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Relationship Quality in Motor Insurance: A Study of Policyholders' Perception

Purpose: The present study makes an attempt to investigate the interrelation among the dimensions of relationship quality (i.e., trust, commitment, communication, and conflict handling), satisfaction regarding claim settlement, loyalty, and switching intention of policyholders of the highest premium-generating channel (among the other types of insurance product, like fire, marine, cargo, aviation, engineering, liability, crop, credit, and miscellaneous insurance policies) of the general insurance sector, i.e., specifically motor insurance in the state of Punjab.

Methodology/ approach: Primary data was collected from 400 respondents by using a self-structured questionnaire. The proposed research model was tested by using the Structural Equation Modelling (SEM) in AMOS 23.

Findings: The results of the research revealed that the proposed model of the study was supported by all the hypotheses, i.e., there was a positive and significant relationship between relationship quality, policyholders' satisfaction towards claim settlements, and their loyalty to the insurance company. The findings also exhibit that policyholders' loyalty had a negative relation with the switching intention of the policyholders.

Implications: The study can be highly beneficial for motor insurance providers as there is a vast market still untapped, as 57% of the total registered vehicles in Punjab are still uninsured (as per IRDAI reports). This study will also be beneficial for insurance companies, agents, surveyors, and policymakers as the perception of the

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motor insurance policyholders has been deliberated upon.

Originality: *The current study delves deeply into the existing literature as it provides insights into the policyholders' relationship quality, satisfaction regarding claim settlements, loyalty, and their switching intention in the motor insurance sector. Although previous researchers have studied these concepts in various other service sectors, the present study bridges a gap by providing a comprehensive study in the motor insurance sector of Punjab.*

Keywords : *Claim settlement – Satisfaction – Loyalty – Motor insurance – Relationship quality*

Introduction

One of the most significant components of liability insurance, i.e., motor insurance or automobile insurance, is a contractual protection against loss/es due to the use of automobiles. A motor insurance policy is a contract between the insured and the insurer in which the latter promises the former to indemnify the financial liability in the event of loss to the insured (Razdan & Deeraj, 2009).

The owner of a motor vehicle may incur monetary loss/es as a result of an accident. The insured can get insurance to cover two types of risks. Apart from the hazards of theft or an accident damaging the vehicle, there is also the possibility of the owner of the vehicle being held liable for someone else's death or serious injury while driving on the road (Babalola & Philip, 2016). The first kind of risk includes the damage/destruction of the vehicle due to fire, lightning, theft, collision and transportation, either in motion or stationary state. The second type of risk covers the insured's liability for third-party property damage or personal injury or death caused by the operation of the vehicle (Dutta & Mitra, 2015). The owner of the vehicle may choose to insure it against the risks listed under the first category at his or her discretion, but the Indian Motor Vehicles Act, 1939, mandates that every motor vehicle should be covered by third-party liability insurance against the risk of third-party's personal injury or any property damage. Due to the increase in the number of different types of vehicles insured, third-party insurance is required to protect the public in regard to physical injury or death. Therefore, the owner

cannot operate his motor vehicle in a public space without the stipulated motor vehicle insurance policy (Khana & Arif, 2010).

With the proliferation of general insurance companies in the private sector (post-liberalization of the Indian economy), competition in the general insurance sector has reached a phenomenal level. This brings to the fore the concept of customer relationships for attracting, retaining, and building long-term business relations with customers (Divya, 2016). In today's highly competitive world, every business is trying its best to survive and grow in the market. The only way a business can actually develop in a profitable way is by attracting new customers and by retaining the existing ones (Mohsan *et. al.*, 2011). Attracting new customers includes various costs on the part of the insurance business, like innovative and attractive advertisements, offering discounts, etc., to ensure loyalty and retain the existing customers' portfolio (Crosby *et. al.*, 1990). A client will return to the same seller/service provider only if he/she is satisfied with the previous dealings/transactions with that seller or service provider. Commercial enterprises have to put efforts into ensuring that their customers are contented (Ogunlami & Matthew, 2015). In a service organization, consumer satisfaction can be ensured by building good relations with them. The interpersonal links developed while providing service is an important aspect of building higher level of relationship than offering the tangible products (Crosby *et. al.*, 1990).

In order to have more loyal clients, business organizations should endeavour to build enduring relations with them, as loyalty is influenced by customer satisfaction (Juan & Yan, 2009) and effected by relationship quality (Chen, 2016). Therefore, in order to survive and thrive in a highly competitive environment, every insurance company should pay attention to relationship quality relationships building, ensure customer satisfaction thus retaining customer loyalty.

Conceptual Framework and Literature Review

The concept of Relationship Quality (RQ) was presented by Evert Gummesson (1987, 2002) to marketing practitioners and researchers in the context of an Ericsson Quality Program in 1985. The definition given by Holmlund (2001) is the best statement that reflects the nature and domain of RQ: "RQ is the cognitive evaluation of business

interactions by key individuals in the dyad, comparatively with potential alternative interactions.”

Another definition given by Crosby *et.al*, (1990) states that “Relationship quality from the customer's perspective is achieved through the salesperson's ability to reduce perceived uncertainty.”

Gronroos (1994) and Storbacka *et al.* (1994) are of the opinion that “Relationship quality is this relational bond between the buyers and sellers.”

