

Claims Management and Its Determinants in Nigeria

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ABSTRACT:

The management of insurance claims has left many insureds wondering whether insurers will ever keep their promises. It has been argued that the management of claims impacts the insured's trust and satisfaction. The main objective is to understand how claims management practices shape policyholders' trust and satisfaction. The study employed a survey method and used a questionnaire to gather research data. The formulated hypotheses were tested with regression analysis. The study's findings show that claim documentation practices do not affect claims management. However, claims adjustment influences the efficiency of claims management, and claims payment timeliness impacts insureds' satisfaction. Recommendations were made. The paper recommends that claim management should be simple and customer centric. Furthermore, while it is important to re-evaluate and critique the process, timeliness and efficiency in claim processing should be the watchword.

KEYWORDS: *Claims management, Claims Documentation, Adjustment, Settlement, Insurance Companies*

MANUSCRIPT TYPE:

Research Paper

PUBLICATION DETAILS:

Received: XX April. 2026

Revised: XX May., XX Jun. 2026

Accepted: XX Jun. 2026

Publication College of Management Sciences, Michael Okpara University of Agriculture, Umudike Nigeria



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INTRODUCTION

Insurance can be considered a system for transferring the risk of loss from one entity to another in exchange for financial resources (Fadun & Hood, 2021). It is a risk management approach used to protect against contingent risks and unknown losses (Olarinre et al., 2020). The concept of insurance hinges on using the resources of the fortunate many to compensate the unfortunate few when the risk insured against occurs (Baker, 2003).

Three key roles are mentioned in the context of insurance activities by any insurance company: underwriting, investment, and claim management (Ogunnubi, 2018). These core activities, though not mutually exclusive, provide a fulcrum for assessing the performance of the insurance business and an avenue for assessing public perception of insurance (Ajemunigbohun et al., 2022). This is because it stands between the beginning of insurance activities and their unfortunate end for the members of the public. A claim is a demand made by the insured person to the insurer for the payment of benefits under a policy (Asokere & Nwankwo, 2010 in Yusuf & Ajemunigbohun, 2015; Oyetunji & Momoh, 2021).

The procedures for a claim settlement in an insurance contract typically involve prompt notification of the claim, substantiation with documents, investigation, and settlement. The first two procedures - notification and substantiation - are the responsibilities of the insured, while the last two - investigation and settlement - are the duties of the insurer (Oladunni & Okonkwo, 2022). Further, Mahlow and Wagner (2016) succinctly posit that the claims procedure includes notification, registration, audit, settlement, and claim closure.

Despite the efforts of the insurance practitioners, the industry still faces persistent challenges in building trust among policyholders. Olarinre et al. (2020) opined that the ability to handle claims promptly, accurately,

and fairly is essential for maintaining policyholder trust and loyalty. Efficient and effective claims management is crucial for insurance companies as it directly impacts their profitability, customer satisfaction, and reputation.

More worrisome is that, despite the industry's potential amid a growing economy and a large population, Nigeria's insurance penetration remains very low. According to Deloitte's African Insurance Outlook 2024/25, Nigerian insurance penetration is 0.5%. A factor that may contribute to this low penetration is consumers' perceptions and experience of claims management in the insurance sector (Yusuf et al., 2017). The negative experiences of the insureds during claims may contribute to a lack of trust and a reluctance to engage with insurance products and services (Yusuf & Ajemunigbohun, 2015). Furthermore, there is a dearth of statistics on the number of unpaid claims, even as Nigeria's insurance industry looks unfriendly to claims. For instance, the commissioner of insurance, while addressing journalists, stated that "the commission is doing all it can to see that the non-settlement of claims is brought to its barest minimum in the sector" (Akinyemi, 2022). The authors further stated that "the records and statistics of unpaid claims associated with some of our members have not been too good and must be overturned to the benefit of all stakeholders".

