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ROLES OF LIFE INSURANCE CLAIM SETTLEMENT ON INSURANCE PENETRATION IN NIGERIA

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ABSTRACT

The impact of life insurance claim settlement on the insurance penetration rate in Nigeria was investigated in this study. The study examined the relationship between the insurance penetration rate and the trend of life insurance claims in Nigeria from 2000 to 2023, as well as the impact of paid life insurance claims on the insurance penetration rate in Nigeria over the same period. The study's data, which was gathered between 2000 and 2023, was examined using charts and the Autoregressive Distributed Lag (ARDL) model co-integration technique. The findings showed that, although the insurance penetration rate fluctuated, both the amount of life insurance claims paid and the insurance penetration rate in Nigeria showed an upward trend from 2000 to 2023. Additionally, the study confirmed that life insurance claims significantly influenced Nigeria's insurance penetration rate, though negatively over the long term. Hence, this study conclude that life insurance claim settlement plays significant role on insurance penetration in Nigeria. By identifying the factors that influence public trust in life insurance and highlighting the link between claim efficiency and policy uptake, this study makes unique contributions to the body of research on insurance penetration. These findings are particularly valuable for policymakers, as they illustrate the importance of balancing consumer needs with the operational sustainability of life insurance firms. Therefore, this study recommended among others that financial authorities should design a framework of life insurance claim that put into consideration the interest of the people and life insurance business in terms of time and amount, in ways that promote penetration rate in the insurance companies.

Keywords: *Life Insurance, Claim Settlement, Insurance penetration, Nigeria experience*

Introduction

Insurance penetration has been a significant focus in discussions about the insurance industry, largely due to its role in promoting financial development and stimulating economic growth. Increasing the penetration rate in the insurance sector not only signals the advancement of this subsector but also has the potential to bolster the growth of other areas within the financial system, such as banking (Peleckiene et al., 2019). This is because the insurance industry offers essential risk protection services that reduce uncertainties in other financial sectors. Moreover, insurance provides crucial funding that strengthens the operational capacity of financial institutions. By functioning in this capacity, the insurance sector mobilizes resources from unproductive sectors to productive ones, or from surplus to deficit units within the economy (Ogunlami, 2021). This flow of capital fuels economic activity by ensuring businesses remain operational and grow, thus enhancing overall productivity. Short-term (non-life) insurance and Long-term (life) insurance are the two primary types of insurance, according to the National Insurance Commission (2023). Life insurance plans, pensions, and similar products are examples of long-term insurance that covers personal risks over longer periods of time. On the other hand, short-term insurance covers property, such as buildings and cars, and is usually renewed once a year. (Oyetunji & Momoh, 2021; Isimoya & Ajemunigbohun, 2019). Some scholars argue that life insurance, in particular, has a greater capacity to accelerate the insurance penetration rate (Andoh & Yamoah, 2021; Oladunni & Eche, 2022).

Insurance penetration is a measure that represents the extent to which insurance products are used within a population, typically expressed as a percentage of a country's Gross Domestic Product (GDP). It is calculated by dividing the total premium income generated by insurers in a country by the country's GDP. This metric helps assess the relative importance of the insurance sector in the economy, indicating both the accessibility and uptake of insurance among the population. Higher insurance penetration usually implies greater risk management within the economy, while lower penetration may suggest limited insurance awareness, affordability, or availability (EY Global. 2020; World Bank. (2021).

Life insurance claim settlement is the process through which an insurance company disburses the policy benefits to the designated beneficiaries upon the policyholder's death or, in some cases, after a certain term or maturity

of the policy. This process typically involves verification of the claim by the insurer to ensure its validity and adherence to policy terms (Gupta, 2019; Rejda & McNamara, 2021). Claim settlement is critical in delivering financial relief to beneficiaries, aligning with the primary purpose of life insurance, which is to provide monetary support after the insured's death (Kaur & Bhatia, 2020).

From a quantitative perspective, life insurance activities can be analyzed based on premiums and claims. Both of these elements are crucial in determining demand for insurance services. Premiums represent the cost of insurance from the policyholder's perspective, and demand depends on both the ability and willingness to pay. Claims, on the other hand, are vital in building trust and encouraging more people to participate in the insurance market. The process of claim settlement, including timeliness and adequacy, directly impacts customer satisfaction and shapes future demand. As some scholars (e.g., Andoh & Yamoah, 2021) have pointed out, claim settlement is essentially the product purchased by the insured, and the quality and responsiveness of this service can drive or hinder insurance uptake. Thus, it becomes crucial to examine how life insurance claim settlements affect insurance penetration.

