International Journal of
Innovative Research in Social Sciences and Strategic Management Techniques
p-ISSN: 2465-728X | e-ISSN: 2467-8155
IJIRSSSMT
April, 2023
Vol. 10, No. 1

Claims Management Practices and Competitive Advantage of Listed Insurance Companies in Nigeria

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Article DOI:
10.48028/iiprds/ijirsssmt.v10.i1.11

Keywords:
Claims management practices, Claims planning, Claims payment, Claims complaint, Competitive advantage

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Abstract

Claims settlement is critical to insurance firms as it serves as a tool for compensation to policyholders who experience sudden losses which brings relief to the receiver and promotes competitive advantage of the firm if timely and efficiently managed. Despite the importance of the claims management practices, some insurance firms pay little or no attention to this process leading to poor administration and loss of clients' confidence. This study examined the effect of claims management practices on competitive advantage of listed insurance companies in Nigeria. Survey research design was adopted. The target population of the study are the full-time top management employees of the listed insurance companies in Nigeria with a total population of 2183. A sample size of 776 was determined using Krejcie and Morgan (1970). Proportionate stratified sampling technique was adopted. A validated questionnaire was used to collect data. Cronbach's alpha reliability coefficients for the constructs ranged from 0.772 to 0.955. The response rate was 86.5%. Data were statistically analysed using descriptive and inferential statistics. The results revealed that claims management practices have significant effect on competitive advantage of the selected insurance companies in Lagos State Nigeria ($Adj.R^2$ = 0.808; F (5, 655) = 554.770, p < 0.05). The study concluded that Claims management practices dimensions have significant effect on firm profitability of listed insurance companies in Lagos State, Nigeria. It is recommended that the management of insurance companies in Nigeria need to embrace more innovative tools. They should particularly maintain the control processes to convince clients to continue their premium payments with guarantee returns on investment and interest which bring significant cost advantage and competitiveness.

Background to the Study

Globally. the Insurance industry is one of the drivers of economic growth that provides financial protection for policyholders by pooling and investing premiums from which those who experience unforeseen losses are compensated. As a result, an efficient and timely claims settlement by Insurance Companies has been identified as a measure with the potential to boost the industry's growth. In addition, claims provide links that influence the consumers' overall view of their insurer and their happiness with the service it provides. A positive claims experience could lead to a long-term client and advocate for the insurance program. However, many Insurance Companies struggle to consistently improve their claims operations due to a poor claims process and unrecognized claims department staff, which hinders their performance in terms of poor profitability, low competitive advantage.

Poor claims experiences may put $170 billion in global insurance premiums at risk by 2027 (Ancell, 2022). According to an analysis by Accenture (2022), up to $170 billion in insurance premiums could be at risk over the next five years due to poor claims experiences, while process inefficiencies in underwriting could cost the sector an additional $160 billion over the same time frame. The analysis is based on interviews with more than 6,700 policyholders in 25 countries, more than 120 claims executives in 12 countries, and more than 900 underwriters located in the United States of America (USA). Tseng (2017) stated that the Insurance Companies' ability to pay out claims could be jeopardized by poor claim management practices. Poor claims management practices is an operational risk that can result in legal risk, which can increase claim costs and pose a liquidity risk to insurance providers if customers complain. In many European countries such as Germany, the United Kingdom (UK), Italy, France, Ukraine, and Switzerland, **claims** settlement is becoming increasingly challenging due to unprecedented claims inflation (Behm et al., 2022).

Russia's aggressive attack against Ukraine has resulted in the destruction of lives, homes, and infrastructure. It has been projected that the Ukraine conflict would cost insurers billions of dollars in claims, with the aviation insurance sector facing the potential for the largest loss event due to the hundreds of planes grounded in Russia (Smith & Morris, 2022). The Russia invasion has wreaked havoc on international Insurance Companies such as Lancashire and Beazley. In February 2022, shares of Lloyd's underwriters such as Lancashire and Beazley that specialize in high-risk areas such as war and political risk have dropped significantly (Smith & Morris, 2022). The African insurance sector is the second fastest-growing insurance market behind Latin America in the world (Norman, 2021). Steady economic growth in most countries combined with a largely underdeveloped insurance sector has positioned the continent as the second-fastest-growing region for insurance globally after Latin America.