Various researchers have used various dimensions of RQ in their research studies:

- Crosby *et al.* (1990) used “Trust and Satisfaction”;
- Morgan and Hunt (1994) “Trust, Satisfaction, Commitment, Communication, and Conflict Handling”;
- Dorsch *et al.* (1998) “Trust, Satisfaction, Commitment, Customer Orientation, Opportunism”;
- Smith (1998) “Trust, Satisfaction, Commitment”;
- Shamdasani and Balakrishnan (2000) “Trust, Satisfaction”;
- Thureau *et al.* (2002) “Customer Satisfaction, Commitment”;
- Ndubisi (2007) “Trust, Commitment, Communication, Conflict Handling”;
- Vieira *et al.* (2008) “Trust, Satisfaction, Communication, Commitment”
- Chen (2016) “Trust, Commitment”.

From the existing literature, it is inferred that different researchers have used different dimensions of RQ, and there is no unanimity regarding the number of dimensions stated by them. However, the four common dimensions of Relationship Quality used by most researchers in the literature, are: (a) Trust, (b) Commitment, (c) Communication and (d) Conflict Handling.”

Crosby *et al.* (1990); Dwyer *et al.* (1987); Berry and Parasuraman (1991) identified that “the term 'Relationship Quality' has emerged from the concept of 'Relationship Marketing' and the goal is to strengthen the relationships with the existing customers and

transform the indifferent ones into loyal customers.” Trust, commitment, and communication are the crucial antecedents for achieving satisfaction in buyer-seller relationships (Voldnes, *et. al.* 2012). Bricci *et al.* (2016) in their studies have stated that trust had an affirmative and direct effect on satisfaction. Further, their findings reveal that satisfaction had a positive effect on loyalty also. Damtew and Pagidimarri (2013) in their article stated that customer trust in employees has a strong and affirmative relationship with customer loyalty. Commitment is a function of satisfaction (Soni *et. al.*, 1996). By paying heed to service outcomes and constantly upgrading the technical quality, customers will not only be more effectively committed to the relationship, but also be more contented (Wetzels, *et.al.*, 1998). Commitment is expected to be a main expectation or norm within business relationship, and fulfilling this expectation is thus postulated to drive customer satisfaction (Bonoma, 1976, Cook & Emerson, 1984, Johanson *et. al.* 1991). Chung and Shin (2010) in their analysis indicated that among all the commonly accepted characteristics, communication had the most favourable influence on customer satisfaction. Only effective communication can catalyze customer satisfaction (Agnihotri, *et. al.*, 2009), as an evaluation of an outcome compared to some set norms. Communication is expected to be a vital source for satisfaction because it can lead to a shared understanding of performance outcomes and expectations (Selnes, 1998). Conflict handling also has a direct and cooling effect on customer satisfaction (Mahmoud *et. al.*, 2018). When a business organization has set in place an effective system to deal with customer complaints, and the employees adhere to the set norms, the customer who has had his grievances redressed to his satisfaction, it will lead to customer loyalty, and business will thrive and employees will be satisfied in being associated with the business. (Ndubisi *et. al.*, 2009).

From the literature review, the following hypotheses were drafted:

- **H1a:** *There is a positive relationship between Trust and Policyholders' Satisfaction.*
- **H1b:** *There is a positive relationship between Commitment and Policyholders' Satisfaction.*
- **H1c:** *There is a positive relationship between Communication and Policyholders' Satisfaction.*

Satisfaction.

- **H1d:** *There is a positive relationship between Conflict Handling and Policyholders' Satisfaction.*

**Customer satisfaction should not only be just the end-result of goods and services being provided but it should also meet or exceed beyond consumers' expectations as well. (Juran 1991; Kelsey & Bond, 2001). It is a post-choice evaluative judgment concerning a specific purchased selection (Westbrook & Oliver, 1991). Customer satisfaction has a momentous impact on customer loyalty, while customer retention has a trivial effect on customer loyalty (Khan, 2012). Brand loyalty can be augmented by ensuring customer satisfaction and enabling repeat purchasing of the same product or service (Hussain & Rizwan, 2014). The factors that influence affective customer loyalty are: satisfaction, cognitive loyalty, service quality and customer-perceived value (CPV), in descending order of significance. Behavioral loyalty is influenced by service quality, customer satisfaction, affective loyalty, cognitive loyalty, and CPV (Juan & Yan, 2009). The study conducted by Mosahab et al. (2010) have determined that the dimensions of service quality, customer satisfaction and loyalty have positive and meaningful inter-relationships with each other. The findings of Thurau et al. (2002) have revealed that customer satisfaction, commitment, confidence-building measures and social benefits contribute considerably to lasting relationship marketing outcomes (word-of-mouth and customer loyalty) in the services sector. Odunlami and Matthew (2015) have found in their research that there is an impact of customer satisfaction on customer loyalty, as 1 percent shift in customer satisfaction caused a 61.7 percent shift in customer loyalty, and there was also an evidential relationship between customer satisfaction and customer loyalty. A research conducted by Jung and Yoon (2012) has also showed that there is a direct relationship between customer satisfaction and customer loyalty. Chen and Wang (2009) also confirmed in their study on the life insurance industry that customer satisfaction is directly related to customer loyalty. Many other studies (Oliver, 1997; Reynolds & Beatty, 1999; Bolton *et. al.*, 2000; Chiou & Shen, 2006) also found that customer satisfaction was an antecedent variable to induce customer loyalty.