Despite efforts to improve the insurance sector's role in Nigeria's financial development and economic growth, the country's insurance penetration remains strikingly low. In 2023, insurance penetration in Nigeria was a mere 0.4% of GDP, compared to 2.8% in other Sub-Saharan African countries (World Development Indicator, 2024; KPMG, 2024). This stagnation may be linked to factors such as Nigeria's mono-economic structure, lack of awareness about insurance services, widespread poverty, inflation, currency depreciation, and limited participation in insurance-driven developmental services (Olajide, 2023; Fadun, 2023; Olarinre et al., 2020; Isinova & Akindipe, 2022; Ntwali et al., 2020). By contrast, countries with higher insurance penetration rates, like South Africa, tend to have robust life insurance industries (Insurance Institute of South Africa, 2024). However, in Nigeria, life insurance activities lag behind those of the non-life sector, possibly due to mistrust in insurers, delays in claim settlements, and unattractive settlement rates (Olusegun, 2018; Igbinovia & Keke, 2022).

Most existing literature has focused on life insurance premiums, often linking them to economic growth (Abass & Olubusade, 2023; Olajide, 2023). Few studies have explored life insurance claims in depth, particularly from a macroeconomic perspective. While much of

the research is firm-specific (micro-level), studies that examine the impact of life insurance claims on a country's overall insurance penetration rate are scarce (Bassey et al., 2024; Afolabi, 2018; Olarinre et al., 2020; Isinova & Akindipe, 2022; Ntwali et al., 2020; Okwo et al., 2024). Therefore, the purpose of this study is to investigate how life insurance claim settlement affects Nigeria's insurance penetration by analyzing the penetration rate and trend of life insurance claims paid, as well as the contribution of life insurance claim payments to the growth of insurance penetration from 2000 to 2023.

Statement of the Problem

Despite the potential benefits of life insurance in providing financial security, insurance penetration in Nigeria remains relatively low. Many Nigerians remain uninsured, largely due to a lack of trust in the claim settlement processes of insurance companies. Claim settlement is critical to policyholder satisfaction, influencing public perception and confidence in life insurance products. However, lengthy processing times, bureaucratic obstacles, and perceived delays in settlements have contributed to skepticism about life insurance. This study seeks to analyze how effective claim settlement practices influence insurance penetration in Nigeria. By examining the link between claim settlement efficiency and public willingness to engage with life insurance products, this research aims to offer insights into improving insurance acceptance, suggesting that a reliable claim settlement process could play a crucial role in enhancing insurance penetration across the country.

Research Question

What impact does life insurance claim settlement have on Nigeria's insurance penetration rate?

Literature Review

Insurance Penetration

Insurance penetration reflects the degree of development within a country's insurance industry (Ehiogu, Eze & Nwite, 2018; Poposki, Kjosevski & Stojanovsk, 2015). It is commonly quantified as the ratio of total premiums underwritten in a given year to the nation's gross domestic product (GDP) (Dash et al., 2018; Ehiogu et al., 2018). Within the insurance sector, penetration is generally viewed from two key angles: life insurance and non-life insurance penetration. Life insurance penetration measures the premiums generated from life insurance policies as a percentage of GDP, while non-life insurance penetration

pertains to premiums from all other types of insurance excluding life policies. In recent years, the global insurance industry has experienced significant expansion (EY Global, 2018), and Nigeria's insurance market has particularly attracted substantial interest from foreign investors and professionals (OBG, 2017). This influx of foreign involvement underscores the growing potential of Nigeria's insurance sector on the global stage, positioning it as an area of considerable interest for both local and international stakeholders.