Policyholders frequently complain about lengthy, unclear documentation processes, delays, and inaccuracies in claims assessment and adjustment, which ultimately lead to dissatisfaction with the claims settlement process. These inefficiencies create frustration, erode trust, and discourage repurchase of insurance policies. Moreover, weak claims-handling practices exacerbate moral hazard and adverse selection, undermining insurers' credibility. Despite recognition of these challenges, empirical studies examining the direct impact of claims documentation and adjustment on consumer demand in Nigeria remain limited. Addressing these gaps is essential to rebuilding confidence in industry and stimulating sustainable insurance growth. Therefore, the purpose of this study is to (1) examine the effect of claims documentation practices on the effectiveness of claims management, (2) assess how claims adjustment processes influence the efficiency and fairness of claims management, and (3) evaluate the impact of claims payment timeliness and accuracy on policyholders' satisfaction and trust.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Claims Notification and Documentation

This process begins with policyholders reporting their claims to the insurance company. It includes gathering essential information such as the policy number, incident details, and contact information (Mitchell, 2023). The insurance policy could stipulate a specific timeframe for this reporting. Vaughan and Vaughan (2014) observed that though notification requirements could differ from policy to policy, every policy requires that the notice be given immediately or as soon as practicable. The essence is to ensure that the evidence of loss remains fresh and unaltered, so the investigation is not complicated. Vaughan and Vaughan (2014) mentioned that the claim notification could be made by the insured, agent, or broker. Failure to give notice of loss may result in the insurer repudiating the claim. The claims documentation is intended to substantiate the claim with supporting documents. One of the most crucial reasons for proper documentation is to establish the extent of damage (Safely, n.d.). Photos and videos can significantly help the adjuster to understand the extent of the damage, ensuring that no detail is left out. Without documentation, it is difficult to determine the full extent of the loss, resulting in lower compensation. The difference between a smooth, successful insurance claim and a frustrating rejection often comes down to the documents kept (Samadhan Insurance, 2025). The documents range from a duly completed claim form, police report, estimate of repairs/bill of quantities, to third-party details, depending on the type of policy. Proper documentation ensures that insurers can assess liability, confirm authenticity, and determine the correct compensation due to the insured. Therefore, we formulate the following hypothesis:

H1: Claims documentation practices have a significant effect on the effectiveness of claims management in the Nigeria insurance industry

Claims Assessment and Adjustment

This involves an investigation to ascertain the loss, an adjustment to determine its extent, and appropriate compensation in accordance with the policy terms. This may involve obtaining repair estimates, consulting experts, or conducting on-site inspections. The adjuster determines the value of the claim based on the assessment of the damage or loss (Novak & Treagust, 2018). The primary essence of investigating a claim is to ascertain whether the insured is qualified for indemnity or not, or whether the amount specified in the claim form is unreasonable. Rejda (2008) opined that "an adjuster must determine that a covered loss has occurred and must also determine the amount of the loss". At this stage, the insurer will begin an investigation of the loss but is advised not to give the impression that it has accepted liability under the policy (Bassey et al., 2024). Extant literature emphasizes the importance of claims processing in the management of insurance firms' claims. For instance, Yusuf et al. (2017) confirm the importance of claims handling in insurance companies' claims management in Nigeria, arguing that the claims manager should develop

strategic plans to ensure that insurance claims complaint files are properly kept, monitored, and handled for future needs that may warrant their continued usefulness. Therefore, we hypothesize:

H2: Claims adjustment processes have a significant influence on the efficiency and fairness of claims management.

Claim Settlement

The monetary settlement of a claim or its denial is the final stage in the claims procedure (Holyoake & Weipers, 2005). Rejda (2008) identified three possible outcomes of an adjustment: the claim can be paid, denied, or there may be a dispute between the insurer and the insured over the amount to be paid. However, the author reckoned that whatever happened, the decision would be based on the policy provision. According to Adams and Sasse (2018), "a settlement offer is communication from one party to another that proposes terms for resolving a dispute". They further explain that settlement offers can involve various forms of compensation, such as monetary payments, property transfers, or other negotiated terms. There are at least four methods insurers can use to settle claims. They are cash payments, repairs, replacement, and reinstatement. The insured is normally given the option of the method to be employed by the policy wording (Adhikari, 2021). When a settlement offer is fair, prompt, and efficiently handled, it can enhance customer trust and satisfaction. Extant literature indicates that poor claims settlement significantly affects insurance policy demand in Nigeria and that a long-term relationship exists between claims management and policy demand (Oyetunji & Momoh, 2021). Others, such as Ajemunigbohun et al, (2022), show claims handling process attributes: perceptions of motor insurance policyholders in Lagos, Nigeria, confirm the importance insureds attach to the management of insurance claims. The reports indicate that claims management needs to be strategically designed to incorporate various attributes to foster a mutually beneficial relationship between the insured and the insurer, while insurers should offer attractive claims packages to boost the confidence of the motoring community. Therefore, we hypothesize:

H3: Claims payment timeliness and accuracy have a significant impact on policyholders' satisfaction and trust.

METHODOLOGY

This study adopted a cross-sectional survey. It focused on the insured public, especially those who had not only suffered an insurance loss at some point but had also been able to file a claim. A non-probability sampling technique was employed by combining purposive and snowball sampling, given the study's purpose and the need to reach the targeted population through initial contacts. Questionnaires were designed using Google Forms. The questionnaire consisted of questions designed around the personal profile and the study's key constructs: claims documentation, adjustment, and settlement offer. The constructs were measured using items that ranged between 3 and 7 and scaled using a 7-point Likert scale that ranged between two extremes – strongly disagree on a value point of 1 to strongly agree on a value point of 7.

200 copies of the questionnaires were collected, and 132 (66%) copies were successfully completed. However, the 27% non-response rate may be due to people feeling differently or being constrained by time when completing the survey. However, there is no clear absolute cut-off point; Illinois Library (n.d.) posits that when a significant number of participants fail to respond to the questions, and the response rate is above 60%, the response rate is satisfactory and not biased. Further, Saunders et al. (209) posited that questionnaire response rates of 30% and 70% are considered adequate for research.

The questionnaire item was tested for reliability using Cronbach's alpha technique. According to Leech et al. (2005), Cronbach's Alpha is used to assess the internal consistency reliability of several items or scores that will be used to create a summated scale score. The questionnaire items for the core estimation consisted of 14 items for the constructs – claim documentation, claim adjustment, and settlement offer that were used in measuring each of the items. All the items exceeded the 0.6 threshold reported in the literature. Hair et al. (2006) and Ogbazi and Okpala (1994) asserted that a coefficient of less than 0.6 indicates marginal to low internal consistency, and a value of 0.60 or more indicates satisfactory internal consistency reliability. Thus, the questionnaire items were reliable, as shown in Table 1, where the reliability scores were within the recommended thresholds

Statistical Analysis

The collected data was analyzed using both descriptive and inferential statistical methods. Specifically, correlation and regression analysis were employed to test the hypotheses and analyze the questionnaire data. The results were then presented.

Table 1: Reliability score

SN	Variable	Reliability Score
1	The claim form is too long and takes time to complete	.878
2	Most of the questions on the claim form are irrelevant to the claim	.882
3	Some of the documents requested to substantiate a claim are not necessary and should be waived	.876
4	The insurer was quick in requesting documents and the list of documents was explicit	.871
5	The claim personnel was not professional and courteous throughout the claim process	.882
6	I was contacted immediately after the submission of documents by the loss adjuster for inspection of the damaged subject matter of insurance	.868
7	The assessment of the level of damage of the subject matter of insurance was exhaustive	.868
8	The process of inspection and adjustment was not cumbersome	.862
9	The adjuster explained the adjustment process and its implications on the claim	.864
10	The adjuster was very courteous during the inspection and adjustment of the claim	.866
11	The calculation of the amount offered was accurately and transparently done	.863
12	The settlement offer was good enough to place me back in the position I was in before the loss	.866
13	The settlement offer letter was detailed and explained what and why certain items were not approved	.866
14	The claim personnel were patient enough to provide responses regarding the settlement offer	.865

Source: Field survey output (2025)