By integrating the theoretical and empirical data, the following hypothesis is proposed;

- **H1e:** *There is a positive relationship between Policyholder Satisfaction and Policyholder Loyalty.*

Repeat purchase by the customer and his/her referring the company to other customers reveal customer loyalty as defined by Heskett *et.al.* (1994). Loyalty is a deeply-held commitment to repeat purchase or patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver,1999). Customer switching in a service environment means customers are forsaking one service provider for another (Garland, 2002). While customer loyalty, retention, and repeat purchase intentions indicate favorable outcomes for the provider. Service-switching and switching-intention imply unfavorable aspects of customer behavior (Bansal & Taylor, 1999; Han *et. al.*, 2009). Loyal customers hold a positive attitude toward the brand and demonstrate it by repeat-purchase behavior (Lin & Lee, 2012). Customer loyalty and switching intention are two-sided concepts, while low-switching intentions mean high loyalty (Mittal & Laser, 1998). A study conducted by Bansal and Taylor (1999) have disclosed that customers, who are not satisfied with a product/service, exhibit less loyalty and are more inclined to switch companies. The findings of the study of De Ruyter *et.al.* (1998) have indicated that customers will be less loyal to organizations with relatively low switching costs compared to service sectors with relatively high switching costs. According to Lee and Murphy (2006), customer satisfaction leads to customer loyalty, and customers with high loyalty had lower switching intentions. The findings of Jung and Yoon (2012) also revealed that loyalty reduces the switching intention.

Based on the previous studies, it can be hypothesized that:

- **H1f:** *There is a negative relationship between Policyholder Loyalty and Switching Intention.*

Research methodology

3.1 Instrument Development

The policyholders of selected general insurance companies in the public and private sectors were contacted to gather the primary data for the current study. In order to develop

the questionnaire, the researcher has adopted validated scales from previous literature and adapted them to motor insurance. The scales thus adopted were:

- (a) for “**Trust**”–Churchill, G.A. and Surprenant, C. (1982); Ndubisi, N. O. (2007);
- (b) for “**Commitment, Communication and Conflict Handling**”–Anderson, E. and Weitz, B. (1992); Morgan, R.M. and Hunt, S.D. (1994); Ndubisi, N. O. (2007);
- (c) for “**Policyholder Satisfaction**”–Jayasudha, S. M. (2015); Divya, M. (2016);
- (d) for “**Policyholder Loyalty**”–Gremler, D. D. and Brown, S. W. (1996), and
- (e) for “**Switching Intention**”- Kim et al., (2004).

These scales were evaluated using responses on a five-point Likert scale:

- From “1” denoting "strongly disagree"
- To “5” denoting "strongly agree",

The questionnaire for obtaining the data was pre-tested by a pilot study which was conducted on 50 claimants of motor insurance. Later, the questionnaire was modified based on the feedback from the respondents of the pilot study and by other field and subject experts, in order to ensure greater reliability of the data and clarity on the part of the respondents.

3.2 Data Collection

All insurance claimants, under the "own damage policy" of all general insurance companies in Punjab, both public and private, comprised the population (respondents) of the study.

From all the companies in the general (motor) insurance business, (a) two companies from the public sector ((i) New India Assurance Co. Ltd. and (ii) United India Insurance Co. Ltd.), (b) five companies from the private sector : (i) (ICICI Lombard General Insurance Co. Ltd.; (ii) Bajaj Allianz General Insurance Co. Ltd.; (iii) HDFC Ergo General Insurance Co. Ltd; (iv) IFFCO Tokio General Insurance Co. Ltd.; and (v) TATA AIG General Insurance Co. Ltd.), based on their market share (IRDA Annual Report, 2017-18) were selected for the present study. (c) The policyholders who have staked their

claims for “own damage motor insurance policy” for two-wheelers and motor cars in the FY 2021-22 of the above-cited companies comprised the research sample.

The sampling frame of the research comprised the claimants of all the selected companies in branch offices of the four selected districts: (i) Amritsar, (ii) Jalandhar, (iii) Ludhiana, and (iv) Patiala, on the basis of the highest number of motor cars and two-wheelers registered as per the statistical abstract of Punjab 2021. The branch offices of the short-listed companies were visited, and the objectives of the research were shared with the managers, who were kind enough to cooperate with us in getting the questionnaire filled in by their respective policyholders. The survey questions were shared with the staff of the insuring organization, including managers, agents, surveyors, etc., to obtain the maximum number of responses from the policyholders. After eliminating the incomplete questionnaire and the outliers, 400 responses (200 from each of the sectors, i.e., public and the private) were found eligible for statistical analysis. The whole work of data collection was completed during the time span of 3 months, i.e., from June to August 2022.

Table 1 represents the demographic profile of the respondents with respect to gender. In both sectors, married people made up the majority of the respondents, who had a retention period of up to 3 years, and had opted for cashless settlement. The majority of respondents from the public sector are from the highest income group, while in the private sector, the majority fall into the second highest income group.

