ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

FACTORS AFFECTING THE PERFORMANCE OF NILE INSURANCE COMPANY S.C

BY

HABTAMU MELSEW

ADDIS ABABA ETHIOPIA

JAN 2022

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A THESIS SUBMITTED TO THE ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

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APPROVED BY BOARD OF EXAMINERS

_____	_____
Dean, school of business	Date & Signature
Dr. Getie Andualem	_____
Advisor	Date & Signature
_____	_____
Internal examiner	Date & Signature
_____	_____
External examiner	Date & Signature

ADDIS ABABA ETHIOPIA

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Declaration

I, the undersigned, declare that this study entitled – "Factors Affecting the Performance of Nile Insurance Company S.C" is my original work prepared under the guidance of Dr. Getie Andualem To the best of my knowledge, all sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name:Habtamu Melsew Signature:_____Date of Submission:_____

St. Mary's University, Addis Ababa

JAN 2022

ADVISOR APPROVAL

This paper has been submitted to St.Mary's University School of Graduate studies for examination with my approval as university advisor.

Name: Dr. Getie Andualem Signature:_____ Date: _____

St. Mary's University, Addis Ababa

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Acronyms/Abbreviations

CCC Cash Conversion Cycle

CEE Central and Eastern Europe

CEO Chief Executive Officer

ERM Enterprise Risk Management

GDP Gross Domestic Product

GWP Gross Written Premium

HRM Human Resource Management

ICT Information and Communication Technology

NBE National Bank of Ethiopia

NIC Nile Insurance Company S.C.

NIS Newly Independent States

PG Premium Growth

ROA Returns on Assets

WB World Bank

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Abstract

Insurance is an instrument for the growth and sustainability of both emerging and developing economies. It facilitates stability in the global economy for individuals, institutions and governments by taking on risk and dispersing them around the world through the global reinsurance markets. The main objective of this study is to determine factors affecting the performance of Nile Insurance Company S.C. (NIC). To achieve the main objective primary data was used. The data was collected by means of structured questionnaires. The target population was Clients, Employees and Intermediaries. The sampling techniques used for this study was simple random sampling. After testing the variables using SPSS program the student find out the following results: notification of the accident, Brokers, risk management, Competitors price, premium growth and inspector are most important determinant of performance of NIC.

Key words: Performance, Risk management, competitors, Intermediaries, Brokers and Insurance

CHAPTER ONE

Introduction

1.1 Background of the study

In developed economies, insurance business is seen as the backbone of any country‘s risk management system, since it ensures financial security, serves as an important component in the financial intermediation. Because of their role as intermediaries the determinants of performance of insurance companies, is considered important (Hamadu & Mojekwu, 2010). Globally, the performance of insurance companies is an important indicator of a successful economy that could lead to an increase in Gross Domestic Product (GDP) of a nation, (USAID, 2012). There are many factors to examine when looking at insurance companies. More than anything, both management and investors should concern themselves with the insurer's financial strength and ability to meet ongoing obligations to policyholders and concerned with its performance.

The performance of any business firm not only plays the role to increase the market value of that specific firm but also leads towards the development of the whole sector which ultimately leads towards the overall prosperity of the economy. There are several factors that affect the performance of insurers has gained the importance in the corporate finance literature because as intermediaries, these companies are not only providing the mechanism of risk transfer, but also important to channelize the funds in an appropriate way to support the business activities in the economy. However, it has gained little attention particularly in developing economies (Ahmed, N, Ahmad, Z, & Ahmed, 2010). Ethiopia’s Insurance sector has display strong resilience to a challenging macroeconomic environment and global development. The basic measures of performance are economic feasibility and sustainability. Once this is achieved, insurance company’s objectives may turn on long-run profitability, growth, market share and finally to diversification. Each of these stages requires strategy. The individual interests of the managers and other employees of the company may not match with the interests of the company, posing a major obstacle in attaining the goals of the organization.

Performance measurement refers to the process of measuring the activities' efficiency and effectiveness (Neely, a, Gregory, M, & Platts, 2005). Performance measurement is critical for effective management of any company (Demirbag, M.tatoglu, E, Tekinus, & M & Zaim., 2006). Some of the non-financial performance measures may include development in number of policies, market share of the branch or division in the local area, company's market share in comprehensive, number of branches and divisions, Speed in policy processing, speed in delivery of the policy notes, timely notice to the customers, number of lapsed from the policies, growth in products and product lines, customer satisfaction, speed in settlement of claims, employee training, research and development, market intelligence and surveys, number of policies per agent, agents training, retention of efficient agents etc., Despite the current insurance companies' growth with respect to both total assets and in number, no studies were conducted to determine the factors affecting the performance of insurance sector in Ethiopia. Therefore, the main goal of this study was to identify the factors that affecting the performance of Nile insurance company S.C. The significance of this study derives from the fact that various studies in Ethiopia have examined the factors affecting the performance only for non-financial and banking sectors. So, the researcher believes that the study will fill an important gap in understanding the factors affecting the performance for insurance companies in the developing economy. Such an understanding is important, because it equips financial managers with applied knowledge for examining factors that affect firms' performance. From a theoretical point of view, it helps an important data for comparing factors affecting the performance of insurance companies between developed and developing economies.

The background of this study deals with the role of financial institutions in the economy of a country in general and insurance companies in particular and it means their efficient and effective financial system through savings mobilization, risk transfer and intermediation. Hence the well organized performance of the institutions has become important and investigations by different researchers focus on factors affecting the performance of Nile insurance company S.C.

1.2 Back ground of the industry

Nile insurance company S.C. is one of the pioneers private Insurers established on April, 1995 with capital of Birr 12.5 Million. Currently, the total asset of the company has reached 1.6 billion. Its number of branches also reached 51. The company has more than 54, 000 customers throughout the country. NIC provide both General and Long Term (Life) insurance services. It is also engaging in promising investments across the country.

1.3 Statement of the problem

The best performance of any industry in general and any firm in particular plays the role of increasing the market value of that specific firm coupled with the role of leading towards the growth of the whole industry which ultimately leads to the overall success of the economy. Measuring the performance of financial institutions has gained the relevance in the corporate finance literature because as intermediaries, these companies in the sector are not only providing the mechanism of saving money and transferring risk but also helps to channel funds in an appropriate way from surplus economic units to deficit economic units so as to support the investment activities in the economy. In this regard Insurance Companies play a significant role in a country's economic growth and offers financial protection to an individual or firm against monetary losses suffered from unforeseen circumstances (Kihara, 2012). This is because the world is characterized by risks and uncertainties and insurance has evolved as a way of providing security against the risks and uncertainties. In this situation, it is vital to identify what drives insurers' performance. Managing the insurance cycle remains the most significant challenge facing the global insurance industry (Cazzolla P, 2007).

The contribution of insurance in the overall economic growth of Ethiopia is still below three per cent, which are the minimum norm as per international standards. Contributors in the industry must determine the gaps in insurance service delivery and find ways of plugging them for the benefit of the sector in Ethiopia (NBE report, 2017). Hence, what factors affect the performance of insurance companies has not been adequately examined except financial performance. While taking this in to consideration there are factors affect the performance of insurance companies especially in Nile insurance those are: Time Taken to Provide Service, compotator price, Premium growth, Brokers, Risk Management, Notification of the accident, and inspectors report.

1.4 Research Questions

1.4.1 Main research question

The main research question for this particular case study is “What are the factors affecting the performance of Nile Insurance Company S.C.?”

1.4.2 Sub research questions

- What is the effect of notification of the accident on performance of NIC?
- What is the effect of broker on performance of NIC?
- What is the effect of premium growth on performance of NIC?
- What is the effect of compotator price on performance of NIC?
- What is the effect of inspectors report on performance of NIC?
- What is the effect of risk management on performance of NIC?
- What is the impact of Time Taken to Provide Service on performance of NIC?

1.5 Objectives of the study

The objective of this study classified as general and specific objectives. The general objectives specifies the general purpose of the study and then based on this general objectives, the specific objectives are derived just from general objectives in order to satisfy the research questions.

1.5.1 General Objective of the study

The general objective of the study is to determine the factors affecting the performance of Nile insurance company S.C.

1.5.2 Specific objectives of the study

In light of this the general objective, and in order to satisfy the research questions, the specific objective include:-

- To determine the effect of notification of the accident on performance of NIC.
- To identify the effect of brokers on performance of NIC.
- To identify the effects of premium growth on performance of NIC.
- To determine the effect of compotator price on performance of NIC.
- To identify the effect of inspectors report on performance of NIC.
- To identify the effect of risk management on performance of NIC.
- To identify the impact of Time Taken to Provide Service on performance of NIC.

1.6 Definition of Terms

1.6.1 Conceptual definition

The financial structure comprises of financial institutions, financial instruments and financial markets that helps an effective payment, credit system and risk transfer and thereby facilitate routing of funds from savers to the investors of the economy (Boadi, Antwi, & Lartey, 2013). As part of financial institution, social welfare fabricated by insurance companies is unquestionable. A well-developed and evolved insurance sector is a boon for economic growth as it provides long-term funds for infrastructure development at the simultaneously strengthening the risk taking ability of the country (B.Charumathi, 2012).(Chen & Wong, 2004) Also suggests that a strong and healthy insurance sector is of utmost importance for all groups and sectors of the economy. Insurance provides a number of valuable economic functions that are similar and largely different from other types of financial intermediaries. According to (Malik H, 2011) insurance plays essential role for the development of commercial and infrastructural businesses. From the latter perspective, it encourages financial and social stability; mobilizes and channels savings; supports trade, commerce and entrepreneurial scheme and upgrade the quality of the

lives of individuals and the overall wellbeing in a country.(Abate, 2012) Proposes that insurance companies are playing the role of transferring risk and channeling funds from one unit to the other (financial intermediation). This implies that insurance companies are supporting the economy of a country one way by transferring and sharing of risk which can create confidence over the occurrences of uncertain event and in another way insurance companies like other financial institutions plays the role of financial intermediation so as to channel financial resources from one to the other. Even if there are innumerable types of insurances it can be divide in to two broad categories based on their role to the economy. Those are general insurance companies and life insurance companies. General insurance companies and life insurance companies are distinct each other in terms of operation, investment activities, vulnerability and duration of liabilities. Life insurers are function as financial intermediaries although general insurers function as risk takers (Chen and Wong2004).

1.6.2 Operational definition

Inspector's report:-Inspection reports are used in many contexts from life insurance, health insurance, to property and liability insurance. (derrel pendry, 2021)Regardless of where they are used, the purpose of an inspection report remains the same. Inspection reports are designed to examine the risk from a moral, physical, and financial perspective. In terms of life insurance, for example, the older a person is, and the more health problems they have, the riskier they can be to insure.

