Research Title

An analysis of the strategies to improve the uptake of short-term insurance products in Zimbabwe.

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Approval Form

The undersigned certify that they have read and recommended to the Insurance Institute of Zimbabwe research entitled:

An analysis of the strategies to improve the uptake of short-term insurance products in Zimbabwe.

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Letter of Declaration

I, Handricks Ngena hereby declare this research on; AN ANALYSIS OF THE STRATEGIES TO IMPROVE THE UPTAKE OF SHORT-TERM INSURANCE PRODUCTS IN ZIMBABWE is my own work. I wish to state that to the best of my knowledge it contains no material published by another person or material which has been accepted for the award of another Fellowship or any other [title of certificate attained] of the [whether college or Fellowship], except where due acknowledgement has been made in the text.

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Release Form

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DISSERTATION TITLE : An analysis of the strategies to improve the

uptake of short-term insurance products in Zimbabwe

YEAR OF ATTAINMENT **:** 2021

SIGNED

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Acknowledgements

Abstract

The penetration rate for the short-term insurance products in Zimbabwe has been on the low side for a period of 5 to 10 years and no meaningful growth has been recorded in the insurance industry except for inflationary growth.

This study highlights and analyses the strategies to improve the uptake of insurance short term products in Zimbabwe. The population of the study included all 18 short-term insurance companies and 14 responded, 30 customers and 23 responded.

The respondents were mainly management, claim administrators and underwriters. Random sampling was used by the researcher to ensure that each element of the population had an equal chance of being selected.

Conclusions from the findings showed that the currently implemented strategies are not adequate to increase the uptake of the insurance products.

Survey findings revealed the following strategies customer education, innovation, low-cost insurance products, improved turnaround times, online services, and tailor-made products.

Therefore, the research concludes that the strategies were effective, and it is recommended that short-term insurance companies apply these strategies.

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Definition of Terms

Insurance means an agreement entered by the insurer and insured and in the event of the latter suffering a loss the former will be indemnified.

Short term insurance/non-life means policies that normally run for a maximum period of twelve months.

Insurance penetration means the proportion of aggregate written premiums from insurance products to the GDP of a nation. Penetration rate is used to measure the uptake of insurance services.

Strategy means the general framework that provides guidance for actions to be taken and, at the same time, is shaped by the actions taken.

Short term insurance players mean short term insurance companies registered and regulated by the Insurance and Pension Commission (IPEC)

Underwriter means one who evaluates and analyses the risks involved in insuring humans and assets.

Claims administrator means one who manages claims process and process claims for clients.

Insurance Broker means one who acts as an advisor on insurance matters and arranges insurance cover with insurers on behalf of clients.

Insurance Agency means one who sells insurance on behalf of an insurance company to clients and earns a commission.

Bancassurance means an arrangement between the bank and the insurance company allowing the insurance company to sell its products to the bank`s client base.

Policy wording means the terms, conditions, and definitions of insurance coverage.

Insurance uptake means the rate at which insurance products are being adopted by clients

Chapter One: Introduction

1.0   Background of the study

Risk is an unavoidable element of our life that is inherent to all the activities that we carry out in our daily lives, this is at corporate level as well as at individual level. If risks are not mitigated, losses are experienced that will lead to financial losses. Since risk is unforeseen it simply means that for one to be properly protected, they need to be covered by insurance.

In June 2019 Insurance and Pensions Commission (IPEC, 2019) contracted Topline Research Solutions (TRS) to carry out an insurance survey on the uptake of insurance products. According to the research 64% of the adult population is not insured or does not have any form of insurance cover. This shows that there is a large market that needs to be tapped into by the insurance market.

According to the Insurance and Pensions Commission (IPEC) 2nd quarter report (2019) The insurance policies have been lapsing without being renewed for the past 5 years owing to economic challenges.

According to the (Topline Research Solutions, 2019) 59% indicated that they had terminated their insurance covers since they cannot afford insurance cover at all.

The same research shows that 45% of the adult population claims that they cannot afford insurance since their income was not stable. Another 50% claims that insurance is very expensive whilst 20% indicated that insurance pay-outs are not guaranteed. These statistics indicate that the insurance uptake is very low in Zimbabwe and the current penetration rate is at 4.09% (PWC, 2018) which is low as compared to other regions with South Africa with the highest penetration rate in Africa of over 20%.

For the Insurance industry to survive it consists of different players among them being the consumers of the service which are individuals, small-to-medium enterprises, corporate companies, and government entities. During the past years between 2009 to 2019 most of the Zimbabwean companies have downsized and others have ceased to operate. According to the (Sunday Times, 2019) nearly 100 Zimbabwe companies closed and most corporates being the main consumers of the insurance services in Zimbabwe thereby

affecting the uptake of insurance services. This has also negatively affected the number of individual populations who have lost their jobs because of the company closures and were potential consumers for insurance services.

Some consumers are not aware of the products and services offered by the insurance companies. The level of insurance awareness needs to be increased by the insurance companies with the help of the regulator Insurance and Pensions Commission (IPEC) by holding joint campaigns.

The insurance industry has been experiencing negative growth due to the economic challenges being faced in the economy. According to the (IPEC, 2020) report 1st quarter 2020 the industry recorded a negative growth of 5% and the industry has been experiencing negative growth since 2017.

1.1   Statement of the problem

There is a low uptake of general insurance products and services in Zimbabwe. According to a survey conducted by Top Line Research (TRS) in June 2019 on behalf of Insurance and Pensions Commission (IPEC) 64% of the adult population have no insurance. Although some companies still purchase insurance products, the premiums written have not been growing between 2017 to 2020. The economy has not been performing well between 2009 to 2019 there has been a steady decline in the Gross Domestic Product (GDP), and this has also resulted in the drop in insurance services uptake.

1.2   Aim of the study

The purpose of this study is to investigate various factors influencing the uptake of insurance services.

This research is also aimed at finding solutions to the low insurance uptake by conducting research on possible solutions that the insurance industry can adopt to increase the uptake of insurance services.

1.3   Research objectives

This research will try and follow the following objectives:

- To investigate the reasons for the low uptake on the short-term insurance products.
- To identify the factors that are hindering the uptake of short-term insurance products.
- To assess the current strategies that the insurance companies are currently using to roll out their insurance products.
- Recommendations on measures that the insurance sector can deploy to increase uptake of the short-term insurance products.
- Establish the level of awareness and knowledge of customers on the insurance products.

1.4 Research questions

The research will answer the following questions:

- Why is the insurance uptake low?
- What are the factors that are hindering the uptake of the insurance services?
- What strategies can the insurance sector do to increase the insurance uptake of insurance products?
- Why are consumers not taking up the insurance services?
- Are the consumers aware of the insurance products and the benefits associated with taking up insurance?
- What does the government need to do to improve the uptake of insurance uptake?

1.5 Significance of Study

To the Student

This research is being done in partial in fulfilment of the requirements of the Fellowship qualification with Insurance Institute of Zimbabwe (IIZ). The research is important to the student as it will give the author an insight and better understanding of the area of study. The author will understand what will need to be done to improve the uptake of the insurance services in the industry.

To Zimbabwe Insurance Brokers (ZIB)

The research is also important to Zimbabwe Insurance Brokers (ZIB) as it is among the top insurance brokers, and this will improve its competitiveness as well as products

offering. The ultimate result will be a well-positioned and recognised company who takes the interest of the consumers at heart.

To Fellowship Academia

The research will be used by fellow academia to appreciate what they can do to improve and increase the insurance services offerings in the organisation they are heading.

To the Insurance Industry

The research will assist the industry to understand their consumers needs and demands and strategies that they need to employ to have a better and viable insurance industry. This will also help the industry to have a better understanding on how they need to package their products in line with the consumers demands.

To Insurance and Pensions Commission (IPEC)

The research will give the regulator an understanding of the consumers expectations and insurance players which will assist the regulator to come up with a suitable policy framework that will better serve the industry. IPEC will also get to know the strategies that need to be adopted for the industry to increase the uptake of the insurance products.

1.6   Scope of Study/Geographical Area

This research will be mostly carried out in Harare where most of the insurance players namely reinsurers, insurers, insurance brokers and agents head offices are located.

Harare being the capital city of Zimbabwe has the highest adult population of around 1.53 million according to latest census statistics.

Harare is Zimbabwe's leading financial, commercial and communications centre. The city has most industries ranging from manufacturing, including textiles, steel, chemicals, parastatals, universities, colleges, hospitals, and various service industries are headquartered.

It is also a trade centre for most cash crops such as tobacco, maize, cotton, and most fruits that come from around the country.

The locations for the industry are not widely dispersed and this will give the researcher the advantage to cover most industries with less resources.

This will enable the researcher to cover most of these varieties of industry which are in the capital city.

1.7 Limitations

The following are limiting factors that may hinder the progress of the research:

- **Time**

Time may be limited to the researcher who is an insurance executive who still needs to make time to manage the company business. The same time when the research needs to be done is the time production is expected in the company.

- **Holding of sensitive information**

The research may face limitations of relevant information that might be considered sensitive in the insurance industry. Some players might not be comfortable to give information to a competitor since the researcher is also a key player in the industry.

- **Covid pandemic**

The current covid pandemic that has seen the world introducing lockdown restricting the movement of people has not spared Zimbabwe. The current lockdown restrictions may go for an undisclosed period and the researcher might not get access to the intended people to interview and hand over questionnaires.

- **Biased information**

There is bias on the people who will participate in the interviews and questionnaires as people can give what they feel about a topic without necessarily applying their minds.

- **Responds rate**

There is no guarantee that all the questionnaires or interviews the researcher will carry will have 100% responses or participation. Some might take forever to respond, and some may not respond at all leaving the researcher without information to support the research.

- **Research costs**

Financial resources will be required to finance the research and the costs include, travelling, questionnaire printing, internet costs and fuel to move around doing the interviews and distribution of relevant research information.

- **Research material costs**

Some research material needs funding, books that are available on the internet need to be paid for to access them.

Chapter Two: Literature Review

2.0 Introduction

This chapter focuses on the reviews of literature done by many authors who have written on strategies that short-term insurance companies can implement in order to improve the uptake of the insurance. In this chapter the author seeks to highlight points of convergence and divergence among different authors linking these with the researcher`s current study. The current study is distinguished from the previous studies thus ensuring that the researcher will not replicate what has already been done by previous authors and in the process assist the author to come up with best strategies to follow as well as avoid those that are not applicable.

2.1 Definition of Terms

2.1.1 Insurance

James (2012) defines insurance as a contractual arrangement in which one party, i.e., the insurance company or the insurer, agrees to compensate the loss or damage sustained to another party, i.e., the insured, by paying a definite amount in exchange of an adequate consideration called a premium. It is often represented by an insurance policy, wherein the insured gets **financial protection** from the insurer against losses due to the occurrence of **any event which is not under the control of the insured.**

(Kagan, 2020) states that insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company. The company pools clients' risks to make payments more affordable for the insured. Insurance policies are used to hedge against the risk of financial losses, both big and small, that may result from damage to the insured or her property, or from liability for damage or injury caused to a third party. These definitions support that insurance is an agreement entered by the insurer and insured and in the event of the latter suffering a loss the former will be indemnified.

2.1.2 Short term insurance/non-life

(L Still, 2016) defines short term insurance as insurance designed to compensate an individual, firm or juristic entity for financial losses caused by or consequent to damage or theft to property (buildings, contents, motor vehicles and other assets) following an

unforeseen event. It also compensates for other risks such as business interruption, personal and public liability, insurances of the person and health expenses. These policies normally run for a maximum period of twelve months.

2.1.3 Insurance penetration

This refers to the proportion of aggregate written premiums from insurance products to the GDP of a nation. Penetration rate is used to measure the uptake of insurance services (Haiss & Sumegi, 2008).
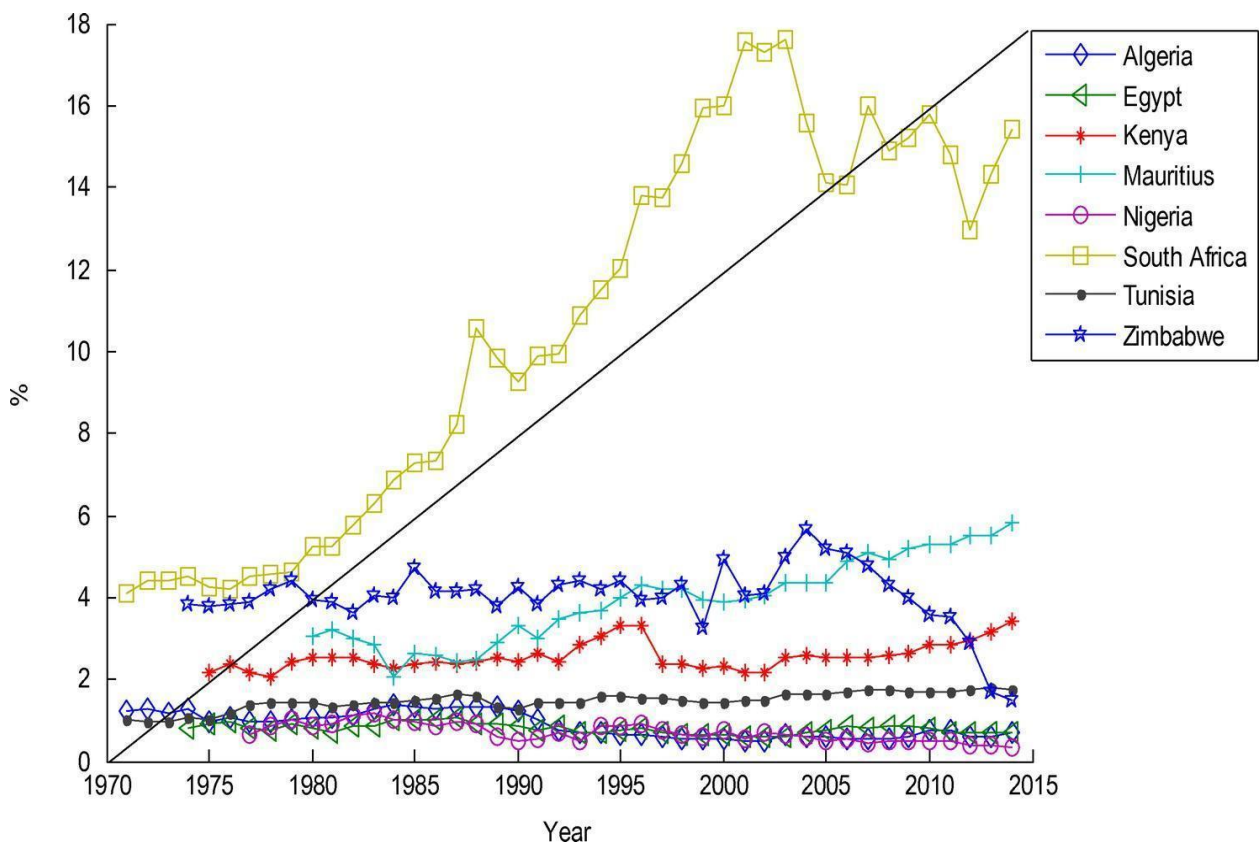
Figure 1: Source, Trend of insurance penetration in selected African countries (D.O Olayungbo 2015)

This table shows that the penetration of insurance in African is generally low with most of them having a penetration rate of less than 4% except for South Africa which is showing growth in the penetration of insurance. For Zimbabwe it is showing that the penetration is hovering around 4% and shows a decline going into 2015.

2.1.4 Strategy

(Nicklos, 2012) defines strategy as a general framework that provides guidance for actions to be taken and, at the same time, is shaped by the actions taken. This means

that the necessary precondition for formulating strategy is a clear and widespread understanding of the ends to be obtained. Without these ends in view, action is purely tactical and can quickly degenerate into nothing more than a flailing about.

(Mintzberg, 1994), in his 1994 book, *The Rise and Fall of Strategic Planning* argues that strategy emerges over time as intentions collide with and accommodate a changing reality. Thus, one might start with a perspective and conclude that it calls for a certain position, which is to be achieved by way of a carefully crafted plan, with the eventual outcome and strategy reflected in a pattern evident in decisions and actions over time. This pattern in decisions and actions defines what Mintzberg called "realized" or emergent strategy.

2.2 Common features of a successful strategy plan
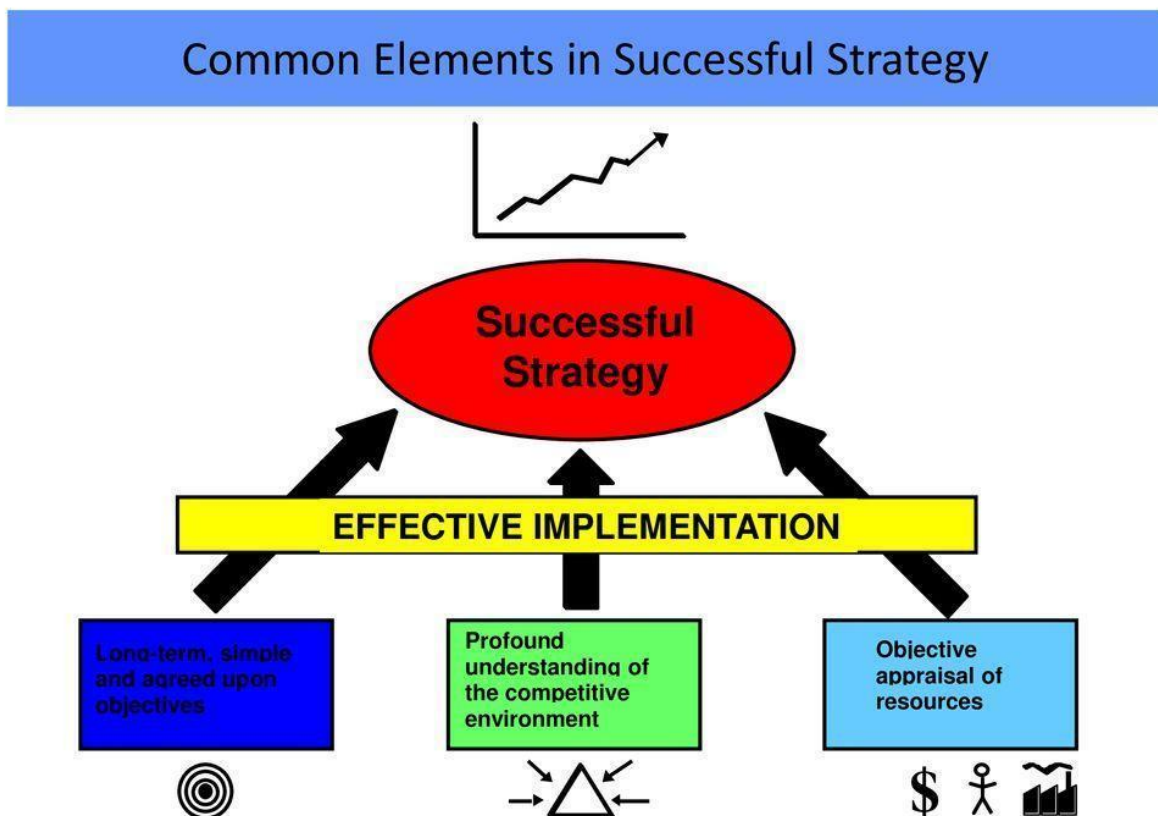
Source: Adapted from Robert S. Grant, 1991

Figure 2: Common features of a successful strategy

The above diagram indicates that for a strategy to be successful, the company has to be devoted enough to follow the laid down strategy in order to be successful. The

organisation should understand the environment in which it is operating and be ready to brace up with any changes. Furthermore, a strategy needs the organisation to continue meeting up with new demands of the market by providing enough resources to be successful. For the strategy to be effective there is a need for effective implementation of agreed objectives and ideas.

2.2.1   Short term insurance players

Table 1: Source: Adapted from the Insurance and Pension Commission March (2020) Report

Type of Institution	Number of Registered Entities
Insurance Companies	18
Micro insurers	1
Reinsurance Companies	8
Underwriting Management Agencies	2
Insurance Brokers	32
Reinsurance Brokers	7
Loss Assessors	36
Corporate Agents	140
Sole Agents	480
Total	**724**

The short-term insurance industry in Zimbabwe is regulated by the Insurance and Pension Commission (IPEC) with which the commissioner is responsible for the enforcement of insurance rules and regulations through the enforcement of the Insurance Act of Zimbabwe Chapter 24:07. This insurance act regulates the activities that are carried out by all the players in the industry to ensure fairness and smooth competition.