[Refer Table I in the Annexure]

Proposed Model

On the basis of the review of the literature, the study's recommended research structure was drawn up. It is displayed in Figure 1. This proposed model depicted: (i) Relationship quality, (ii) Policyholder's satisfaction with the claim settlement, and (iii) Policyholder's loyalty, and switching intention in motor insurance.

[Refer Figure I in the Annexure]

Data Analysis and Interpretation

Based on the previous research methodology, the data was examined using Structural

Equation Modeling (SEM). According to Hair *et al.* (2014), “Structural Equation Modeling '(SEM)' is a statistical technique for testing and estimating causal relations using a combination of statistical data.” Anderson and Garbing (1988) suggested a two-step approach for testing a model, i.e., *measurement model* and *structural model*. The research design was also tested with this two-step approach. The measurement model assessed the reliability and validity of the instrument and depicted the relationship between observed and latent variables, while the *structural model* reveals the relationship between latent variables only and analyzes the *variance explained (coefficient of determinant R^2)*, *beta value (path coefficient or standardized regression weights)*, and the *corresponding p-values* at 95% significance level. AMOS 23 software was used to determine how well the hypotheses relate to one another.

5.1 Measurement Model

Before putting the whole assessment emulate to the test, each construct's unidimensionality was assessed individually. The findings of CFA indicate a good model fit. The value of the Comparative Fit Index (CFI)= 0.930; the value of the Tucker-Lewis Index (TLI) = 0.926, and the value of the Root Mean Square Error of Approximation (RMSEA) = 0.05. Values for CFI, and TLI ranged from 0 to 1, with a value closer to 1 indicating a good fit (Byrne, 1989). The RMSEA should be less than 0.10; ideally, it should be between 0.04 and 0.08 (W. L. Turner & Reisinger, 2001).

The absolute values of Skewness and Kurtosis were checked to establish the normality of the data. The results revealed that the data is dispersed normally as values of the data were within the confines: i.e. -2 and +2 for the absolute value of Skewness, and -7 and +7 for the absolute value of Kurtosis.

The researchers measured the construct validity in terms of convergent and discriminant validities. As opposed to other items that try to measure other constructions, the former is the extent to which several factors are in agreement to measure the same idea (Urbach & Ahlemann, 2010). The researchers used factor loadings, and values of Average Variance Explained (AVE) to measure the convergent validity as suggested by Hair *et al.* (2010). Table 2 indicates that the factor loadings were equal to or greater than 0.60 for all the constructs as suggested by (Chin, 1988a). The findings from Average Variance Extracted

(AVE) were higher than the cut-off value of 0.50, indicating that the measurement scales utilized in the study had convergent validity (Hair et.al., 2010; Bagozzi & Yi, 1988) for all constructs as given in Table 2. Convergent validity for the measuring scale was attained using the factor loadings for each variables and AVE estimates.

[Refer Table II in the Annexure]

For checking the reliability of the scale, the metrics of Composite Reliability and Cronbach's alpha were analyzed. Table 2 highlights that the measurement scale had internal consistency, as all the values given in Table 2 were above the standard value, i.e. 0.7 as suggested by Hair et al., (1998).

After the affirmation of convergent validity, the discriminant validity was evaluated to find out how well the measuring items gauge different ideas or distinguish between the constructs (Ramayah *et al.*, 2018). The criteria of Fornell and Larcker (1981) were used for assessing this aspect. They claim that one of the requirements for good discriminant validity is that a construct's correlation with its indicators (i.e., the square root of the AVE) should be higher than its correlation coefficient with other construct pairs. Since all the values in the diagonal were greater than the values in their respective rows and columns, the results depicted in Table 3 demonstrate that there was sufficient construct discriminant validity.

[Refer Table III in the Annexure]

The outcomes of the measurement model indicate that the model could be further employed for the structural model because it has strong indicator reliability, internal consistency, convergent validity and discriminant validity.

5.2 Structural Model

A structural model with seven variables, i.e.: trust, commitment, communication, conflict handling, policyholder satisfaction, policyholder loyalty, and switching intention were developed. The model had a satisfactory fit according to the model's fit indices in AMOS. The various indices, like CFI= 0.926, and Tucker-Lewis index (TLI) = 0.923, proved to be within the prescribed limits as suggested by (Byrne, 1989). The value of Root Mean Square Error of Approximation (RMSEA) = 0.053 was also according to the standard

norms, i.e., less than 0.10; its ideal value is between 0.04 and 0.08. All the metrics showed that the model fitted the data well.

Hypothesis Testing and Results

The independent variable is represented by exogenous variables. A variable that impacts the values of other latent variables in the model is known as an exogenous variable. The model cannot explain changes in the values of exogenous variables, but endogenous constructs show the dependent variables. The exogenous variables in the model influence the endogenous variables, directly or indirectly, and the model interprets alterations to their values. The following Figure 2 illustrates the variables of the research model employed in the study.

[Refer Figure II in the Annexure]

After recognizing the exogenous and the endogenous variables, the researcher evaluated the model to ascertain whether the hypotheses represented in Figure 1 were accepted or rejected based on the results of the current study. The subsequent table displays the structural relationships of the variables. Table 4 shows the hypothesized path of the constructs, their Standardized Regression Weights, Unstandardized Regression Weights, Lower Limit, Upper Limit, and their corresponding P-values.