Life Insurance Claim Settlement

A life insurance claim serves as a formal request to a life insurance company for payment of funds stipulated in the policy agreement. According to Yadav (2014), making an insurance claim represents the insured's legal right under the terms of the insurance contract. In this context, the insurer commits to providing financial support to the insured or their designated beneficiaries upon the occurrence of a specified event or risk covered by the policy. Irukwu (1989) elaborates that an insurance claim involves a contractual obligation whereby the insurer agrees to compensate the insured for a loss that may arise in the future or to disburse a predetermined sum upon the occurrence of a particular event. The life insurance claim process marks a pivotal moment in the relationship between the insurer and the customer, often reflecting the years of premium payments made. A well-managed claim process can lead to increased customer retention, as satisfied clients are more likely to continue their policies. Conversely, mishandling a claim can result in the loss of not just the individual customer, but also significant damage to the insurer's overall reputation in the market. Thus, the efficiency and effectiveness of claims handling are critical for maintaining trust and ensuring long-term relationships with clients.

Theoretical Framework

Expected Utility Theory served as the study's theoretical foundation in this paper. Daniel Bernoulli first proposed the hypothesis in 1738 as a means of resolving the St. Petersburg Paradox. When the result is unclear, the theory is used to evaluate the action's likely value. It implies that selecting an activity with the highest predicted benefit is the logical course of action. A technique for analyzing circumstances in which people must make decisions without knowing the possible outcomes of those decisions is expected utility theory, often known as decision making under uncertainty. The action that will yield the

maximum anticipated benefit—the total of the products of probability and utility over all potential outcomes—will be selected by these people. This theory's applicability in assessing circumstances with no immediate payoff, including insurance purchase choices, led to its selection. Life insurance appears to be a more advantageous choice when the expected benefit of paying the premium for a life insurance policy is compared to the expected utility of using the money for other chances and goods. According to the hypothesis, the insurance penetration rate may be ascertained by the impact of insurance claims on the demand for insurance policies.

Empirical Review

Adeyele (2020) explored the determinants of claim handling techniques and their impact on the performance of non-life insurance businesses. The study, which involved the distribution of 121 valid questionnaires across 13 insurance companies and employed an ex-post facto research method, revealed that both the techniques used in handling claims and the reputation of insurance companies had a strong and significant influence on market penetration. The study concluded that timely handling of claims improves the reputation of insurance firms and enhances their market reach.

In a similar vein, Oladunni and Okonkwo (2022) examined the effect of risk retention on claims management within Nigerian insurance companies. Using a panel data regression analysis on data sourced from the Nigerian Insurance Digest and the National Insurance Commission for the period between 2009 and 2018, their findings demonstrated that risk retention had a statistically significant impact on the claims ratio between reinsurers and insurers in the Nigerian insurance market.

Olajide (2023) analyzed the influence of insurance claims settlements on Nigeria's economic growth, utilizing data spanning from 1992 to 2019. The analysis, conducted using the ARDL co-integration technique, revealed that insurance claims settlements had an insignificant and negative effect on Nigeria's GDP, indicating limited direct contributions to economic growth from claim settlements.

Additionally, Oluwabiyi, Asikhia, and Egwuonwu (2022) investigated the role of customer relationship marketing in the market penetration of insurance services in Lagos State, Nigeria. Using a survey design with 1,650 respondents from selected local government areas, they analyzed the data with multiple linear regression. The findings indicated that customer relationship marketing, through dimensions such as customer awareness, trust, service quality, product

innovation, customization, and satisfaction, had a significant positive effect on insurance market penetration. They concluded that these factors are critical for driving market penetration in the insurance industry.

Olayinbo and Akinlo (2016) examined the dynamic relationship between insurance penetration and economic growth across eight African countries between 1970 and 2013. Using panel OLS analysis, they found mixed results: while a positive relationship was identified in Egypt, short-term negative and long-term positive effects were seen in Kenya, Mauritius, and South Africa. Conversely, negative effects were found in Algeria, Nigeria, Tunisia, and Zimbabwe. The study recommended the implementation of sound financial reforms and expanded insurance coverage to foster insurance sector development across these countries.

Idowu and Fadun (2022) focused on the effectiveness of insurance products and services in rural Lagos State, Nigeria. Through interviews with rural residents, they discovered that a lack of knowledge about insurance discouraged participation. Additionally, non-settlement of claims and the unaffordability of insurance products were identified as major barriers to insurance adoption in rural communities.

Bassey, Ankoh, and Ekanem (2024) analyzed the relationship between claims settlement and the profitability of Nigerian insurance companies, using data from 1981 to 2022. Their regression analysis revealed that while total expenditure and total income had a significant impact on profitability, total claims settlements and total premium income did not. The study recommended that insurance companies engage in awareness campaigns to educate policyholders on loss control mechanisms.

