ABSTRACT
Delivering high quality service is a winning strategy in every business. However, many struggle to improve their services. Quality service is essential for a competitive business advantage as it sustains customer satisfaction in claim settlements. This study aimed to determine the customer satisfaction in claim settlements in a non-life insurance corporation. Specifically, it seeks to answer the factors affecting the company in terms of insurance line, years as policyholder, reliability, assurance, tangibility, empathy, and responsiveness or RATER Metrics and to develop an action plan on how insurance company can increase customer satisfaction in terms of claim settlement. A total of fifty (50) insured members from head office and branches were the participants of this quantitative study. Descriptive method was used to achieve its objectives which primarily focuses on determining the customer satisfaction in claim settlements. The survey questionnaire was the main research instrument used. The following conclusion were drawn: 1) Most of the participants/policyholders belonged to the age group of 31-40, male, married, college graduate, filed motor claim and insured member for more than 6 years. 2) The results showed that the participants were somewhat satisfied in terms of empathy; satisfied in tangibility and responsiveness; very satisfied in reliability and assurance. 3) There is no significant difference between the extent of customer satisfaction when grouped according to gender, civil status, educational attainment, insurance line and years as an insured. On the other hand, there is a seen significance on the assessments when the participants are grouped according to age with p-value of 0.002. The study recommends annual training for employees, agents, and insurance brokers to disseminate the proper procedures in processing claims to insured members to improve positive claims experience. Adapt to the new normal and identify, formulate, and implement appropriate strategies.

KEYWORDS
insurance, customer satisfaction, quality service, growth and sustainability

1. BACKGROUND AND IMPORTANCE OF THE STUDY
In all sectors, business organizations need to know how well the customers are satisfied. Customer satisfaction is the measurement that determines how happy customers are with a company’s products, services, and capabilities. Customer satisfaction is a feeling of pleasure or disappointment of someone who appears after comparing the performance of the product thought against the expected performance results. 

Risk is inevitable. Insurance companies offers financial protection to unforeseen situations that people and companies face throughout their existence. Their main purpose is to reduce financial uncertainty and make accidental loss manageable to their policy holders or insured members.

The non-life insurance market is segmented into motor, property, health, casualty, travel, marine and surety. The non-life insurance market here in the Philippines grew by 5.6% in 2022, as compared to a high of 14.5% in 2021. The total net worth of the non-life insurance industry in the Philippines amounted to approximately 128 billion Philippine pesos in 2022. This reflects an increase from the previous year’s roughly 115.64 billion Philippine pesos. The sector’s net worth showed year-on-year growth for the past five years.

Insurance is an intangible product until the client receive a payment for an insured loss. The experience from filing a claim to receiving a claim check can influence the client’s satisfaction with the insurance provider. This research will help the company to assess and analyse customer satisfaction. A positive claims experience will result in a long-term client.

2. LITERATURE REVIEW
Satisfaction is a function of recognized performance and expectations of the customers. This performance is the belief of customer's regarding their experience in the product/service. Then again, the customer's expectations are influenced by the performance of the product in the past, word of mouth, reviews and what competitors say about the product/service. Customer satisfaction is the overall evaluation based on the total purchase and consumption experience with the good or service over time (Fornell, Johnson, Anderson, Cha & Bryant 1996). Cumulative satisfaction can be understood as long-term and is based on repeated purchase and on the customer's overall experience with a product, including an evaluation of the selling or providing parties. Customer satisfaction has a very strong influence on the competitiveness of the product and, therefore, on the company, so it is also necessary to examine customer satisfaction within the context of competitiveness. "Customer satisfaction with a company's products or services is often seen as the key to a company's success and long-term competitiveness" (Hennig-Thurau & Klee, 1997). When identifying the variables which can measure the competitiveness of the company, it is possible to start from the consumer buying-decision model. This model demonstrates that customer satisfaction depends on whether the customer bought the product, as the customer purchases the product by comparing the values of different (competing) products (Dubrovski, 2001).