A study by Bagus et al. (2020), establish that the level of insurance maturity in African regions (North Africa, East Africa, Francophone Africa, Southern Africa, West Africa, and Angola) is low in comparison to the developed countries such as United Kingdom, Unites States, and Germany to mention but few, as evaluated by insurance density (premium per capita). As a percentage of GDP, insurance penetration in Africa is half the global rate, and premiums per capita are eleven times less than the global average (Swiss Re, 2021). In Ghana, despite regulatory and structural reforms, Ghana's insurance sector remains underdeveloped compared to other countries in Africa (National Insurance Commission, 2018). Citizens' lack of insurance knowledge is adduced to this underdevelopment. Further, Ghana's insurance industry suffers from low client awareness and patronage due to long-held misperceptions and suspicions about insurance operations. Insurance penetration remains low (Bunyaminu et al., 2022). Moreover, delays and disagreements between claimants and insurers during claims processing and payment have perpetuated misperceptions of insurers. Ghana National Insurance Commission (2019) reports that non-life insurance complaints outnumber life insurance complaints annually.

The insurance business in Nigeria has seen an upsurge in policyholder claims. Claims expenses for 22 of the largest and most famous Insurance Companies were reported to be more than N40 billion at the end of June 2017, an increase from N34.1 billion the previous year. According to a report in THISDAY magazine (2022), the negative attitude of Nigerians towards insurance, as well as an unsatisfactory claims experience of an insurance client, prompted one in five customers to completely abandon insurance patronage and even tell other members of the public who wish to buy insurance about his bad experience. Mrs. Zainadine Shamsung Ahmed, Minister of Finance Planning and Budget, recently claimed that underwriters' insufficient reaction to claim settlement had largely contributed to the current poor public perception and lack of trust and confidence in the insurance market (THISDAY magazine, 2022). She urged the National Insurance Commission (NAICOM) to put in place mechanisms to ensure insurers pay claims on time, stressing that this is the primary job of insurance companies. Clients were generally more irritated by insurance practitioners' hostile attitude towards claims settlement, as they routinely use interpretations of insurance policy language to prevent paying legitimate claims.

Studies have indicated that efficient claims management led to customer satisfaction and poor claims management to the dissatisfaction of insurance customers (Angima & Mwangi, 2017; Ajemunigbohun et al., 2022; Gessese, 2018; Yusuf et al., 2017). However, this current study is intended because of the growing problems in claims management processes in the Nigerian Insurance industry, such as improper claims acknowledgment and assignment; insufficient professionalism in the determination of loss situation and amount; time-consuming claims investigation and documentation; communication gaps between insurers and customers; and inadequate professionalism in the investigation of claims. Subsequent to these developments, this study will investigate the effect of claims management on the organizational performance of selected Insurance Companies in Lagos State, Nigeria. Insurance Companies in Nigeria struggle greatly with the difficulty of managing claims in a way that makes customers happy, inspires their trust, and motivates them to buy again and share their positive experiences with others (Ajemunigbohun et al., 2022)

In view of the gap identified, the insurance sector in Nigeria is undergoing cutthroat competition due to the fact that insurance companies not only compete with one another, but also with risk retention groups, the government, and self-insurance. In general, companies compete with one another primarily based on two aspects: the quality of the services they give and the price at which they offer those services (Nigerian Insurance Report, 2022). Hence the objective of this study was to evaluate the effect of claims management practices on competitive advantage of listed insurance companies in Nigeria. To achieve this objective, research question and hypothesis were asked and formulated.

Research Question

What effect do claims management practices have on firm profitability of listed insurance companies in Nigeria?

Hypothesis

H_0: Claims management practices have no significant effect on firm profitability. of listed insurance companies in Nigeria?

Literature Review

Various literatures were reviewed in this section on the study's variables on both independent variable: claims management practices (claims planning, claims control, claims monitoring and evaluation, claims payment, and claims complaints) and dependent variable (competitive advantage). General views, ideas, taught of previous authors relating to the study variables were reviewed conceptually, empirically and theoretically.