Premium Growth measures the amount of market penetration. The rapid growth of premium volume is one of the usual factors of insurers' insolvency (Kim A, 1995). Being too obsessed with growth can leads to self-destruction as other important objectives may be ignored.

Notification of the accident: most policies state that the insured should notify their insurer of a claim on time. The initial report may be verbal, though the insured will be required to give further information by completion of a claim form. For liability claims, the insured is required to forward to the insurer all correspondence from the claimants or their advocates. It is the insured's responsibility to prove that they have suffered a loss, and the loss was caused by a peril, which is

covered by the policy. The client must also prove the amount of loss, such proof being by way of purchase receipts, repair account or a valuation (Roff N, 2004).

Competitor's price: - consists of setting the price at the same level as one's competitors. This method relies on the idea that competitors have already thoroughly worked on their pricing. In any market, many firms sell the same or very similar products, and according to classical economics, the price for these products should, in theory, already be at equilibrium (or at least at a local equilibrium). Therefore, by setting the same price as its competitors, a newly launched firm can avoid the trial and error costs of the price-setting process.(Hanson W, 1992)

Broker: - is a person or firm who arranges transactions between a buyer and a seller for a commission when the deal is executed. A broker who also acts as a seller or as a buyer becomes a principal party to the deal. Neither role should be confused with that of an agent one who acts on behalf of a principal party in a deal (Marano P & Navigating InsurTech, 2019).

Risk management:- is the identification, evaluation, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events (Hubbard & Douglas, 2009) or to maximize the realization of opportunities.

Performance can be defined as the outcome arrived at after embarking on an activity. Financial performance and non-financial performance are the two kinds of performance (Hansen & Mowen, 2005). A distinction is normally made between financial or economic performance and innovative performance. Often stated in terms of sales growth, turnover or stock prices are financial or economic performance (Haynes P & Senneseth K, 2001). Conventionally, innovative performance is defined in terms of patents, expenditures innovative sales percentage, or self-reported innovation results (Hagedoorn J & Cloodt M, 2003).

1.7 Significance of the study

The findings from this study are expected to add and advance the body of knowledge for understanding better the factors that will affect the performance of insurance industry. And also to provide important understanding of the factors that are supportive, affecting and accelerating the development of insurance industry in Ethiopia. The results of the study and recommendations

are likely to be beneficial to other researchers, policy makers and entrepreneurs who will like to advent into the insurance industry. Also the study will help business people, Government, Ngo's, insurers, reinsurers, insured and intermediaries to understand and have advanced knowledge and information on the constraints that they are likely to face and what they have to do so as to grow through the use of insurance services.

1.8 Delimitation/scope of the study

This study inhabits mostly on the factors which affect performance of Nile insurance industry.

The study has been chosen due to thorough familiarity with the content and subject matter by researcher. The geographical area cover by this particular case study is limited only in Addis Ababa; because the researcher was get a shortage of budget, resource and current political instability.

1.9. Limitation of the Study

It is quite obvious that much time is required to come with genuine finding of subject matter in question. Moreover, the researcher is simultaneously undertaking research and work (office responsibilities), hence, constrained with time, resources apart from financial pitfall.

1.10 Organization of the paper

This study consists of five chapters:-Chapter one: background and statement of the problem are covered. Also the objectives, research questions, significance, scope, limitation, conceptual definition, operational definition and organization of the Paper are presents. Chapter two: It is presents the previous studies and/or literatures revised relevant to this study. Chapter three: It presents the research approach, design, methodology, data and data sources, sampling mechanism and data analysis method. Chapter four: It presents analysis and interpretation and chapter five it presents conclusion and recommendation.

CHAPTER TWO

2. Review of Related Literature

2.1Introduction

There is no uniform definition available as to what constitutes insurance, most researchers agree that insurance has to involve a risk transfer from one party buyer to another (insurer). (Rejda, 2008) offers the definition of the Commission on Insurance Terminology of the American Risk and Insurance Association which states:- "Insurance is the joining of fortuitous losses by transfer of such risks to insurers, who conform to indemnify insured's for such losses, to provide other pecuniary benefits on their occurrence, or to render services connected with the risk". However, some Scholars and writers have given various definitions of insurance from different perspectives such as economic, social, legal…etc. (Pferrer, 1956) provides the economic definition of insurance:- "Insurance is an accessory for the reduction of the uncertainty of one party Called the insured, through the transfer of particular risks to another Party, called the insurer, who conforms a restoration, at least in part, of economic losses suffered by the insured. (Pritchett S, 1996) provide the social definition of insurance:- " Insurance is a social device, in which a group of individuals(called insured's) transfer risk to another party(called "insurer") in order to combine loss experiences, which permits statistical prediction of losses and provides for payment of losses from fund contributed(premium) by all members who transferred risk." And Article 654(2) of Commercial Code of the Empire of Ethiopia (Ethiopia, 1960) provides a legal definition of insurance:- "An insurance policy is a contract whereby a person called the Insurer Undertakes against payment of one or more premiums to pay to a person, called the Beneficiary, a sum of money where a specified risk materializes." However, according to (E.Regeda, 2008), the American risk and insurance association defined insurance "insurance is the pooling of accidental losses by shifting it to insurance companies, who agree and in a better financial position to indemnify insured's for such losses to offer other financial settlement on their occurrence". Moreover, Insurance is a contract

in which the insured transfers risk of potential loss to the insurer who promises to compensate the former upon suffering loss. The insured then pays an agreed fee called a premium in consideration for this promise. The promissory is called the insurer and the promise is called the insured (Lowe, 1999). Insurance premium is the monetary consideration paid by the insured to the insurer for the cover granted by the insurance policy. The Insurer takes on a number of clients (Insured) who pay small premiums that form an aggregate fund called the premium fund (Norman J, 2000). The likelihood of an event or loss may be mathematically calculated or it may be based on the statistical results of past experience in order to calculate the amount of premiums that would be required to accumulate a common fund or pool, to meet the losses upon their arising (Grose v, 1992). Underwriting is the most important activity of a general insurer. The risk transfer requires the assessment of the risk in order to calculate the appropriate premium which the insured should pay. This process is called underwriting. The individual who acts on behalf of the insurers is the underwriter and his/her responsibility is to consider 'the facts presented and decides whether to offer terms, request additional information or decline the risk.

2.2Theoretical Review

The significance of insurance was also acknowledged in the first conference of United Nations Conference on Trade and Development (UNCTAD) in 1964 by stating that "a sound national insurance and reinsurance market is a crucial characteristic of economic growth." It seems Insurance not only facilitates economic transactions through risk transfer and indemnification but it also encourage financial intermediation (Ward & Zurbruegg, 2000). More specially, insurance can have effects such as promote financial stability, mobilize savings, catalyze trade and commerce, enable risk to be managed more efficiently, encourage loss mitigation, develop efficient capital allocation and also can be a substitute for and complement government security programs (Skipper H.D., 2001). Insurance is a combining of risks by individual, where part of the payment of the many is used to pay to the few who suffer losses (Sebiyam M, 2005). And also Insurance is planned to meet the financial well-being of an individual, company or other entity in the case of unexpected losses. Some forms of insurance are obligatory while others are optional (Hoyoake J & Weipers N, 1999).

2.2.1 Performance of Insurance in the Economy

The performance of any business industry not only plays the role to raise the market value of that specific industry but also leads towards the development of the whole sector which ultimately leads towards the overall prosperity of the economy. Assessing the determinants of performance of insurers has earned the importance in the corporate finance literature because as intermediaries, these companies are not solely providing the mechanism of risk transfer, but also helps to channelize the funds in continent way to support the business activities in the economy. Nonetheless, it has gained little attention particularly in developing economies (Ahmed et al, 2011). Although, Ethiopia's Insurance sector has displayed strong resilience to a challenging macroeconomic environment and global development, it implies Insurance not only facilitates economic transactions through risk transfer and indemnification but it also promotes financial intermediation (Ward D & Zurbruegg R, 2000). More specifically, insurance can have effects such as promote financial stability, mobilize savings, catalyze trade and commerce, enable risk to be managed more efficiently, encourage loss mitigation, expand efficient capital allocation and also can be a substitute for and complement government security programs (Skipper H.D, 2001).Insurance supplies economic protection from identified risks occurring or discovered within a specified period. For example, according to a report by (NBE, 2010) the size of the country's Insurance sector in terms of assets has risen by 47.5% by the end of June 2010. The non- life insurance sector also recorded a higher gross written premium of about Birr 1.38 billion, thus showing a 17% raise over the previous year's premium. Moreover, the life insurance written premium has risen by 14%. Despite the current insurance companies' development with respect to both total assets and in number, no studies were conducted to determine the factors affecting the performance of insurance sector in Ethiopia.

2.2.2. Basic Principles of Insurance

Principles of insurance are the pillars of insurance underwriting and claims. Every subject or discipline has certain generally accepted and systematically laid down standards or principles to achieve the underlying objective (B.S.Bodla, M.C Garg, & K.P Singh, 2004). The following are basic principles of insurance (Hansell D.S, 1975):- Insurable interest, utmost good faith (uberma fedees), Indemnity, Subrogation, Contribution, and Proximate cause. Each basic Insurance principle is explained further hereunder:-

1. **Insurable Interest**

Insurable interest in property may arise through ownership, possession or contract and in certain cases it may be created or modified by statute. A property owner has insurable interest in his property because damage or loss sustained by the property would result in financial loss to the owner. Normally, insurable interest is established by ownership, possession, or direct relationship. For example, people have insurable interests in their own homes and vehicles, but not in their neighbors' homes and vehicles, and almost certainly not those of strangers. The "factual expectancy test" and "legal interest test" are the two major concepts of insurable interest (Kimball-Stanley & Arthur, 2008).

2. **Utmost Good Faith**

The insurer undertaking the risk and the person applying for insurance have a duty to deal honestly and openly with each other in the negotiations which lead up to the expression of the insurance contract. This duty may also continue while the contract is in force. If one party is in breach of this duty, the other party usually has the right to avoid the insurance contract entirely. In other words, a breach of utmost good faith renders the insurance contract voidable. The principle of utmost good faith protects the interest of both the insured and the insurer and imposes two duties on both parties to the insurance contract; not to misrepresent any matter relating to the insurance, and to disclose all material facts relating to the contract (Brown & Menezes, 1991).