Transactional and overall also known as cumulative satisfaction are the
two types of satisfaction (Sperli & Dion, 2004). Satisfaction is a step-by-step process. It is going through different the following phases such as awareness, exploration, expansion, commitment, and dissolution. (Arantola, 2000). Loyalty can be a byproduct of satisfaction. Loyalty will increase when customer is satisfied and will decrease if the satisfaction level drops.

Recent study suggested that the greatest factor which customer can distinguish between insurance product is through service quality (Schlesinger and Graf von der Schulenburg, 1991). A study suggested that consumers rely on brand image to ascertain and perceive service quality (Gronroos, 1984). Previous study found that insurance policy is mostly sold by an agent (Croby and Cowles, 1986). Further, Slattery (1989) said that the quality of the service of agent’s and the relation with the policyholder/insured member, serves to either mitigate or aggravate the perceived risk in buying the insurance policy (Slattery, 1989). Research identified that policyholders/insured members wanted responsive agent, communications from the insurer, clear and precise transactions, and problems that are resolves quickly (Pointek, 1992). A study points out that pure services call for different expectations than that of services that include tangible products (Toran, 1993).

Insurance is a contract, represented by a policy, in which a policyholder/insured receives protection financially or reimbursement against losses from their insurer. The insurer pools clients’ risks to make payments more affordable. Non-life insurance is a type of insurance covering people, property, or legal liability. The common non-life insurance policies type are health, travel, motor, fire, casualty, engineering, marine, bonds and surety.

Companies that are successful build their business around the wants of the customer. And as for the customer, experience is the essential factor in determining their loyalty. As per The State of Connected Customer report, 84% of customers stated that the experience provided by the company is equally important as its products or services.

Policyholders viewed insurance as a product they had to purchase based on what was available. The insurance market become saturated with more options of products and conditions. To meet their changing needs, insurers need to be quick and to work faster in delivering a better experience for the policyholders/insured members.

In every business, the happiness of the customer is one of the essential factors. Satisfying a customer is a difficult task as the customer’s bargaining power is on top. Customer satisfaction is a key to any business to be fortunate and to survive. It emerges from many factors. It has been studied with different themes like the correlation of customer satisfaction with service recovery and failure, quality of the product or service, and such other themes.

6. RESULTS AND DISCUSSION

6.1 Profile of the Participants

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-30 Years Old</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>31-40 Years Old</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td>41-50 Years Old</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>51-60 Years Old</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>61 Years Old and Above</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 1 shows the frequency and percentage distribution of the participants in terms of age. Most of the participants belonged to the age group of 31-40 old with the frequency of 19 or 38%. It was followed by 21-30 years old with the frequency of 15 or 30% then 41-50 years old with the frequency distribution of 9 having percentage of 18% and then by 51-60 years old with the frequency distribution of 5 or 10%. There were only 2 participants, or 4% who belonged to the group of 61 years old and above.

Most of the participants are in the early adulthood stage. It is the age when people start building their career and getting insured. Based on the article from Noble Oak with you for Life, lower premiums were given to buyers of life insurance who are in their early adulthood.

Table 2 shows the demographic profile of the participants in terms of gender. Overwhelming majority of the participants were male as evidenced by its frequency distribution of 27 which is equivalent to 54%. There were 23 female participants with the percentage of 46%. The result shows that there’s just a slight difference between the number of males and females on overall respondents. This could be a good indication that both male and female were equally willing to buy an insurance policy. Marla Royn Stafford and Brenda P. Wells (1996) suggested that man and woman are identical in their perceptions regarding service quality.

The industry of insurance has begun to move to a client centric. The industry shifted to a consumer-centric model which focused on customer experience. The positive changes adopted by many insurers company includes: 1.) New channels were added to communicate with policyholders for their inquiries and filing of claim. 2.) Using simple words that are easy to understand. 3.) Hybrid experiences were offered. 4.) Engaging with policyholders occasionally instead of only at the time of the renewal of the policy.

