

## **Factors Affecting Efficiency in Motor Claim Settlements: Special Reference to a General Insurance Company in Sri Lanka**

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### **Abstract**

**Introduction** Every organization is highly concerned about the efficiency of their work processes to achieve their organizational goals successfully. As per the Motor Traffic Act, With the rising usage of vehicles and mandatory third-party insurance, Sri Lanka's motor insurance market is fiercely competitive. Thus, efficient claims settlement serves as a gateway to customer acquisition, retention, and valuable business insights. Thus, this study focuses on key factors impacting motor claim efficiency based on one of the leading general insurance companies in Sri Lanka.

**Methodology:** This study uses deductive approach and quantitative methods to analyze the data. Panel regression was used to examine the impact of system quality, information quality, and service quality(independent variables) on the motor claim efficiency (dependent variable). Data was collected by using a structured questionnaire.

**Findings:** All three variables, system quality, information quality and service quality, show a highly significant impact on the motor claims settlement efficiency, and all were significant at 1% level. Further, study also identifies the challenges faced by the company through the open-ended question used in the questionnaire. The results highlighted that the manual processes, inaccurate information, and inadequate staff allocation are the major roadblocks to efficiency, leading to delays and frustration for customers.

**Conclusion:** The study reveals that insurance companies should pay more attention to existing levels of efficiency in motor claims settlements by improving the system quality, information quality and service quality. By embracing automation, investing in data quality, and empowering staff with the necessary skills and tools, the issues can be overcome. The benefits of prioritizing efficiency are manifold. A positive claims experience fosters customer satisfaction and loyalty, leading to repeat business and positive word-of-mouth recommendations.

**Keywords:** Claim settlements Efficiency, Information quality, Motor Insurance, Service quality, System Quality