2.3   Short term insurance products

L Still and G Strokes (2016/2017) includes short term insurance to be damage or theft to property (buildings, contents, motor vehicles and other assets) following an unforeseen event, other risks such as business interruption, personal and public liability, directors, and officers covers, fidelity guarantee and health expenses. According to the (IPEC report, 2020), the following classes of business are underwritten in the insurance industry of Zimbabwe: motor, marine, fire, health, agriculture, aviation, liability, personal accident,

fidelity guarantee, bonds and guarantees, machinery breakdown and loss of profits, assets all risks, electronic equipment, engineering and plant and machinery. Below are the common classes and definitions:

- Assets all risks insurance policy covers all assets owned, hired, or leased by the insured excluding motor vehicles as declared by the insured. Business property is covered against perils such as fire, explosion, lightning, earthquakes, storms, flooding, and landslides.
- Loss of profits insurance policy covers loss of revenue following a fire on property insured as above. This policy aids to place the business in the same position it was before the loss, in terms of forgone turnover or income.
- Loss of rent protects the insured against the loss of rental income following a fire that would have damaged rented property.
- Machinery breakdown insurance policy protects the insured against all risks of machinery breakdown for commissioned machinery.
- Machinery loss of profits policy covers the insured against loss of profits following breakdown of machinery that is insured.
- Mine rescue insurance policy covers the insured for costs incurred in rescuing trapped underground workers and operating equipment.
- Environmental pollution legal liability policy covers environmental clean-up costs as well as legal defence costs which can be incurred by the insured. That is for companies that may carry fuel or hazardous substances.
- Motor insurance policy covers theft, damage to the insured car, death and bodily injury to third parties and many other incidents, depending on the type of cover selected by the insured client on the car. Thus there are different policies that are available.
- Professional Indemnity policy protects the insured against claims for professional negligence by various specified professional staff. Experiments would not be covered, and professionals should be acting within their scope of duty.
- Crop insurance policy covers crops on a field to floor basis. Basic coverage would be against perils such as fire, lightning, hailstorms and diseases.
- Public liability policy covers a business in the event that it is held responsible for injuries, death to a third party or damage to a third party's property.

- Personal accident policy covers the insured against death, bodily injury, temporary total disablement, permanent disability as well as medical expenses for specified categories of people.
- Directors and officer's liability insurance protects senior officers in an organization against professional negligence claims raised by stockholders arising in their capacity as directors and officers of an organization.
- Electronic equipment policy covers the insured against accidental loss or damage to computers and licensed software.
- Contractors all risks insurance protects against all risks of damage to contract works including plant and materials and public liabilities.
- Money insurance policy protects the insured in the event of loss of or damage to cash.
- Marine insurance policy covers the hull, imports, and exports to and from worldwide destinations on all risks basis.
- Homeowners' policy covers a house or building for its replacement or rebuilding value.
- Home contents insurance covers contents inside the house and limited cover outside the building   .
- Fidelity guarantee policy protects a business against losses suffered due to fraud or dishonest acts by employees of the insured.
- Bonds and guarantees are a type of insurance policy that a bond issuer purchases that guarantees the repayment of the principal and all associated interest payments to the bondholders in the event of default.
- Agricultural insurance protects against loss of or damage to crops or livestock. It has great potential to provide value to low-income farmers and their communities, both by protecting farmers when shocks occur and by encouraging greater investment in crops.
- Aviation is insurance coverage geared specifically to the operation of aircraft and the risks involved in aviation. Aviation insurance policies are distinctly different from those for other areas of transportation and tend to incorporate aviation terminology, as well as terminology, limits, and clauses specific to aviation insurance.

These insurance covers are similar in nature, though insurance companies go on to vary extensions of cover. These additional covers would bring out the differences in products offered by various insurance companies.

2.4   Factors affecting the demand or uptake of the short-term insurance products.

2.4.1   Economic factors

Level of income

The demand of short-term insurance is dependent on the level of income among other factors. According to a research by Topline Research (2019) indicates that only 18% of the population has an income of more than $1,000 making it difficult for the rest to afford insurance services. The survey shows that the income levels are suppressed, and many people had an interest in insurance, yet they could not afford the insurance services.
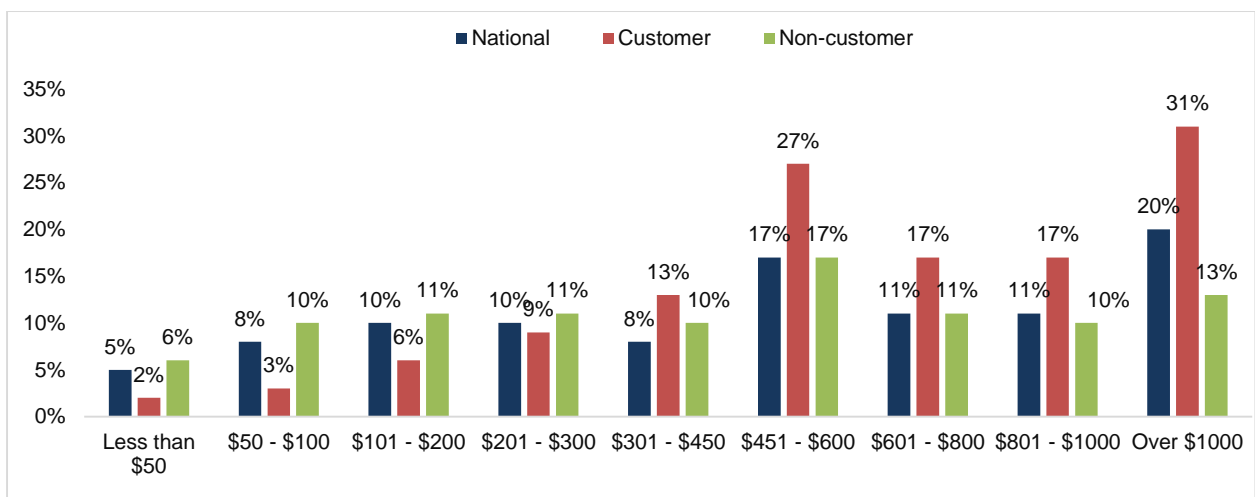
Figure 3: Source: IPEC Baseline Survey done by Topline Research Solutions 2019

Company closures

Most corporations are the major consumers of short-term insurance products since they own several movable and immovable assets as well as expensive machinery. These companies have been faced with liquidity challenges and have been closing their operations. (The Independent, 2017), had an article that states that company closures resulting in job losses affected uptake of insurance products and naturally then affecting the bottom line of all insurance companies.

Retrenchments.

The economy has been witnessing retrenchments as a result of company closures which again have affected the uptake of the insurance products resulting in low premiums being collected and policies lapsing or being cancelled by customers. Independent April 21, (2017).

These are the potential consumers of insurance who are no longer able to afford insurance as they have no source of income after being retrenched. Even those who had policies will be left with no option but to cancel or discontinue their insurance policies thereby affecting the demand for the services.

Ailing economy

The industry has been struggling to write quality business that pays premium due to challenges bedevilling the economy. The operating environment is getting tougher, and clients are finding it difficult to keep pace with the inflationary demands on the policies to make sure that they are always adequately covered. IPEC report March (2020) highlighted the issue of the economy expected to contract by 7,5% because of the economic challenges being experienced in the country.

The research by Topline Researchers 2019 also indicated that the insurance uptake was being affected by the economy that is not performing and expected to contract by 6% by end of the year.

Exchange rate and inflation.

The IPEC report December (2019) indicates that the local currency has consistently depreciated against major currencies notably the United States dollar since the introduction of currency reforms. The exchange rate depreciated from ZWL$2,5 in February 2019 to the current ZWL$25 pegged in March 2020. However, the gap between formal market exchange rate and the alternative market foreign exchange rate has persistently widened thereby creating further distortions in the market. During the quarter under review, inflation remained on an upward trajectory spiking from 176% in June 2019 to 676,39% in March 2020.

Month-on-month inflation averaged 14,11% during the quarter under review. Inflation is expected to continue to be largely influenced by speculative tendencies especially around exchange rate movements.
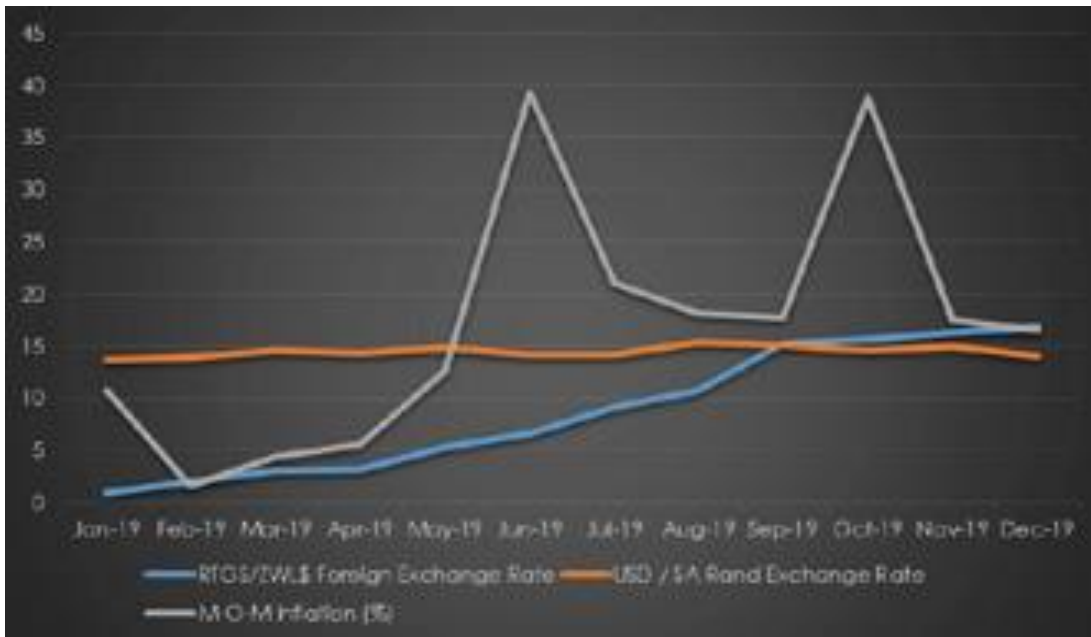
Figure 4: Source: IPEC Report December 2019

2.4.2 Political Factors

Government policy

The policies that are implemented by the government on insurance have a direct bearing on its uptake as some of the policies might not be favourable to the industry and consumers. The introduction of the 2% tax that was introduced by the government in 2018 affected the income of the sector and uptake of the insurance services. The industry was required to pay 2% tax, and this was loaded on the consumers and which resulted in the price increase of the insurance products. The consumer regarded the price of insurance to be beyond reach as the 2% was loaded on the consumer premiums.

Insurance products are not allowed to be paid in United states dollars which is a stable currency, yet the premiums are allowed to be payable in hard currency.

This has caused a lot of disgruntlement among the consumers thereby resulting in most not taking up insurance as well as lapsing policies.

(Skipper, 2007) addresses the major issues and concerns relating to the liberalisation of the insurance markets from several perspectives. He sets out the role and importance of government policy in insurance and points out that the government intervention in the insurance market is essential but should be carefully targeted to minimise undue interference.

2.4.3 Social Factors

Education

It is believed that the level of education determines how consumers can perceive insurance products. The higher the level of education one has the better the understanding they have on insurance products and the lower the level of education one has the less appreciation of the insurance products.

(Baek & Devaney, 2005), agreed in their research that there is a positive relationship between education and insurance demand. They recognized that those who have a better education will purchase more short-term insurance. This is due to the fact that households with greater education can expect their incomes to continue to increase at a faster rate and for a longer period.

Income

Income is commonly found to be positively related to the demand for insurance, holding other factors constant. The effect of current income on insurance demand is examined in (Showers & Shotick, 1994). It also used Tobit analysis to analyse the effects of household characteristics on the demand for total insurance with data from the (Survey, 1987).

They assumed that insurance was a normal good. The Tobit analysis indicated that a positive relationship existed between income and expenditures on insurance premiums. They explained that as income increases the household has a motive to buy more insurance policies because insurance is bought as a function of the income replacement needed, in the event of an unexpected event.

There are inconsistent conclusions in previous research regarding the effects of net worth or wealth on insurance purchase decisions. Some authors believed that there was a positive relationship between net worth or wealth and the demand for insurance (Hau, 2000). Since insurance provides protection for households" wealth.

Marital status

Marital status influences the uptake of insurance as one accumulates property and children who would also have their own assets to insure. When one is single, they tend not to acquire a lot of assets.

Marital status has also been found to strongly affect both household and individual insurance demand in previous studies (Hammond et al, 1967; (Mantis & Farmer, 1968)

were among the first to examine how marital status influences insurance demand of households.

It is expected that married men would spend more money on insurance than single men.

Wealth

Wealth is defined as a measure of the value of all the assets of worth owned by a person, community, company, or country and is determined by taking the total market value of all physical and intangible assets owned, then subtracting all debts. Companies or individuals with such assets would want to insure them such that in the event of a loss they will be covered and do not want to lose their valuable assets.

Hau, (2000) states that there is a direct relationship between the net worth or wealth and the demand for insurance. There are inconsistent conclusions in previous research regarding the effects of net worth or wealth on insurance purchase decisions since insurance provides protection for households" wealth.

A research done using the data from the Panel on Consumer Decision Processes (1968-1971), Anderson and Nevin investigated the variables associated with the amount and type of insurance purchased by a sample of young newly married couples. The data were analysed through Multiple Classification Analysis (MCA). The results of MCA showed that net worth was a positive and significant factor in explaining both the amount of insurance purchased and the purchase of short-term insurance.

Occupation

Occupation is the job or profession that an individual occupies. People who occupy high qualification jobs and professions like doctors, brokers and bankers are more informed in the aspects of insurance hence the understanding and need to take insurance.

Kamau (2013) states that the kind of occupation decides the probability of taking up insurance and that people in certain occupations or professions will probably take up insurance benefits hence, individuals in the informal sector have not held onto insurance as the capacity to pay premium amounts out if one takes up insurance as indicated. (Betts, 2004) cited in Kamau (2013) states that families with higher salary levels have a higher shot of taking up insurance covers than people drawn from poor backgrounds. The discoveries that individuals in some professions will probably uptake insurance is in accordance with Money and Mohan cited in Kamau (2013) who contended that people in professions like specialists, bankers and doctors were more informed about financial

aspects than different occupations, for example, farming and henceforth an expansion in the uptake of insurance products.

According to the research done by Topline (2019) the market is largely self-employed (35%) followed by the unemployed segment (27%) which is bigger among non-customers. Current insurance or pension customers had a higher proportion in full-time   employment than non-customers.

Population

When the economy has a generally young or middle-aged population the insurance uptake will generally grow as well (Nduna, 2013).

2.4.4   Technological Factors
Innovation

We are now living in the transformative age and an age of change and innovation. The traditional way of doing things in the insurance sector is being challenged by new thinking, new competitors, new ways of working and new challenges. Insurance leaders need to seize the upside of this disruption and anticipate and adapt to the new emerging needs.

As an insurance industry to improve the uptake of our services a lot of new thinking is required and innovation as the services become relevant in the ever-changing environment.

Digital transformation

Digital transformation has become very key in the transformation of the insurance sector as it has enabled efficiency as well as product reach to many people. (Burtwell, 2020) states that the insurance sector needs to digitalise its systems as this has the greatest advantage to attract more consumers as well as offer a better and quick service. The insurance sector has to know what is going on technology-wise to be able to prevent the industry from spending a lot of money on developing a technology that would become obsolete very soon due to disruptive technological changes elsewhere.

2.4.5   Environmental Factors
Climate change

Climate change has both negative and positive impact on the insurance sector, positive in that it will increase chances of insuring property losses from extreme weather events and huge premiums are earned. Negative implications occur when there are catastrophic disasters that can wipe away the whole balance sheet of an insurance company.

Potential changes to the nature of disaster risks or the regulatory environment for greenhouse gas-producing sectors could have significant impacts on the financial soundness of insurance companies. The effects of the cyclone Idai that hit southern Africa in 2019 are still being felt by the industry. The positive result is that this cyclone has increased awareness to the whole region and most clients started to insure their assets, IPEC report (2019)

Figure 5: Cyclone Idai Chimanimani 2019

2.4.6   Legal Factors
Government rule of law

The insurance industry is regulated by the IPEC body, which is the insurance regulator and has guidelines on the operation of the industry.

IPEC protects the rights of the consumers for the viability of the industry. It is argued that a legal framework which places a more prominent accentuation on the effective and efficient fulfilment of debt obligations to creditors as opposed to a system which provides

debtors with protection from creditors will improve the value of an insurance contract to a policyholder, thereby increasing demand for insurance (Stephanie Hussels & Zurbruegg, 2005), cited in Hussels et.al, 2005). Where there is sufficient assurance of property rights and the implementation of contractual agreements by the legitimate framework, the worth ascribed to insurance services should rise.

The authorization of property rights makes a motivating force to gain and safeguard property since government and lawful requirement of property rights shield people from misfortune or harm to the advantage. Esho et al. cited in Hussels et al. (2005) indicate that there is a solid positive connection between the protection of property rights and general insurance consumption.

2.5   Current strategies that short-term insurance is implementing.
Rate undercutting

Insurance companies are competing for business and are charging very low rates that are way below the standard industry gazetted rates as a way of getting more business. This is however not a good idea as the premium charged should be commensurate with the underwritten risk such that in cases of losses insurers should be able to pay the losses. (Maidou, 2016) states that rate undercutting is a threat to the integrity of underwriters, it is a bigger threat to the insurance company's solvency and its ability to pay claims in the future. Capitalisation is a challenge as it is but undercutting premium just to win business does not help the cause for the industry.

(Hakutangwi & Mazviona, 2014) affirms that due to the liquidity constraints and stiff competition in the market, there is urgent need to come up with diversified products as well as realistic premiums and desist from premium undercutting.

Distribution channels

Brokers and Agents

These act as intermediary agents and introduce a policyholder to an insurer in return for a regulated commission. Per the Short-Term Insurance Act (Act No. 53 of 1998) - the commission cap that applies in the short-term insurance market is 12.5% for motor and between 15 to 22.5% for all other policies. The industry experience is that these 'capped' commissions are today applied as standard.

Short term insurance brokers play an important part in the broader insurance sector. In 'Direct insurers versus brokers', an article in Insurance Times & Investment News, February (2005), Anton Ossip, then CEO of Alexander Forbes Personal Services, describes the role of an insurance broker as 'to act in an advisory capacity to educate, inform and to service the insured'. He adds that the service offered by a broker to an insured includes assessing his or her needs, advising on the most appropriate insurance product (one that aligns with the insured's requirements) as well as ensuring that the insured is well-informed of all the clauses in the contract, thus minimising the likelihood of a repudiation of the claim.

Direct selling

(Still & Gareth, 2016) defines direct writing emerged as a concept in the US in the early 1900s where mutual companies concentrated on selling insurance to farmers. From the 1920s insurers began offering motor vehicle insurance directly to these agriculture 'bases. US insurance giants such as State Farm, Nationwide, American Family and Farmers were born in this way. Nowadays the term 'direct writer' has a slightly different connotation in that it refers to insurers selling directly to consumers through the mail, internet, or telephone.

Direct selling also involves the insurers doing door to door sales of insurance products using their underwriters.

Authorised representatives or Distributors.

This is when insurance companies come up with a partnership wherein authorised distributors are connected to the insurance company system to transact insurance. Insurance companies are using Zimpost, retail shops like OK Zimbabwe, Bon Marche and ZINARA. This has the advantage that it improves the distribution of the insurance products as many people visit retail shops often more than they do to insurance companies.

There is also customer convenience as these distribution retails are dotted around the country and mostly in high density areas where there is high population.

Bancassurance

This is when the banks and insurance companies come up with a partnership wherein the bank sells the tied insurance company's insurance products to its clients and this arrangement benefits both the firms. Most insurance products circulated through the banks contain individual lines sold to home loan customers of the bank. Insurance companies have however made profits from these business's client's base in this manner increasing market penetration but however some customers have since backed away as they could not get specialised services. At the same time most bank agents are not insurance practitioners hence a knowledge gap issue is another factor why the penetration rate has not grown.

Advertising

Advertising insurance is when insurance companies through the television, radio, newspapers, social media, use of billboards and handouts sell their insurance products. This is done to attract the attention of the customers and utilize them. Advertising encourages brokers and sellers to earn for them by selling more and more insurance products of their company.

Microinsurance

(Bim, 2016) refers to microinsurance as insurance services offered primarily to clients with low income and limited access to mainstream insurance services and other means of effectively coping with risk. More precisely, microinsurance is a means of protecting low-income people against specific risks in exchange for a regular payment of premiums whose amount is proportional to the likelihood and cost of the relevant risk. The principal distinction from traditional insurance is in the targeting of low-income people, which leads to distinct characteristics and objectives, including addressing the risks of low-income people, affordability and inclusivity, simplicity and clarity in documentation, accessible processes, and building trust among target clients.