Fadun (2023) investigated the effect of insurance claims settlement on Nigeria's economic growth, using GDP as the dependent variable in an ex-post facto design. Analyzing 28 years of data (1992-2019) with the ARDL co-integration approach, the study found that insurance claims had a significantly negative effect on GDP, further underscoring the limited role of claims settlements in boosting economic growth.

In a similar analysis, Okwo et al. (2024) studied the effect of the insurance sector's claims settlement capacity on insurance demand in Nigeria. Using time-series data from 2007 to 2022, they found that while claims settlements negatively affected gross premium income, non-life insurance claims settlements had a positive, though non-significant, influence. Their findings suggested

that total insurance claims settlements had a significant positive impact on gross premium income, underscoring the importance of claim settlement capacity in enhancing the performance of Nigeria's insurance industry.

Research Methods

Model Specification

This study adapted the model of Fadun (2023) in which gross domestic product is expressed as a function of insurance claim. The model was therefore presented as thus:

$$GDP = f(INSC) - - - - - - - - - - - - 1$$

$$GDP_t = \beta_0 + \beta_1 INSC_t + u_t - - - - - - 2$$

However, this study modified the model by using insurance penetration (INSP) as dependent variable, while life insurance claim paid (LICP) is used as core independent variable. In addition, control variables which are non-life insurance claim paid (NLICP), inflation rate (INF), interest rate (INT), and exchange rate (EXR).

$$INSP = f(LICP, NLICP, INF, INT, EXR) - 3$$

$$INSP_t = \alpha_0 + \alpha_1 LICP_t + \alpha_1 NLICP_t + \alpha_2 INT_t + \alpha_3 EXR_t + \alpha_4 INF_t + u_t - - - - - - - - - 4$$

Method of Data Analysis

This study employed inferential analysis methods. The inferential analysis method is time series based, hence involve the use of preliminary test, specifically, unit root test (Augmented Dickey Fuller, ADF, test). Based on the ADF test result of mixed order of integration among variables, this study conducted analysis of objectives using ARDL co-integration approach. ARDL is particularly suited for analyzing co-integration among variables with mixed order integration (i.e., I(0) and I(1)) because it does not require all variables to be integrated at the same level, unlike other co-integration methods. This flexibility makes ARDL robust for analyzing relationships in datasets where variables display different levels of integration, as it can capture both short- and long-run dynamics within a single framework. By accommodating mixed integration orders, ARDL enhances the reliability of findings, allowing for a more accurate analysis of the impact of life insurance claim settlement on insurance penetration in Nigeria. The ARDL model in line with the

model in equation 3 and 4, is therefore specified as thus:

$$INSP_t = C_0 + \sum_{i=1}^{p} a_i \Delta INSP_{t-i} + \sum_{i=0}^{p} \propto_i \Delta LICP_{t-i} + \sum_{i=0}^{p} \sigma_i \Delta NLICP_{t-i} + \sum_{i=0}^{p} \beta_i \Delta INT_{t-i} + \sum_{i=0}^{p} \gamma_i \Delta INF_{t-i} + \sum_{i=0}^{p} \varphi_i \Delta EXR_{t-i} + \theta ECM_{t-i} + \delta_2 LICP_{t-i} + \delta_3 NLICP_{t-i} + \delta_4 INT_{t-i} + \delta_5 INF_{t-i} + \delta_6 EXR_{t-i} + u_t \quad ---------- 5$$

Results and Discussion

Trend Analysis of Life insurance claim paid and insurance penetration rate in Nigeria between 2000 and 2023