3. Indemnity

The concept of indemnity implies that the object of insurance is to provide the exact financial compensation for the insured. It also implies that the insured should not be overcompensated and should not "make a profit" from his loss. In other words, the principle of indemnity requires that the insured should be fully compensated, but not over-compensated, for the loss. The aim of the parties to the contract is that the insured, on the occurring of an event insured against, will be placed by the insurer in the same financial position that he occupied immediately before the event, subject to any limitations which may have been agreed and written into the contract.

4. Subrogation

Subrogation is the legal principle, by which one person takes over the rights or remedies of another against a third party. Subrogation is defined as the "right of one person (the insurer) to take over the rights of another (the insured)" (Charles Mitchell & Stephen Watterson, 2007). It is often described as "stepping into the shoes of another" and is applicable only to contracts of indemnity. The basic premise is that where one person, i.e. typically an insurer in this case, makes a payment on an obligation which, in law, is the primary responsibility of another party, then the insurer making the payment is subrogated to the claims of the insured to whom the insurer has made the payment with respect to any claims or remedies which are exercisable against the primarily responsible party. Subrogation exists to make sure that an insured does not get more than an indemnity, by claiming for the same loss or damage from both the insurance policy and another source or sources. This is to say that subrogation will arise only, where the insured has suffered a loss and has another means of recovering for it, i.e. a claim on his insurance policy and a legal right or claim against some other persons for the same loss. If the insured chooses the first option (a claim on his policy), then the alternative right, i.e. the claim against another, will pass on to the insurer. The effect is to prevent the insured from recovering twice for the same loss, so as to preserve the principle of indemnity.

5. Contribution

The principle of contribution, which, like the principle of subrogation, has been described as a corollary of indemnity, is concerned only with the apportionment of liability as between insurers in the event of double insurance, and the rules adopted for its application are primarily rules of practice designed by insurers for their own guidance. (Stephen A, Smith, Matthiesen, Wickert, & Lehrer S.C., 2019). When risk materializes in a situation where double insurance exists, the insured shall claim to one of the insurance companies and the insurance company that received notification of claim shall indemnify the insured and request for reimbursement proportional cost of the claim from the other insurance company. If the insured is allowed to claim from both insurance companies, it would be in violation of the principle of indemnity. In case the claim is reported to both insurance companies, there is a possibility of paying their proportional cost of the claim direct to the insured.

6. Proximate cause

The classic definition of proximate cause was given in (Pawsey v, Scottish Union, & Insurance, 1908)"Proximate cause means the active, efficient cause that sets in motion a train of events which brings about a result, without the intervention of any force started and working actively from a new and independent source". According to the principle of proximate cause, if an insured person lodged a claim, he is required to justify that the loss is caused by a peril insured under the policy. In other words, he must ensure that the loss is not caused by uninsured peril. For example, under motor insurance, damage caused by war and war like operation is an excluded risk. Loss or damage to the vehicle by fire, however, is covered peril. If the insured vehicle is burnt down to ash due to exchange of fire between two parties at war, the insured will not be indemnified in respect of losses incurred in this regard. Because the proximate cause for the loss is war which is a peril not covered under the policy.

2.3Empirical Review

By studying different variables the result displayed that life insurance industry expanded tremendously from 2000 onwards in terms of number of offices, number of agents, new business policies, products, premium income and so on. The business performance of all life insurer's in industry on the basis of various indicators. The study indicated that even after the entry of private sector, the growth of public sector undertaking had not resulted in downfall even after facing various opportunities and challenges (Gulati, C, & Jain CM, 2011). To function successfully in business environment, an organization depends upon the decision-making ability of its managers. Who in turn, depend upon the availability of useable information (Banker at el, 1997) Determined the solvency ratio of Indian Life insurance companies for the period of 3 years from 2009-10 to 2011-12. It analyzed whether performance of different companies was similar or there was any significant difference. On the basis of solvency ratio, ranks were assigned to different companies which showed that ICICI found the best among selected companies of industry followed by Birla Sun Life, SBI, HDFC and LIC. The paper also observed that solvency of life insures depend on returns received from total investible funds and interest rate (Gou1 B & Gupta M.C, 2012).

The study concluded that Insurance Corporation being the public sector was lagging behind due to competition faced by private insurers whereas private insurance companies had performed well in terms of financial aspects. Many foreign and local insurers active in the region seem to be relying on motor insurance not only provide growth but more importantly to introduce consumers to their other product offerings, and hopefully in the process enhance the currently low level of local insurance culture. While this education process is essential, it is sure to be resource intensive, and in the end may not actually yield the necessary critical mass of customers required to support their operation (Pye K R, 2003:2006).

Performance of insurance company in financial terms is normally expressed in net premium earned, profitability from underwriting activities, annual turnover, return on investment, return on equity etc. Budget variances measure the financial performance of insurance company. This performance will include both financial and non-financial performance. Financial performance for a company with branches can be divided as profit performance and investment performance. These measures can be classified as profit performance measures and investment performance

measures According to (Kasturi R, 2006). Information about performance management is critical to the effective functioning of any business (Kaplan r s & norton d p, 1996). However, what constitutes good performance and what constitutes good measures of performance are continuously being debated (Corrigan J, 1998). For instance, do financial performance indicators provide the necessary information for operating within environments that are classified as turbulent, given that they are backward looking (Armstrong M, 2000).

Information about performance is important in different ways to the various stakeholders within a business. Managers look at the performance of a company's subunits as a way of prioritizing the allocation of resources (Duursema, 1999). In a more strategic sense, performance measurement is seen as an important way of keeping a company on track in achieving the company's objectives and as a monitoring mechanism employed by the owners of a company where ownership and management are separated (Baker g & wruck k, 1989).Defining performance for an individual company is highly dependent upon the company's business objective and strategy and is therefore quite unique (Hoffectker j & goldenberg c, 1994). For many firms however, the main performance indicators would typically include some combination of indicators across two broad categories: financial indicators and non-financial indicators (Barsky n p & flick c d, 1999). In this research the researchers will measure management performance by using both financial and non-financial indicators. The factors, which influence the performance of insurance sector, will be identified from management performance. Even though individual firms tend to utilize firm-specific performance indicators appropriate to their needs, for many firms the main performance indicators would typically include some combination of financial; market/customer; competitor; human resource; internal business; and environment indicators (Barsky & Flick, 1999; Hoffectker j & Goldenberg c, 1994). The world performance in insurance business, Ethiopia is not performing well in insurance business. May be the reason is due to lack of awareness in general and long term insurance businesses. The trend is expected to continue as public awareness of the need for insurance increases.

2.3.1. The Factors affecting the Performance of Insurance Industries

A. Risk Management

Risk management is considered to be only applied by large companies because of being an expensive and complicated process. Anyhow, it is argued that risk management is a strategic instrument which is not necessarily expensive to apply (El Baradei, 2006). Thus, all companies should be able to manage their risks, including small companies that are more vulnerable to risk (Sadgrove, 1996). Organizational characteristics, such as size, type of business, strategic orientation, professional associations, corporate culture, and management competence (Hussain & Gunasekaran, 2002) can affect the processes applied within insurance companies as well as the emergence and use of management control systems. Companies could reach their goals efficiently and quickly with the help of proactive risk management (Williams et al., 1998; Carey and Turnbull, 2001). Following (Mehr and Hedges', 1963), the process of risk management was summarized by (Harrington & Niehaus, 2003) into five elements: mission identification, risk assessment, risk control, risk financing, and program administration. They viewed risk management key objectives as protecting the company from severe financial disruption due to accidental losses, and doing this at an affordable and non fluctuating cost. Some scholars argue that risk culture was promoted as being important to make people think about risk and manage it efficiently (O'Rourke, 2005). (Duncan, 2004), Presented an opposite view. He contended that it is easy for financial companies to quantify risks while there is a need for a more comprehensive approach to manage qualitative risks for non-financial companies. Excessive risk-taking could negatively affect the performance of insurance companies. (Malik, 2011) and (Ahmed et al., 2011) also found the same outcome. Because of not addressing all the mentioned issues, it is strange how the extensive performance measurement in management accounting literature has been unaware of the risk notion, because it could be argued that performance and risk are two sides of one coin (Van der Stede, 2009). Considering that risk is the key function of insurance companies that are highly regulated, there is a need to gain understanding of the drivers behind risk management adoption in this industry. Hence, the insurance industry is based on managing various types of risks to make profit. Thus, risk management is considered a critical key factor for the success of any company, because risk management will enable the company to manage its

risks more efficiently, and more effectively. Risk management situation within the Ethiopia insurance sector is very poor and not utilized as it should be; because of the severe shortage of awareness about the importance of it and the scarcity of qualified insurance employees. For the purpose of this study, and based on the above discussion, the researcher defines risk management as an independent process of identifying, analyzing and responding to pure loss exposures faced by an insurance companies that requires the cooperation of a firm's various levels: clients, employees and Intermediaries.

B. Premium Growth

Premium growth measures the rate of market penetration. Empirical results showed that the rapid growth of premium volume is one of the causal factors of insurers' insolvency (Yong-Duck Kim & Dan R Anderson, 1995). Being too obsessed with growth can lead to self-destruction as other important objectives may be neglected. (Ahmed et al., 2011) also investigated the impact of firm level characteristics on the performance of the life insurance sector of Pakistan over the period of seven years from 2001 to 2007. The results of the OLS regression analysis revealed that growth of written premium and age of a firm has also negative relation to performance of life insurance companies but they are statistically insignificant In addition, the formula for calculating the Premium Growth (PG): Proxy for Premium Growth is the percentage increase in Gross Written Premiums (GWP). The equation is expressed as follows: PG = (GWP (t) – GWP (t-1)) / GWP (t-1) In addition (Ana-Maria BURCA, 2014) argue that an excessive growth of underwritings generates a higher underwriting risk and the necessity to increase the volume of technical reserves and excessively increase the volume of the gross written premiums may lead to self-destruction, as other important objectives, such as selecting profitable investment portfolios could be neglected. Thus, the expected sign of the premium growth is unpredictable based on prior research. From the discussion above premium growths is considered to be as one of independent variable for this research.