Micro insurance could be ideal for Zimbabwe considering the current market conditions where 66% of the population is uninsured as a result of the unaffordability of traditional insurance products. Topline Research Solutions (2019). This makes it possible for the population operating in the informal sector to afford insurance. This type of insurance is faced by challenges including low levels of education and lack of appreciation of insurance.

2.6   Challenges to the uptake of short-term insurance products

Insurance pricing/Affordability

According to the research done by Topline Research Solution (2019) 59% of the client's state that they cannot afford insurance services because of the pricing, or rather the services are expensive. The insurance service is priced in such a way that the potential consumers cannot afford them. This has been coupled by the economic challenges that the country is facing where there are liquidity challenges. The consumers prefer low priced products.
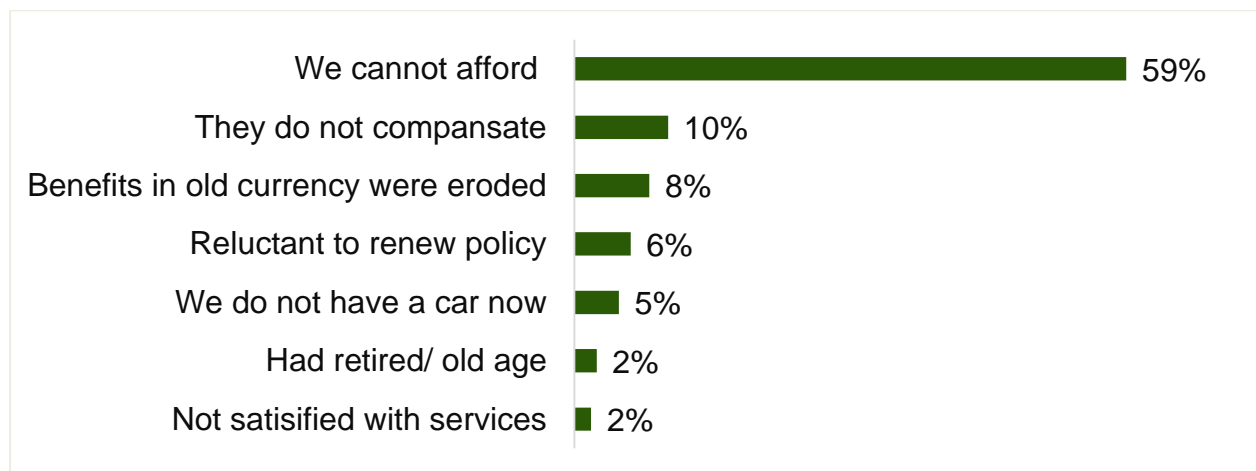

Figure 6: Research by Topline Research Solutions 2019

Lack of trust by the insuring public

As highlighted earlier in Chapter 1 insurance practitioners have been ostracised so to speak as they are perceived to be people who want to reap off the consumers. Mike Bartlett cited in Insurance Business (2008) ". There is lack of trust by the insuring public where the public sees no transparency in the industry.

A research done by Topline Research Solution (2019) indicates that 57% of the clients do not trust the insurance sector. From the survey the clients indicated that *"We are now afraid of getting any insurance policy because they are not transparent with their terms and conditions. The terms will be written in small print and they do not fully explain what those terms mean. If you then put a claim forward, that's when they tell you that they can only cover you to a certain extent." (36-55yrs)*

Lack of knowledge on Insurance products

There is a lack of knowledge of insurance products that the insurance companies are offering. The public is not aware of the products that are being offered, how the products are of benefit to the public as well as the procedure of having an insurance policy.

Even if one buys the insurance and is issued with a policy document, they might not be able to go through the same and understand what it entails when one suffers a loss. (Wharton, 2017) states that people will only think of the contract of insurance when they have a loss and that's when they realise that what they have suffered as a loss was not in fact insured. There is a need for the insurance sector to educate and take time with the public to take them through the services covered by insurance.

Lack of industry big data

Insurers lack the data to correctly interpret the market`s vulnerability and hence tend to build a hefty margin for the error and then adjust once claims start to come in. As a result of this, premiums become unaffordable to the same market which is needed for the improvement of the uptake of insurance. An insurance company may take risk that will cause it to pay large amounts of claims in return of the very little amount of premium it receives which is caused by lack of proper actuarial calculations (Abor & Akotey, 2011).

For the insurance industry to be able to make informed decisions about products and services suitable to the consumers they should have big data. This will enable the industry to design relevant products and tailor made them to suit the demands of the consumer. Without big data the industry continues to offer traditional insurance products that are no longer relevant to the 21st century. Big data also enables the insurance industry to be prepared for common challenges and one will be able to get ahead of competition to prepare for many potential threats of the business.

No products for the low income.

In Zimbabwe it is estimated that more than 80% of the economic labour force is operating in the informal sector with only less than 20% in the formal sector. The informal sectors are characterised by people with low income, irregular cash flows hence insurance becomes too expensive and inaccessible for this type of market (Churchill, 2007). The traditional products packages are too heavy for the informal sector since most of them do not own many properties as they live from hand to mouth, but they have small assets that can be insured. This means that the majority have no regular income which permits them

to have access to regular financial products. A significant contribution of national income comes from the informal sector. However, there are no suitable products to service this sector implying that a huge chunk of the population is not insured.

The informal sector`s belief is that insurance is meant for people with huge assets. According to a survey conducted by Topline Research Solutions (2019) "*Insurance is for people with properties or even a business. One with a lot of money because they value a lot of things that need to be insured. Maybe I don't even have a house but rent so what can I insure?*" (36-55yrs)

Innovation and Technology

According to the Insurance Information Institute (III), the insurance industry is often seen as having a bad reputation for being behind the advancements in technology. There have been fascinating technological improvements that have occurred within the last few years, and every year there are improvements being made in technology. It's important for the industry to stay up to date on what types of new technology are being created to be imaginative in finding ways that these technologies will impact the clients.

The effective use of knowledge of drones, the Internet, and other recent advancements in technology. Being knowledgeable of these developments will help the industry to talk to clients easily and the clients will feel more at ease working with someone who understands their concerns. Communication is often difficult due to bad roads and poor telecommunications (Nduna, 2013) and this communication challenge can be eliminated by use of modern technology.

Currency reforms policies

The changes in the currency reforms in the economy is affecting the insurance products uptake and as such the insuring public no longer have confidence in the sector. The changes in the fiscal policies have resulted in some policy holders losing out their insurance policy values hence most people no longer want to insure. Policy holders have lost several times, and this started from 2008 when the economy dollarized insurance and 2016 there was re-dollarization where most policyholders were adversely affected. IPEC report March (2019) states that there was loss of value as a result of the changes in the monetary policy which has affected the growth of the industry.
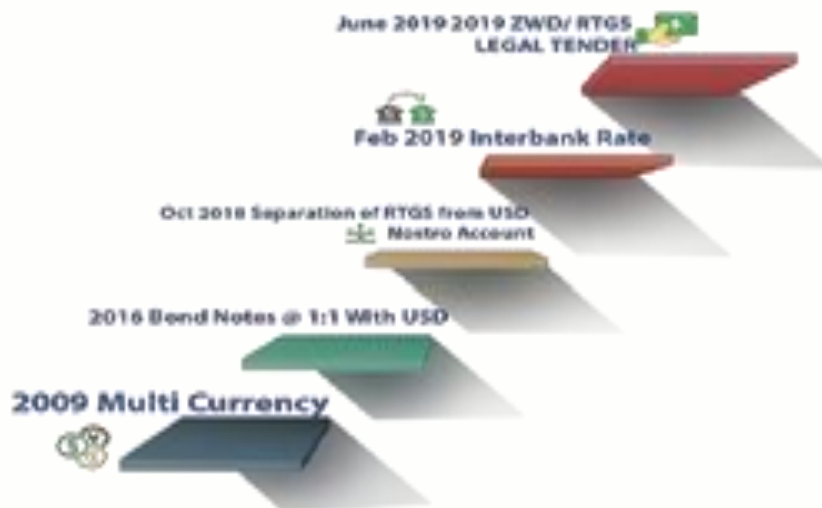
Figure 7: IPEC report December 2019

Unethical behaviour by insurance companies

(Pappas, 2008) defined ethics as a system of moral standards or values. Ethical versus unethical behaviour can be adjusted by the extent to which stress is given to the values of right versus wrong, good versus evil, fair versus unfair, or just versus unjust (Lin, 2012). Ethical behaviour is the conformance to social norms, such as fair play, honesty, and full disclosure. Ethical behaviour abides by the spirit of the law (Lin 2012). Ethical behaviour enhances consumer confidence in the products on offer and the company offering them. Positive ethical sales behaviour may diminish transaction cost and raise the confidence benefits and help to form a sustained customer-firm relationship. For the insurance industry, once clients do not see this ethical behaviour they will not renew or give their business to the insurance company.

The insuring public has since lost its confidence in the insurance industry and no longer acknowledge the importance of insurance but instead have confided itself in its own pockets. Therefore, there is a need for the insurance industry to brace up and restore its image and consumer confidence. Topline Research Solutions (2019)

2.7   Chapter Summary

The chapter has reviewed literature on the basis under which the study is being carried out by the author by narrating the literature review of the problem under study. The author went on to look at each of the strategies the market under study is currently implementing

with the agenda of trying to gather the weaknesses and strengths posed by such strategies and their detriment to the uptake of insurance products in Zimbabwe.

Chapter Three: Research Methodology

3.0   Introduction

This chapter focused on the methods used by the researcher to gather information and its subsequent analysis. It also discusses the research methodology, research design research strategies, target population, sampling techniques and methods of collecting data that was used by the researcher. The researcher used the questionnaires to collect the data detailing the advantages and disadvantages. Babbie 2015 research is a systematic inquiry to describe, explain, predict, and control the observed phenomenon. Research can also be described as a systematic process of collecting, analysing, and interpreting data in order to increase our understanding of a phenomenon about which we are interested or concerned.

3.1   Research Design

(Zikmund, 2016) defined research design as a master plan specifying the methods and procedure for collecting and analysing the much-needed information. The research design is a plan for the entire research study that gives the framework of the research 's plan of action and this provides answers for such questions as what techniques will be used to gain data, what kind of sampling will be used and how the constraints will be dealt with. Research design can also be referred to as the overall strategy utilized to carry out research that defines a succinct and logical plan to tackle established research question(s) through the collection, interpretation, analysis, and discussion of data. Wikipedia (2016). (McCombes, 2019) defines research design is a framework for planning your research and answering your research questions. The research design enables the researcher to find out information that is relevant to the study problem and thus getting the desired results. Data was collected from local insurance companies', insurance consumers and this research made use of both primary and secondary data. Primary data was obtained using questionnaires, whilst secondary data was obtained through the internet, journals, IPEC reports and other studies that were done in the previous periods.

3.2   Study Population

(Daniel, 2019) describes the study population as a group of individuals selected based on inclusion and exclusion criteria which relate to the variables being studied. It is the

population from which the sample population will be randomly or purposively selected. (Korb, 2012) also states a study population as a group of people that the researcher wants to draw a conclusion about once the research study is finished.

Therefore, from the given definitions it can be drawn that a study population should suit the required criteria from which desired results can be gathered. For this research all insurance short term players namely brokers, insurers and reinsurers in the insurance industry comprised the population. Data was collected from short- term insurance companies.

3.3   Sampling Technique

(Mansa, 2019) defines sampling as a process used in statistical analysis in which a predetermined number of observations are taken from a larger population. The methodology used to sample from a larger population depends on the type of analysis being performed, but it may include simple random sampling or systematic sampling. The chosen sample should be a fair representation of the entire population. The purpose of a sample is to approximate the measurement of the whole population. The researcher considered a sample design as this is less costly and represents the population and a sample was drawn from all employees of all short-term insurance companies.

Sampling Techniques

The sampling plan can be classified into probability and non-probability sampling plans.

According to (Singh, 2018) sampling techniques can be divided into two types:

• Probability which is also known as representative sampling.

• Non-probability which is also known as judgmental sampling.

The probability sampling, the probability of a sample unit being selected from the population is known and is usually equal for all classes. This sampling is often associated with survey and experimental research strategies. Non-probability sampling, the probability of each case being selected from the total population is unknown, thus making it impossible to address objectives that require one to make statistical inferences about the characteristics of the population.

Probability Sampling

This sampling technique uses randomization to make sure that every element of the population gets an equal chance to be part of the selected sample.

Simple Random Sampling

According to (Singh, 2018)) every element has an equal chance of getting selected to be the part sample. It is used when we don't have any kind of prior information about the target population. It can also be said that several ways can be used in order to come up with a simple random sample which includes picking names or numbers using a computer program to generate a sample using random numbers.

Cluster Sampling

The other method of sampling is called cluster sampling and according to (Singh, 2018) describes cluster sampling as an entire population that is divided into clusters or sections and then the clusters are randomly selected. All the elements of the cluster are used for sampling. Clusters are identified using details such as age, sex, location etc.

Cluster sampling can be done in the following ways.

    a) Single Stage Cluster Sampling

Entire cluster is selected randomly for sampling.

    b) Two Stage Cluster Sampling

Here first we randomly select clusters and then from those selected clusters we randomly select elements for sampling.

Systematic Clustering

This involves the selection of elements in a systematic and not random way except the first element. Elements of a sample are chosen at regular intervals of population. All the elements are put together in a sequence first where each element has the equal chance of being selected. (Singh, 2018)). Systematic random sampling is said to be similar to simple random sampling as it also recognises and awards each element in the population an equal chance of being picked. This sampling technique however offers little protection against biases as compared to simple random sampling although it is said to be convenient. The main purpose of this clustering is to simplify the process of selecting a sample as well as to ensure the dispersion of sample units.

Stratified Sampling

Another technique used is the stratified sampling and this technique divides the elements of the population into small subgroups (strata) based on the similarity in such a way that the elements within the group are homogeneous and heterogeneous among the other subgroups formed. These elements are then randomly selected from each of these strata. There is a need to have prior information about the population to create subgroups. (Singh, 2018)

Multistage Sampling

According to (Singh, 2018)) multistage sampling is a combination of one or more methods described earlier above. Population is divided into multiple clusters and then these clusters are further divided and grouped into various subgroups (strata) based on similarity. One or more clusters can be randomly selected from each stratum. This process continues until the cluster cannot be divided further. An example is that of a country which can be divided into states, cities, urban, rural and all the areas with similar characteristics can be merged to form a stratum.

The researcher for the purpose of this research chose simple random sampling as it ensures an equal chance of participation. The sample of the study population comprises operations managers of various insurance companies in Harare. This is due to the fact that Harare is the economical hub of the Zimbabwean economy and most of the insurance companies have their head offices in the capital city and this is where most decisions are made.

Non-Probability Sampling

This technique is more reliant on the researcher's ability to select elements for a sample. Outcome of sampling might be biased and makes it difficult for all the elements of the population to be part of the sample equally. This type of sampling is also known as non-random sampling. (Singh, 2018) There are basically four methods which can be used under non-random probability namely quota, judgemental, convenience and snowball sampling.

Convenience Sampling

(Singh, 2018)) defines convenience sampling as where samples are selected based on the availability. This method is used when the availability of samples is rare and costly. So based on the convenience samples are selected. Researchers prefer this during the initial stages of survey research, as it is quick and easy to deliver results. Convenience sampling is where the sample is drawn for the convenience of the researcher.

Purposive Sampling

This sampling is based on the intention or the purpose of study. Only those elements will be selected from the population which suits the best for the purpose of the study. An example is when one wants to study and understand the thought process of people who are interested in pursuing a master's degree then the selection criteria would just to ask questions on whether one is interested in studying towards the degree and all those show responses with a no will be excluded from the sample. (Singh, 2018)). A purposive sample alludes to the determination and selection of units based on personal judgement rather than randomization. This purposive sampling is somehow illustrative of the population of interest without sampling at random. One of the commonest uses of purposive sampling is in studies based on very small numbers of areas or sites.

Quota Sampling

Another type of sampling is quota sampling, and this depends on some pre-set standard. It selects the representative sample from the population. Proportion of characteristics or traits in a sample should be the same as the population. Elements are selected until exact proportions of certain types of data are obtained or sufficient data in different categories is collected. This quota sampling also refers to selection with controls, ensuring that specified numbers or quotas are obtained from each specified population subgroup for example if our population has 40% females and 60% males then our sample reflects the same percentage of males and females.

Snowball Sampling

Snowball sampling is commonly used when there is a very small population size and when it is hard to distinguish members of the desired population. This sampling is commonly used when it is difficult to identify members of the desired population. This technique is used in situations where the population is completely unknown and rare. Not a very large population and no population rundown is accessible. Individuals from this

type of sampling tend to know each other. It is the most effortless approach to create something close to a list of the whole population when no existing list is available. The disadvantage with this sampling is that it requires a great deal of work when the population is large, separated individuals will not be incorporated into the study, which presents some bias in the study.

3.4   Sample Size

(Zamboni, 2018) defines sample size as the number of individual samples measured or observations used in a survey, for example, if an online survey returned 200 completed questionnaires, your sample size is 200. If the sample is too small, it yields unreliable results while an overly large sample demands a good deal of time and resources.

The respondents earmarked were employed in short-term insurance companies as the researcher was looking into strategies to improve the uptake of short-term insurance products in Zimbabwe. The targeted number of insurance companies to make up the sample was ten out of the eighteen short term insurance companies in Zimbabwe. These ten insurance companies were chosen to represent the whole short-term insurance industry. The researcher also chose twenty members of the public who have insurance policies to represent the clients since they are the consumers of the insurance services.

The random selection of respondents ensured that the sample was more representative of the insurance sector and the findings credible.

3.5   Research instruments and Data collection

The researcher employed the survey design in which data was gathered using questionnaires and interviews for the purpose of this research. This was done so as to gain the validity of this research. The mentioned research methods have their own advantages and disadvantages. The researcher also made use of primary and secondary data sources.

3.6   Primary Data Sources

This is data which is gathered from the main source for the first time in its original form and not from a previous research or study. This also involves discussions with personnel from the short-term insurance industry and consumers of insurance services. The researcher used the following data sources in carrying out this research:

a) Questionnaires

b) Personal Interviews/observations

3.6.1   Questionnaires

Questionnaires which are a set of questions designed to collect information from people by asking designated questions. These are printed or written questions with a choice of answers, devised for the purpose of a survey or statistical study. The researcher designed a questionnaire with a standard number of questions and distributed it to ten different short-term insurance companies in Zimbabwe and twenty consumers of the public.

Advantages

a) They are cheap and the researcher does not have to incur travelling costs to reach out to the participants, these can be sent electronically.

b) They protect the participants as they are anonymous and there is security on the part of the participant.

c) Information from questionnaires is fast as they are not long. Requested information can be filled in instantly and collected within hours.

d) It has a few geographical limits as it can be sent via post, emails, and telephones.

e) They are self-administered questions which need no special social skills of the researcher.

Disadvantages

a) Answers may not be received instantly as some participants may want to discuss the questionnaires with others before responding.

b) The participants may not complete the questionnaire on time, and this delays the researcher to complete their study.

c) The chance of getting spoiled questionnaires is high and this might distort the researchers results.

d) Researchers cannot correct misunderstandings, probe for more details, or offer explanations or even help the respondents.

e) Researchers cannot query disparities between answers or check the truthfulness of answers.

3.6.2 Personal Interviews

The researcher conducted personal interviews with the consumers and the short-term insurance players to have an appreciation of their views regarding strategies that industry can implore to improve the uptake of the insurance services.

Advantages

a) There is face to face interaction which helps with more accurate screening, more information can be gathered. Individuals being interviewed are unable to provide false information during screening questions such as gender age or race.
b) The researcher will get first-hand information and can read facial expressions and can no doubt capture an interviewee's emotions and behaviours.
c) There is less bias as the researcher can get clarification from the participants on what they will not be clear about.
d) There is better understanding between the respondents and researchers   .
e) Respond rate is higher than the questionnaire method as there is face to face interaction.

f) The interviewee keeps focus since the interviewer will be the one that has control over the interview and can keep the interviewee focused and on track until completion of the interview.

Disadvantages

a) Interviews are time consuming as the researcher needs to have time with each responded target.
b) They are costly as the respondents must travel to meet the respondents and they might want to be met at different times and places.
c) Interviews have the possibility to reduce the scope and sample of data gathering. The size of the sample is limited to the size of the interviewing staff, the area in which the interviews are conducted, and the number of qualified respondents within that area.

d) The results of the interviews may be difficult to analyse; the data collected will need to be entered manually, or scanned, if a scannable interview questionnaire is created.