RESULT AND DISCUSSIONS

Table 2 shows the demographics of respondents who participated in the study. In the gender category, female participants were the largest group, constituting 57.58% (76) of the total respondents. The male counterparts accounted for 56 participants, representing 42.42% of the survey participants. In the age category, respondents aged 31–40 were the largest group in the study, with the highest frequency rate of 69 (52.27%). This is followed by those aged 20–30 years, with frequencies of 38% and 28.79%, respectively. Those aged 41–50 accounted for 19 (14.39%). Participants aged 50 and above numbered 6, representing 4.55% of the total. This result indicates that most participants in the sample are in their youthful, most productive working years. Age is an important factor in insurance policy and risk management (Kelly & Nielson, 2006; Li, 2011). In the education category, respondents with BSc/HND are the predominant participants, with a frequency rate of 76 (57.58%). This is followed by those with master's degrees, given the frequency rate of 43 at 32.58%. Participants with SSCE/WAEC/NECO are 5 in number, representing 3.79% of the total survey participants. The participants with OND are 4 (3.03%). 3 participants have a PhD, representing 2.27%, while participants with ACII had the lowest occurrence with 1 at 0.76%. This result indicates that most participants in the study are literate and therefore understand policy interpretation. This is important because Weedige et al. (2019) and Dragos et al. (2020) show that consumer literacy affects behavioral intention and actual purchases; hence, it is important to emphasize insurance literacy. The marital status category showed that a greater number of participants were married, with the highest frequency of 77, indicating that 58.33% of the total respondents participated in the survey. Of the participants who were single, 51 (38.64%) were single, 2 participants were widows, representing 1.52%, while divorced/separated and engaged were 1 each at 0.76%. This clearly shows variations of individuals with different marital status. In the employment category, employed respondents are the major participants in the survey, with the highest frequency at 78 (59.1%). The respondents who are self-employed are 35(26.5%).

Table 2: The sociodemographic profile of the respondents

S/N	Variables	Frequency	Valid Percentage
1	Gender		
	Female	76	57.58%
	Male	56	42.42%
	Total	132	100
2	Age		
	20 - 30 years	38	28.79%
	31 - 40 years	69	52.27%
	41 - 50 years	19	14.39%
	Over 50 years	6	4.55%
	Total	132	100
3	Education Qualification		
	BSc/HND	77	58.34%
	Masters/MSc	43	32.58%
	SSCE/WAEC/NECO	5	3.79%
	OND	4	3.03%
	PhD	3	2.27%
	Total	132	100
4	Marital Status		
	Married	78	59.1%
	Single	51	38.64%
	Widowed	2	1.52%
	Divorced/Separated	1	0.76%
	Total	132	100
5	Employment Status		
	Employed	78	59.1%
	Self-employed	35	26.52%
	Business	9	6.82%
	Unemployed	7	5.30%
	Retired	1	0.76%
	Artisans	2	1.52%
	Total	132	100
6	Monthly Income		
	<100000	35	26.52%
	100,000 - 300,000	53	40.15%
	300,001 - 500,000	20	15.15%
	500,001 - 1,000,000	13	9.85%
	>1,000,000	11	8.3%
	Total	132	100

Source: Field Survey (2025)

The business people are 9(6.8%). The unemployed are 7(5.3%). The retired is 1(0.8%). The artisans are 2(1.5%). This result indicates that the majority of participants in the study have meaningful sources of

livelihood and can afford insurance services. This provides a direction on extant findings about the positive relationship between income and insurance decisions (Li, 2011). In the income category, people earning between 100,000 and 300,000 represent 53 at 40.15%. This is followed by income earners below 100,000, with 35 at 26.52%. About 20 people (15.15%) were earning between 300,001 – 500,000. 13 people (9.85%) were earning between 500,001 – 1,000,000, while 11 people (8.3%) were earning over 1,000,000. This indicates that the majority of people are earning substantially more than Nigeria's minimum wage, which is pegged at ₦70,000.00.