C. Compotator price

The competition on the non-life insurance market is as fierce as ever. This situation leads many insurers to develop more and more sophisticate pricing structures trying to implement an efficient segmentation to reach expected profitability. This makes the comparison of an insurer's prices with its competitors‟ prices more difficult and less transparent. (Biver A, Lecuivre M, & Marechal X, 2017) Relevant price analysis techniques must therefore be implemented to clearly identify an insurer's positioning on the market and take the adequate decisions in order to improve its profitability. Moreover, (Biver, Lecuivre, & Marechal, 2017) stipulate that being able to identify the price of the competition is a must for an insurance company as it enables to assess its position (ranking) on the target segments the company has defined. It is also useful in order to determine the margin of increase by segment in case of segmented price increase, refine the discount policy considering the positioning of the competitors as well as to identify policyholder's profiles more likely to lapse due to better opportunities at competitors. (Mwangi J, 2013) Studied the positioning strategies in the insurance industry and identified various elements that can be used by the companies to competitively position themselves in the industry. She identified Price as a major element where firms can choose to be market leaders in terms of price or use pricing to communicate a higher brand and product value. She acknowledges that price is highly regulated but companies still manage to under price their products in order to beat competition. (Bonner M, 2013) Discovered that competition in the Insurance Industry is quite fierce with the companies competing for a limited market, though every year; they manage to grow revenues in the industry by at least 20%. This competition has seen many firms employ various forms of competitive strategies that range from price cuts, incentives to customers and intermediaries as well as value adding benefits attached to the conventional products. Innovation has gone much higher with new products that have expanded the insurable interests to much higher ranges. Insurance policy buyers‟ benefits policyholders based on rates. Insurers are more likely to reduce their rates when they know they can quickly raise them later to compensate for losses (Bonner, 2018). Bonner asserts that performance of insurance policies can be measured under a competitive rating system. This can be experienced when predicting profits and losses is easy. In the end, other insurance companies will be motivated to enter the market thus

competition will increase rapidly. The price of insurance policies will go down due to stiff competition. Insurance companies will be forced to reduce their prices to attract more clients to their products. Many insurance policy holders take time to adjust their ratings. As one would expect, insurance companies today are changing their pricing models. In order to differentiate themselves from their competitors, insurance companies employ differentiation pricing model to distinguish their products from various competitors with an aim of strengthening their brand based on price differentiation. Thus, to gain a competitive advantage, insurers are beginning to use price optimization to see how demand varies at different price levels and come up with recommended price that will improve profit (Dodds S J, 2014).

D. Broker

Mediation in the insurance industry is subject to regulation in different countries in a context of free competition. Typically, a broker has contracts with a number of insurers and is compensated by way of commissions paid by the insurers who offer the coverage (Eckardt M, 2002). As a general rule, when a broker agrees to sell a policy to a client and obtains a commission in return, the broker has a duty towards the client to act with reasonable care, skill and diligence. In particular, in the German insurance market, insurance brokers may provide advisory service of higher quality and better suited to the needs of the clients than that of insurance agents. Thus, advisory services are influenced to some degree by the firm's size and the employment structure of insurance brokers, as well as by the degree of specialization on private clients Eckardt, M. (Latorre M.A & Farinos J.E, 2015) suggest that insurance brokers pursue a financial return by enduring a higher administrative cost in premium collection management of the different policies. This behavior would be more common in large companies. In many cases, transferring the collection of receipts to the insurance company would expedite the processing in the event of the loss and could save brokers administrative resources. However, in the management of big risks implied by the collection of large premiums, the transfer of confidential data such as bank details to the insurance company would be a cost to the broker that is difficult to quantify. This situation is reversed for small companies that could be interested in transferring the management of premium collection to the insurance company in order not to have to assume costs of management such as personnel and facilities that would add to responsibilities such as the

coverage of the claim if payment of the premium is not made effective. Therefore, we observe that, for Low customer-oriented responsibility ratio firms, brokers have a positive customer-oriented behavior in the management of their clients' policies, which has a positive effect on society (Froestad J, Gjuvsland K, Herbstein T, & Shearing C, 2011),. This issue is very relevant, because not deferring the payment of premiums leads to insurance companies paying claims to the client more quickly, which would favor a better economic coverage of the risk and would have a positive effect that would reach society. As a result, this positive behavior could be perceived as a customer-oriented service strongly correlated with sustainable insurance brokerage, (Nebo G.N & Okolo V.O, 2016).

E. Notification of the accident

Notification is a written notice of the insured to the insurer that explains the loss, what accident happened, how, when and the overall situations at the time of incident on the insured item. Written notification should reach the insurer as soon as possible unless otherwise there are material reasons to be late to inform. Notification may be made through an agent or broker or directly to the insurance company. Some policies stipulate that the notice must be sent to the insurers within a specified number of days. Failure to give the notice within the stipulated number of days is a breach of the terms of the policy, which might entitle the insurer to repudiate liability. Most policies state that the insured should notify their insurer of a claim promptly. The initial report may be verbal, though the insured will be required to give further information by completion of a claim form. For liability claims, the insured is required to forward to the insurer all correspondence from the claimants or their advocates. It is the insured‘s responsibility to prove that they have suffered a loss, and the loss was caused by a peril, which is covered by the policy. The client must also prove the amount of loss, such proof being by way of purchase receipts, repair account or a valuation (Roff, 2004). When a claim is not reported promptly, the insurer misses out the opportunity to investigate facts when they are still fresh. Other factors also come into play, which may aggravate the loss. Besides, an insurer needs to separate genuine claims from fraudulent ones. Late reporting makes this separation difficult

F. Time taken to provide service

Nowadays, customers give high priority to claims handling culture of the insurer and how fast the insurer pays when they face accident. The increased customers‟ knowledge about the service helps the industry for improvement to provide efficient service to compete each other. The speed, accuracy and effectiveness of claims processing is also paramount for controlling costs, managing risks and meeting portfolio underwriting expectations. One of the major ways a service firm can differentiate it is by delivering constantly high quality than its competitors do. As a result, every service business needs to proactively define and assess the level of customer satisfaction (Kothari C. R, 2004). The task of handling claims process has been challenging. However, modernizing the claims process for efficiency, effectiveness and flexibility has been being daunting task, due to the fact that it is a mission-critical function that touches all parts of the organization, affecting competitive positioning, customer service, fraud management, risk exposure, cost control, and IT infrastructure. Fast claims handling is not only for the benefit of customers to fulfill the contract, but also for the insurer company to get cost benefit in the ever increasing prices of labor and spare parts in the market. Claims must be settled promptly and equitably in order to earn the confidence of customers and to retain their loyalty. Excellence in claims handling is being a competitive edge for an insurance company and it is a service that clients greatly value. Regarding claims process some step-by-step claims handling activities include: acknowledging and assigning the claim, identifying the policy, contacting the insured or the insured's representative, investigating and documenting the claim, determining the cause of loss and the loss amount, and concluding the claim (Brooks et. al, 2005). However, the payment of legitimate claims represents the delivery of the promise at the heart of the insurance contract; which, indeed, for many insurance companies, excellent claims handling service is considered to be a differentiator that distinguished them from the competition (AIRMIC, 2009). A good claim management holds: proactive in recognizing and paying legitimate claims; assessing accurately the reserve associated with each claim; reporting regularly; minimizing unnecessary costs; avoiding protracted legal disputation; dealing with claimants courteously; and whatever possible, handling claims expeditiously (Yusuf & Dansu, 2014).

2.4 Research Gap

Many empirical works have been done regarding factors of insurer's performance. Review of literatures showed that researches on the factors of performance have been comprehensively studied in developed countries around the world and in some emerging countries like Pakistan, India and Taiwan. Besides, in Ethiopia most of the researches focused on banks and other non-financial sectors rather than insurance companies. Different scholars come up with different conclusions on the factors of performance as shown in the above empirical reviews and inconsistency of the findings was observed. The empirical evidences regarding factors of insurance companies' performance, as tried to review in this study, focused mainly on factors such as broker, inspectors report, compotators price, premium growth, risk management, time taken to provide service and notification of the accident. Moreover this study tried to extend the previous studies by incorporating other factors. To the researcher's knowledge factors like inspectors report, notification of the accident and time taken to provide service have not been adequately addressed by previous studies. Therefore, the study attempted to fill this gap and augment its own possible contribution to the existing literature.

2.5 Conceptual framework

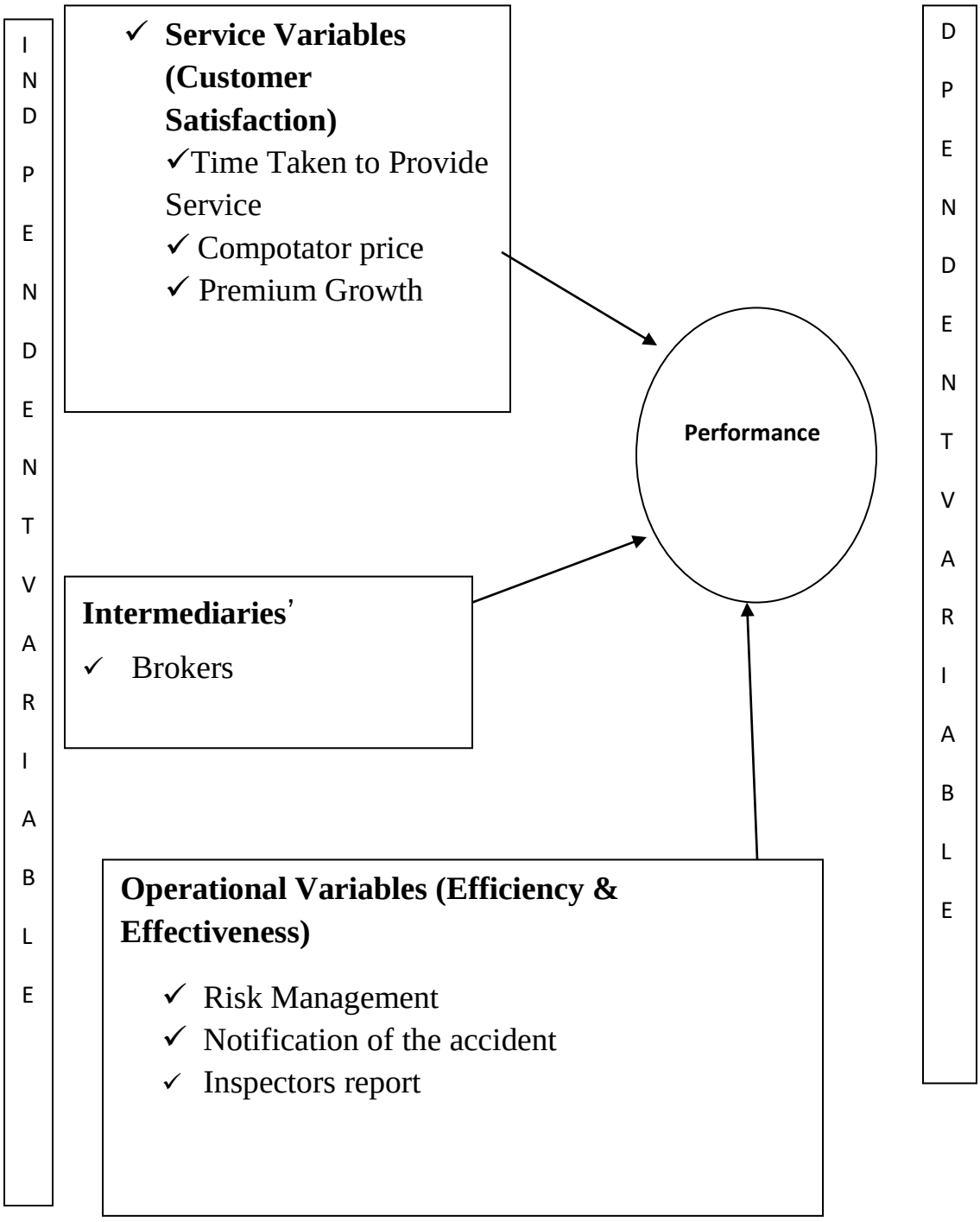

Figure 2.1: Variables Influencing Performance of Nile Insurance Company S.C.