3.7   Secondary Data

This refers to data from other sources other than the first source, whereby another researcher has accumulated information or data in their own specific research or study and has filed the same for future references. The secondary data ended up being the most supportive technique and this represents a sizable part of the researcher, particularly in the literature review and the investigation areas of this research.

The Internet

The researcher got quite several e-books and e-journals and works done by different researchers and associations on the internet. Effortlessly, the researcher could look at both difficulties and key achievement components of implementing strategies that will increase the uptake of short-term insurance services in Zimbabwe on the internet.

Advantages

a) There is a lot of information for researchers on the internet and provides lots of up-to-date information with current updated information.
b) The internet is user friendly as the researchers only command what they require on the internet and information is availed.
c) Most information would have been analysed and verified before being accessed on the internet hence making it easy for the researcher to just compile ready information.

Disadvantages

a) At times the internet network can be a challenge and in such times the internet will be slow such that the researcher will take time to get the required information for the research.
b) It can be expensive to get information on the internet as the researcher has to buy bundles to access such and the same bundles from across all networks are expensive.

c) The internet is prone to cyber risks and this can lead to hacking of information.

d) The internet is vulnerable to the virus risk and these viruses can easily corrupt documents before or after the researcher completes his work.

Textbooks and Journals

The researcher used textbooks and journals to carry out the study. This is information that has already been done by other authors in the same area of study.

IPEC Reports

The researcher used the Insurance and Pension Commission (IPEC) reports as they have the industry information across the sector. The reports are updated on a quarterly basis and industry information giving the researcher current information in the industry.

The reports cover a range of issues pertaining the industry performance, legislation around the industry and economic issues that affect the industry are all captured in every quarter of the report.

Data Presentation and Analysis

The researcher analysed the answers after receiving the questionnaires from respondents and ensured that all questions were answered. Graphs, tables, and diagrams shall be used to summarize and present the gathered data.

3.8   Chapter Summary

This chapter detailed the research design, study population, sampling techniques, research instruments and data collection techniques used to collect relevant data enough to substantiate the main objective of the research to analyse the strategies that short term insurance companies can implement to increase the uptake of short-term insurance services in Zimbabwe. It highlighted the tools and techniques used in both primary and secondary research.

The next chapter builds up based on this chapter to analyse and present in a systematic form the findings of this research. The answers to the research questions and attainment of primary objectives are expected to be derived from the findings.

Chapter Four: Data Presentation and Analysis

4.0   Introduction

This chapter focuses on the findings relating to an analysis of the strategies to improve the uptake of short-term insurance products in Zimbabwe.

Surveys in the form of questionnaires were carried out and formed the basis of the presentation's discussions and analysis. This chapter presents the researcher`s findings, analyses and interprets both primary and secondary data from the field in the form of pie charts, tables and bar graphs. The analysis was based mainly on research objectives and questions outlined in Chapter (1) one since these provided the framework of the research.

4.1   Response Rate

Dzinotyiwei, (2017) response rate can be described as the number of people who completed a survey divided by the number of people who make up the total sample group. This is usually expressed as a percentage which ranges from 0% to 100% and a good response rate should be 50% or higher.

(Mitchell, 2013) refers to response rate as documentation received from others that the survey response should be calculated as the number of returned questionnaires divided by the total sample who were sent the survey initially. The other method is to subtract the number of undeliverable questionnaires from the initial sample to obtain a denominator. Therefore, two variables are involved when calculating or coming up with a response rate which is the sample size and the number of respondents.

It is typically felt that the higher the response rate, the more probable the outcomes are illustrative of the population given that the sampling is suitable in any case and that individuals who do not normally respond are generally the same in their perspectives as the general population who do react. The formula for the response rate is illustrated as follows:

Response rate = <u>Number of valid responses</u>   x 100%

                        Total number approached.

The researcher targeted ten (10) short term insurance companies of the eighteen (18) registered companies in Zimbabwe according to IPEC 3rd quarter report 2021. The researcher ended up with 14 questionnaires answered out of the 18 registered short term

insurance companies. This gave a response rate of 77% which was good, and this shows that the results of the research are highly credible.

The researcher also targeted (30) thirty consumers or members of the public and out of the (30) thirty targeted 23 questionnaires were returned giving a response rate of 76% which also indicates highly credible results.

4.2   Challenges

The research was carried out during the national lockdown where most people were not going to work because of the covid-19 pandemic.

There was generally a delay in responses from the customers and the insurance companies as most would cite issues of failure to access the internet for them to complete the forms since they were sent online.

Some had no access to their laptops and desktop computers for them to be able to access the questionnaires that the researcher had sent on email since they were not accessing their offices.

Generally, some were reluctant to complete the questionnaires citing that they had no time and the researcher had to keep pleading for the questionnaires to be completed.

Table 4.2 Respondents Who Participated in the Research

Respondents	Questionnaires Dispatched	Questionnaires Responded	Response Rate
Insurance Companies	18	14	78%
Insuring consumers/Public	30	23	77%
Total/Overall	**48**	**37**	**77%**

Source: Primary Data

From the above table it can be clearly noted that the research was carried out to the satisfaction of the researcher as the overall rate of 77% achieved is above the 50% that of a good response rate.

4.3   Data Presentation and Analysis

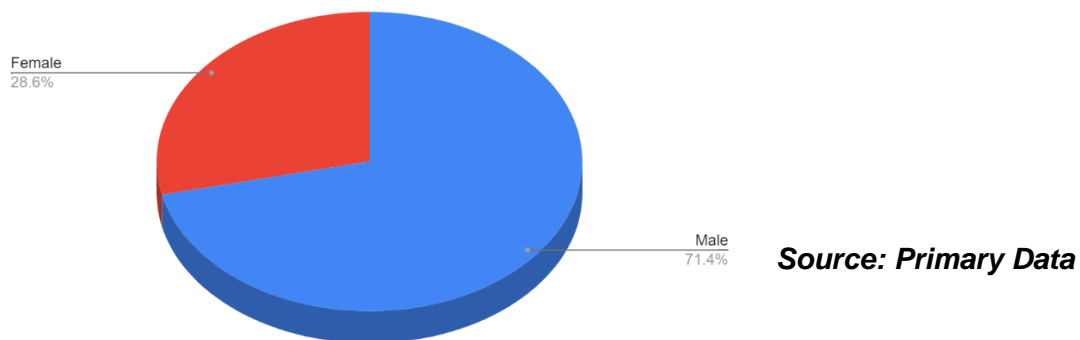The findings and results of the study are hereby analysed and presented below:

Insurance Companies Responses

4.3.1   Gender

Table 4.3.1 Respondents` Gender

Male	Female
28,6%	71,4%

Figure 4.3.1 Respondents Gender
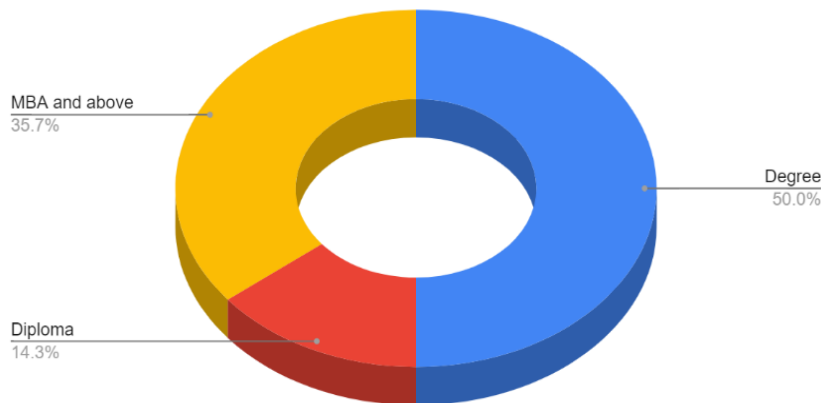

Source: Primary Data

From the study findings 71,4% of the respondents were male and 28,6% were females as shown in Figure 4.3.1. This shows an unbalanced representation of the respondents in terms of gender and since there were more males than females who responded which is an indicator that there could be more males than females in the insurance industry.

4.3.2   Academic Qualifications

Table 4.3.2 Respondents' Academic Qualifications

MBA and above	Degree	Diploma
35,7%	50%	14,3%

Figure 4.3.2 Respondents Academic Qualifications

MBA and above
35.7%

Degree
50.0%

Diploma
14.3%

Source: Primary Data

This question was meant to ascertain the academic qualifications the respondents had and hence come to see if the results could be credible enough. The academic qualifications held by an individual has a large bearing on how one understands insurance and how it is beneficial to the society. Therefore, according to this study and in regard to this question, 35,7% of the respondents confirmed to be holders of a master's degree as their highest level of education whilst 50% of the respondents confirmed to be holders of honours degrees and 14,3% of the respondents were holders of diplomas. This shows that the results are credible since there was a balanced representation of respondents who were highly qualified.

4.3.3   Working Experience.
Table 4.3.3 Respondents' Working Experience

1-5 years	6-10 years	11 years +
35,7%	28,6%	35,7%

**Figure 4.3.3 Respondents` Working Experience.**
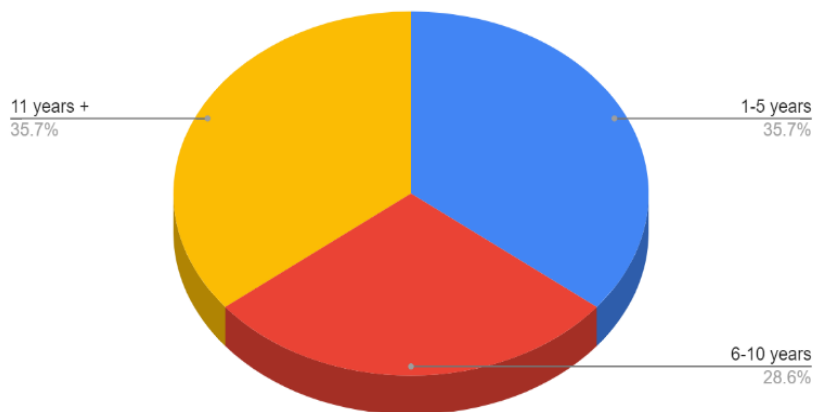
From the respondents 35,7% had more than 11 years working experience in the insurance industry whilst 28,6% had between 6 to 10 years working experience, 35,7% had 1 to 5 years working experience as shown in table 4.3.3. This entails that the high percentage of the respondents have been in the industry for more than a decade hence their appreciation of the current and past events is high. This will influence the operation of the industry considering the experiences given in this case. This increases the reliability of responses proffered for the survey.

4.3.4   Position in the Organisation

Table 4.3.4 Respondents' Position in the Organisation

Executive	Managerial	Non-Managerial
28,6%	35,7%	35,7%

Figure 4.3.4 Respondents` Position in the Organisation

Executive
28.6%

Non-managerial
35.7%
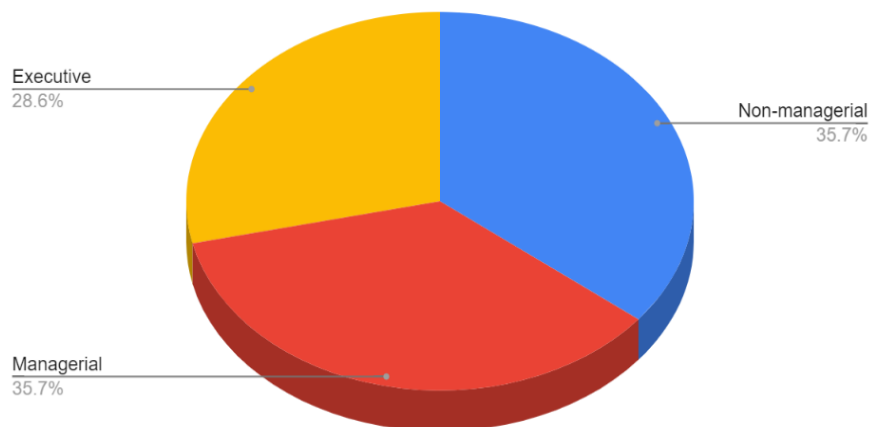
Managerial
35.7%

Source: Primary Data

From the study's findings 35,7% of the respondents were in the Executive or top management whilst 28,6% were in the managerial positions and 35,7% were non-managerial as shown in Figure 4.3.4. This entails that there is fair and adequate representation of respondents from different levels of the organization since different groups give a balanced analysis of what happens in their companies. In this case their contributions would be significant and valuable to the findings of the research due to the fair representation.

4.3.5 Department in the Organisation

Table 4.3.5 Respondents' Department in the Organisation

Underwriting	Claims	Marketing	Administration
50%	21,4%	14,3%	14,3%

**Figure 4.3.5 Respondents` Department in the Organisation**
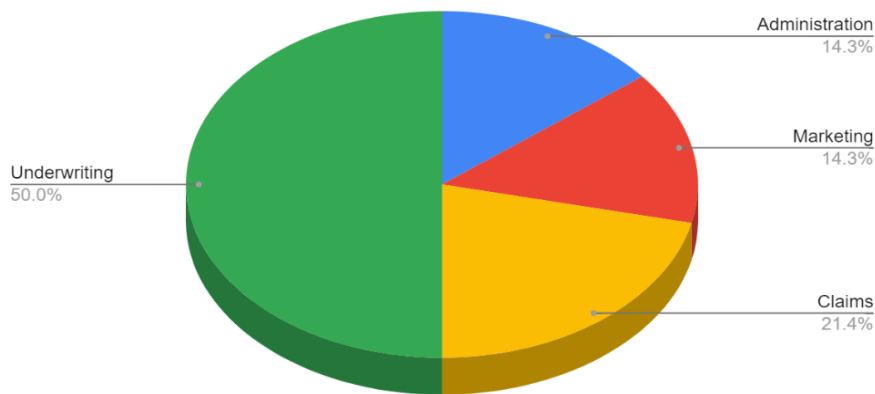
The study revealed that 50% of the respondents were in the underwriting department whilst 14,3% were in administration, 14,3% in marketing and 21,4% in the claims department as shown in Figure 4.3.5. This entails that there is fair and adequate representation of respondents from different departments mainly that the (2) two key departments namely underwriting, and claims had the highest respondents. The (2) two departments are key as they form the core business of insurance companies and are actively involved in day-to-day operations in terms of client services and interface. Their contribution would be significant and valuable to the findings of the research due to the fair representation.

4.3.6   Measured Uptake for the past 2-5 years

Table 4.3.6 Respondents' Who Measured their Uptake for the past 2-5 years.

Yes	No
64,3%	35,7%

Figure 4.3.6 Respondents` Who Measured their Uptake for the past 2-5 years.
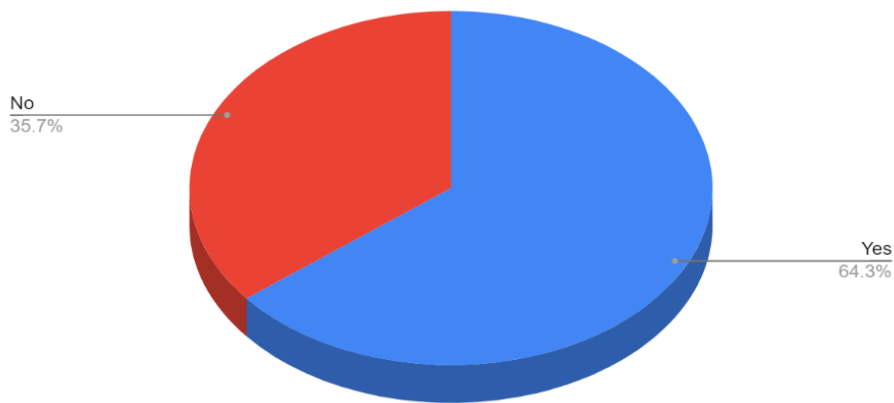
From the study's findings 64,3% of the insurance companies in Zimbabwe have measured insurance products uptake whilst 35,7% have not measured for the period of 2 to 5 years. The contribution of the insurance companies who have been measuring will be significant and valuable to the study as the researcher will be able to track the uptake in the past periods of insurance.

4.3.7   Improvement in the Uptake of Insurance

Table 4.3.7 Respondents' Improvement in the Uptake of Insurance

Yes	No
58,3%	41,7%

Figure 4.3.7 Respondents` Improvement in the Uptake of Insurance
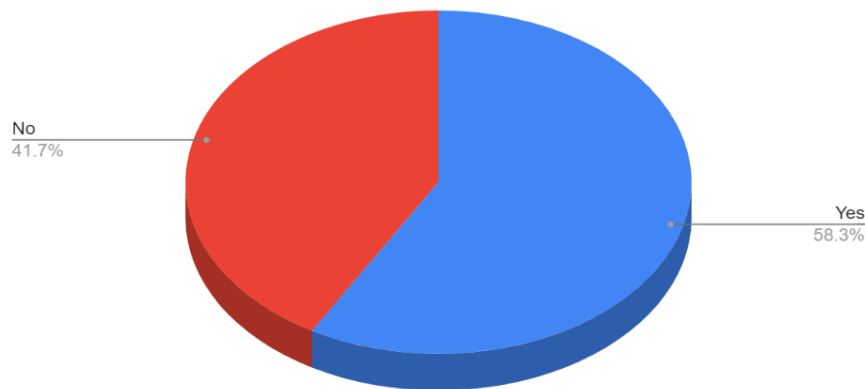
This question was meant to find out whether there were some improvements or decreases in the uptake of short-term insurance products for the past (2) two to (5) five years across the insurance industry. The responses gathered were that 58,3% of the respondents indicated that there were some improvements in the uptake of insurance products whilst 41,7% of the respondents indicated that there were no improvements. This stands true that the purchase of the insurance products in general has not improved significantly as witnessed from the study as 41,7% which is close to 50% of the insurance companies did not experience any growth from the uptake of insurance.

4.4   Factors Affecting the Uptake of Short-term insurance services.

One of the objectives of this research was to identify the factors that are hindering the uptake of short-term insurance products. Determining these factors is crucial as it gives the researcher an indication of why the uptake has been low for the past (2) two to (5) five years. It would be a futile exercise to go into the strategies without looking at the factors that are hindering the uptake of short-term insurance services.

(Thompson & Strickland, 1996) strategies are also dynamic, emerging in phases as the company develops and adapts its business approaches to changing economic conditions.

Figure 4.4 Respondents` Factors Affecting the Uptake of Short-term insurance services.

8. The following factors affect the uptake of short-term insurance services. To what degree do you agree with this statement?
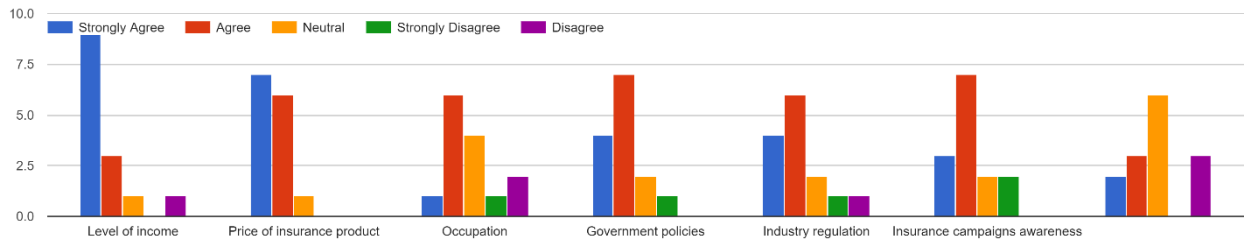
4.4.1   Level of Income

Table 4.4.1 Respondents' Level of Income

Strongly Agree	Agree	Disagree	Neutral
64,3%	21,4%	7,1%	7,1%

Figure 4.4.1 Respondents` Level of Income
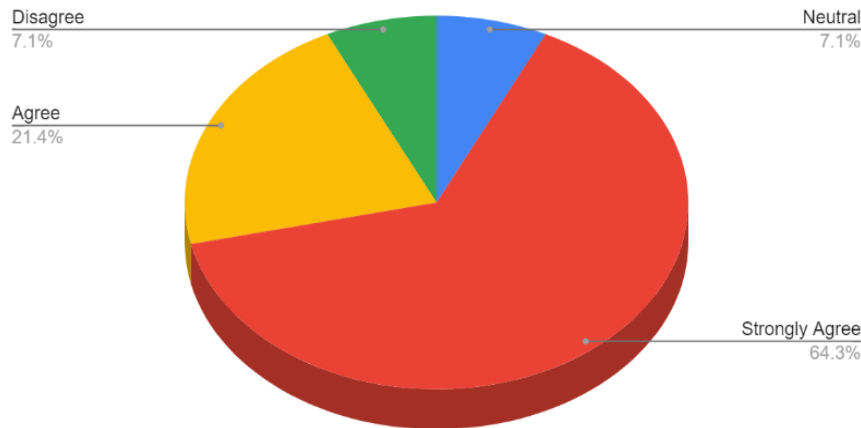
Source: Primary Data

The level of income of consumers is a factor that affects the uptake of insurance products as this determines the disposable income of an individual. The study revealed that 64,6% of the respondents strongly agreed to the fact that level of income affects the uptake of short-term insurance whilst 21,4% agreed, only 7,1% were neutral and the other 7,1% were not in agreement. Therefore, this can be concluded that the level of income of consumers really affects the uptake of short-term insurance products. The higher the

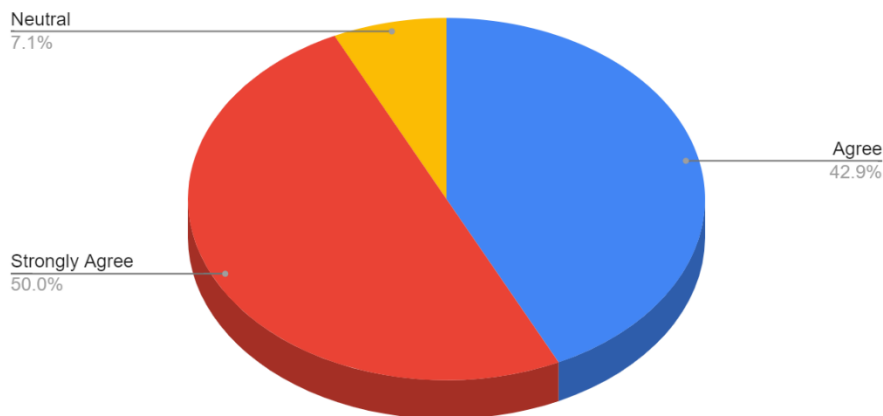income the higher the chances of purchasing insurance and the lower the level of income will adversely affect the purchasing of insurance products.