[Refer Table IV in the Annexure]

In order to support a hypothesis, the Standardized Regression Weights must lie between the upper and the lower limits, and, the corresponding p-values of all the hypotheses must be $p < 0.05$.

Additionally, Standardized Regression Weights include the standard error as well, while Unstandardized Regression Weights do not include the standard error in their values; besides, the differences in the upper and the lower limits should not contain "0".

The results shown in Table 4 indicate that all hypotheses proposing relationships between relationship quality, policyholder satisfaction, policyholder loyalty, and switching intention were supported, because the Standardized Regression Weights of all the hypothesized paths lie between their respective upper and the lower limits and their ensuing p-values are less than 0.05 (at 95% confidence level). Thus, all the proposed

hypotheses of this study, i.e., H1a, H1b, H1c, H1d, H1e, and H1f were confirmed with:

- (a) the standardized regression weights of: 0.466, 0.265, 0.369, 0.403, 0.542, and -0.534,
- (b) the corresponding p-values : 0.015, 0.010, 0.004, 0.012, 0.007, 0.011.

Figure 3 shows the routes of the variables, their Standardized Regression Weights, and their values of R².

[Refer Figure III in the Annexure]

Discussion

The present research project investigates the relationship quality, satisfaction, loyalty, and switching intention of motor insurance policyholders. In order to achieve the objectives of the research, a questionnaire was used to collect data from policyholders of motor insurance in both the public and private sectors. After eliminating the incomplete and outliers, the final analysis was done on data collected from 400 policyholders (200 each from the public and private sectors) in AMOS 23. The study led us to conclude that all the hypotheses were supported as the value of the standardized regression coefficient of all the hypothesized paths lies between their lower and upper limits, and, the related p-values of all paths were less than 0.050. Below is the complete explanation of the research's conclusions:

- **H1a** proposed a positive relationship between Trust and policyholder's satisfaction. The claim settlement was supported by a standardized regression weight of 0.466, lying in its lower and upper limits of 0.377 and 0.548, and the corresponding p-value of 0.015.
- **H1b** proposed a positive relationship between the Commitment and the Policyholder's Satisfaction Regarding Claim Settlement. This was also supported as its standardized coefficient value is 0.265, i.e., within the lower and upper limits of 0.164 and 0.375, and its p-value is 0.010.
- **H1c** proposed a positive relationship between Communication and the Policyholder's Satisfaction regarding Claim Settlement. This was also supported by a standardized regression weight of 0.369, lying between the lower and upper limits of 0.302 and 0.467, and a p-value of 0.004.

- **H1d** proposed a positive relationship between Conflict Handling and Policyholder's Satisfaction regarding Claim Settlement. This was also supported by a standardized coefficient value of 0.403 which lies in its lower and upper limits of 0.308 and 0.472, and its p-value is 0.012.
- **H1e**, which proposed that there was a positive relationship between Policyholder's Satisfaction regarding Claim Settlement and the Policyholder's Loyalty was also supported as its standardized regression weight of 0.542 lies in its lower and upper limits of 0.503 and 0.596, and its p-value 0.007 is also less than 0.05.
- **H1f**, which hypothesized a negative relationship between Policyholder's Loyalty and Switching Intention was also supported as its standardized regression weight of -0.534 also lies in the lower and upper limits of -0.597 and -0.465, with the p-value of 0.011, i.e., less than 0.05.

Based on the current study's findings, it was clearly evident that all hypotheses were supported. The outcomes displayed that hypotheses H1a, H1b, H1c, and H1d have a positive relationship between various dimensions of Relationship Quality (i.e., trust, commitment, communication, and conflict handling), and, the Policyholder's Satisfaction was supported. These hypotheses affirmatively confirm the findings of Bricci *et al.* (2016), Chung and Shin (2010), Lages *et al.* (2005), Kim *et al.* (2006), Nejad *et al.* (2014), Damtew and Pagidimarri (2013).

H1e states that the positive relationship between Policyholder's Satisfaction and Policyholder's Loyalty was supported and shows consistency with the earlier study findings of Chen and Wang (2009), Khan (2012), Ndubisi (2007), Juan and Yan (2009), Mosahab *et al.* (2010), Thurau *et al.* (2002), Odunlami and Matthew (2015).

H1f, which states a negative relationship between Policyholder's Loyalty and Switching Intention was also supported in confirmation with the previous findings of Jung and Yoon (2012), Lin and Lee (2012), Matos *et al.* (2009), De Ruyter *et al.* (1998) and Hussain *et al.* (2014). The results also reveal that among all the dimensions of Relationship Quality, "Trust" was the most influencing factor of Policyholder's Satisfaction, as the main effect of trust is Satisfaction (Bricci *et al.* 2016), and, it is also defined as a key

mediator of satisfaction (Zhu & Chen, 2012).

The value of R^2 for Relationship Quality and Policyholder's Satisfaction regarding Claim Settlement was 0.586. The value of R^2 for both paths, i.e. (i) for Policyholder's Satisfaction regarding Claim Settlement, (ii) Policyholder's Loyalty, (iii) for Policyholder's Loyalty and (iv) Switching Intention was 0.285, depicting that the value of R^2 for all the relationship paths was according to the standard value, i.e., > 0.0001 .