2. RESEARCH DESIGN

The researcher utilized the descriptive type of research in conducting the study to achieve its objective which primarily focuses on determining the customer satisfaction in claim settlements in a Non-Life Insurance Corporation. Descriptive research aims to obtain information on the current state of phenomena and to provide precise situation of profiles, people, and/or events (Rahil, 2017). This research is more concerned with what rather than why and how something has happened therefore survey tools are often used to gather data (Nassaji, 2015). Data gathered from this study was analysed quantitatively using statistical treatments to determine the objective and the relationships between the research variables which was the basis for the development of an action plan.

3. RESPONDENTS

The participants of the study were 50 insured members from the head office located in Pasig City and branches of the Non-Life Insurance Corporation around the Philippines. Random sampling was utilized in the selection of the participants. Each member has an equal set of circumstances to be chosen. The aim of this sampling is to minimize the potential prejudice choosing of cases to be included in the sample.

4. DATA GATHERING INSTRUMENT

The said instrument comprises of two parts: The first part of the questionnaire is the demographic profile of the respondents that corresponds to their age, gender, location, educational attainment, and income. The second part is the factors affecting customer satisfaction in terms of customer perceived quality and value. Responses for this part will be rated according to level of agreement: 1 for strongly disagree, 2 for disagree, 3 for agree and 4 for strongly agree.

5. DATA GATHERING PROCEDURE

The researcher first formulated a self-made survey questionnaire according to the objectives of the study. The sample questionnaire was then submitted for approval and necessary revisions were made. Respondents were given assurance that their answers would be treated with utmost confidentiality and for research purposes only.
Table 3: Profile of the Participants in Terms of Marital Status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Married</td>
<td>28</td>
<td>56</td>
</tr>
<tr>
<td>Widowed</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3 shows the frequency and percentage distribution of the participants in terms of marital status. The majority of the participants were married with a frequency of 28 or 56%. It was followed by single participants with the frequency distribution of 18 having a percentage of 36. There were only 4 participants or 8% who were widowed. The result shows that most of the participants were married. Since the breakdown of the pandemic, married couples and parents are more risk conscious. Further, household income, social interaction, and household size were the main influencing mechanisms.

Table 4 shows the frequency and percentage distribution of the participants in terms of educational attainment. Most of the participants have a college degree with the frequency of 18 or 36%. It was followed by elementary and postgraduate degrees have participants of 5 or 10%. Education is considered one of the most critical human capital investments. The results show that most of the respondents attained a formal education particularly in college which means they were able to have the basic foundation of knowledge in the importance of insurance.

Table 5 shows the frequency and percentage distribution of the participants in terms of insurance line. Most of the participants filed for motor claim with the frequency of 18 or 36%. It was followed by personal accident with the frequency of 17 or 34% then casualty with the frequency distribution of 7 having percentage of 14% and then fire with the frequency distribution of 5 or 10%. There were only 3 participants, or 6% who claimed engineering. The results show that most of the participants filed for motor claim. Based on the data from the exhibits, the most bought non-life insurance policies are motor for the past 5 years.

Table 6 shows the frequency and percentage distribution of the participants in terms of years as an insured member. Most of the participants were insured members for 6 years and above with the frequency of 23 or 46%. It was followed by 1-5 years with the frequency of 20 or 40%. There were only 7 participants or 14% who were new insured members. The figure shows that the company is gaining customer loyalty.

6.2 Customer Satisfaction in Claim Settlements in A Non-Life Insurance Corporation in The Philippines

Table 7: Presents the Assessment of Respondents on Customer Satisfaction in Terms of Tangibility

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy filing of claim through email notification or office.</td>
<td>3.24</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Significance of the list of required documents.</td>
<td>2.76</td>
<td>Satisfied</td>
</tr>
<tr>
<td><strong>Composite Mean</strong></td>
<td><strong>3.00</strong></td>
<td><strong>Satisfied</strong></td>
</tr>
</tbody>
</table>

Legend: 1.00-1.80 - Not at all satisfied, 1.81-2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 - Delighted. The assessment of respondents on customer satisfaction in terms of tangibility gathered an average weighted mean of 3.00 which indicates that respondents are satisfied.