Claim Management Practices

Barry (2011), defines insurance claims as all activities geared towards monitoring the insured's compensation, restitution, repayment or any other remedy for loss or damage or in respect of doing obligations. An insurance claim is a formal request to an insurance company, asking for a payment based on the terms of the insurance policy. When it occurs, the insurance company reviews the claim for its validity and then pays out to the insured (on behalf of the insured) once approved (Ayuba et al; 2021). The key objective of the claim management process is to resolve certain problems in an effective and efficient manner. Avoiding litigation and arbitration in claim settlement is one good practice that successful contractor must keep in mind (Kululanga et al., 2011). Claims management is the process of employing and coordinating resources to process a claim from identification and analysis through preparation, and presentation, before it proceeds to negotiation and settlement (Yusuf et al., 2017). The word “claim” according to Ayuba et al., (2020) emanated from the Latin word, *“Clamare”* which means to “*call out*”.

In characteristics, it is generally believed that claim management process consists of four important aspects: settling claims, detecting fraud, lowering costs and avoiding litigation (Lalithchanadra & Kumari, 2015). This has been the view of some scholars who had maintained that according to Butler and Francis (2019), claims payment represents the largest single cost to insurers and 80.0 per cent of all premiums are spent on claims payment and associated handling charges. Redja (2008) opined that claim management includes all managerial decisions and processes concerning the settlement and payment of claims in accordance with the terms of the insurance contract.

Claims Planning

Ajayi et al., (2019), defined claim planning as the task of following up with the claimant or third party for missing documentation and validating that all required claim information has been collected. It was arguably considered thus that claim managers ought to focus only on the most significant claim tasks that required their attention, and also optimizing the use of their time. Ajayi et al. (2019), conceptually asserted that a claim planning is the process by which an insurer set out its obligation on how to receive, investigate and act on a claim filed by an insured**.** According to Ernest & Young (2012), for insurers to attain operational efficiency and effectiveness in claim process, they must look directly at implementing modern claims system, leveraging advanced fraud detection technologies and creating innovation around their self-service claim processing activities. Krishman (2010), argued that an insurance claim is a formal request by a policyholder to an insurance company for coverage or payment for a covered loss or policy event. The insurance company usually carry out administrative to process to validates the claim (or denies the claim). If it is approved, the insurance company will issue payment to the insured or an approved interested party on behalf of the insured. ction technologies and creating innovation around their self-service claim processing activities. Afolabi (2018) posited that insurance claim is a formal request to an insurance company, asking for a payment based on the terms of the insurance policy. Butler and Francis (2010) asserted that claims represent the largest single cost to insurers and 80.0 per cent of all premiums are spent on claims payment and associated handling charges.

Claims Control

Oyedokun and Gabriel (2018), affirm that claims control is the process which involves settling losses under assurance contracts and adjusting any difference that arises between the company's policyholder and possibly a third party. They opined further that claims settlement on its own means not just money or compensation extended to the policyholder who suffered a loss but refers to the whole process involved in receiving the processing and documentation of claims form to decide if payment is to be made or not. In a similar fashion, Barry (2011) view insurance claims control as all activities geared towards monitoring insured's compensation, restitution, repayment or any other remedy for loss or damage or in respect of doing their obligations.

Ayuba et al., (2019), maintained that an insurance claim is a formal request to a company, asking for a payment based on the terms of the insurance policy. The insurance company reviews the claim for its validity and then pays out to the insured or requesting party (on behalf of the insured) once approved. Claims management is the process of carrying out the entire process of claim process with a particular emphasis upon the monitoring and lowering of claims costs (Wedge & Handley, 2013 cited in Cheluge & Kitaka 2020). Cheluge and Kitaka (2020), posited that the process of claims management has to strike the balance between customer expectations and maintaining cost efficiency.

Claims Monitoring and Evaluation

Hasibuan et al., (2020), monitoring and evaluation is the routine collection and analysis of information to track progress against set plans and check compliance to established standards. It is really just a process of checking as you go along, making sure you are not late or off track or potentially even doing harm. Rasheed and Kemal (2018) asserted monitoring and evaluation are an assessment, as systematic and objective as possible, of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. Ntwali (2020), stated that claims handling procedures is a tool that allows analysis and predictions of the handling of procedures. Accordingly, Krishnan (2010) points out what the underlying claims management procedure involved. The first stage starts with the verification of the occurrence of loss. The second stage is the verification of proof of loss to make sure that the loss occurred accidentally and was insured. The third process is the negotiation stage to find out. The funding viewpoints, the volume and the allocation of claims are assessed. Whereas, the operational deals with the operating features of a Claims settlement Procedure, like processing capacity, claims quantity and outstanding claims register, are assessed. The helpfulness of this analysis for efficient and effective organization and management of the claim's handling function is obvious.