4.4.2   Price of Short-term Insurance Products

Table 4.4.2 Respondents' Price of Short-term Insurance Products

Strongly Agree	Agree	Neutral
50%	42,9%	7,1%

Figure   4.4.2   Respondents`   Level   of   Income

Source: Primary Data

The price of the products plays an important part in the determination of the level of demand for insurance services in the Zimbabwean market. As a result of the economy that had challenges it resulted in unavailability of funds, low disposable income and customers are in a bid to access affordable commodities. From the data collected 50% of the respondents strongly agreed that the price of the product had a very big influence on the purchasing decisions made by customers whilst 42,9% agreed and 7,1% were neutral in terms of their responses. As illustrated in the diagram above figure 4.4.2 it can be concluded that the price of the product to a greater extent determines the level of demand for the insurance services and products. In the Zimbabwean economy many consumers are living below the poverty datum line which leaves them with little or no disposable income to purchase insurance services. Chatterjee (2012) states that price and in the case of insurance (premium) has a negative impact on the levels of insurance demand
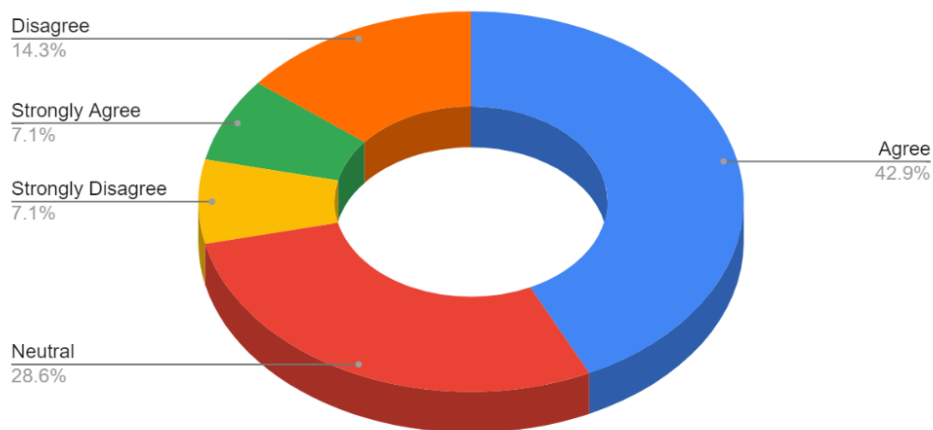
and therefore, price has a large reflection on the purchasing decisions made by consumers.

4.4.3   Occupation

Table 4.4.3 Respondents' Occupation

Strongly Agree	Agree	Disagree	Strongly Disagree	Neutral
7,1%	42,9%	14,3%	7,1%	28,6%

Figure 4.4.3 Respondents` Occupation

Source: Primary

Data

This question was meant to find out the effect of the type of occupation an individual has on the uptake of short-term insurance products. Some occupations have an impact on the levels and demand for insurance services. Of the respondents who took part in the research 42% agreed that the occupation influences the uptake of insurance whilst 7,1% strongly agreed, 28,6% were neutral, 14,3% disagreed and 7,1% strongly disagreed. This highlights that 50% of the respondents agree to the fact that occupation plays a major role in determining the uptake of insurance.

Taking into consideration the data presented above, it can be concluded that the type of occupation one has, has an impact on insurance purchasing decisions. Most of the Zimbabwean population is in the informal sector which is characterised by irregular cash

inflows which makes it quite difficult for them to purchase insurance. (Kamau, 2013) cited that people in professions like banking, medicine and teaching are more financially informed and can purchase more insurance than people in the informal sector.

4.4.4   Government policies and Legislation

Table 4.4.4 Respondents' Government policies and Legislation

Strongly Agree	Agree	Strongly Disagree	Neutral
28,6%	50%	7,1%	14,3%

Figure   4.4.4   Respondents`   Government   policies   and   Legislation

Source: Primary Data

This question was meant to get an insight on whether government regulations on the short-term insurance industry play a part in the demand and uptake of insurance products. From the study 50% of the respondents agreed that government regulation on short term insurance services affects the uptake of insurance whilst 28,6% strongly agreed, 14,3% were neutral they could not tell whether government policies influenced the uptake of insurance policies and 7,1% strongly disagreed. This is evident enough to say that indeed

government policies and legislation influences the uptake of short-term insurance services and it has the power to stir up demand for insurance.

(Beck & Webb, 2003) argued that a legal system which places a greater emphasis on the efficient payment of debts to creditors as opposed to a system which provides debtors with protection from creditors will improve the value of an insurance contract to a policyholder, thereby increasing demand for insurance.

In the case of Zimbabwe as gathered from the results above, the regulations governing the insurance are more directed to insurance companies regarding how they operate and seem to lack details concerning protection of consumer rights. This can be traced to as one of the reasons why there has been low uptake of insurance products.

4.4.5 Industry Regulation (IPEC)
Table 4.4.5 Respondents' Industry Regulation (IPEC)

Strongly Agree	Agree	Strongly Disagree	Disagree	Neutral
28,6%	42,9%	7,1%	14,3%	14,3%

Figure 4.4.5 Respondents` Industry Regulation (IPEC)
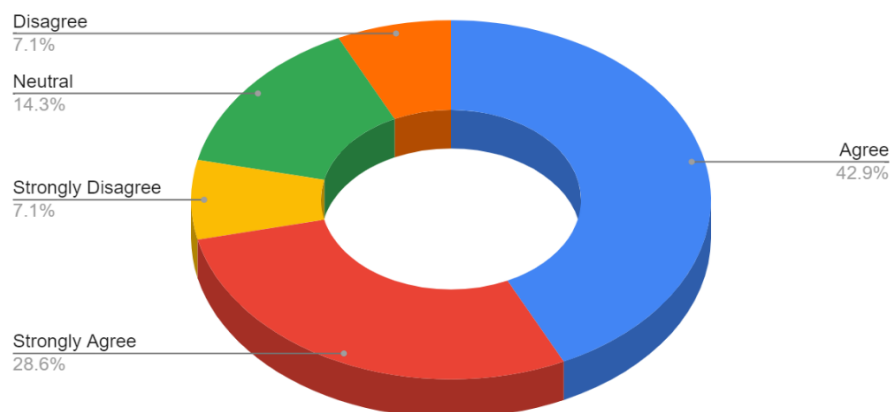
Source: Primary Data

This question was meant to get an insight on whether the insurance regulations governing the short-term insurance industry influenced the demand and uptake of short-term

insurance products. Indications from the study shows that 28,6% of the respondents strongly agreed that Industry regulation on short term insurance services affects the uptake of insurance whilst 42,9% agreed, 7,1% disagreed, 7,1% strongly disagreed and 14,3% were neutral. The study shows that to a greater extent the insurance industry regulation and legislation influences the uptake of short-term insurance services.

This then calls for flexible insurance regulations that are easily adoptable to the consumers for the consumers to be keener to buy insurance products.
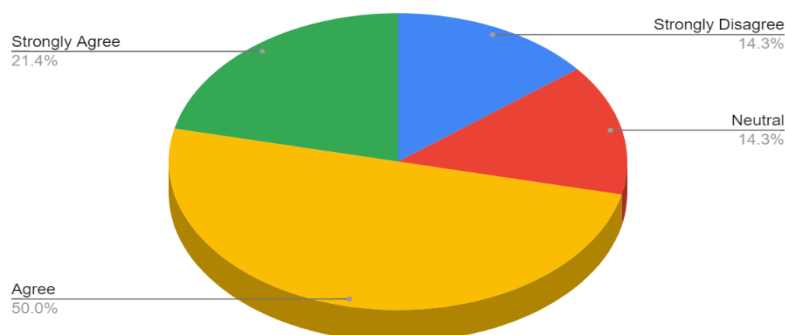
4.4.6   Insurance Campaign Awareness and Education

Insurance education and awareness has been cited as one of the major reasons why there is low uptake of short-term insurance services Zimbabwe. Respondents pointed out that most of the Zimbabwean population lack basic understanding of insurance and its operations. It has become common in Zimbabwe to have the highest literacy levels in the African region, but the people lack knowledge regarding the concepts of insurance services. Many consumers regard insurance as the "rich man`s product", many have lost the zeal to learn and appreciate the services. The pie chart below in figure 4.5.6 is a summary of the findings that were gathered from the research.

Table 4.4.6 Respondents' Insurance Campaign Awareness and Education

Strongly Agree	Agree	Strongly Disagree	Neutral
21,4%	50%	14,3%	14,3%

Figure 4.4.6 Respondents` Insurance Campaign Awareness and Education

Source: Primary Data

An analysis of the data depicted above in figure 4.4.6 shows that 21,4% of the respondents strongly agreed that the low uptake of insurance services is as a result of lack of awareness and education on insurance products whilst 50% agreed, 14,3% strongly disagreed and another 14,3% were neutral. According to the results gathered it can be concluded that the level of education and awareness on insurance products of a population contributes to either an increase in demand for insurance or a decrease in demand for insurance products. In the Zimbabwean situation, the lack of education and awareness of insurance products has, according to the results, led to the low uptake of insurance services and products.

(Chatterjee, 2017) supports these results as he states that education has a positive relationship with the demand for insurance. Insurance campaigns and consumer education increases the awareness of risk and threats to financial stability and consumers' understanding of the benefits of insurance. Therefore, if consumers lack knowledge and understanding on insurance products, it will result in a lack of appreciation of the products hence the low uptake.

4.4.7   Understanding Insurance Technical jargon

Table 4.4.7 Respondents' Understanding Insurance Technical jargon

Strongly Agree	Agree	Disagree	Neutral
14,3%	21,4%	21,4%	42,9%

Figure 4.4.7 Respondents` Understanding Insurance Technical jargon
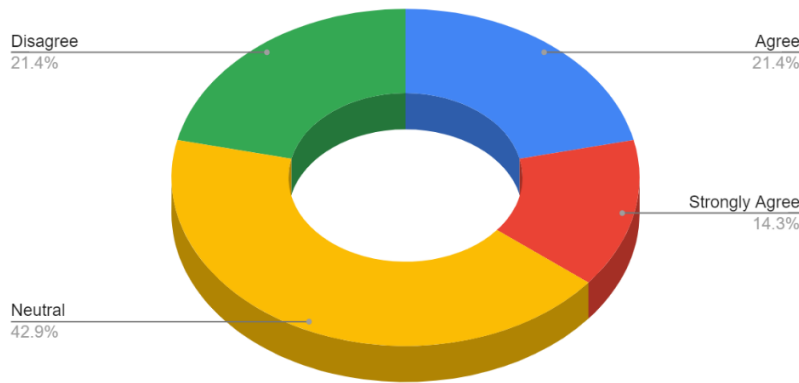
Insurance technical terms need consumers to understand and appreciate the terms. When one fails to understand the policy documents and procedures when it comes to claiming processes consumers tend to label insurance personnel as fraudsters. This was also highlighted in Chapter (1) one of the studies. From the study 42,9% of the respondents indicated that they were neutral on the aspect of understanding the insurance technical jargon as a factor that affects the uptake of insurance, 14,3% strongly agreed whilst 21,4% agreed and another 21.4% disagreed. The highest percentage of neutral was expected as this research was carried out on insurance companies since they believe that they are doing enough to market the industry. So, in this case it can be concluded that on the side of insurance companies they are not sure whether the understanding of technical insurance jargon is really a factor that can affect the uptake of insurance. This will be further analysed when we are looking at the consumers' study   .

4.5   Strategies to Improve the Uptake of Short-term Insurance Services

Table 4.5 Respondents` Strategies to Improve the Uptake of Short-term Insurance Services

Strategies	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Micro Insurance Products	64.3%	35.7%			
Promotions	28.6%	57.1%	14.3%		

Strategy	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Digitalization/Online Services	50.0%	50.0%			
Usage Based Insurance	42.9%	35.7%	21.4%		
Telematics	21.4%	28.6%	35.7%		14.3%
Low Priced Products	57.1%	28.6%	14.3%		
Innovation/New Products	57.1%	35.7%	7.1%		
Roadshows	14.3%	42.9%	28.6%	7.1%	7.1%
Media Campaigns	23.1%	61.5%	15.4%		

Source: Primary Data

Figure 4.5 Respondents` Strategies to Improve the Uptake of Short-term Insurance Services

9. What do you think are the strategies that the industry can deploy to improve the uptake of the short-term insurance products and services?
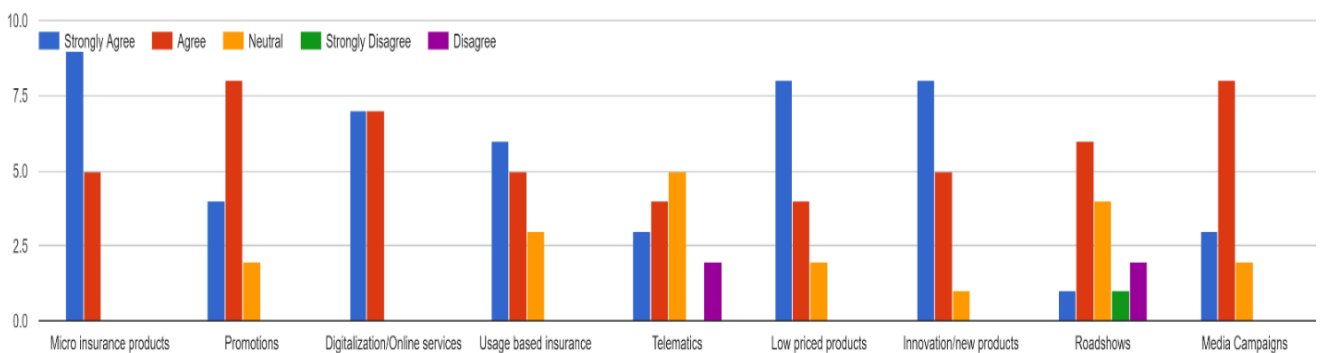
The researcher also asked a question that was aimed at establishing the strategies that the various insurance companies in Zimbabwe can implement to improve the uptake of the insurance products and services. The researcher sought to find the types of strategies that short term insurance companies can implement to increase the uptake of insurance and their effectiveness. Table 4.5 above is a summary of the strategies and the responses that were given in summary.

Micro Insurance Products

Micro insurance is still not widely practised in the Zimbabwean insurance industry though some insurance companies have since started to practise the same. It is true that in Zimbabwe this insurance package has not been well received by many insurance companies since they consider it to be quite involved in terms of research and development as well as the profiling of the risks that comes with it. From the study micro insurance as a strategy to improve the uptake of insurance scored the highest with 64,3% of the respondents who strongly agreed to the strategy and 35,7% agreed. This can be noted that most insurance companies agreed to the fact that the insurance market needs to introduce microinsurance to improve and increase the uptake of short-term insurance products. This is widely practised in countries like India and Kenya as earlier highlighted in Chapter (2) two of the study and this will work well for the Zimbabwean economy as most of the businesses have gone informal who can afford low priced products.

Promotions

Of the respondents who participated in the study 28,6% strongly agreed to using promotions as a strategy to improve the uptake of insurance products with 57,1% agreeing and 14,3% were neutral on using this strategy. These promotions will allow the consumers to benefit from the discounts that will be accompanied with the insurance products, though one can argue that they can prove to be costly on the side of insurance companies as they require funding. Thus, the insurance industry has a small percentage of the respondents being neutral about this strategy. The overall conclusion is that promotion is ideal to the insurance companies in Zimbabwe to increase the uptake of the short-term insurance services and products.

Digitalisation/Online Services

This strategy has been supported by most insurance companies as it has become the new normal or way of doing business worldwide. The recent outbreak of the covid-19 pandemic has resulted in the whole world embracing the use of technology, especially the developing countries Zimbabwe included who have been trailing behind in terms of technology. The study revealed that 50% of the respondents strongly agreed and the

other 50% agreed to the use of digital platforms and online services as the most effective way of improving the uptake of insurance services. This is an effective and cheaper way of distributing insurance products as it reaches many consumers in a short period of time and what only consumers need to do is embrace technology. This will also enable insurance products to be where the customer is and reach using this strategy.

Usage Based Insurance

The usage-based insurance strategy is widely used in countries like South Africa and has really worked well for the South African economy as witnessed by the increased insurance uptake in the country. South Africa has remained the country with the highest insurance penetration rate of around 18% in Africa. From the study 42,9% of the respondents strongly agreed that usage-based insurance as a strategy will help increase the uptake of short-term insurance products, with 35,7% in agreement and 21,4% were neutral on this strategy. Some insurance companies might be sceptical because of the economy as to whether insurance companies will then be able to make profit after implementing the usage-based insurance hence a neutral position from some respondents.

Telematics

The strategy of using telematics is not yet common in the Zimbabwean insurance industry and it is commonly used in the South African market. This Insurance telematics provides the means for both the insurer and the fleet operator to better manage driver behaviour, in turn this dramatically reduces loss ratios. From the study 21,4% of the respondents strongly agreed that the use of telematics will influence the uptake of short-term insurance products whilst 28,6% agreed, a bigger percentage of 35,7% were neutral and 14,3% disagreed with this strategy. As this was done on insurance companies it can be concluded that most were not sure whether this strategy will work as it is mostly used on motor insurance that will also leave the other non-motor policies exposed. The other factor of this mixed result is that the strategy is not cheap to implement as it involves huge cashflow outlays in terms of technology that is required to be placed in each vehicle to monitor the usage and driver behaviour.

Low Priced Products

Low priced products or affordable products are a game changer in any market especially in the Zimbabwean economy which is characterised by low disposable income due to the shrinking economy. Insurance services are deemed by consumers to be expensive as highlighted earlier in this study. The respondents agreed to this strategy of introducing low priced products as reflected by 57,1% of the respondents strongly agreed that distribution of low-priced products will improve the uptake of short-term insurance products, whilst 28,6% agreed to this strategy and only 14,3% were neutral on this strategy. This can be concluded that the issue of pricing is a major factor to the consumers and once low-priced products are introduced the uptake of insurance will improve.

Innovation and New Products

The world is fast changing hence it needs fast thinkers and innovators who quickly move with the changes to remain relevant in any market, innovation and new products are such that bring the changes to any environment. The study revealed that 57,1% of the respondents strongly agreed to the fact that innovation and introduction of new short term insurance products will assist in improving the uptake of insurance whilst 35,7% agreed to this factor and 7,1% of the respondents were neutral. A typical example of such innovation is the introduction of dial up service introduced by Moovah (Econet Insurance) when it was launched in 2018 it became a game changer as most policyholders were able to transact on mobile phones without physically visiting the insurance company offices for service. Hospital cash back policy that was offered by Old Mutual and Alliance Insurance companies also benefited a lot of policy holders and had a significant number of takers when it was introduced in the market. From the study it can be concluded that Innovation and introduction of new products is a great strategy that short-term insurance can adopt to improve the uptake of insurance products.