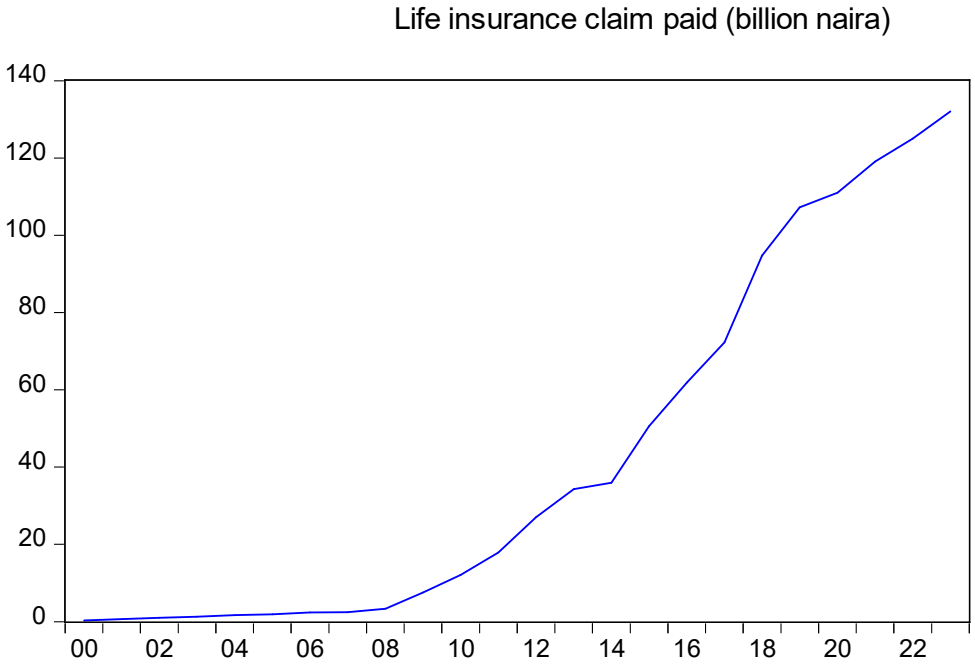


Figure 1: Chart of Life Insurance Claim Paid between 2000-2023

Figure 1 indicates that there is predominantly positive trend in life insurance claim paid in Nigeria over the period 2000 to 2023, revealing that life insurance claim paid had been increasing for the past two decades. Nevertheless, the result showed that there was insignificant movement in life insurance claim settlement between year 2000 and 2005 possibly because of limited public awareness, as well as spending priority on immediate needs instead of financial products, as well as inefficient claim processing due to manual operations. However, the chart indicated steady and continuous rise in life insurance claim paid which is attributable to increased level of public awareness, digital insurance services

and operation, cultural shift due to globalization, financial inclusion initiatives, as well as covid-19 pandemic and high mortality rate among others.

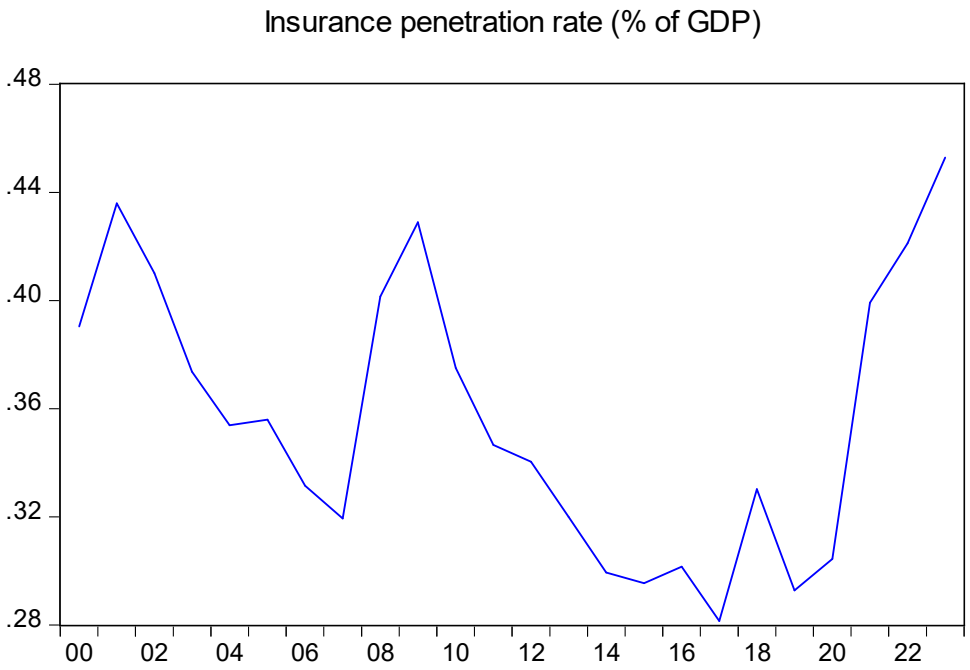


Figure 2: Chart of Insurance Penetration Rate between 2000-2023

Result demonstrated in Figure 2 shows that there is positive trend in insurance penetration between 2000 and 2023, although there were inconsistent movement embedded in the trend, which may be due to preference for non-financial products coupled with economic uncertainty, regulatory reforms, global economic and financial crisis among others. Nevertheless, the chart reveals there has been increase in insurance penetration since 2020 which may be attributed to increase in demand for life insurance geared by covid-19 pandemic.