Claims Payment

In a simple term, claims Payment means an amount payable to you under the Policy to compensate you for the credit losses you have sustained from unpaid insured receivables (Afolabi, 2018). According to Butler and Francis (2019), claims payment conceptually represents the largest single cost to insurers and 80.0 per cent of all premiums are spent on claims payment and associated handling charges. Claim management includes all managerial decisions and processes concerning the settlement and payment of claims in accordance with the terms of insurance contract. According to Lalithchanadra and Kumari (2015), claim management includes claims processing and pay-out, which should be a core element of insurance practices, so as to ensure smooth operations. Yusuf and Dansu (2014) submitted that claims from previous years usually surface in succeeding years, which makes the insurance businesses challenging and the attainment of profitability, very difficult. According to Butler and Francis (2010), claims payment represents the largest single cost to insurers and 80.0 per cent of all premiums are spent on claims payment and associated handling charges. Interestingly,

Claims Complaint

Aslan Çetin, (2018), stated that there three important aspects of the complaint process which involve acknowledging customer complaints, identifying customer complaints, and handling customer complaints Aslan Çetin further conceptually explained that a claims complaint focused on what went wrong and demand compensation from the offending party, whereas a complaint explains what went wrong and merely demands correction or apology. Radhika et al., (2017) defined a claims complaint as a grievance written expression (even in electronic mode) of dissatisfaction made by the complainant against an entity—such as an insurer, agent, or broker—about an action or lack of action regarding the standard of service or deficiency of service.

Competitive Advantage

Otuza (2022), defined competitive advantage as factors that allow a company to produce goods or services better or more cheaply than its rivals. These factors allow the productive entity to generate more sales or superior margins compared to its market rivals. Competitive advantages at its best generate greater value for a firm and its shareholders because of certain strengths or conditions. Competitive advantage is a company's ability to perform in one or more ways that competitors cannot or will not match. Barney and Hesterly (2009), defined competitive advantage as the ability of a company to produce a higher amount of financial worth than its competitors. Abel and Marire (2021) opined that competition enables efficient resource allocation, brings balanced development in a country, enhances product innovation, enhances prospects of economic growth, improves efficient production of financial services, and reduces credit risk.

The work of Michael Porter is the opened gate for any discussion of the term competitive advantage. Porter (1985), points out that the idea of competitive advantage, directly or indirectly, underpins many business books. Managers in all types of organizations are under increasing pressure to control costs, as well as seeking to differentiate products and services from those of their competitors. A firm is said to have a sustained competitive advantage when it is implementing a value-creating strategy not simultaneously being implemented by any or potential players. Porter (1990) in his definition opines that competitive advantage as the heart of a company's performance. It reflects a company's ability to offer consumers greater value either by employing lowering prices or by providing greater benefits and services that justify higher prices. Furthermore, In a study by Hussain (2015), who examined the competitiveness of macroeconomics and insurance companies: a post-crisis situation in Pakistan. Profitability was the dependent variables and the independent variable underwriting the risk. His observation was that liability underwriting is objectively a significant determinant of insurance insurers' profitability. Relative loss underwriting has a negative effect on life insurance sector productivity.

Cheluget and Kitaka (2020), explored factors affecting insurance claims payments in Kenya: a case study of "a" assurance company limited. This study adopted a descriptive research design with a target population of 120 employees the study established that type of cover affects insurance claims to a very great extent. The findings also show that underwriting claims has significant and positive influence on insurance claims.

Resource-Based View

The resource-based view (RBV) is an approach to achieving competitive advantage that emerged in the 1980s and 1990s, after the major works published by Wernerfelt ("The Resource-Based View of the Firm), The supporters of RBV (Shinkle & Mccann 2014; Fidel et al. 2015: Sulaimon et al., 2021) are in agreement with the assumption of the theory. Advantages of RBV as posited by Monday et al. (2015) is that a firm's unique resources and capabilities are critical for achieving a competitive advantage. This approach helps companies identify and focus on their distinctive strengths, rather than trying to emulate competitors. By leveraging their unique resources, firms can create barriers to entry, differentiate themselves from competitors, and achieve superior.

