

Impact of Customer Satisfaction and Service Quality on Motor Insurance Demand

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ABSTRACT

Introduction: Motor insurance is a mandatory according to Sri Lankan law. Therefore this is highly profitable sector in the insurance companies. This is biggest and fastest growing in general insurance portfolio. This research study determines the impact of motor insurance demand in the companies according to customer satisfaction and service quality.

Design/Methodology/Approach: After reviewing the literature thoroughly researchers identified five main factors which are tested by the previous research done in this regard. Those are Tangibility, Reliability, Responsiveness, Assurance and Empathy. 200 customers have been captured from five companies in Deraniyagala division and the data were collected by means of a structured questionnaire via Google Forms. Statistical Package for the Social Science (SPSS 23) was used as the key analysis tool. Multiple regression analysis was performed to test the study hypothesis.

Findings: The results of data analysis, three independent variables are statistically significant and accepted the hypotheses by correlation and regression analysis. But two variables are rejected. The final result emphasizes that the reliability, responsiveness and assurance are statistically significant, and tangibility and empathy are not significant.

Conclusion: There is a positive relationship between tangibility and empathy and negative relationship between reliability, responsiveness, and assurance.

Keywords: *Customer Satisfaction, Service Quality, Motor Insurance, Determinant, Financial Strength.*