Table 1: Unit Root Test

	ADF Statistics	**1% critical value**	**5% critical value**	**ADF Statistics**	**1% critical value**	**5% critical value**	**I(d)**
lnINSP	-1.737565	-3.752946	-2.998064	-5.247998	-3.769597	-3.004861	I(1)
lnLICP	-1.276229	-3.769597	-3.004861	-3.124292	-3.769597	-3.004861	I(1)
lnNLICP	-3.939353	-4.416345	-3.622033	-	-	-	I(0)
lnINT	-3.075849	-3.752946	-2.998064	-	-	-	I(0)

lnINF	-2.444869	-4.416345	-3.622093	-4.483171	-3.769597	-3.004861	I(1)
lnEXR	-0.137636	-4.416345	-3.622033	-3.870963	-4.571559	-3.690819	I(1)
lnGEXP	-1.824702	-4.416345	-3.622033	-5.078849	-4.440739	-3.632896	I(1)

Source: *Author's Computation (2024)*

The insurance penetration rate, life insurance claim paid, inflation rate, exchange rate, and government expenditure only become stationary after initial differencing, i.e., these series are integrated of order one I(1), according to the unit root test result shown in Table 1. On the other hand, interest rates and non-life insurance claim payments are stationary at level, which indicates that they are integrated of order zero I(0), indicating that this variable does not retain innovation shocks that have been applied to it over the same time period. Therefore, the study's summary of the unit test revealed that the series contained in the models are integrated of mixed order, i.e., I(0) and I(1). To accomplish the study's relevant goals, the ARDL co-integration is used.

Table 2: ARDL Co-integration Bound Test

F-Statistics	Lower Bound	Upper Bound
15.80443	2.27	3.28

Source: *Author's Computation (2024)*

In order to test the joint null hypothesis that the coefficients of the lagged level variables are zero, i.e., that there is no long-term link between the variables, Table 2 displays the lower and upper limit critical values together with the F-statistics for the ARDL limit test. For the lower and upper limits, the f-statistics value is 15.80443, and the bound critical values are 2.27 and 3.28, respectively. It was found that the f-statistic is higher than the upper bound critical value (a requirement for the rejection of the null hypothesis that there is no long-term association) when compared to the critical values. Therefore, the alternative hypothesis—that there is a long-term association between the variables—is accepted by the study, rejecting the null hypothesis.

Table 3: ARDL short run and long run Estimation Result

Short run Estimation				
Variables	**Coefficient**	**Std. Error**	**T-Stat.**	**Prob.**
D(LNLICP)	0.069049	0.013751	5.021488	0.0074
D(LNNLICP)	-0.067594	0.021171	-3.192816	0.0331

D(LNNLICP(-1))	0.095929	0.016416	5.843755	0.0043
D(LNINT)	0.088953	0.009166	9.705045	0.0006
D(LNINT(-1))	0.115030	0.009153	12.567805	0.0002
D(LNINF)	0.223430	0.037572	5.946695	0.0040
D(LNEXR)	-0.311116	0.026071	-11.933356	0.0003
D(LNEXR(-1))	0.326614	0.056783	5.751964	0.0045
D(LNGEXP)	0.313184	0.017224	18.183056	0.0001
D(LNGEXP(-1))	-0.225006	0.017289	-13.014731	0.0002
CointEq(-1)	-1.200443	0.064378	-18.646648	0.0000
*Cointeq = LNMCP - (0.8047*LNBIP -2.6001*LNBIC + 0.0438*INF - 0.2747 *INT -0.1121*LNFDI + 21.8850)*				
Long run Estimation				
LNLICP	-0.167093	0.032765	-5.099744	0.0070
LNNLICP	0.076582	0.100445	0.762422	0.4883
LNINT	0.014082	0.041170	0.342039	0.7495
LNINF	0.576427	0.091036	6.331833	0.0032
LNEXR	-0.358561	0.107354	-3.340002	0.0288
LNGEXP	0.412274	0.045815	8.998705	0.0008
C	-4.221430	0.400935	-10.528971	0.0005