CHAPTER THREE

3. Research Methodology

3.1. Introduction

This chapter presents the methodology that has been used for the research. The methodology carrying out of this research was based on the objectives of the paper i.e. factors affecting the performance of Nile Insurance Company S.C. It describes the research purpose, research design, sampling techniques and sample size, data collection procedure, data analysis, presentation and descriptive analysis and regression analysis. In general, this chapter provides the methodological framework to collect data from various sources, sampling, data collection instruments, and approach to data analysis for achieving set objectives. This research work includes both qualitative and quantitative data and the work perform such as research document analysis, critical review of literature, questionnaire and interview has been used.

3.2. Research Paradigm

The aim of the study is to determine factors affecting the performance of Nile Insurance Company S.C. by considering the aim and nature of the research problem, both descriptive and analytical approaches has been used. The descriptive part of the study is dealing with describing the general aspects related to factors, which affect the performance of insurance services at Nile insurance company S.C. The analytical aspect is dealing with the analysis of the performance of Nile insurance company S.C. in terms of premium growths, the ability to settle claims, rate of price compared to compotator price, risk management and marketing of brokers and awareness of insured about product. The study was administered through structured questionnaire and interview. Descriptive statistics data analysis method was applied to analyze both qualitative and quantitative data. Data obtained from the questionnaires was processed through editing and

coding and then entering the data into a computer for analysis using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) version 20 which offers extensive data handling capabilities and numerous statistical analysis procedures those analyses small to very large data statistics (Bell, 2007). Qualitative data was analyzed using content analysis. The analysis findings has been present inform of frequency and percentage tables, pie charts and b.

3.3. Research approach

There are two types of research approach qualitative and quantitative research approaches. The main difference is that according to (Silverman, 2000), a qualitative approach tends to capture words and use them as the main factor for analysis while quantitative approach tends to use figures. The quantitative approaches adapted to the numerical figures, in these research numerical values are collected and presented in expressive way even though the qualitative approaches were dominantly used due to the nature of the research purpose. For this case study both qualitative and quantitative approach was used.

3.4. Research design

Research design is a master plan specifying the methods and procedures for collecting and analyzing the required data. The choice research design depends on objectives that the researchers want to achieve (John, 2007). Since this study was designed to examine the relationships between performance and its determinants, testing objective theories by examining the relationship among variables therefore, quantitative research is primarily used. To add a richer understanding about the research problem is also supplemented by the qualitative research of inquiry. That is, combining both quantitative and qualitative research benefits of a mixed research approach because it alleviate the bias in adopting only either quantitative or qualitative research approach, As noted by (Kothari, 2004), explanatory research design examines the cause and effect relationships between dependent and independent variables Therefore, this study was examined the cause and effect relationships between performance of Nile insurance company and its determinant, it is an explanatory research must be undertaken (Shields,2013).

3.5. Sampling design

Sampling, as it relates to research, refers to the selection of individuals, units, and/or settings to be studied. However quantitative studies strive for random sampling, qualitative studies often use purposeful or criterion-based sampling, that is, a sample that has the characteristics important to the research question(s). This strategy increase credibility to a sample when the potential purposeful sample is larger than one can handle. For this study the sampling design used is simple random sampling and purposive sampling or judgmental sampling techniques in order to collect both primary and secondary data.

3.5.1. Target Population

(Mugenda, 2003) define population as the whole group of individual's, events or objects having a common observable characteristic. According to Mugenda target population as that population the study investigates, and whose findings are used to generalize to the entire population. The target population for this study was consists of Clients, Employees of NIC, and Intermediaries at a proportion was stated in the sample size.

3.5.2. Sampling Frame

The population is too high therefore the researcher determines the sample size by using sample size determination tables.

Table 3.1 Sampling frame used to designate the population size and sample size

S.NO	Description		Population	Sample Size
1	Clients	Corporate client**	2,280	115
		Individual Clients*	51,720	133
	Employees	**Managers**	81	24
2		staff	301	59
3	Intermediaries	Broker	55	17
		Agent	140	36
Total Amount			54,577	384

3.5.3. Sampling technique

Data collection tools are the instruments which are used to collect the necessary information needed to serve or prove some facts (Mugenda O.M & Mugenda A.G, 2003). The sampling techniques used for this study was simple random sampling techniques in order to collect primary data. The sampling methods were helps to identify management of NIC, staffs of NIC., corporate clients, individual clients, and brokers from insurance industry. The technique, simple random sampling helps to each possible combination of an equal probability of being chosen

3.5.4. Sample size

The minimum required sample size for this study is specified by using the Cochran (Cochran, 1977)sample size determination formula which are used to calculate sample size for unknown population using proportion, alpha and confidence level:-

Formula no = z2pq/ e2 …….. (1)

Where no- is the sample size

z = 1-α the desired confidence level

e - The desired level of precision

p - Is variability of population

q =1-p

However, if the above mentioned sample size is exceeds 5% of the population. Cochran's (1977) correction formula was used to calculate the final sample size. The correction formula for calculations is as follows:- n1 = no/1 + (no/N-1) ……(2) In this study, assume a researcher has set the alpha level a priori at 0.05 which indicates the level of risk the researcher is willing to take that true margin of error may surpass the acceptable margin of error (Z=1.96), plans to use a proportional variable, has set the level of acceptable error at 5%, and has estimated the standard deviation of the scale as 0.5. Hence, no = (1.96)2(0.5)(0.5) /0.05^2= 384 Therefore, the targeted populations are 364 (employees, intermediaries and client) and 54,000 clients (Corporate and Individual clients). From the total population size of 54,577 a total sample size of 384 were consider for this case study. Since

the above mentioned sample size is not exceeds 5% of the population. Cochran's (1977) correction formula was not used for this case study. And by utilizing the above formula, the minimum required sample size was 384.

3.5.5. Sampling procedure

Data collection involved contacting the respondents in the sample in order to collect the required information about the study (Cooper & Schindler, 2003). For this particular case study the researcher was used basically closed ended questionnaires. Data collection for the study was involved a self-administered questionnaires. The study was used 384 respondents through self-administered questionnaires in Addis Ababa. The study was provides guidance as crucial to facilitate the collection of more accurate data.

3.6. Sources of Data

3.6.1. Primary source

Primary data has been collected by means of structured and unstructured questionnaires. The source of the primary data has been collected in a form of a self-administered questionnaires and interviews to gather data from client, intermediaries, and employees. The primary function of the survey is to collect information that can be analyzed, and inference made to produce conclusion about the major factors affecting the performance of NIC.

3.6.2 Data Collection methodology

The most common methods of collecting qualitative data include observation, interview and focus groups. To collect valid and reliable data for this research, the study used the following research instruments. The researcher was used systematically designed closed-ended questionnaire for actual client, intermediaries and employees in order to get the necessary data from the target group, and makes reviews and analysis.

3.7 Data collection instrument

As it mentioned earlier, the study involved a survey design. Considering to instrumentation, the type of survey used for the purpose of this study was a close-ended questionnaire. The use of close-ended questions on the questionnaire allowed for uniformity of responses to questions. Beside, this type of structured research instruments is less costly and less time consuming than other measuring instruments. A questionnaire for the study (see Appendix) was designed for the purpose of eliciting relevant information on the study under title “factors affecting the Performance Nile insurance Company”.

3.8 Data analysis methods

This section presents a discussion of the results of inferential statistics. The study was conducted a multiple regression analysis so as to determine and assess the factors affecting the performance of Nile Insurance Company S.C. The study was applied regression analysis because it is less expensive in terms of time and the information to make the predictions readily available. The study was applied the statistical package Version 20 to code, enter and compute the measurements of the multiple regressions for the study. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the predictor variables or the percentage of variation in the dependent variable. Means and Standard deviations are used to interpret results of the findings.

3.9 Validity and reliability

3.9.1 Validity

Validity is the extent, to which data accurately reflects what they are meant to reflect, i.e., the instrument measures what is supposed to measure. In other words, the right questions being asked should help to obtain meaningful and usable responses on concepts under the study. Thus, the purpose of checking validity in the study was to seek relevant evidence that confirms the answers found with the measurement device which is the nature of the problem. In order to assure the validity of the questionnaire, pilot testing, as well as feedback from practitioners at NIC, was done. NIC stuff first gave their confirmation that the questions included were representative of the practice. Then nineteen questionnaires was distributed to customers to see the clarity of the questionnaire before distributing it to the whole participants

3.9.2 Reliability

Cronbach‘s alpha was calculated for the scale to determine reliability (internal consistency). Reliability refers to consistency, where internal consistency involves correlating the responses to each question in the questionnaire with those other questions in the questionnaire (Khotari C.R, 2004). One of the most commonly used indicators of internal consistency is Cronbach‟s alpha coefficient. The Cronbach‟s alpha coefficient of scales should be at least 0.70 (70%) and the higher the better (Pallant J, 2005).

3.10 Research Ethics

At the beginning the researcher was explained the purpose of the study to respondents. After that one questionnaire was given to each respondent. Respondents were guaranteed that no one will have access for an individual respondent’s information except the researcher. Then, respondents were given their informed consent by completing and returning the questionnaire.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS and INTERPRETATION

4.1 Introduction

This part provides with the discussion of the final results and the process through which the results were obtained. This includes background information of respondents, the statistical methods of analysis i.e. reliability analysis, descriptive analysis, regression analysis and correlation analysis beside the semi –structured interviews; these studies use questionnaires which targeted a total of 384 respondents. However, 384 respondents responded and returned their questionnaires contributing to 95% response rate. According to (Mugenda & Mugenda, 2003) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 76% and over is excellent; therefore, this response rate is excellent for analysis and reporting.