Roadshows Campaigns

In the old days road shows used to be rated as one of the best strategies that will attract a huge following (crowd pullers) as many will converse to have attention on what would be broadcasted. The researcher still believes that this strategy will assist in the marketing of the short-term insurance products to the public. The study had mixed reactions from the respondents with 14,3% of the respondents strongly agreed to the strategy whilst 42,9% agreed and 28,6% were neutral. An equal percentage of 7,1% of the respondents strongly disagreed and the other 7,1% disagreed. From the results of this strategy, it

shows that respondents had mixed feelings as it tends to be an old-fashioned way of marketing that has been overtaken by digital marketing. A bigger percentage of 42,9% agreed and this is an indication that the strategy to some extent is still relevant and can still be used to achieve the desired result of improving the uptake of short-term insurance penetration rate.

Media Campaigns and Marketing

This is one of the most utilised strategies as 23,1% of the respondents strongly agreed to be using this strategy with 61,5% of the respondents in agreement and 15,4% were neutral. This has proved to be a cheaper way of marketing products since media campaigns encompass a lot which includes newspapers, radio, television, use of the internet and bulky messages through mobile phones. This points to the fact that the Zimbabwean insurance industry is moving with the times by utilising technology for its benefit of the industry. It can be concluded that this is one of the most effective ways of marketing that will assist in improving the uptake of short-term insurance products.

4.6   Distribution Channels

The question was meant to find out the distribution channels that short term insurance companies are using as they make their products accessible to the insured public.

Figure 4.6 Respondents` Distribution Channels

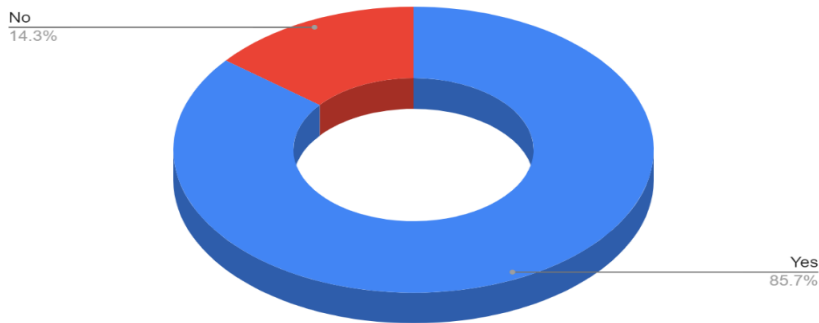10. Does your company make use of the following as distribution channels?

Source: Primary Data

4.6.1 Brokers and agents

Table 4.6.1 Respondents' Brokers and agents

Yes	No
85,7%	14,3%

**Figure 4.6.1 Respondents` Brokers and agents**

The study revealed that 85,7% of the respondents cited that they are using agents and brokers as a way of distributing their products to the insuring public whilst 14,3% of the respondents are using other channels. This shows that the insurance companies still have confidence with the insurance brokers and agents as they are proved to be the professionals in terms of interfacing with clients and are good professional advisers. This will then give the consumers the confidence of insurance as they are aware that they are in safe hands when their insurance matters are being handled through brokers.

4.6.2 Authorised representatives and side-line agencies

Table 4.6.2 Respondents' Authorised representatives and side-line agencies

Yes	No
84,6%	15,4%

Figure 4.6.2 Respondents` Authorised representatives and side-line agencies

Pie chart showing: No 15.4%, Yes 84.6%
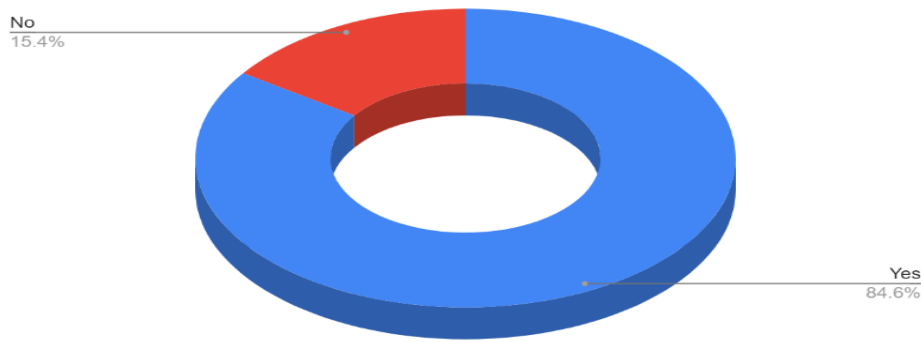
The authorised representatives include ZINARA shops, supermarkets, post offices, rural district council offices and banks which insurance companies take advantage of the client base of these lines of business to offer their products as well. The post office and supermarkets like OK Zimbabwe offer a lot of convenience as they offer ZINARA road licences for motor vehicles and this also attracts a lot of consumers as these are places that are frequented by consumers. Bancassurance is another example of a platform which insurance companies like Old Mutual, CBZ and Nicoz Diamond have adopted. This enables the provision of various services under one roof and brings convenience to consumers. From the study 84,6% of the respondents confirmed they were using this distribution channel whilst the other 15,4% confirmed they have not adopted this channel. This can be concluded that use of a distribution channel is a strategy that is lucrative to the insurance companies as it enables more customers to access insurance products at convenient places and this will result in increased uptake of insurance services. These authorised representatives normally attract a lot of consumers by their nature hence insurance companies take advantage of these huge crowds to also offer their products.

4.6.3 Direct Sales Force

The insurance companies also agreed to be direct sellers of insurance services and products. 100% of insurance companies are also using direct selling as a strategy to get insurance business. This is mainly used when there is a high need for personal interaction between an insured and the insurer, apart from that insurance companies will go through their brokers or agents for them to concentrate on their core business of underwriting and

settling claims. This in some sectors has been highly condemned as it is regarded as a threat to agents and brokers when the insurers start to interact with the clients directly.

4.7   Reasons for Choosing Authorised Distribution Channels

The researcher had also an opportunity to understand the reasons for choosing the distribution channels that the insurance companies highlighted above. The responses from the respondents were as follows:

a) Direct because it is easy market reach.
b) Brokers are efficient.
c) Brokers have a broader network, and some clients need to be represented.
d) A wide distribution channel improves efficiency and effectiveness. It also helps reduce bottlenecks and priorities of the customer.
e) Being part of a group of international companies has got advantages of access to technical   knowhow, system, and business pipeline.
f) Direct to increase market penetration and reach to grow the current book of insurance.
g) Brokers have the technique and skill to service customers on behalf of the Insurer.
h) Direct selling helps increase visibility and increase the market share.
i) Multi-channel strategy is more effective.
j) Brokers - corporate oriented and good relationships with broker riding on their expertise
k) Direct selling - for clients that do want to go through a broker convenience for the client.
l) To widen the hunting ground and to make use of technical knowledge from middlemen.

4.8   Customer`s Responses

The researcher also distributed questionnaires to the consumers of short-term insurance to find out their experience with insurance companies and their expectations to determine factors that can improve the uptake of insurance products.

The researcher also targeted 30 customers or members of the public and out of the (30) thirty targeted (23) twenty-three questionnaires were returned giving a response rate of 76% which indicates highly credible results.

4.8.1 Respondents Who Participated in the Research

Respondents	Questionnaires Dispatched	Questionnaires Responded	Response Rate
Insuring consumers/Public	30	23	77%
Total	**30**	**23**	**77%**

Source: Primary Data

4.8.1 Gender

Table 4.8.1 Respondents' Gender

Male	Female
65,2%	34,8%

From the study 65,2% of the respondents were males and 34,8% were females as shown in Figure 4.8.1. This shows an unbalanced representation of the respondents and since there were more males than females who responded which is an indicator that there could be more males than females who have insurance policies. This could also be an indicator that men believe in short term insurance products than women hence the more representation of men than women from the study.

Figure 4.8.1 Respondents` Gender
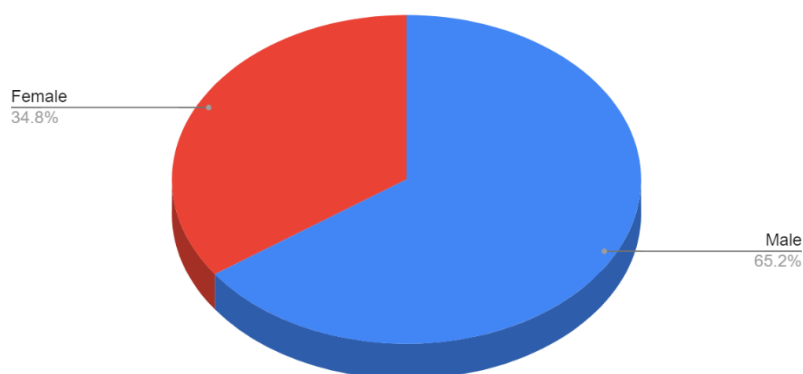
Source: Primary Data

4.8.2 Academic Qualifications

Table 4.8.2 Respondents' Academic Qualifications

Male	Female
65,2%	34,8%

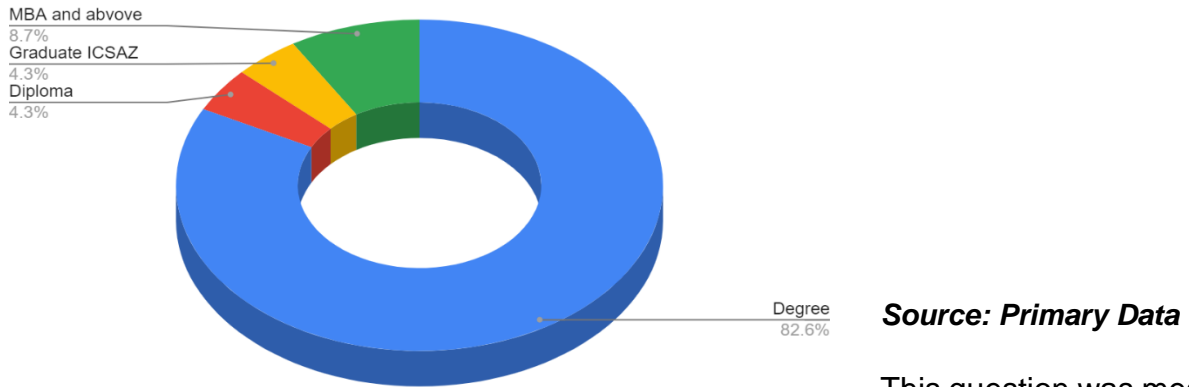**Figure 4.8.2 Respondents` Academic Qualifications**

MBA and abvove
8.7%
Graduate ICSAZ
4.3%
Diploma
4.3%

Degree
82.6%

Source: Primary Data

This question was meant to ascertain the academic qualifications the respondents had and hence come to see if the results could be credible enough. The academic qualifications held by an individual has a large bearing on how one understands insurance and how it is beneficial to society. Therefore, according to this study 8,7% of the respondents confirmed to be holders of a master's degree as their highest level of education whilst 82,6% of the respondents confirmed to be holders of honours degrees, 4,3% of the respondents confirmed to be holders of diploma qualifications and the other 4,3% conformed to be graduates of ICSAZ. This result is highly credible as the greatest number of respondents were qualified to understand insurance services.

4.8.3 Working Experience.

Table 4.8.3 Respondents' Working Experience

0-1 year	1-5 years	6-10 years	11 years +
17,4%	60,9%	4,3%	17,4%

Figure 4.8.3 Respondents` Working Experience.
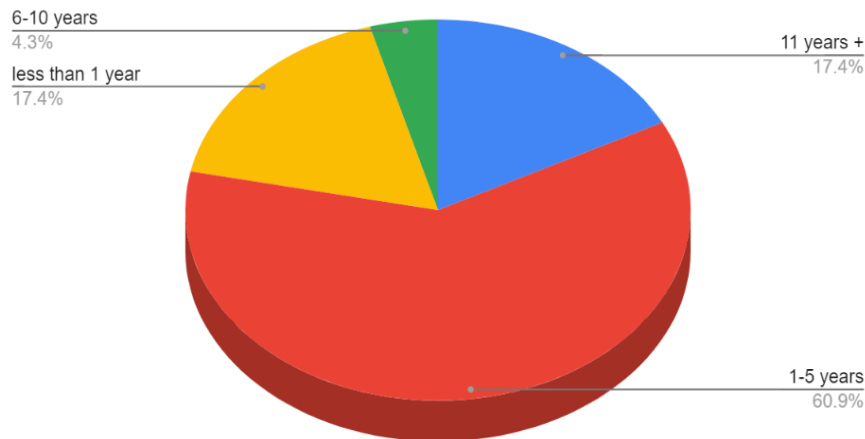
The study revealed that 60,9% of the respondents have been working in their respective organisations for a period of between 1 to 5 years, 4,3% had 6 to 10 years working experience whilst 17,4% had 11 years' experience and 17,4% had less than a year working experience. This shows that the highest percentage of consumers of insurance are between 1 to 5 years' experience, these are the people who will be starting to acquire assets and they will need them covered in the event of a loss. The study indicates that the percentage of consumers decreases with the number of working experiences as shown in figure 4.8.3 which is a sign of decreasing uptake of insurance products. These might have been consumers who would have had a bad experience with insurance services.

4.8.4 Position in the Organisation

Table 4.8.4 Respondents' Position in the Organisation

Executive	Managerial	Non-Managerial
13%	30,4%	56,5%

Figure 4.8.4 Respondents` Position in the Organisation
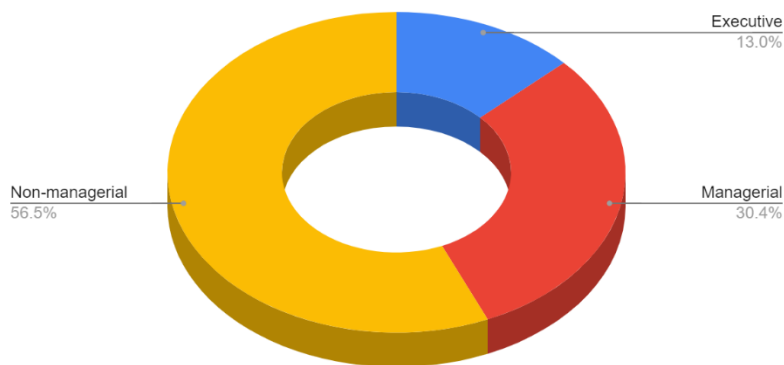
The question was meant to find out the relevant positions the consumers of insurance held within their respective organisations. The study revealed that 56,5% of the respondents were in the non-managerial positions whilst 30,4% were in the managerial positions and 13% were Executive or top management as shown in Figure 4.8.4. This entails that there is fair and adequate representation of respondents from different levels of the organization since different groups give a balanced analysis of what they think will improve the uptake of insurance services. The highest number of respondents came from non-managerial staff and this could be because of their less busy schedules and the interest to know more about insurance hence the high response.

4.8.5 Awareness of Short-term insurance Products

This question was meant to find out the numbers of consumers who were aware of the short-term insurance services in the insurance industry. From the study 69,6% of the respondents revealed that they were aware of the short-term insurance products in the market whilst 30,4% were not aware of the insurance services. Whilst the 69,6% might appear to be a good percentage it is not enough to give a higher insurance penetration rate as it is expected that 100% should be aware of the insurance services.

Table 4.8.5 Respondents' Awareness of Short-term insurance Products

Yes	No
69,6%	30,4%

Figure 4.8.5 Respondents` Awareness of Short-term insurance Products

No
30.4%

Yes
69.6%
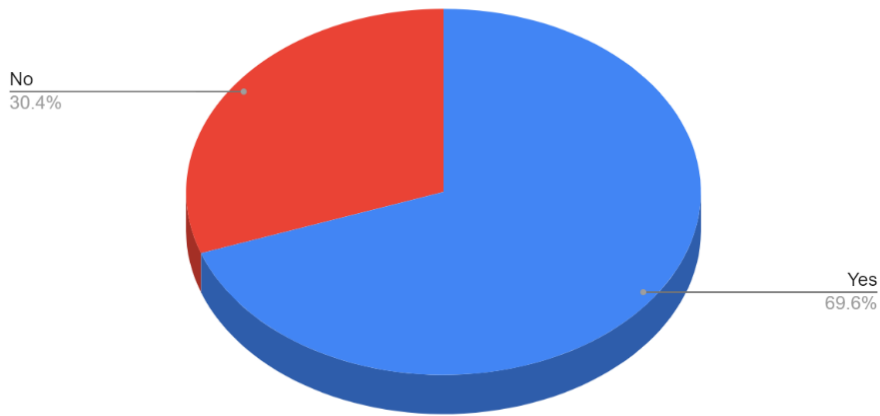
Source: Primary Data

This can be concluded that a lot more is expected from the insurance companies in terms of making the consumers aware of the services available in the insurance market. Media campaigns are a good example that can work to increase awareness to the consumers.

4.8.6 Information on Insurance

Table 4.8.6 Respondents' Information on Insurance

Internet	Brokers/Agents	Radio	Insurers	Word of mouth	Through friend	Television
36,4%	18,2%	13,6%	9,1%	4,5%	4,5%	13,6%

Figure 4.8.6 Respondents` Information on Insurance
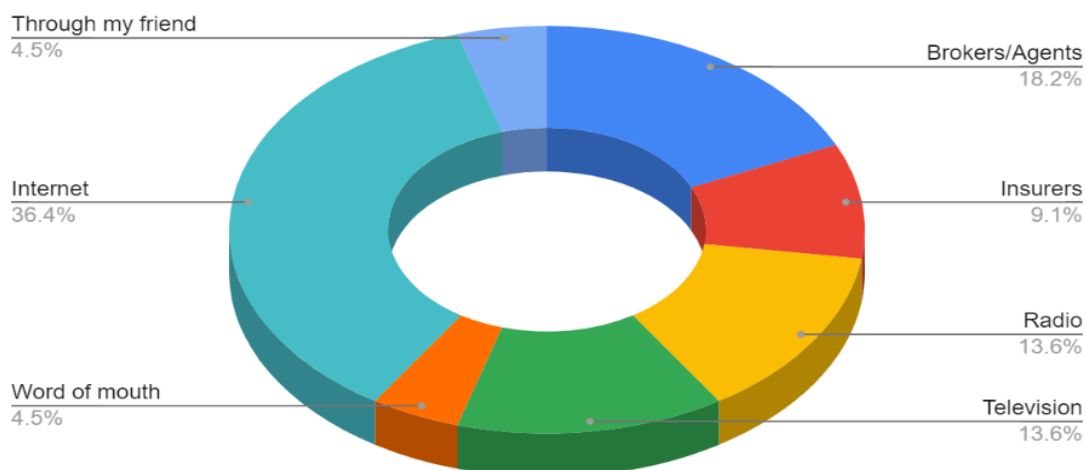
Source: Primary Data

This question was meant to give information to the researcher about how the consumers get to know about insurance services, the mode, or media. The study showed that 36,4% of the respondents got to know about short term insurance through the internet, 18,2% were through brokers and agents, 13,6% were through television, another 13,6% through radios, 9,1% through insurance companies, 4,5% through friends or referrals and 4,5% through word of mouth. The results indicate that there is still a lot that the insurance companies need to invest in to improve the low percentages through which insurance services are advertised. More percentages could have been achieved through referrals as this is the cheapest mode of marketing as it only needs a client who got a good service to spread the word to other consumers. The brokers and agent's percentage were also on the low side hence there is a need to up the game in terms of insurance sales and professional advice for clients to understand insurance better.