Table 3: Results of Claim Documentation

Variable	SD (%)	D (%)	SWD (%)	N (%)	SWA (%)	A (%)	SA (%)	Mean	SD	Decision
The claim form is too long and takes time to complete.	29 (22.0)	13 (9.8)	12 (9.1)	22 (16.7)	16 (12.1)	14 (10.6)	26 (19.7)	3.98	2.20	Positive
Most of the questions on the claim form are irrelevant to the claim.	30 (22.7)	20 (15.2)	19 (14.4)	23 (17.4)	12 (9.1)	9 (6.8)	19 (14.4)	3.53	2.07	Negative
Some of the documents requested to substantiate a claim are not necessary and should be waived.	28 (21.2)	19 (14.4)	17 (12.9)	20 (15.2)	11 (8.3)	21 (15.9)	16 (12.1)	3.71	2.09	Positive
The insurer was quick in requesting documents and the list of documents was explicit.	16 (12.1)	14 (10.6)	18 (13.6)	34 (25.8)	11 (8.3)	17 (12.9)	22 (16.7)	4.13	1.94	Positive
The claim personnel was not professional and courteous throughout the claim process.	35 (26.5)	26 (19.7)	17 (12.9)	29 (22)	9 (6.8)	6 (4.5)	10 (7.6)	3.07	1.84	Negative

Source: Field survey (2025). SD = Strong Disagree, D = Disagree, SWD = Somewhat Disagree, N = Neutral, SWA = Somewhat Agree, A = Agree, SA = Strongly Agree. Decision = Weighted Average = $18.42/5 = 3.68$

From the analysis of Table 3, it was found that most respondents agree that the claim form is too long and takes too long to complete. This long form makes completing the claim document very boring and, in most cases, may lead consumers to sign off on items they could have questions about. In the same vein, they believe that some documents requested to substantiate a claim are unnecessary and should be waived. Interestingly, they agree that the insurer was quick to request the documents and the list of documents, despite all the other documents submitted during policy consideration. The volume of documents requested most of the time makes it very worrisome to report claims. This indicates that most respondents will prefer a documentation process that is less hectic, and perhaps the digitalization and harmonization of the document at the beginning of the policy. On the other hand, many of the participants do not feel that most of the questions on the claim form are irrelevant to the claim. This indicates that though the process may be cumbersome for some, it is appreciated by many. However, stakeholders in the insurance market need to harmonize expectations across the market and among consumers.

The results in Table 4 reveal respondents' views on insurance companies' claim adjustment practices in Nigeria. Six questionnaire items were used in measuring the variable. The first question indicates that most respondents disagree that they were contacted immediately after the loss adjuster submitted documents for inspection of the damaged subject matter of the insurance policy. In addition, they disagree that the level of assessment of damage to the subject matter of insurance was exhaustive. This, however, may vary depending on the damage or other claim. Generally, the respondents agree with the various statements regarding the

claim adjustment, providing positive feedback and support for ensuring accurate claim calculations and improving transparency in the claim process.

Table 4: Responses on Claim Adjustment

Variable	SD (%)	D (%)	SWD (%)	N (%)	SWA (%)	A (%)	SA (%)	Mean	SD	Decision
I was contacted immediately after the submission of documents by the adjuster for inspection of the damaged subject matter of insurance.	23 (17.4)	10 (7.6)	18 (13.6)	25 (18.9)	17 (12.9)	22 (16.7)	17 (12.9)	4.04	1.20	Disagree
The assessment of the level of damage of the subject matter of insurance was exhaustive.	13 (9.8)	14 (10.6)	16 (12.1)	30 (22.7)	20 (15.2)	19 (14.4)	20 (15.2)	4.27	1.87	Disagree
The process of inspection and adjustment was not cumbersome.	14 (10.6)	9 (6.8)	18 (13.6)	21 (15.9)	22 (16.7)	25 (18.9)	23 (17.4)	4.48	1.91	Agree
The adjuster explained the adjustment process and its implications on the claim.	15 (11.4)	12 (9.1)	10 (7.6)	26 (19.7)	25 (18.9)	18 (13.6)	26 (19.7)	4.45	1.95	Agree
The adjuster was very courteous during the inspection and adjustment of the claim.	9 (6.8)	10 (7.6)	13 (9.8)	28 (21.2)	28 (21.2)	19 (14.4)	25 (18.9)	4.61	1.78	Agree
The calculation of the amount offered was accurately and transparently done.	16 (12.1)	11 (8.3)	10 (7.6)	23 (17.4)	22 (16.7)	20 (15.2)	30 (22.7)	4.55	2.01	Agree