4.2 Data Presentation & Analysis

The primary aim of this study was to identify factors that affect the performance of Nile insurance Company, based on the data which was obtained from the clients, intermediaries and sample employee of the company.

4.2.1 Reliability Analysis

To measure the consistency of the Questionnaires, the reliability analysis was done using Cronbach‘s Alpha (α), which is the most usual measure of scale reliability test. As indicated below in Table 4 the smallest value for Cronbach‘s Alpha (α) from all variables was 0.701, which exceed 0.70 the accepted value for Cronbach‘s Alpha (Cohen et al., 2010) an alpha value of 0.70 or higher is taken as a good indication of reliability. In short, the responses generated for all of the variables used in this research was reliable enough for data analysis.

Table 4.1 Reliability statistics

Reliability Statistics

	Cronbach's Alpha	Nof Items
CP	.828	2
PREM	.701	3
RISK	.922	2
INSP	.844	2
NOTI	.879	2
BROK	.733	3
TIME	.844	5

Source: Questionnaires and SPSS Output, 2021

4.2.2 Descriptive Analysis

In this part of analysis, the researcher has divided and describes it in to two parts. The first part focuses on the demographic information of the respondents so frequencies and percentage used for the analysis. The second part focused on the basic questions which are intended to acquire the perceptions and the feeling of the respondents towards the factors affecting the performance of NIC i.e. Broker, Risk management, Inspector, Notification of the accident, Time taken to provide service, premium growth and compotator price in the organization and also focuses on the performance of Nile insurances share company. Therefore, for the analysis mean and St. Deviation are used to describe the findings.

4.2.2.1 Demographic characteristics of the Respondents

Table 4.2 gender respondent

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	259	67.4	67.4	67.4
	Female	125	32.6	32.6	100.0
	Total	384	100.0	100.0	

Source: Questionnaires and SPSS Output, 2021.

Table 4.2 above shows that out of the 384 respondents, 67.4 percent of them were male and the remaining 32.6 percent were female. The number of males is slightly greater than number of females. However, the difference in number does not affect the reliability of the data.

Table 4.3 Qualification of the Respondents

education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to grade 12	37	9.6	9.6	9.6
	diploma/tvet	105	27.3	27.3	37.0
	Degree	190	49.5	49.5	86.5
	Master and above	52	13.5	13.5	100.0
	Total	384	100.0	100.0	

Source: Questionnaires and SPSS Output, 2021

As per Table No 4.3 all of the respondents have disclosed their educational level. The table indicates that 9.6 percent of the respondents are up to grade 12. However, 27.3 percent, 49.5 percent and 13.5 percent were diploma/tvet, degree and Masters and above respectively. The

number of Degree Graduate is increase from year to year. Therefore, the finding verifies that the respondents are qualified to understand the questions. Generally, the finding regarding the characteristics of respondents confirms that the respondents are qualified. So, the researcher belief that the response obtained from them is reliable and trust full that enables the researcher to move towards intended research finding.

Table 4.4 Respondents Age

age in years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 25	122	31.8	31.8	31.8
	between 25-60	216	56.3	56.3	88.0
	above 60	46	12.0	12.0	100.0
	Total	384	100.0	100.0	

Source: Questionnaires and SPSS Output, 2021

Age range between 25-60 years is 56.3% or 216 which is the highest percentage of the respondents. Age less than 25 years is 31.8 % or 122, Age above 60 years 12% or 46 which is the lowest percentage of respondents.

4.3 Correlation between variables

According to (Pallant, 2010), correlation analysis is used to explain the strength and direction of the linear relationship between two variables. In this analysis, Bivariate Pearson Product-Moment Coefficient (r) has been used to see the relationship between the dependent and predictor variables. Correlation analysis, in this study determines the strengths of relationship between (Performance of NIC and contributing factors). In the hypothesis testing, the item that should be noticed is the probability (p) value. If $p>0.05$, it means that independent variable does not influence the dependent variable. If $p<0.05$ it means that independent variable influences the dependent variable (Pallant, 2010). The guidelines suggested by Field (2005) were followed. His

classification of the correlation coefficient (r) is as follows: 0.1– 0.29 is weak; 0.3 – 0.49 is moderate; and= >0.5 is strong.

Table 4.5.correlation test

Correlations

		NOTI	RISK	INSP	PREM	BROK	TIME	CP	PER
NOTI	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	384							
RISK	Pearson Correlation	-.167**	1						
	Sig. (2-tailed)	.001							
	N	384	384						
INSP	Pearson Correlation	-.015	.130*	1					
	Sig. (2-tailed)	.772	.011						
	N	384	384	384					
PREM	Pearson Correlation	-.225**	-.185**	-.106*	1				
	Sig. (2-tailed)	.000	.000	.039					
	N	384	384	384	384				
BROK	Pearson Correlation	.146**	-.192**	.085	-.067	1			
	Sig. (2-tailed)	.004	.000	.096	.192				
	N	384	384	384	384	384			
TIME	Pearson Correlation	-.149**	-.166**	-.039	.030	-.084	1		
	Sig. (2-tailed)	.003	.001	.446	.559	.100			
	N	384	384	384	384	384	384		
CP	Pearson Correlation	.126*	-.173**	.193**	-.038	.251**	.120*	1	
	Sig. (2-tailed)	.014	.001	.000	.463	.000	.019		
	N	384	384	384	384	384	384	384	
PER	Pearson Correlation	.202**	.173**	.520**	-.020	.491**	-.153**	.300**	1
	Sig. (2-tailed)	.000	.001	.000	.694	.000	.003	.000	
	N	384	384	384	384	384	384	384	384

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Questionnaires and SPSS Output, 2021.

Table 4.5 Pearson Correlation between performance of NIC and contributing factors Correlation results presented in Table 9 shows that there is significant positive relation between the five independent variables (Broker, Risk management, Inspector, Notification of the accident, and compotator price) on performance of NIC. There is significant positive relation between notification of the accident and performance of NIC (sig=.000, r= .202). There is significant positive relation between risk management and performance of NIC (sig=.001, r= .173). There is significant positive relation between inspector and performance of NIC (sig=.000, r= .520). There is significant positive relation between broker and performance of NIC (sig=.000, r= .491). There is significant positive relation between compotator price and performance of NIC (sig=.000, r= .30). There is significant and negative relation between Time taken to provide service, and performance of NIC (sig=.003, r=-.153). There is no significant relation between premium growth and performance of NIC.

4.4. Diagnosis Testing

Assumptions on Factors Affecting the performance of Nile insurance before applying regression analysis to test factors affecting the performance of NIC, some tests were conducted in order to ensure the appropriateness of data to assumptions in regression analysis as follows.

4.4.1 Multi-co linearity Test

The multi- co linearity test is a test to identify a strong correlation between two or more predictors in a regression model. In this section the correlation between independent variables; inspector (INSP), risk management (RISK), time taken to provide service (TIME), broker (BROK), notification of the accident (NOTI) premium growth (PREM) and compotator price (CP) have been presented and analyzed. This assumption can be determined by assessing tolerance and the variance inflation factor (VIF). VIF values well below 10 and the tolerance statistics well above 0.2 can safely to conclude that there is no co linearity within the data (Field, 2021). A small tolerance value show that the variable under consideration is almost a perfect linear combination of the predictor variables already in the equation and that it should not be

added to the regression equation. A good regression model must not have a strong correlation among its independent variables or must not have a multi-co linearity problem and that the value of variance inflation factor (VIF) must have a value between 1 and 10 and the tolerance level should be more than 0.2 (SPSS Inc., 2021).

Table 4.6 Multi-Co linearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	NOTI	.859	1.165
	RISK	.822	1.216
	INSP	.924	1.082
	PREM	.884	1.131
	BROK	.883	1.133
	TIME	.908	1.101
	CP	.860	1.163

a. Dependent Variable: PER

Source: Questionnaires and SPSS Output, 2021

Based on the output data on table 8, the obtained VIF (the coefficient of co linearity statistics) value is Between 1 to 10 and the tolerance level is more than 0.2. Therefore, it can be concluded that there are no multi-co linearity symptoms on this regression model.

4.4.2 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the predictor variables. In these tests the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal (Field, 2009). To determine whether the relationship between the dependent variable: Performance and the independent variables; Broker,

Risk management, Inspector, Notification of the accident, Time taken to provide service, premium growth and compotator price is linear; plots of the regression residuals through SPSS software had been used.

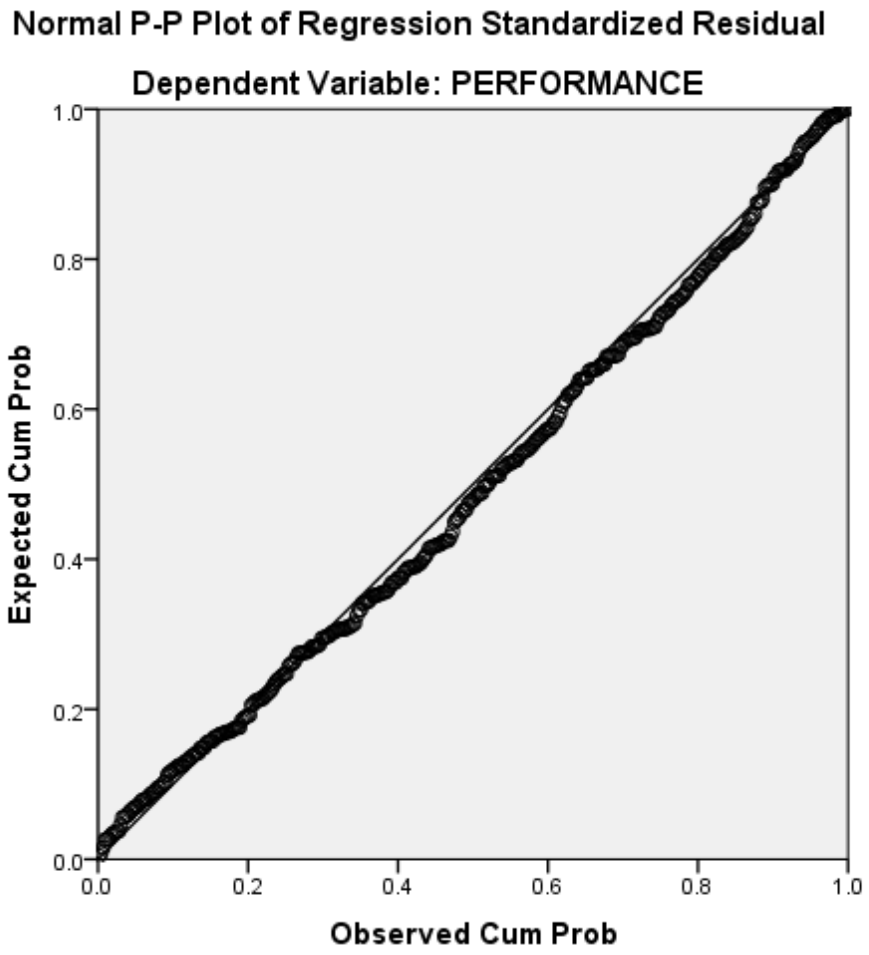

Figure 4.1Normal Point Plot of Standardized Residual

Source: Questionnaires and SPSS Output, 2021

The scatter plot of residuals shows no large difference in the spread of the residuals as you look from left to right on figure 4. This result suggests the relationship we are trying to predict is linear. Similarly, the above figure shows the normal distribution of residuals around its mean of zero. So the normality assumption is fulfilled as required based on the above figure, it is feasible to conclude that the inferences that the researcher will made about the population parameter from the sample is somewhat valid.