4.8.7 Affordability of Short-term insurance Products

Table 4.8.7 Respondents' Affordability of Short-term insurance Products

Yes	No
52,2%	47,8%

Figure 4.8.7 Respondents` Affordability of Short-term insurance Products
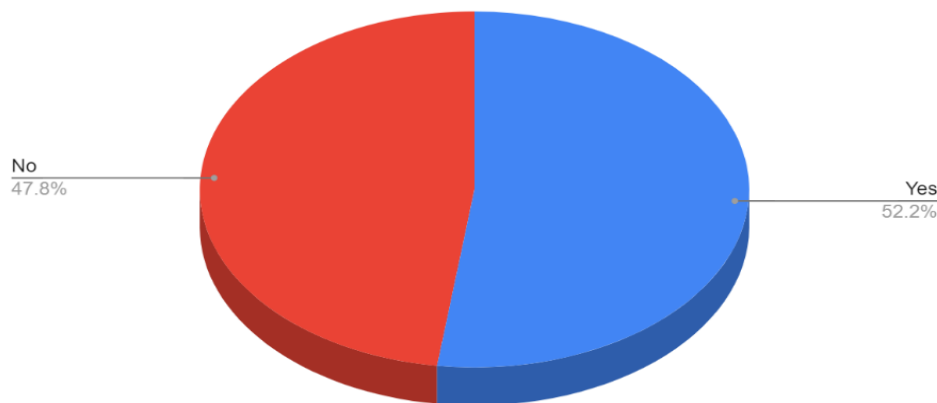
Pie chart:
- No 47.8%
- Yes 52.2%

Source: Primary Data

The price of the products plays an important part in the determination of the level of demand for insurance services in any insurance market. As a result of the economy that had challenges it resulted in unavailability of funds, low disposable income and customers are in a bid to access affordable commodities. From the data collected 52,2% of the respondents agreed to the fact that insurance is affordable whilst 47,8% believed that insurance products were unaffordable. As illustrated in figure 4.8.7 above, it can be concluded that insurance services are regarded to be out of reach to many consumers as demonstrated by the 47,8% which according to the researcher is a high percentage. This could be the reason why we have a low uptake of insurance products as almost 50% of the consumers regard the insurance prices as unaffordable. As in the case of the Zimbabwean economy most consumers are living below the poverty datum line which leaves them with little or no disposable income to purchase insurance services. Chatterjee (2012) states that price and in the case of insurance (premium) has a negative impact on the levels of insurance demand. Therefore, price has a large reflection on the purchasing decisions made by consumers.

4.8.8 Understanding Policy Wording

Table 4.8.8 Respondents' Understanding Policy Wording

Yes	No
43,5%	56,5%

Figure 4.8.8 Respondents` Understanding Policy Wording
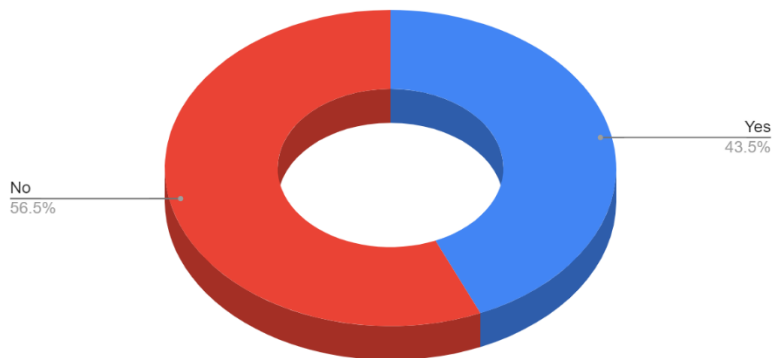
This question was meant for the researcher to find out whether consumers understand the short-term insurance policy wordings that are key as they spell out the terms and conditions of the policies. From the study 56,5% of the respondents revealed that they do not understand the policy wordings and 43,5% did not understand the policy wordings. This shows that there is a gap in terms of consumers understanding policy wording hence the low uptake of insurance policies and mistrust of insurance personnel. There is a need for the industry to educate and take consumers through the policy wording documentation for them to understand terms and conditions of the insurance policies. There is a misconception within consumers that insurance personnel use *"small print"* when it comes to claims to defraud customers. This can be achieved by conducting training and educating the customers on the key points in the policy wordings and the best for this training should be at acquisition stages of the policies.

4.8.9 Friendliness of Insurance Personnel

Table 4.8.9 Respondents' Friendliness of Insurance Personnel

Yes	No	Neutral
47,8%	4,3%	47,8%

Figure 4.8.9 Respondents` Friendliness of Insurance Personnel
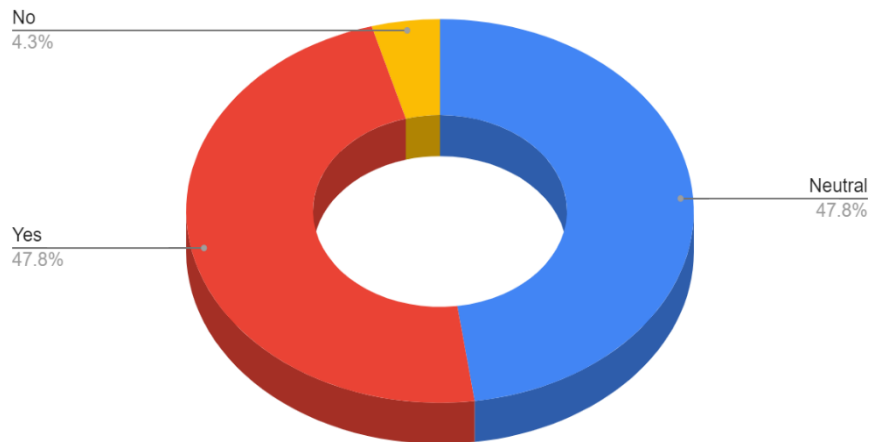
The researcher meant to gather information on how friendly and flexible the insurance personnel are perceived by their consumers in the market as this influenced the short-term insurance products uptake. From the study 47,8% of the respondents agreed to the fact that insurance personnel are friendly, whilst the other 47,8% were neutral and 4,3% regarded insurance personnel as not friendly. The high percentage of neutral respondents can be an indication that many consumers are in between yes or no. They cannot tell whether insurance personnel are friendly or not, which is not a good indication to the insurance companies. Once we have such neutrality it means these are potential consumers who do not have insurance policies hence the low uptake of insurance products. The study shows that there is a need for more customer handling training that is required for the insurance personnel to improve on customer care.

4.8.10 Claims Turnaround Times

Table 4.8.10 Respondents' Claims Turnaround Times

Yes	No	Neutral
22,7%	27,3%	50%

Figure 4.8.10 Respondents` Claims Turnaround Times
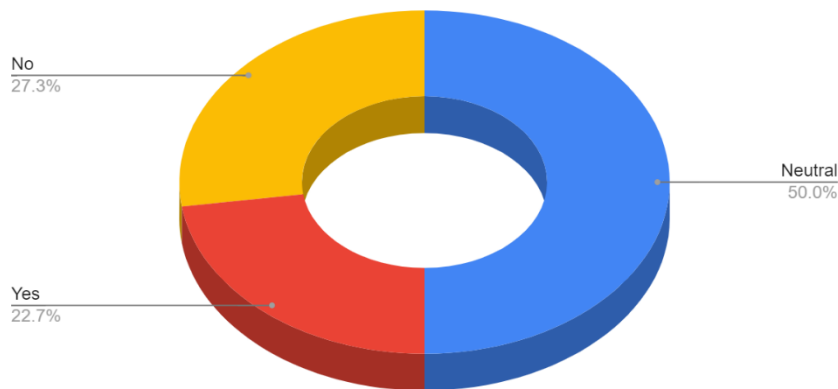
Another important key factor why consumers buy insurance is for financial protection when a claim occurs; consumer's expectation is a quick turnaround in claims settlement. In short, the claims process is still the shop window for insurers meaning to say that claims are the reason why consumers take up insurance policies. The figures shown in figure 4.8.10 from the study revealed that the highest percentage of respondents of 50% were neutral on claims turn around whilst 22,7% agreed and 27,3% disagreed. The 50% neutral result is an indication that consumers are not sure whether claims turn around or not influences the uptake of insurance service. Consumers who also responded negatively to the claims turn around are regarded as high at 27,3% This is a clear indication that consumers are not happy with the time taken to have their claims settled. This then calls for insurance companies to come up with measures such as claims service charters that need   to be shared with customers and adhered to if the industry is to achieve an improved uptake of insurance products.

4.8.11 Consumers with Personal Insurance

Table 4.8.11 Respondents' Consumers with Personal Insurance

Yes	No
47,8%	52,2%

Figure 4.8.11 Respondents` Consumers with Personal Insurance
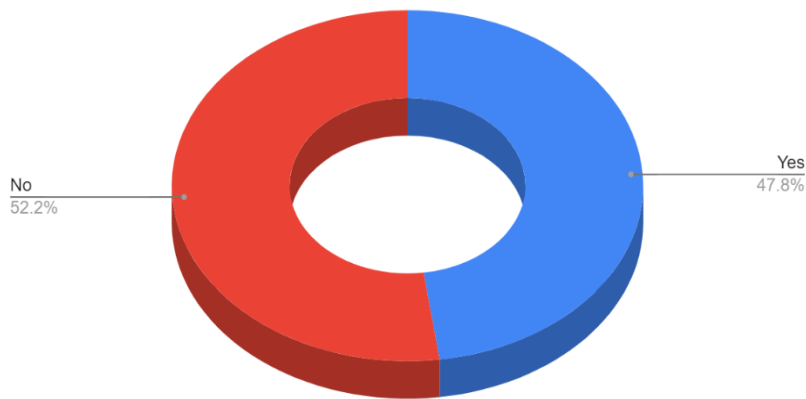
The researcher meant to find out the percentage of consumers who had insurance personal policies from the study. From the study 47,8% of the respondents had personal insurance whilst 52,2% of the population had no personal insurance. The percentage of consumers who do not have personal insurance is high at 52,2% as these consumers are contributing to the low uptake of insurance. This can be concluded that the number of consumers with personal insurance is low as it is below 50% and insurance companies must come up with ways to improve the uptake of personal insurance policies. Personal insurance is key in that there is a lot of referral business. Once the uptake is high it will contribute immensely to the overall uptake of the insurance services even in the corporate sectors.

4.8.12 Consumers Satisfied with Insurance Services

Table 4.8.12 Respondents' Consumers Satisfied with Insurance Services

Very Satisfied	Satisfied	Dissatisfied	Not Sure
5%	40%	10%	45%

Figure 4.8.12 Respondents` Consumers Satisfied with Insurance Services
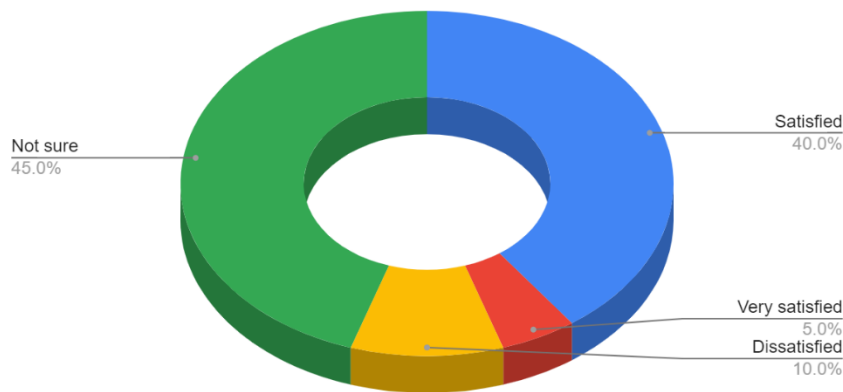
The question was meant to understand the satisfaction levels of insurance consumers with the insurance products and services. From the study 5% of the respondents were very satisfied with the insurance services and products, 40% expressed their satisfaction, 45% were not sure whether they were satisfied or not and 10% expressed their dissatisfaction over the insurance services. The 45% of the respondents who were not sure whether they are satisfied or not represents a huge percentage of consumers who are not satisfied. In addition to the 10% who expressed their dissatisfaction, the total dissatisfied respondents became 50%. This 50% of dissatisfied consumers point out some of the reasons why we have low uptake of short-term insurance products.

4.9   Short-term Insurance Policies familiar with Consumers

The short-term insurance is made up of different products that are common in the Zimbabwean insurance market. The research selected the common products as part of the study to understand the products that consumers were familiar with and find solutions to increase awareness of those products that the consumers were not familiar with. The table below shows the levels of familiarity within the consumers.

Table 4.9 Short-term Insurance Policies familiar with Consumers

Insurance Products	Percentage
Motor Insurance	95.7%
Property Insurance	56.5%

Agriculture Insurance	47.8%
Household Insurance	56.5%
Travel Insurance	30.4%
None	4.3%

Figure 4.9 Short-term Insurance Policies familiar with Consumers

7. Which type of insurance are you familiar with?
23 responses
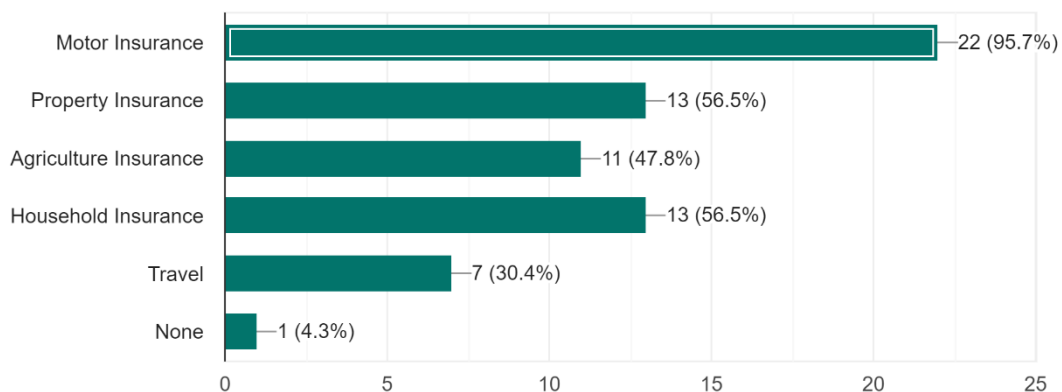
Source: Primary Source

From the study motor insurance policy had the highest percentage of 95,7% and this became the most common insurance product that the consumers are much familiar with. Property insurance and household insurance had a respondent's rate of 56,5% each, agriculture had 47,8% whilst travel insurance had 30,4% and 4,3% of the respondents were not familiar with any type of short-term insurance products. This is an indication that motor insurance is the most common product consumers are familiar with in the insurance market. There is a need for the insurance companies to be more aggressive in marketing other insurance short term products like property/assets, household insurance and agriculture insurance as they represent the bulk of the assets that consumers have. Though the percentage of respondents who were not aware of any products seems to be

low, the target should be to have all consumers aware of the insurance products that are available in the market to achieve an increased uptake of insurance products.

4.10 Reasons for Consumers not taking Up Insurance Services

The question was meant to find out the reasons why consumers were not taking up short-term insurance in order to ascertain the decrease or increase in the uptake of insurance in Zimbabwe. This is important such that it will give insurance companies an insider of the reasons why the industry is still experiencing low short term insurance uptake.

The study revealed that 91,3% of the respondents had no knowledge of the insurance products whilst 73,9% of the respondents had no income to purchase the insurance products. The other 69,6% of the consumers indicated that the insurance products were expensive and could not afford to buy them, 21,4% cited loss of value before claims were paid, 17,4 % were not interested in the insurance products. The other 17,4% of the respondents revealed that they do not trust insurance personnel hence them not taking up the short-term insurance policies. Therefore, this can be concluded that their decision not to purchase insurance was mainly because of lack of knowledge of the insurance products, no income to buy and consumers regarded the insurance products as expensive as illustrated in figure 4.10 below. The percentage of the respondents that showed no interest at 17,4% is a high percentage which the insurance companies need to prompt further so as to make sure that the same consumers start to like buying insurance products.

Table 4.10 Respondents` Reasons for Consumers not taking Up Insurance Services

Reasons	Percentage
No Income	73.9%
No Knowledge	91.3%
Not Interested	17.4%
Loss of Value	21.7%
Expensive	69.6%
	17.4%

Do Not Trust Insurance Personnel	

Figure 4.10 Respondents` Reasons for Consumers not taking Up Insurance Services

,

14. What do you think are some of the reasons why people do not take insurance policies?
23 responses
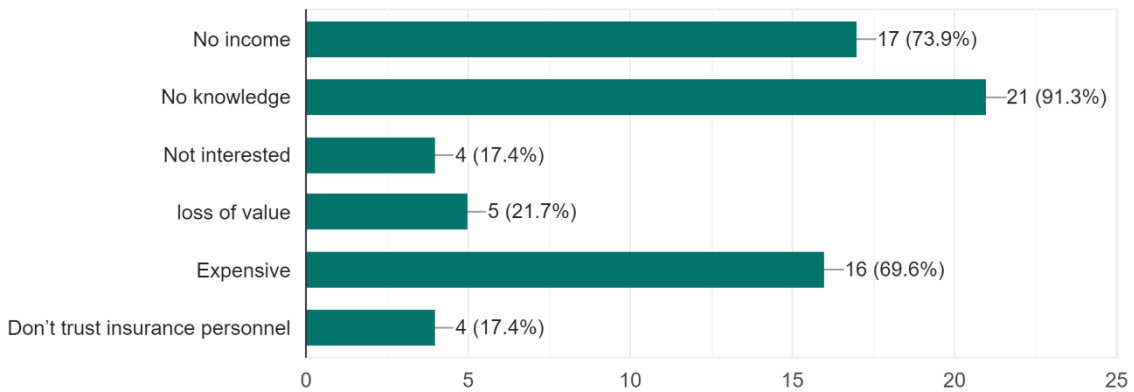
4.11 Strategies To improve the uptake of insurance Services.

Table 4.11 Respondents` Strategies To improve the uptake of insurance Services.

Strategies	Percentage
Online Services	73.9%
Customer Education	73.9%
Advertisement	34.8%
Improve Claims Turnaround	69.6%
Usage Based Insurance	30.4%
Low-Cost Products	56.5%

Figure 4.11 Respondents` Strategies To improve the uptake of insurance Services.

12. What do you think the insurance industry needs to do to improve the uptake of the insurance services?

23 responses

Online Services — 17 (73.9%)
Customer Education — 17 (73.9%)
Advertisement — 8 (34.8%)
Improve claims turnaround — 16 (69.6%)
Usage based insurance — 7 (30.4%)
low cost products — 13 (56.5%)
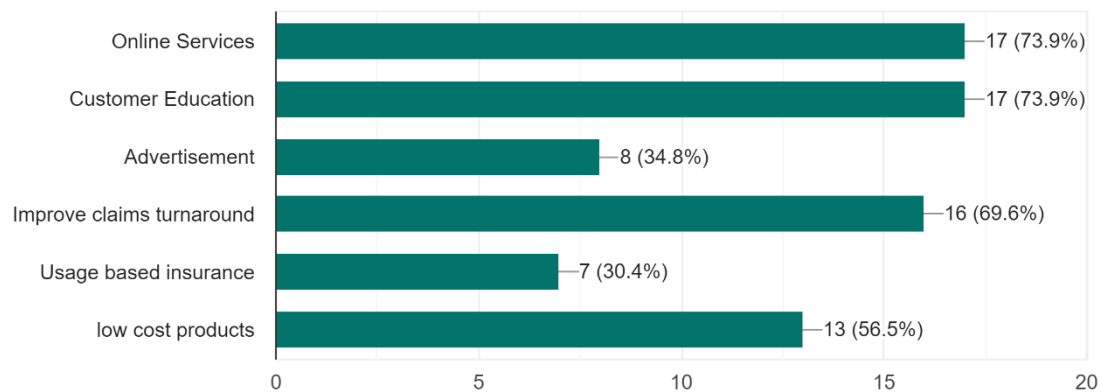
Source: Primary Data

This was meant to find out from the consumers the strategies they have in mind that insurance companies should implement to improve on more sales and, in the process , increase the uptake of insurance services. This would help the insurance companies greatly as this was coming from the customers themselves who are the consumers of the insurance products hence first-hand information was key.

From the study (3) three key issues came out with the highest percentages as to what consumers consider can improve the uptake of insurance services. Customer education had 73,9% of the respondents as one key factor that the insurance companies should consider increasing the uptake of short-term insurance. This has been highlighted again as a major reason why consumers were not taking up insurance services earlier in the chapter.

Online services had also a high percentage of respondents at 73,9% as a key factor that will assist in the insurance uptake. This has become the new normal way of doing business in the 21st century and in the wake of the covid-19 pandemic.

Another high percentage of 69,6% of the respondents was cited on claims turn around, the time taken to settle a claim is regarded as key in the uptake of insurance products. Claims are the reasons why consumers take up insurance policies such that in the event of a loss clients expect a quick turnaround in claims settlement.

Consumers also regard low-cost products as another important factor that insurance companies should consider, the study revealed that 56,5% of the respondents voted for the low-priced products which are affordable to the consumers.

34,8% of the respondents need the insurance companies to be more aggressive in advertising insurance short term products as this will help improve the uptake of the products.

30,4% of the respondents are looking at usage-based insurance as a strategy that insurance companies need to implore to improve the numbers of consumers taking up insurance policies.

4.12 Summary

This chapter highlighted a qualitative and quantitative summary of findings of the study obtained from responses to questionnaires done to the insurance companies as well as insurance customers. Recommendations and conclusion of the research will be detailed in chapter five.

Chapter Five: Conclusion and Recommendations

5.0   Introduction

This chapter focuses on the key issues and draws conclusions pertaining to findings of the study from the primary and secondary data sources. The chapter makes recommendations to address the challenges that are hindering the uptake of the short-term insurance products in Zimbabwe. It will go on further to give in detail the recommended strategies that short-term insurance can adopt to improve the uptake of short-term insurance products in Zimbabwe. Opinions from the researcher, customers and organization participants were taken on board in the identification of feasible solutions that are recommended.