Source: Field survey (2025). SD = Strong Disagree, D = Disagree, SWD = Somewhat Disagree, N = Neutral, SWA = Somewhat Agree, A = Agree, SA = Strongly Agree. Decision = Weighted Average = $26.4/6 = 4.4$

The results in Table 5 show respondents' responses to the settlement offer. The three (3) questionnaire items used to measure the variable had different outputs from the respondents. The first question showed that the respondents do not agree that the settlement offer was good enough to place them back to the position they were in before the loss, as the greater percentage of their claim has been chopped off, leaving them with a percentage that requires more money to restore them to their original state, coupled with the current state of Nigeria's economic situation. However, based on the responses, the majority agreed that the settlement offer letter was detailed, explained why certain items were not approved, and appreciated the patience of the insurance employees in answering their questions. Generally, the cumulative agreement responses were higher. This indicates that respondents generally view the settlement offer positively and see its potential to influence demand and perceptions of insurance.

Table 5: Results of Settlement Offer

Variable	SD (%)	D (%)	SWD (%)	N (%)	SWA (%)	A (%)	SA (%)	Mean	SD	Decision
The settlement offer was good enough to place me back in the position I was in before the loss.	19 (14.4)	11 (8.3)	9 (6.8)	29 (22)	18 (13.6)	19 (14.4)	27 (20.5)	4.37	2.04	Disagree
The settlement offer letter was detailed and explained what and why certain items were not approved.	14 (10.6)	12 (9.1)	18 (13.6)	20 (15.2)	18 (13.6)	23 (17.4)	27 (20.5)	4.46	1.99	Agree
The claim personnel were patient enough to provide responses regarding the settlement offer.	11 (8.3)	17 (12.9)	14 (10.6)	24 (18.2)	20 (15.2)	22 (16.7)	24 (18.2)	4.42	1.92	Agree

Source: Field survey (2025). SD = Strong Disagree, D = Disagree, SWD = Somewhat Disagree, N = Neutral, SWA = Somewhat Agree, A = Agree, SA = Strongly Agree. Decision = Weighted Average = $13.25/3 = 4.41$

HYPOTHESES TESTING

H1: Claims documentation practices have a significant effect on the effectiveness of claims management in the Nigeria insurance industry

Table 6: Correlation between claim documentation and effectiveness of claims

		Claim documentation	Effectiveness claims management
Claim documentation	Pearson Correlation	1	.080
	Sig. (2-tailed)		.363
	N	132	132
Effectiveness claims management	Pearson Correlation	.080	1
	Sig. (2-tailed)	.363	
	N	132	132

Table 6 shows that there is no correlation between claim documentation practices and the effectiveness of claims management in Nigeria. This is evidenced by the P value of .363. The implication is that claim documentation practices do not have a significant effect on the effectiveness of claims management in the Nigeria insurance industry. A plausible reason for this is that insurance thrives on the perception of the claim for indemnity, rather than on the proper documentation of the claim. However, this result does not remove the value of proper documentation, as it validates the accuracy of the claim. This study is at odds with a similar study by Yusuf et al. (2017), which emphasizes the value of proper documentation to minimize fraud.

H2: Claims adjustment processes have a significant influence on the efficiency and fairness of claims management.

Table 7 shows a strong, positive, and significant relationship between claim adjustment and the efficiency and fairness of claims management. This is evidenced by the P value of .000, which is less than 0.05. Therefore, claim adjustment, efficiency, and fairness of claims management are significantly related. When a claim arises, consumers are more interested in adjustments that reveal their current indemnity and the

value they will receive from the insurance. Therefore, a positive adjustment will increase efficiency, and vice versa.

Table 7: Claim adjustment, efficiency, and fairness of claims management

		Efficiency fairness	Claim adjustment
Efficiency fairness	Pearson Correlation	1	.721**
	Sig. (2-tailed)		.000
	N	132	132
Claim adjustment	Pearson Correlation	.721**	1
	Sig. (2-tailed)	.000	
	N	132	132

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

H3: Claims payment timeliness and accuracy have a significant impact on policyholder satisfaction and trust.