Normality Test= 0.5351(p > 0.05); Heteroscedasticity test = 0.4329(p > 0.05); Serial correlation 2.9913 (p > 0.05)
Source: *Author's Computation (2024)*

The findings presented in Table 3 provide insights into both short-run and long-run estimations from the Autoregressive Distributed Lag (ARDL) model. In the short run, the results indicate a coefficient of 0.069049 with a probability value of 0.0074 (p > 0.05) for the change in life insurance claims paid (D(LNLICP)). This signifies that a 1% increase in life insurance claims paid correlates with approximately a 0.06% increase in the insurance penetration rate, indicating a significant positive impact in the short term. Conversely, the analysis reveals that an increase of 1% in life insurance claims paid leads to a decrease of 0.16% in the insurance penetration rate, as evidenced by a coefficient of -0.167093 and a probability of 0.0070 (p < 0.05) for LNLICP. This suggests that, despite the short-term benefits, life insurance claims paid can exert a significant negative influence on the insurance penetration rate. This finding aligns with Adeyele (2020) but contradicts Olayinbo and Akinlo (2016), possibly due to the effect of increased claims fostering trust in the insurance system. When individuals observe others receiving timely and fair compensation from their policies, they may be

more inclined to purchase coverage themselves.

Moreover, the Cointegration term (Cointeq(-1)) is -1200443 with a p-value of 0.0000 ($p > 0.05$), indicating that about 120% of the discrepancies from the short-run model are corrected and integrated into the long-run dynamics annually in Nigeria. In summary, while the results suggest that increasing the disbursement of life insurance claims in the short run can enhance the insurance penetration rate, they also indicate a potential decline in penetration in the long run if claims continue to rise. This contrasts with findings from Bassey et al. (2024), which noted a positive effect of claims, albeit in a firm-based context. However, our results are consistent with those of Okwo et al. (2024), Oluwabiyi et al. (2022), and Fadun (2023). For instance, Okwo et al. (2024) found a negative significant influence of claims on gross premium income, albeit measured differently in absolute terms rather than relative to GDP. This long-term effect may be attributed to the tendency of life insurance companies to increase premium rates in response to higher claims, aiming to maintain their capacity to settle claims. Such an increase in premiums could make life insurance policies less affordable for potential policyholders, thereby reducing demand and leading to a decline in the overall insurance penetration rate. Consequently, these findings underscore the complex interplay between life insurance claims, penetration rates, and market dynamics in Nigeria.

Conclusion and Recommendations

In alignment with the findings of this study, it is crucial to emphasize that both the insurance penetration rate and the amount of life insurance claims paid in Nigeria exhibited a positive trend from 2000 to 2023, albeit with a zig-zag pattern for the penetration rate. Furthermore, the study established that while life insurance claims significantly influenced the insurance penetration rate, this effect was negative in the long run. Consequently, the research concludes that the settlement of life insurance claims plays a pivotal role in enhancing insurance penetration in Nigeria. Hence to foster further improvements in insurance penetration in Nigeria, the study recommends the following actionable strategies:

1. Framework Development: Financial authorities should develop a comprehensive framework for life insurance claims can provide immediate improvements in transparency and regulatory alignment, which increases consumer trust. Long-term, this framework

can ensure that claims processes evolve with changing market demands and policyholder expectations, driving sustained growth in insurance penetration.

2. Attractive Claim Designs: Life insurance companies should focus on creating appealing claims structures addresses the short-term need to attract potential clients by offering substantial benefits and clarity. Over time, such appealing claims policies help retain clients and increase penetration by establishing life insurance as a reliable financial safety net, thus fostering loyalty and encouraging policy renewals.
3. Digital Transformation: Life insurance companies must embrace digital solutions in their operations and processes to ensure prompt and efficient claim payments. This can quickly streamline the claims process by reducing administrative delays and minimizing errors, which encourages new policy uptake and enhances customer satisfaction in the short term. Over the long term, digital transformation supports scalability in claims processing, which will mitigate the negative effects of rising claims and maintain operational efficiency even as demand grows.
4. Investment Efficiency: Life insurance companies need to improve their investment practices, this would allow these companies to bolster their revenue streams, providing immediate financial stability to cover claims and assure policyholders of payout reliability. Long-term, diverse and efficient investment channels can shield insurance firms from market volatility, sustaining their ability to meet claim settlements and drive sector growth.

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