All the hypotheses therefore are supported in accordance with the results of previous researchers as well. This study confirms that Relationship Quality is positively related to Policyholder's Satisfaction, which in turn directly relates to Policyholder's Loyalty. In addition, Policyholder's Loyalty has a negative relation with the Switching Intention of the respondents in the motor insurance industry as well.

Conclusion

The current research has thus developed a model to study the inter-relation among (i) relationship quality, (ii) satisfaction regarding claim settlement, (iii) loyalty, and (iv) switching intention of the policyholders of motor insurance. Many studies have been undertaken on relationship quality, satisfaction, loyalty, and switching intention in various service sectors, but our study is exceptional in some ways.

Firstly, despite the fact that numerous studies have been conducted in the insurance industry, the current research focuses on conducting a thorough investigation into the inter-relationship between Relationship Quality, Policyholders' Satisfaction Regarding Claim Settlement, Policyholders' Loyalty, and Switching Intention in the highest premium-generating channel of the general insurance sector, i.e., Motor Insurance.

Secondly, several earlier studies have examined the effect of relationship quality on customer loyalty. However, in the present study, "switching intention" was incorporated to investigate whether the negative relation between switching intention and loyalty is valid in respect of policyholders of motor insurance or not. Consequently, there is a dire need to conduct more studies related to the switching intentions of customers in every service industry so as to achieve greater insights into this little explored aspect.

Implications

The present investigation is expected to make a substantial contribution to the existing body of literature, as it has many theoretical and managerial implications. A few suggestions are provided for general insurance companies as well. The findings of the study have revealed that among all the dimensions of Relationship Quality, “trust” is the most influencing factor of Policyholder's Satisfaction, followed by “conflict handling, communication, and commitment”. This highlights the importance of the “trust” factor on the part of insurance providers for ensuring multi-layer satisfaction among policyholders of motor insurance companies. Thus, insurance companies should try to cement the trust among their policyholders in order to increase customer satisfaction.

Insurance firms should provide a positive first impression by providing a pleasant policy purchasing experience, welcoming new policyholders with clear customer communication, and providing useful resources that make their customers' lives easier. Companies should follow a transparent claim settlement procedure and keep the clients updated throughout the claims' settlement process. Additionally, the insurance business must demonstrate its confidence and ability to fulfill any commitments they make (at the time of selling the insurance policy), regardless of how small or big these may be. These casual everyday interactions, also referred to as microevents, can all gradually foster loyalty and trust.

Marketing and sales managers can also help in building trust as they evaluate potential clients' positions and check for social skills that support developing and fostering long-term interpersonal relationships. This pre-screening can be carried out using pertinent personal histories and interpersonal role-playing scenarios during the interview setting. All contact personnel should be encouraged to engage in trust-building activities as part of these efforts.

Some clients seek an effective and quick way to get information about a variety of complementary services in order to establish long-term relationships with their insurance providers. As most sales-training programs equip trainees with the tools they need to represent their main service and the motor insurance industry, the insurance companies may also decide to deploy teams of sales personnel dedicated exclusively to particular clients for whom, and for situations, where the depth of knowledge required is greater

than any one person's limited capacity. When a sales person is replaced, this strategy would act as a means of preserving and maintaining the market share.

Further, companies should maintain long-lasting relationships with their customers by fostering trust, showing greater commitment to them, maintaining open lines of communication, and handling conflicts effectively. They should also make concerted efforts to make their customers satisfied with their organization in order to ensure greater customer loyalty. Loyalty is also influenced by customer satisfaction, and affected by relationship quality. Moreover, loyalty helps to prevent/reduce the switching intention among customers.

Lastly, there is a vast market still untapped for providers of motor insurance, as only 98,424 (4.26%) motor insurance policies were issued (!) during the financial year 2019-20 out of 2,31,1774 vehicles registered (!) (as per IRDAI reports). Companies can harness this untapped potential as 57% of the total registered vehicles are still uninsured in the state Punjab, while the number of uninsured vehicles has surged with a CAGR (Compound Annual Growth Rate) of 13.07% per annum over the financial year 2018-19.

Limitations and Future Research Directions

Every study has some limitations that remain to be overcome. These present the possibilities of future research. Despite the fact that there are many motor insurance companies and policyholders across the nation, due to time constraints, the current study was limited to only four districts of one state, namely Punjab. There might be a chance that policyholders in Punjab have different perspectives from those in the rest of the nation. As a result, the study might not be entirely representative and the findings non-applicable to other states.

Further, the current study has included only the policyholders from two strata, i.e., owners of two-wheelers and motor cars. As a result, the responses of policyholders in other categories, such as those who own commercial or special vehicles, may be different from those of the participants of the study.

Another limitation of the study is that the perceptions of the selected policyholders may differ from those of the policyholders of other types of motor insurance policies, such as third-party insurance policies or comprehensive insurance policies because the present

study only takes into account the policyholders of one type of motor insurance policy, namely the own-damage insurance policy.

Although the selected companies hold about 50 percent of the market share in the general insurance sector, the study is only limited to the policyholders of seven general insurance companies, therefore, the findings may not be generalizable to the entire general insurance industry.