Table 8: Claims payment timeliness and accuracy on policyholder satisfaction and trust

		Settlement offer	Satisfaction and trust
Claim payment and settlement offer	Pearson Correlation	1	.614**
	Sig. (2-tailed)		.000
	N	132	132
Satisfaction and trust	Pearson Correlation	.614**	1
	Sig. (2-tailed)	.000	
	N	132	132

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

Analysis of Table 4.8. revealed that there is a strong, moderate and significant relationship between settlement offer and insured's satisfaction. This is evidenced by the P value of .000, indicating a statistically significant correlation between settlement offers and insured satisfaction. When the offer made to the insured is closer to their expectation, it builds trust and satisfaction. This result sheds light on the various laws governing good and bad faith but concludes that perceptions of settlement offers and their communication can change how consumers perceive insurance (Richmond, 2014).

DISCUSSION

The role of claims documentation practices in the effectiveness of claims management in the Nigerian insurance industry was not established in this study, despite findings in the literature indicating the contrary. Several factors, such as negative attitudes towards insurance among people, can account for the difference. Nigeria's insurance environment has not evolved as much as those in advanced nations. Although there are conceptions of benefits accruing to the insured following unforeseen events, the image of insurance in Nigeria has not really advanced over the years.

In evaluating the effects of claims adjustment processes and the efficiency and fairness of claims management, it was discovered that there is a positive relationship between the variables, as the results showed that claims adjustment influences the efficiency of claims management. This finding collaborates with related studies such as Cummins et al, (1999) and Dionne and Spaeter (2010). The implication is that claims adjustment can direct how claims are managed and affect their efficiency. When claims are appropriately adjusted, it promotes fairness and encourages clients to pick up insurance policies. Therefore, fairness and efficiency are vital in claims management, but they are direct consequences of appropriate adjustments and processes that are considered fair and not hideous.

The impact of claim settlement timeliness on the insured's satisfaction was confirmed by the p-value. In other words, the timeliness of claim payments impacts insureds' satisfaction. This finding aligns with similar work by Dionne and Spaeter (2010) and Harrington and Niehaus (2003). Notably, time is considered essential in insurance, especially the time required to settle claims. When the time for settling claims lags, trust begins to wane, and doubts creep in, which may affect the reputations of insurance companies and the industry. Timeliness demands that the claims receive appropriate attention, as it will promote the industry and facilitate its redefinition from the negative perspective it currently holds, namely that it cannot settle claims. While the present result established that the insured's satisfaction is closely tied to the time taken to settle claims, the implication is that digital approaches should be integrated to facilitate timely activities and operations. The implementation of digital operations streamlines operations and helps the company satisfactorily meet the insured's needs. Essentially, the company's existence is based on the business generated by the insurance population. While the insurance population has recognized the importance of the study, it requires the insurance industry to expedite the integration of up-to-date technologies that promote business and, more importantly, provide satisfaction.

CONCLUSION

This study aims to understand how claims management practices shape policyholders' trust and satisfaction in the developing insurance market. The claim determinants include the documentation, adjustment, and claims settlement. The study's findings revealed the insured's psychology during claims processing. The insured is more concerned with the claim's outcome and eager to do whatever is asked of him to ensure a successful claim. That does not in any way mean that he approves of the time it takes to complete the forms, the relevance and necessity of some of the substantiating documents. The insured is more focused on how the damaged subject matter of insurance is assessed, which, of course, affects the adjustment and, invariably, the settlement. In the contemporary insurance business, customers are highly aware and seek premium service at record time. Given the focus of the analysis on descriptive analysis, the processes involved in claims adjustment provide a pivot to efficiency and fairness in claims management, although this study offers nothing connecting claims documentation practices to the effectiveness of claims management. However, timeliness and accuracy in claims payment are considered important and essential for trust and satisfaction among policyholders. While the study holds varying managerial implications such as managerial changes and integration of timeliness, conscientiousness, and upholding fairness in the practice of insurance in the industry, the shortfalls in timeliness imply the need to adopt up-to-date digital technologies, especially innovations within the 4th generation digitalization to promote fast response and timely response to claims management and settlement.

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