4.4.3 Normality Test

Figure 4.1 shows the frequency distribution of the standardized residuals compared to a normal distribution. As you can see, although there are some residuals (e.g., those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly close. Moreover, the histogram is bell shaped which lead to infer that the residual (disturbance or errors) are normally distributed. Thus, no violations of the assumption normally distributed error term.

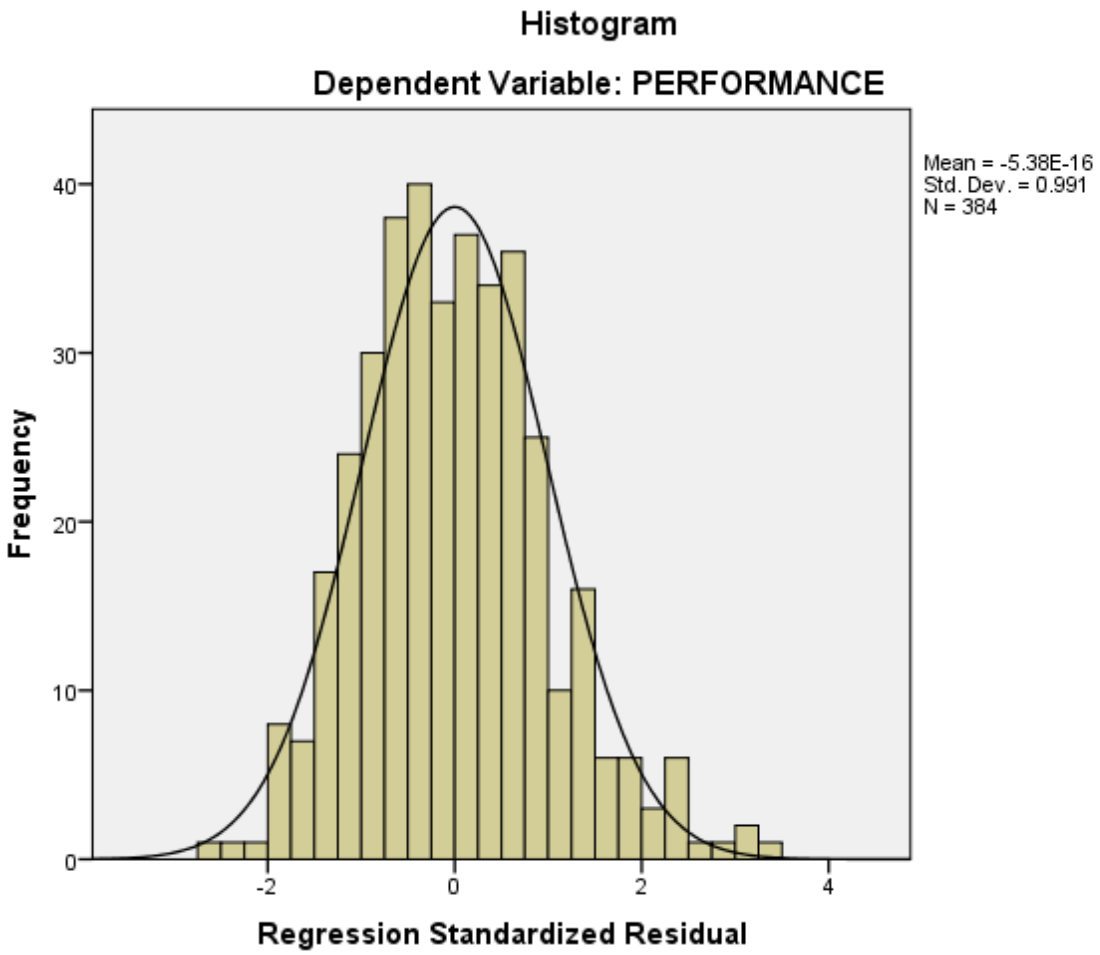

Figure4.2. Frequency distribution of the standardized residuals compared to a normal distribution

Source: Questionnaires and SPSS Output, 2021

Thus, from an examination of the information presented in all the three tests the researcher conclude that there are no significant data problems that would lead to say the assumptions of classical linear regression has been seriously violated.

4.5 Overall Regression Model Analysis

This part addresses the results of multiple regressions conducted. Multiple regression analysis is an analysis of association in which the effects of two or more independent variables on a single dependent variable are investigated simultaneously (William G. Zikmund, 2010). According to (Hair Jt., 2007), Multiple Regression Analysis, a form of general linear modeling, is an appropriate statistical technique when examining the relationship between a single dependent variable and several predictor variables. They described that idea of using multiple regression analysis is to use the predictor variable whose values are known to predict the single dependent value selected by the researcher. In this study step-wise multiple regressions were conducted in order to examine the relationship between inspector (INSP), risk management (RISK), time taken to provide service (TIME) ,broker(BROK), notification of the accident (NOTI) premium growth(PREM) and compotator price(CP) with other constructs of the conceptual framework; performance of NIC. Operational model: the operational linear regression model used to find the statistically significant variables on the performance of NIC is depicted here below: PER = αi + $\beta 1 *$ INSP + $\beta 2 *$ BROK + $\beta 3 *$ RISK + $\beta 4 *$ CP + $\beta 5 *$ NOTI + $\beta 6 *$ PREM + $\beta 7 *$ TIME + …

Where: PER represents performance of NIC (dependent variable) and independent variables include; inspector (INSP), risk management (RISK), time taken to provide service (TIME) ,broker(BROK), notification of the accident (NOTI) premium growth (PREM)and compotator price (CP). The error term contains the extraneous variables aside from independent variables that determine the value of the dependent variable (PER) for a specific observation. Regression results have been shown in below Tables.

4.5.1 Regression Model and Summary

Table 4.7 Results of multiple regressions between performance of NIC and the combined effect of predictors.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764[a]	.583	.575	1.04922

a. Predictors: (Constant), CP, PREM, TIME, INSP, BROK, NOTI, RISK

Source: Questionnaires and SPSS Output, 2021.

According to Table 4.7, R-Square is called coefficient of determination is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R^2, also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. Based on SPSS generated data above, the adjusted R2 (coefficient of determination) explain 57.5% of the factor affecting the performance of NIC represented by the seven independent variables that were studied in this research.

4.5.2 Regression ANOVA Table

Table 4.8 Analysis of variance results of the regression analysis between performance of NIC and independent Variables

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	578.812	7	82.687	75.111	.000[b]
	Residual	413.928	376	1.101		
	Total	992.740	383			

a. Dependent Variable: PER

b. Predictors: (Constant), CP, PREM, TIME, INSP, BROK, NOTI, RISK

Source: Questionnaires and SPSS Output, 2021

From the analysis, it is noted that the probability value of .000 ($p<0.05$) indicates that the regression relationship was highly significant in predicting of inspector (INSP), risk management (RISK), time taken to provide service (time), broke(BROK), notification of the accident (NOTI) premium growth (PREM)and compotator price (CP). Further, the findings show that the model was fit.

4.5.3 Regression Coefficient Analysis of the Model

Table4.9: The Regression coefficients of relationship between performance of NIC and the seven independent variables.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.050	.464		-4.422	.000
	NOTI	.163	.029	.203	5.642	.000
	RISK	.213	.028	.283	7.716	.000
	INSP	.374	.030	.437	12.619	.000
	PREM	.154	.034	.161	4.537	.000
	BROK	.342	.027	.451	12.724	.000
	TIME	-.021	.018	-.042	-1.192	.234
	CP	.112	.029	.137	3.817	.000

a. Dependent Variable: PER

Source: Survey data, 2021

The finding of the regression analysis result shows that the six independent variables notification of the accident, risk management, inspector premium growth broker and compotator price had significant influence on the performance of NIC with different magnitude refer beta. Therefore, the results of regression analysis show that all the six factors are significant at the 95% confidence level. As is seen in the above table, all significant values are $P < 0.05$. Therefore, it could be stated that the six factors addressed had an effect on performance of NIC. Furthermore, as shown in table 4.9, based on the standardized beta estimates, ($\beta = 0.451$) broker has emerged as the most important variables which has highest impact on the performance of NIC, followed by inspector (β=.437), risk (β=.283), notification of the accident (β=.203), premium growth (β=.161), compotator price (β=.137) and surprisingly time taken to provide service had scored lower result ($\beta = -.042$). From the employee's, intermediaries and client point of view, inspector and broker are the basic factors that have a great effect on performance of NIC.

The Beta (β = 0.451) value indicate that the impact of brokers on performance of NIC is higher than those of other factors and the strongest effects that comes from t values also broker (t= 12.724).

4.6. The Interpretation of Results and Summary of Findings

The regression coefficient explains the average amount of change in dependent variable that caused by a unit of change in the predictor variable. The larger value of Beta coefficient that the predictor variable has, it brings the more support to the independent variable as the more important determinant in predicting the dependent variable. Accordingly, Table 4.9 above presents the result of regression model that examines the impact of explanatory variables on performance of NIC. Based on the regression result, the relationship between the variables included in the model represented as follows; PER = -2.050 + NOTI*0.163 + 0.374 * INSP + 0.342 * BROK + 0.213 *RISK+ 0.154 * PREM+ 0.112* CP +- 0.021 *TIME … Where: PER represents performance of NIC (dependent variable) and independent variables include; Inspector(INSP), Risk Management (RISK), Time Taken To Provide Service (TIME) ,Broker(BROK), Notification Of The Accident (NOTI) Premium Growth (PREM)And Compotator Price (CP).