Since the questionnaire is the primary method used to gather the majority of the data, it may suffer from the basic flaw of the questionnaire itself, which is the discrepancy between what is recorded and what is true. As people occasionally feel nervous or exhibit reluctance to answer questions, the same flaw could be traced in the present study's findings.

Future studies can explore the variables of the present study in various other types of insurance, i.e., life, health, fire, etc., and can also apply the same variables of this research in the other states of the country so as to generalize the results for the whole country.

Future research can also concentrate either on third-party insurance policy, or on comprehensive insurance plans, or the study of the perceptions of the owners of commercial vehicles or special vehicles. A comparative study of the public and private sectors of the insurance industry with respect to Relationship Quality, Policyholder's Satisfaction, Policyholder's Loyalty, and insured's potential Switching Intention can give new insights into the existing literature on the burgeoning motor vehicle insurance industry in India.

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Annexure: Tables and Figures

Table I

Demographic Profile of Respondents

Variables		Public		Private		Total	
		No. of Customer	Percent	No. of Customer	Percent	No. of Customer	Percent
Gender	Male	129	64.50	117	58.50	246	61.50
	Female	71	35.50	83	41.50	154	38.50
	Total	200	100.00	200	100.00	400	100.00
Marital Status	Married	137	68.50	120	60.00	257	64.25
	Unmarried	63	31.50	80	40.00	143	35.75
	Total	200	100.00	200	100.00	400	100.00
Average Monthly Income	Less Than Rs. 15,000	25	12.50	31	15.50	56	14.00
	From Rs. 15,001 to Rs. 30,000	27	13.50	21	10.50	48	12.00
	From Rs. 30,001 to Rs. 45,000	23	11.50	24	12.00	47	11.75
	From Rs. 45,001 to Rs. 60,000	53	26.50	64	32.00	117	29.25
	More Than Rs. 60,000	72	36.00	60	30.00	132	33.00
	Total	200	100.00	200	100.00	400	100.00

Retention Period	Up to 3 years	81	40.50	75	37.50	156	39.00
	From 4 to 6 years	48	24.00	36	18.00	84	21.00
	From 7 to 9 years	19	9.50	25	12.50	44	11.00
	From 10 to 12 years	16	8.00	20	10.00	36	9.00
	More Than 12 years	36	18.00	44	22.00	80	20.00
	Total	200	100.00	200	100.00	400	100.00
Type of claim settlement	Cash Settlement	44	22.00	23	11.50	67	16.75
	Cashless Settlement (Repair)	156	78.00	177	88.50	333	83.25
	Total	200	100.00	200	100.00	400	100.00

Source: Survey Data

Table II
Analysis of reliabilities and validities

Variables/Factors	Constructs	FL	CA	CR	AVE	MSV	MaxR(H)
	PS1	0.899					
	PS2	0.888					
	PS3	0.859					
	PS4	0.874					
	PS5	0.890					
	PS6	0.754					
	PS7	0.845					
	PS8	0.830					
	PS9	0.888					
PS	PS10	0.900	0.883	0.983	0.745	0.505	0.984
	PS11	0.807					
	PS12	0.903					
	PS13	0.852					
	PS14	0.854					
	PS15	0.866					
	PS16	0.858					
	PS17	0.887					
	PS18	0.889					
	PS19	0.854					

	PS20	0.849					
	PL1	0.815					
	PL2	0.787					
	PL3	0.807					
	PL4	0.802					
	PL5	0.852					
PL	PL6	0.787	0.858	0.958	0.655	0.404	0.959
	PL7	0.795					
	PL8	0.797					
	PL9	0.805					
	PL10	0.843					
	PL11	0.790					
	PL12	0.828					
	TRT1	0.751					
	TRT2	0.708					
TRT	TRT3	0.664	0.871	0.870	0.528	0.505	0.879
	TRT4	0.838					
	TRT5	0.687					
	TRT6	0.698					
	COMT1	0.664					
COMT	COMT2	0.598	0.860	0.865	0.519	0.404	0.880
	COMT3	0.666					
	COMT4	0.831					

	COMT5	0.796					
	COMT6	0.741					
	COMM1	0.738					
	COMM2	0.740					
COMM	COMM3	0.877	0.863	0.874	0.583	0.492	0.889
	COMM4	0.748					
	COMM5	0.704					
	SWI1	0.893					
SWI	SWI2	0.837	0.805	0.905	0.761	0.332	0.909
	SWI3	0.886					
	CH1	0.669					
CH	CH2	0.711	0.756	0.757	0.510	0.457	0.762
	CH3	0.760					

Note (s): FL- Factor Loadings, CA- Cronbach Alpha, CR- Composite Reliability, AVE- Average Variance Extracted, MSV- Maximum Shared Variance, TS-Trust, CMT-Commitment, COM-Communication, CH-Conflict Handling, S-Policyholder Satisfaction, L -Policyholder Loyalty, SWI- Switching Intention

Source-Survey Data

Table III
Discriminant Validity

<i>VARIABLES</i>	<i>PS</i>	<i>PL</i>	<i>TRT</i>	<i>COMT</i>	<i>COMM</i>	<i>SWI</i>	<i>CH</i>
<i>PS</i>	0.863						
<i>PL</i>	0.635***	0.809					
<i>TRT</i>	0.711***	0.467***	0.727				
<i>COMT</i>	0.636***	0.344***	0.489***	0.721			
<i>COMM</i>	0.701***	0.457***	0.559***	0.613***	0.764		
<i>SWI</i>	-0.093†	-	-0.074	0.031	-0.106†	0.873	
		0.576***					
<i>CH</i>	0.676***	0.367***	0.459***	0.451***	0.491***	0.013	0.714