Table 8: Presents the Assessment of Respondents on Customer Satisfaction in Terms of Reliability

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering promises to do something by a certain time frame.</td>
<td>3.30</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Speed of process from the notice of claim to payment.</td>
<td>3.54</td>
<td>Very Satisfied</td>
</tr>
<tr>
<td><strong>Composite Mean</strong></td>
<td><strong>3.42</strong></td>
<td><strong>Very Satisfied</strong></td>
</tr>
</tbody>
</table>

Legend: 1.00-1.80 - Not at all satisfied, 1.81-2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 - Delighted. The assessment of respondents on customer satisfaction in terms of reliability gathered an average weighted mean of 3.42 which indicates that respondents are very satisfied.

Table 9: Presents the Assessment of Respondents on Customer Satisfaction in Terms of Responsiveness

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting information of the claims status is easy.</td>
<td>3.12</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Willingness of the claims officer to help you.</td>
<td>3.38</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Manner in which the claims officer respond to your request.</td>
<td>3.54</td>
<td>Very Satisfied</td>
</tr>
<tr>
<td><strong>Composite Mean</strong></td>
<td><strong>3.35</strong></td>
<td><strong>Satisfied</strong></td>
</tr>
</tbody>
</table>

Legend: 1.00-1.80 - Not at all satisfied, 1.81-2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 - Delighted. The assessment of respondents on customer satisfaction in terms of responsiveness gathered an average weighted mean of 3.35 which indicates that respondents are satisfied.
Most of the participants belonged to the age group of 31 years. There was no significant difference between the assessment of respondents on customer satisfaction in terms of empathy gathered an average weighted mean of 2.59 which indicates that respondents are very satisfied.

The assessment of respondents on customer satisfaction in terms of assurance gathered an average weighted mean of 5.00 which indicates that respondents are very satisfied.

The assessment of respondents on customer satisfaction in terms of empathy gathered an average weighted mean of 3.43 which indicates respondents are somewhat satisfied.

The assessment of respondents on customer satisfaction in terms of assurance gathered an average weighted mean of 2.59 which indicates that respondents are satisfied.

### 7. Conclusion

Based on the findings of the study, the following conclusions were drawn:

1. Most of the participants belonged to the age group of 31-40, male, married, college graduate, filed motor claim and insured member for more than 6 years.
2. The results showed that the participants were somewhat satisfied in terms of empathy, satisfied in tangibility and responsiveness; very satisfied in reliability and assurance.
3. There was no significant difference between the extent of customer satisfaction when grouped according to gender, civil status, educational attainment, insurance line and years as an insured. On the other hand, there is a seen significance on the assessment when the participants are grouped according to age with p-value of 0.002.

### 8. Recommendations

There’s a close link between leadership and customer centricity. The insurance provider must drive customer centricity within the organization. This may sound cliché but having the right people, making sure that they know the product, they have the right skills is a must. Start creating culture wherein empowering and supporting the employees, increasing agent effectiveness, and investing in human capital.

A lot of things have changed since Covid. Everything has been online-driven. Insurance providers must adapt to the new normal to meet the changing needs of the policy holders. They must commit to speed as the policy holders and/or insured members want everything in an instant or in one click. A system that will seamlessly connect the agents, brokers and clients for a quicker, effective, and efficient filing and processing of claim. A system wherein they can see the status of the claim in real-time. Reducing the turnaround time will improve the customer experience. Some of the samples are automating the manual process; chatbots and virtual assistants that can provide swift response and support that are valuable nowadays and can save time.

### References