Premium growth Premium growth measures the rate of market penetration is positively related with performance of Nile insurance company. The results of the random effect regression analysis show that there is a positive and statistically significant relationship between premium growth and performance of Nile insurance company with a regression coefficient of 0.154, t statistics of 4.537 and p-value of 0.000. Hence the results are differing with the hypothesis of the study and correlation analysis. (Ahmed et al., 2011) investigated the impact of firm level characteristics on the performance of the life insurance sector of Pakistan over the period of seven years from 2001 to 2007. The results of the regression analysis revealed that growth of written premium and age of a firm has negative relation to performance of life insurance companies but they are statistically insignificant.

Broker An insurance broker is an intermediary who sells, solicits, or negotiates insurance on behalf of a client for compensation is positively related with performance of Nile insurance company. The results of the random effect regression analysis show that there is a positive and statistically significant relationship between broker and performance of Nile insurance company

with a regression coefficient of 0.342, t statistics of 12.724 and p-value of 0.000. This finding is consistent with previous studies by (Eckardt M, 2002) High number of employees of brokers with High customer-oriented responsibility could positively influence the quality of advisory services. In particular, it is closely related to firm profitability and performance in the service sector (Boadi, E.K.; Antwi, S.; Lartey, V.C, 2013). Finally, the broker must consolidate the relationship with the client by monitoring production, billing, collection and claim. Thus, this study supports the hypothesis that significant positive impact of brokers on insurance companies 'performance.

Compotators price The coefficient of compotators price show that positive and statically significant i.e. (p-values 0. 0000) The compotators price on Nile insurance companies as an effective factor in affecting performance the result suggested that Nile insurance company should focus on compotators price. This finding is consistent with previous study by (Bonner, 2018) Discovered that competition in the Insurance Industry is quite fierce with the companies competing for a limited market, though every year; they manage to grow revenues in the industry by at least 20%.

Risk Management The study established that adoption of risk management practices had a significant influence on the financial performance of Nile Insurance Company. This could be interpreted to mean that the firms that had a more comprehensive risk management program were more likely to remain financially stable for long and could be the firms that had been in operation for a long period of time. This finding is consistent with findings of a previous study by (Ernst & Young, 2012), whose results revealed that companies with more mature risk management practices tend to generate a higher growth in revenue. Similarly, the findings are consistent with the findings of a study by (Aon Risk Solutions & Wharton School, 2011), whose results revealed that there exists a positive relationship between the maturity of an organization's risk management framework and its financial performance.

Chapter Five: Conclusion and Implications of the Results

5.1 Conclusion

This chapter presents a conclusion of the study by summarizing the study's findings and discussing their implications, and providing suggestions for future research. The study examines the impact of firm level characteristics on performance of the Nile insurance companies. For this purpose, inspector, broker, notification of the accident, compotator price premium growth, risk management and time take to provide service are selected as explanatory variables while performance is taken as dependent variable. The results of regression analysis reveal that inspector, broker, notification of the accident, compotator price premium growth, risk management are most important determinant of performance of Nile insurance companies whereas time taken to provide service has statistically insignificant relationship with performance.

5.2 Implications of the Results

The adjusted value of R square (0.575) indicates that performance of NIC is nearly 57.5% dependent on independent variables i.e. inspector, broker, notification of the accident, compotator price premium growth, risk management. Therefore, it implies that the independent variables are important determinants of performance of Nile insurance companies to the extent on average 57.5% of the change in performance of NIC can be explained by the selected independent variable. The coefficient of variable broker is positive and statistically significant at 1% level. This predicts that large number of broker in Nile insurance companies leads to better performance. The positive relationship between broker and performance implies that the large number of broker is used to capture the fact that larger number of market share in Nile insurance companies and enjoy a higher level of performance.

The positive and statistical significant relation between premium growth and performance of Nile insurance companies implies that Nile insurance companies with high rate of premium growth in terms of their premium are also in a better position of performance.

The positive and statistical significant relation between competitor's rate and performance of Nile insurance companies implies that Nile insurance companies rate compared to other insurers rate in terms of their rate are also in a better position of performance.

The positive and statistical significant relation between notification of the accident and performance of Nile insurance companies implies that the written notice of the insured to Nile insurance companies in terms of notification of the accident are also in a better position of performance.

The positive and statistical significant relation between risk management and performance of Nile insurance companies implies that the protection of the company from severe financial disruption due to accidental losses, and doing this at an affordable and no fluctuating cost Nile insurance companies are in a better position of performance.

The positive and statistical significant relation between inspector and performance of Nile insurance companies implies that the analytical, problem solving, confidence, decision making, interpersonal skill and good verbal and written communication skills of Nile insurance company's inspectors are in a better position of performance.

The beta values of explanatory variables time taken to provide service is with a positive coefficient sign. However, time taken to provide service is not statistically significant with the large p-values. Therefore, time taken to provide service is not considered as powerful explanatory variables to define the performance of Nile insurance companies.

5.3. Recommendations

Based on the major presentation and discussion of findings and conclusion the researcher would like to recommend:-Nile Insurance Company should properly identify, select and screen corporate clients and intermediaries so as to distinct them from others and taking encouragement measures in favor of them for-instance providing insurance training and give them a reasonable rate of premium. This will not solely encourage the potential customers but also will be a challenge to fraudulent customers. The industry needs enormous infusion of investment in the area of awareness and the value of insurance. This is not a burden for anyone company to purse but a burden requiring co-operation between all stakeholders as well as the government. The insurance companies on the other hand need to put more concentration on customer satisfaction than maximization of shareholders value. On the other hand, Nile Insurance Company has to develop strategies which will help the company to maximize the production and settling claim in Short time than other insurance companies. The company must ensure that claims are settled moderately and promptly in accordance with the Company's agreement and standards while at the same time ensuring that the Company's financial interest is protected in as far as cost control, fraud detection and avoidance of claims leakage are concerned. Always the Stakeholder is required to consider the competitive factors like cost, quality, price and dependability. Therefore, the insurance companies should minimize bureaucracy in providing insurance services. The NBE must set minimum price for insurance companies so as to avoid price war across insurance companies.

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6.1 Appendices.

6.2. Research Instrument

A. Research Questionnaire

Saint Mary's University

School of Graduate Studies

Masters of Business Administration

Research Questionnaire part I

Dear participant,

My name is Habtamu Melsew I am a student undertaking a Master of Business Administration Degree at St. Mary's University, Department of Business Administration. To fulfill the completion of this program, I am carrying out a study in the title *factors affecting the performance of Nile insurance*. I am inviting you to participate in this research study by completing the attached questionnaire and provide your feedback candidly. The study is intended for academic purposes only, hence there is no need to provide your name of any personal identifier. All information collected has been kept confidential and feel free to provide your honest opinion.

Directions: Please put tick (✓) in the appropriate place for each item to express your view and level of agreement with the statements.

1. Gender	TICK(✓)
Male	
Female	
2. Education	TICK(✓)
Up to grade 12	

Diploma/tvet	
Degree	
Master and above	

3. Age	TICK(✓)
Less than 25	
Between 25-60	
Above 60	

How about rate of premium which are modified by N.I.C

4	Low rates	Normal rate	High rates
TICK(✓)			

What about rate of N.I.C compared to compotators rate?

5	Low rates	Normal rate	High rates
TICK(✓)			

What is your degree of perception the company services is poor in the following stages of claim processing?

s.no.	Stage in processing claim	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
6	Notification of the					

	accident					
7	Inspectors					

What is your level of perception the following variables affecting underwriting performance of NIC?

s.no.	Variables	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
8	Risk management					
9	Premium growth					
10	Brokers					
11	Competitors Price					
12	Time taken to provide service					

What is the level of your perception the following variables influence finances performance of NIC?

s.no.	Variables	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
13	Broker					
14	Premium growth					

The Overall performance of NIC is reasonably weak

Sno.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
15					

The performance of NIC decrease from year to year

Sno.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
16					

Part 2: Close-Ended Research Instrument for Data Collection

Directions: Please put tick (✓) in the appropriate place for each item to express your view and level of agreement with the statements.

Hint: Please use the following key for your information:

1 = Strongly Disagree (SD) ➔if your level of agreement is very low in the measured attribute.

2 = Disagree (D) ➔if your level of agreement is below average in the measured attribute.

3 = Neutral (N) ➔if you are not so sure about the measured attribute.

4 = Agree (A) ➔if your level of agreement is above average in the measured attribute.

5=Strongly Agree (SA) ➔if your level of agreement is very high in the measured attribute.

1=very slow (VS) if your level of agreement is very low in service time

2=slow (V) if your level of agreement is below average in service time

3=Neutral (N) if you are not so sure about the measured attribute

4=fast (F) if your level of agreement is above average in service time

5=very fast (VF) if your level of agreement is very high in service time

Are you satisfied the service, which are given by Nile insurance company?

S.no.	Services	*SD*	*D*	*N*	*A*	*SA*
1	in risk management					
2	in brokers					
3	in inspectors					

4	in notification of accident					

How do you see times it takes for Nile insurance company to provide insurance service?

		VS	S	M	F	VF
5	In underwriting					
6	In Claim					
7	In Marketing					
8	In Finance					

6.3. Any other relevant Document

Networked Branch in Number and Capital in Millions of birr

s/no	Insurance company	2015/16 branches quarter III			2016/17 branches quarter II			2015/16 quarter III	2016/17 quarter II
		A.A	Reg	total	A.A		Total	Capital	Capital
1	Ethiopian Insurance Corporation	18	48	66	18	52	70	692	946
2	Awash Insurance Company	24	14	38	26	15	41	254	289

	S.C								
3	Africa Insurance Company S.C	10	11	21	14	11	25	209	256
4	National Insurance Corporation of Ethiopia S.C	15	14	29	18	15	33	93	108
5	United Insurance Company S.C	18	10	28	20	11	31	280	300
6	Global Insurance Company S.C	6	7	13	6	7	13	104	112
7	Nile Insurance Company S.C	17	18	35	19	20	39	220	261
8	Nyala Insurance Company S.C	13	10	23	15	11	26	306	416
9	Nib	20	9	29	22	11	33	272	296

	Insurance Company S.C								
10	Lion Insurance Company S.C	15	12	27	16	14	30	98	97
11	Ethio-Life Insurance Company S.C	11	4	15	15	4	19	76	90
12	Oromia Insurance Company S.C	17	15	32	18	18	36	76	164
13	Abay Insurance Company S.C	10	9	19	10	10	20	147	141
14	Berhan Insurance Company S.C	7	1	8	9	2	11	68	73
15	Tsehay Insurance Company S.C	8	3	11	10	4	14	77	94

16	Lucy Insurance Company S.C	6	2	8	6	2	8	87	102
17	Bunna Insurance Company S.C	10	2	12	11	5	16	59	66
Total		225	189	414	253	212	465	3118	3811