5.1   Conclusion

The conclusions to this research are based on the objectives set out in chapter one (1) which are detailed hereunder:

To investigate the reasons for the low uptake on the short-term insurance products.

The research concludes that the reasons for not taking up insurance were that customers regarded insurance products as very expensive, were beyond the reach of many and that most consumers had no stable salary income for them to be able to purchase insurance products. The other reasons from the study were issues to do with loss of value when it comes to claim settlement as the insurance was being paid in local currency ZWL$ that has been losing value for a period stretching to about 5 years now. Customers also indicate that they have no confidence in the insurance personnel whom they regard as fraudsters who are only interested in insurance premiums and fail to pay claims when there is a claim.

Other customers indicated that they were not simply interested in the short-term insurance products hence they could not buy.

To identify the factors that are hindering the uptake of short-term insurance products.

This research concludes that the factors that are hindering the uptake of short-term insurance products are due to the economic hardships being experienced in the country

as most consumers had no income to spare for insurance products. The study also revealed that most consumers had no knowledge on the short-term insurance products available in the Zimbabwean insurance market. This then made it difficult for consumers to purchase unknown products. Another factor is that of lack of knowledge and awareness on insurance products among customers leading to the low demand for insurance products. Most of the consumers had issues with the insurance technical jargon that they fail to understand and appreciate when it comes to the whole process from acquisition to processing of claims.

The other factor that was noted from the study was that there were no suitable low-priced products for the low-income earners as the current products available in the Zimbabwean short term insurance market were proving to be expensive.

The research established that due to the economic hardships experienced in the country most consumers had no income to spare for insurance products.

The study results indicated that to a greater extent the insurance industry regulation and legislation was affecting consumers as customer's felt that the current legislation was not protecting consumers rights.

To assess the current strategies that the insurance companies are currently using to roll out their insurance products.

The study confirms that the current strategies that the insurance companies are currently using need to be changed and deploy more robust strategies that conform to the 21st century. The current strategies noted were television and newspaper advertisement that is not consistent as some are advertising only during peak renewal periods. Selling of conventional insurance products and use of insurance agents was noted from the study as another current strategy that the insurance companies are using.

The insurance companies are also doing direct selling of insurance products and use of the manual system in underwriting and claims payments which involves a lot of paperwork.

Physical visits to customers and customers physically visiting insurance companies for services. This did not in turn improve the uptake of the short-term insurance products.

Recommendations on measures that the insurance sector can deploy to increase uptake of the short-term insurance products.

This research concludes that in order to increase the uptake of short-term insurance products the insurance companies should invest in online or digitization services, make use of the telematics and introduce low priced insurance products to customers. The other measures were for the insurance companies to be innovative on new products, improve claims turnaround times, introduce usage-based insurance to customers, have tailor made products that are customer driven and make use of the distribution channels such as big retail shops, OK Zimbabwe. This has been explained in detail in this chapter under recommendations.

Establish the level of awareness and knowledge of customers on the insurance products.

This research concludes that the level of awareness and knowledge of customers on short term insurance products was very low. The number of customers given as a percentage who indicated that they had no knowledge of insurance products was 91,3% from the study. This is a clear indication that most customers are not aware of the short-term insurance products that are available in the market which is a clear indication why we have a low uptake of short-term insurance products.

5.2   Validation of the research proposition

The research confirms the research proposition on the strategies that insurance companies can deploy to improve the uptake of short-term insurance products in Zimbabwe were effective and necessary. This is supported by the fact that the current strategies in place are not that effective as the insurance penetration rate is still low hence the need to come up with robust strategies that will assist to increase the insurance uptake. Customers and insurance companies did participate in the study and proposed practical strategies that if implemented can indeed increase the uptake of short-term insurance products.

5.3   Recommendations

The following recommendations are made based on the above findings in Chapter 4.

    i)   Digitalisation and online services

According to the findings from the research it shows that the Zimbabwean insurance industry is still lacking on online platform services as current insurance services are being offered manually. This includes physical visits of customers to insurance companies to access services which also involves a lot of paperwork and handling of physical files. This has led to a lot of misfiling and errors that has made the customers lose confidence in the industry. Therefore, the researcher recommends that insurance companies invest in offering digital services that are accessed by many consumers and can be accessed anywhere, anytime. The recommendation is that insurance packages platforms be designed by all insurance companies just like what the banking sector has done, all banking is now being done online. This will enable customers to have access to insurance packages on their electronic devices and save on time to travel to physically visit insurance companies. One good example is what Moovah (Econet Insurance) have done, when they launched, they made all their subscribers to access their short code and enjoy insurance services at the comfort of their homes. Online platforms accessed on electronic devices will increase reach and bring a lot of convenience to customers.

ii) Usage Based Insurance

Due to the economic hardships faced in the country most customers have resorted to using public transport as many cannot afford to drive daily to their workplaces. In Zimbabwe insurance is still being charged the same premium rates not considering whether the vehicle is parked or not often on the road. Rates charged on motor vehicles that are parked most of the time and those often on the road should be different and this will encourage clients to insure. The researcher highly recommends that the insurance industry adopt usage-based   insurance as it will encourage those customers to take up insurance since there are some savings realised to those who use their vehicles less. This will encourage even those with a fleet to insure them all as there is no way one would drive all vehicles at the same time. This has been noticed by the increase in the uptake of third-party insurance, it shows that consumers are keen to insure comprehensively but costs are a hindering factor. Once usage based is practised it encourages consumers to come on board and insure adequately. This has proved to be a good strategy as it is widely practised in South Africa which has the highest insurance penetration of around 18%.

iii) Use of Telematics

A few insurance companies have invested in this technology namely FBC Insurance and Moovah (Econet Insurance). This allows the insurance companies to understand, monitor and exchange safety information, about such things as road hazards, the locations and speed of vehicles over short-range radio link devices. This will assist the insurance companies to design risk management programmes to customers and educate them on certain hazards that would have been collected electronically. By introducing telematics in the Insurance industry, it means both the insurer and the consumer will be able to better manage driver behaviour, in turn this dramatically reduces loss ratios. The data obtained will also be utilised to reconstruct accident scenes more accurately, making it easier and faster to evaluate claims for the insurance companies. This will then enable the industry to process claims faster and efficiently and attract more consumers to purchase insurance products.

iv)   Customer Education on Insurance

The research established that most customers lack or are unaware of the insurance products and services including the procedures that are involved when one wants to purchase an insurance policy. This has made customers not to be interested in the insurance services as they associate insurance with the elite, yet it is meant to be for all consumers, everyone who owns properties. Insurance companies should invest in customer education through forums like roadshows, media programmes and make use of insurance foot soldiers to go into the community to educate customers on insurance products. This can also be attained through distribution of flyers on major road intersections and visits to informal markets such as Magaba and Siyaso in Mbare, Glen view area 8 and these flyers should be in all local languages for easy understanding to the public. It is recommended that this education be rolled out for free for it to attract huge numbers to attend and get the education on insurance matters. This will greatly benefit the insurance industry in that many will now have the knowledge on insurance matters and hence purchase insurance products.

v)   Innovation

The world is fast changing in terms of demands and expectations of customers and as such innovation is key to the development of many sectors of the economy. The yester years procedures and products are no longer relevant in the current environment and there is a need for the insurance industry to innovate on their products and services. The

ultimate objective of innovation is to enhance the move from the focus on customer retention to focusing on customer experience and satisfaction. In this case it is recommended that for the insurance industry the specific areas of innovation should be on the business model, products, processes, and marketing. In fact, for the short-term insurance players have an opportunity to leverage on challenges raised by Covid-19 pandemic to develop innovative short-term insurance products that cover the risks posed by the pandemic. Therefore, there is a need for the insurance industry to move towards solutions that give customers unprecedented freedom and choice. On the regulator side it is recommended that there is a need to expedite ongoing initiatives to develop the necessary infrastructure and regulatory framework that promotes and supports innovation in the insurance industry.

vi)   New markets

The insurance industry for years has been chasing the same small *piece of cake* and over the years new insurance players have been coming into the market making the situation even worse as the size of the cake kept shrinking. As the world is becoming a global village and expanding the same opportunities. The researcher recommends that the insurance industry leverage business model innovation to pursue opportunities in relatively new markets or untapped markets such as microinsurance and the Diaspora business. The greater part of the country's population is now involved in agriculture and most are in the rural areas, there is a need for broad based opportunity identification and solution development for such a type of business. The insurance industry needs to be focused more on agri business and the rural population as the agriculture season for 2020 to 2021 is really promising to have good harvests as the country receives average to normal rainfall.

vii)   Tailor Made Products.

The continual offering of the conventional insurance products and services has scared away some customers as some of the products are no longer relevant to the current environment. We are now in an era where everything is now being driven by the customers. The researcher recommends that the insurance industry starts to introduce customer driven or demand driven services and run away from the one size fits all. There is a need to introduce tailor made products where the industry designs what the customers require after assessing their needs in relation to their business activities. This will

encourage the customers to increase their insurance uptake as they will start to feel being part of the process. In this way customers will be encouraged to purchase insurance products as their needs will be covered.

viii)   Low Priced/Cost Insurance Products

The Zimbabwean economy for the past 5 to 10 years has been experiencing high inflation and instability in the economy with lots of policy inconsistencies that has not also spared the insurance industry. As such most customers had to either cancel their policies entirely or reduce the covers to affordable levels. After realising all these developments in the economy, the researcher recommends that the insurance industry relook at their product costing and come up with low-cost products that suit the economy to encourage customers to take up insurance. Low priced products would mean that the customers would be able to spare the little they have to purchase insurance products and in the process the industry will increase uptake. If insurance products become low prices many will start to access the products thereby increasing the uptake.

ix)   Aggressive Insurance Advertising

As highlighted earlier, the world has become a global village where one can be able to access any information anywhere and anyhow. The insurance industry should take advantage of such space and aggressively advertise or roll out their insurance products at a large scale to the whole world. This massive advertisement will include newspaper adverts, internet as the majority have access to the internet, radio stations, television, billboard advertisement on major highways and busy city roads. To make sure that there is wide coverage on this the industry should resuscitate those insurance road shows in conjunction with the regulator (IPEC) as this will enable those in remote areas to be reached out easily and quickly. These roadshows can be held at growth points where a lot of customers converge and get to hear for themselves on insurance products. This will assist a lot to disseminate information on insurance products that are not known by many across the country and the concentration should not only be in urban areas as most wealthy people are now staying in farms and mining towns.

x)   Insurance Promotional Activities

In most cases promotions increase sales of products and services as there is normally a direct financial gain from the customers perspective. Promotional services in insurance

should be aimed at increasing customers knowledge as has been revealed by this study, customers lack knowledge on insurance products and procedures. To make sure that this is corrected there is a need for the insurance industry to invest in promotional activities which are educational initiatives that aim at informing customers on insurance concepts. Promotions are also a way of encouraging customers to realise value for money as they will save on insurance when these promotions are run. These promotions should also include financial savings for them to attract the customers like the insured and win competition, this will draw a lot of interest to customers where everyone wants to be part of the competition. A good example is what OK Zimbabwe has been doing for years in the Ok grand challenge promotion, they have increased their market share due to this promotion. Once this is practised chances are very high that customers are attracted and in the process the uptake of insurance products will be greatly increased.

xi)   Improve on Claims Turnaround Times

Claims are the reason why customers take up insurance policies such that they will be restored to the same position they were before they had a claim. The study has revealed that most customers are not taking up insurance products as they have lost value resulting from delays experienced during claims processing. For the insurance industry to regain the customers confidence there is need to come up with service level agreements (SLA) that are to be signed by the customers and insurance companies as this will assist in monitoring agreed timelines. Where there is a quick turnaround in claims, customers become   confident in the insurance processes as this is the key part to the customer. Two-way communication is also recommended where the customers are constantly updated on progress made on their claims whether positive or negative this will keep the customers in the loop and updated. Claims must be processed fast for the customers to be able to realise value for money and this will certainly restore customer confidence in the industry.

xii)   Prudent Underwriting

The insurance industry has been of late characterized by insurers who are doing cash flow   underwriting which is not healthy as it has its own pitfalls, to the customers and the industry. This has been as a result of low uptake of insurance products in the market where insurers tend to get customers by undercutting rates which had negative effects to the insurers when there are huge losses. The same insurers may then fail to pay claims

as they may have charged commensurate premiums enough to cover the losses. The researcher recommends prudent underwriting to the insurance industry as this has always proven to be the best strategy for attracting customers to purchase insurance products. Prudent underwriting involves doing proper underwriting without cutting corners and charging commensurate premiums to the risks. In this case the reputation of the whole industry is well protected, and respect is earned from customers. Insurers will also be able to pay claims when huge losses have incurred.

xiii) Use of Distribution Channels

The insurance industry must come up with partnerships that will assist in the distribution of insurance products and services. One such partnership that proves to be effective is partnership with large retail shops such as OK Zimbabwe, Pick and pay, Spar and Bon Marche. The partnership will be for the insurance industry to be allowed to operate within these shops premises. This is so because most consumers visit these retails daily for their basic foodstuffs and groceries. Availability of insurance products in such retail outlets will mean customers have one stop shop for everything and will take advantage of such services to purchase their insurance as opposed to visiting insurance companies. Such partnerships will see the uptake of products increase as accessibility will be now improved as thousands visit these shops daily. There is also convenience to the customers as they have to enjoy two services at once whilst saving on transport costs to make another trip to visit the insurance company for insurance matters.

xiv) Use of Professional Brokers

Brokers are said to be the *gurus* of insurance in the insurance market as they play an important role in selling and giving professional advice to clients on insurance matters. The study revealed that some of the insurers are by passing brokers and are now doing direct marketing. Brokers as professional advisers are independent and have a big role to educate customers on the "*dos and don'ts*" of insurance. This has resulted in customers understanding insurance better than before. The researcher recommends that the regulator encourages insurers to make use of the professional brokers to handle insurance matters with clients while insurers underwrite policies and pay claims. The research revealed that insurers seem not to have time to take customers through the insurance jargon so to speak for the customers to understand the processes involved. Customers who have their policies through a broker appreciate and understand insurance matters the most as brokers have all the time for their customers. The other

point here is that brokers do everything for their customers thus from identifying the insurer, renewal and review meetings, risk surveys, placing of the risk, and claim processing while customers listen to the advice.

5.4 Areas of further research

In the future the researcher suggests that the following areas need further research.

a) Implementation of the recommended strategies by the Insurance and Pensions Commission.

b) Strategies that the insurance industry needs to implement post covid-19 period.

5.5 Summary

This chapter drew conclusions from the research findings from the study. Recommendations were made on the strategies that can be implemented by insurance companies in Zimbabwe to increase the short-term insurance uptake of insurance.

Appendices:

Questionnaire for Insurers

To whom it may concern:

Dear Sir/Madam,

Ref: Request for information for research.

My name is Handricks Ngena, a Fellowship student at the Institute Insurance of Zimbabwe (IIZ), Student Registration Number 172603. I am undertaking a Research titled —" **An analysis of the strategies to improve the uptake of short-term insurance products in Zimbabwe**" as part of the Fellowship program. I am therefore requesting your indulgence to complete the questionnaire below, which I am using to collect primary data.

I am kindly appealing for about 10 minutes of your time, for you to complete this questionnaire. I assure you that all the information will be used for purely academic purposes only and confidentiality shall be maintained. Should you require more information about the researcher, kindly get in touch with the chairperson of the program, Mrs. M Jakata on mobile number, +263 779 394 357.

Your cooperation will be greatly appreciated.

Yours Sincerely

Handricks Ngena (172603)

Mobile +263 772 434 288 or hngena55@gmail.com

Questionnaire

Instructions

1. You are advised not to write your name.
2. Please tick the appropriate answer box below with your honest answer.

Section 1

1. What is your gender?

Female ⬡   Male ⬡

2. What are your academic qualifications?

O Level ⬡   A Level ⬡   Diploma ⬡   Degree ⬡   MBA and above ⬡

3. **How long have you been with the organization**?

1-5 years ⬡   6-10 years ⬡   11 years + ⬡

4. In which department are you in?

⬡nderwriting ⬡   Administration ⬡   Finance ⬡   Claims ⬡   Actuarial

Marketing ⬡   Valuations and Risk Management ⬡

5. State your position in the organization.

Executive ⬡   Managerial ⬡   Non-Managerial ⬡

Section 2

6. Has your organization measured the uptake of insurance for the past 2-5 years?

Yes ⬡   No ⬡

7. If the answer is Yes to question 6, where there any improvements in the uptake of short-term insurance products

Yes ⬡   No ⬡

8. The following factors affect the uptake of short-term insurance services. To what degree do you agree with this statement?

	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Level of income					
Price of insurance product					
Occupation					
Government policies					
Industry regulation					
Insurance campaigns awareness					

	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Understanding of the technical insurance jargon					

9. What do you think are the strategies that the industry can deploy to improve the uptake of the short-term insurance products and services?

	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Micro insurance products					
Promotions					
Digitalization/Online services					
Usage based insurance					
Promotions					
Telematics					
Low priced products					
Innovation/new products					
Roadshows					
Media Campaigns					

10. Does your company make use of the following as distribution channels?

Brokers and agents   Yes ⬡   No ⬡

Direct selling   Yes ⬡   No ⬡

Authorized representatives or Distributors   Yes ⬡   No ⬡

11. Why has your organization chosen that distribution channel?...

End of questionnaire

Questionnaire for Customers

To whom it may concern:

Dear Sir/Madam,

Ref: Request for information for research.

My name is Handricks Ngena, a Fellowship student at the Institute Insurance of Zimbabwe (IIZ), Student Registration Number 172603. I am undertaking a Research titled —" **An analysis of the strategies to improve the uptake of short-term insurance products in Zimbabwe**" as part of the Fellowship program. I am therefore requesting your indulgence to complete the questionnaire below, which I am using to collect primary data.

I am kindly appealing for about 10 minutes of your time, for you to complete this questionnaire. I assure you that all the information will be used for purely academic purposes only and confidentiality shall be maintained. Should you require more information about the researcher, kindly get in touch with the chairperson of the program, Mrs. M Jakata on mobile number, +263 779 394 357.

Your cooperation will be greatly appreciated.

Yours Sincerely

Handricks Ngena (172603)

Mobile +263 772 434 288 or hngena55@gmail.com

Questionnaire

Instructions

1. You are advised not to write your name.
2. Please tick the appropriate answer box below with your honest answer.

Section 1

1. What is your gender?

Female ⬡   Male ⬡

2. What are your academic qualifications?

O Level ⬡   A Level ⬡   Diploma ⬡   Degree ⬡   MBA and above ⬡

3. **How long have you been with the organization**?

Less than 1 year ⬡   1-5 years ⬡   6-10 years ⬡   11 years + ⬡

4. Indicate your position in the organization?

Executive ⬡   Managerial ⬡   Non-Managerial ⬡

Section 2

5. Are you aware of the insurance products offered by short term insurance companies?

Yes ⬡   No ⬡

6. **How did you get to know about insurance**?

Radio ⬡   Television ⬡   Newspapers ⬡   Roadshows ⬡   Brokers/Agents ⬡

Internet ⬡   Insurers ⬡   Colleague ⬡

7. Which type of insurance are you familiar with?

Motor insurance ⬡   Property Insurance ⬡   Agriculture Insurance ⬡

Household insurance ⬡   Travel ⬡   None ⬡

8. Do you find insurance premiums to be affordable?

Yes ⬡   No ⬡

9. Do you understand the insurance policy wording (small print)?

Yes ⬡   No ⬡

10. **Do you find insurance personnel to be friendly**?

Yes, ⬡   No ⬡   Neutral ⬡

11. **Are you happy with the claims turnaround when you have a claim**?

Yes, ⬡   No ⬡   Neutral ⬡

12. What do you think the insurance industry needs to do to improve the uptake of the insurance services?

Online services ⬡   Customer education ⬡   Advertisement ⬡   Low-cost products ⬡

Improve claims turnaround ⬡   Usage based insurance ⬡

13. Do **you have a personal insurance policy?**

Yes ⬡   No ⬡

14. What do you think are some of the reasons why people do not take insurance policies?

Expensive ⬡   No income ⬡   No knowledge ⬡   Not interested ⬡

Don't trust insurance personnel ⬡   Loss of value ⬡

15. How satisfied are you with your insurance company services?

Very satisfied ⬡   Satisfied ⬡   Satisfied to some extend ⬡   Dissatisfied ⬡

Not sure ⬡

End of questionnaire

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