Note (s): Values in diagonal shows the square root of the Average Variance Extracted (Ave) therefore off-diagonal represents the correlations among variables

Note (s): TS-Trust, CMT-Commitment, COM-Communication, CH-Conflict Handling, S-Policyholder Satisfaction, L-Policyholder Loyalty, SWI- Switching Intention

Source-Survey Data

Table IV
SEM – Structural Relationships – Conceptual Model

Hypothesis	Hypothesized Path	Standardized Regression Weights	Lower Limit	Upper Limit	P-value	Results
H _{1a}	TRT → PS	0.466	0.377	0.548	0.015	Hypothesis Supported
H _{1b}	COMT → PS	0.265	0.164	0.375	0.010	Hypothesis Supported
H _{1c}	COMM → PS	0.369	0.302	0.467	0.004	Hypothesis Supported
H _{1d}	CH → PS	0.403	0.308	0.472	0.012	Hypothesis Supported
H _{1e}	PS → PL	0.534	0.493	0.587	0.009	Hypothesis Supported
H _{1f}	PL → SWI	-0.534	-0.597	-0.465	0.011	Hypothesis Supported

Note (s)- TS- Trust, CMT- Commitment, COM- Communication, CH- Conflict Handling, S Policyholder Satisfaction, L -Policyholder Loyalty, SWI Switching Intention, SRW- Standardized Regression Weights, LL- Lower Limit, UP- Upper Limit, p-value < 0.05

Source-Survey Data

Figure. 1
Proposed Research Model

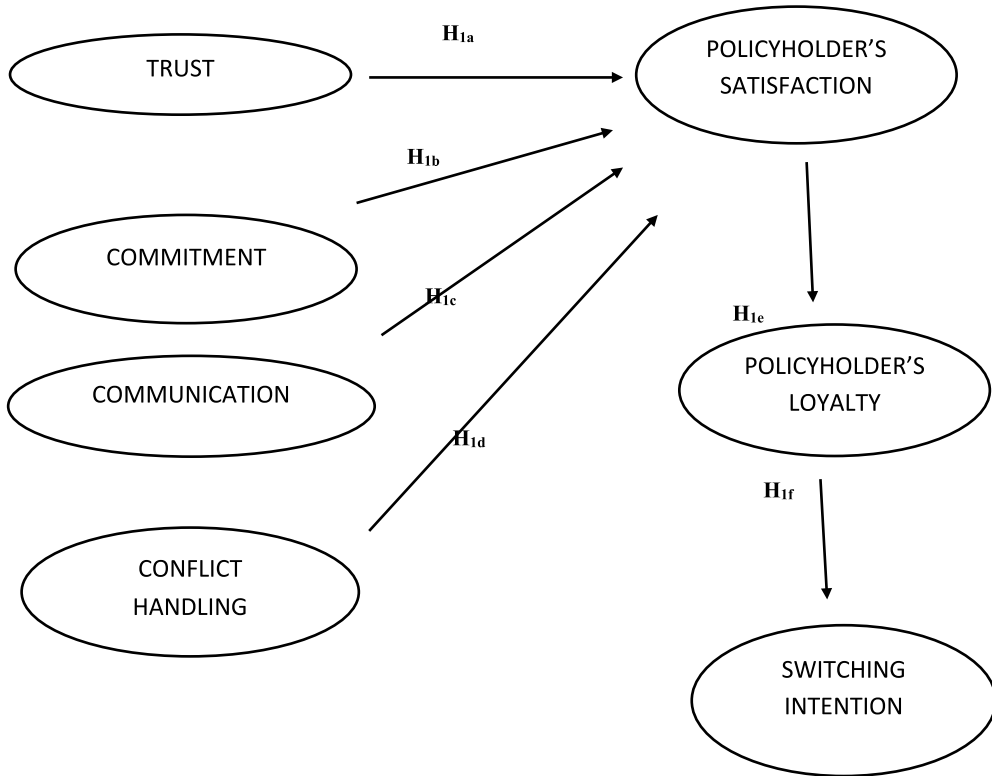


Figure II
Hypothesized Structural Model Constructs - Conceptual Model

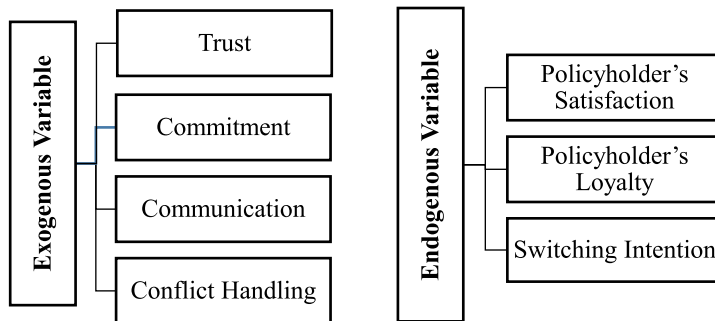


Figure III
Standardized theoretical path coefficients

