

# **THE EFFECT OF SUPPLY SIDE FACTORS ON UPTAKE OF INSURANCE: A CASE STUDY OF GHANAIAI HOUSEHOLDS.**

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## **Abstract**

For all countries, the phenomenon of insurance uptake is very important for achieving a higher insurance penetration. With specific reference to Ghana, the insurance coverage is around 30%, which indicates that the majority of the populace does not buy insurance policies although there are enough insurance companies offering Life and Non-Life policies to drive insurance activities in the country, coupled with a functional insurance regulatory body. With this number of companies and the level of insurance penetration hovering around 1%, there is the need to find out the reasons for the non-adoption of insurance with a focus on Ghanaian households. There is, therefore, the need to find out how various firm strategies of insurance companies could affect the uptake of insurance. In the current study, the random sampling technique and purposive sampling technique were used in the quantitative research and the qualitative case study research, respectively. A total sample of 499 was used for the quantitative while 15 respondents were used in the case study aspect of the research. The researcher used multiple regression analysis to find assess the supply side determinants. In the qualitative case study, content analysis was used to ascertain the practical viewpoint of respondents regarding how the identified factors affected uptake of insurance. Regarding the quantitative study, the study found out the effect of firm strategies on insurance uptake. Customer education, insurance product design, customer service and market positioning positively and significantly impacted on insurance uptake. The study also found that sales agent effectiveness. positively moderated the relationship between customer education, insurance product design, market positioning, perceived reputation and insurance uptake. In the quantitative study, out of the 12 hypotheses, seven were supported. Relating to the qualitative case study, respondents, to a large extent, agreed that the firms' strategies impacted on insurance uptake and revealed that sales agents' effectiveness had an important moderating effect on insurance uptake. The study, among other things, recommended that it is inherent upon insurance companies to design specific products that are useful and beneficial to low-income earners in society.

**Keywords:** Customer Education, Customer Service, Premium, Adoption. Uptake.