial data are easily accessible					
4.3	EIC's life insurance rate chart usually got updated based on the data collected in timely manner					
4.4	There is enough actuaries to calculate and estimate the probability of risk					
4.5	Accessibility of actuarial data have an influence on the development of life insurance business					
4.6	Accessibility of actuarial data have an influence on the sales of life insurance					
5	Sales of Life insurance	SD (1)	(D) (2)	(N)(3)	(A)(4)	SA(5)
5.1	The number of life insurance buyers are very small compared to the general insurance					
5.2	The current sales of life insurance are inadequate					
5.3	The sales growth of life insurance is insignificant					

❖ **Interview Questions**

- ✓ What are the major challenges in selling life insurance products that EIC faced?
- ✓ Please suggest any possible solutions to EIC to deal with the challenges?
- ✓ What are the challenges faced according to access of actuarial data? And it's role on selling life insurance products?