However, some scholars have criticised the assumption of RBV for example in a paper presented by Priem and Butler in 2001, titled, Is the resource-based "view" a useful perspective for strategic management research? the scholars argued that RBV might be limited in explaining a firm's competitive advantages in changing environments, since it is a rather static theory. In a systematic review of the RVB literature, by Kraaijenbrink et al., (2010), sufficiency critics argued that RBV is insufficient as a theory of the firm (Foss, 1996a, Priem & Butler, 2001)

This theory provided a framework for understanding how insurance businesses might make a strategic decision that will increase their competitiveness, which helped the study. The RBV provides information on how businesses can access and control markets, gather competitive intelligence, and establish first mover advantages when seeing opportunities. It also explains how businesses take advantage of the path dependencies created by their rivals to realize scale economies and receive support for staff growth and training.

Methodology

Survey research design was adopted for the study. The target population of the study are the full-time top management employees of the listed insurance companies in Nigeria with a total population of 2183. Sample size of 776 was determined using Kerjcie and Morgan (1970). Proportionate stratified sampling technique was adopted for the determination of number of respondents per selected insurance firm. A primary source of data collection was employed through a structured validated research instrument. Cronbach's alpha reliability coefficients for the constructs ranged from 0.772 to 0.909. The response rate was 86.5%. Data were statistically analysed using descriptive and inferential statistics.

Restatement of Research Question and Hypothesis

What effect do claims management practices have on competitive advantage of listed Insurance Companies in Lagos State, Nigeria? Descriptive Statistics Table analyses were carried out with related questions covering the study construct for both dependent and independent variables classified in percentages, mean and standard deviation. Interpretations were done and at the end, hypothesis was tested as stated below

Restatement of Research Hypothesis

H_0: Claims management practices have no significant effect on competitive advantage of listed Insurance Companies in Lagos State, Nigeria?

Multiple regression analysis was used to test the hypothesis. The independent sub-variables are Claims management practices (claims planning, claims control, claims monitoring and evaluation, claims payment and claims complaint), while the dependent variable was Competitive advantage. In the analysis, data for Claims management practices were created by adding together responses of all the items under the various dimensions to generate independent scores for each dimension. Data for Competitive advantage was generated by adding together responses of all items under the variable to create index of Competitive advantage. The results of the analysis and parameter estimates obtained are presented in Table 1.

Table 1: Summary of multiple regression analysis for effect of Claims management practices on Competitive advantage of Selected insurance companies in Lagos State, Nigeria

<table>
<tr><th>N</th><th>Model</th><th>B</th><th>Sig.</th><th>T</th><th>ANOVA
(Sig.)</th><th>R</th><th>Adjusted
R²</th><th>F
(5,655)</th></tr>
<tr><td rowspan="8">664</td><td>(Constant)</td><td>.968</td><td>.011</td><td>2.556</td><td rowspan="6">0.000[b]</td><td rowspan="6">0.900[a]</td><td rowspan="6">0.808</td><td rowspan="6">554.770</td></tr>
<tr><td>Claims Planning</td><td>.450</td><td>.000</td><td>11.497</td></tr>
<tr><td>Claims Control</td><td>.222</td><td>.000</td><td>4.973</td></tr>
<tr><td>Claims Monitoring and Evaluation</td><td>.175</td><td>.000</td><td>4.129</td></tr>
<tr><td>Claims Payment</td><td>.112</td><td>.007</td><td>2.728</td></tr>
<tr><td>Claims Complaint</td><td>.023</td><td>.602</td><td>.522</td></tr>
<tr><td colspan="8">a. Dependent Variable: Competitive Advantage</td></tr>
<tr><td colspan="8">b. Predictors: (Constant), Claims Complaint, Claims Planning, Claims Payment, Claims Monitoring and Evaluation, Claims Control</td></tr>
</table>

Source: Researchers' Findings 2023

Table 1 shows the multiple regression analysis results for the claim management practices on competitive advantage of Selected Insurance Companies in Lagos State, Nigeria as a case study. The results showed that claim planning ($\beta = 0.450$, $t = 11.497$, $p<0.05$), claims control ($\beta = 0.222$, $t = 4.973$, $p<0.05$), claims monitoring and evaluation ($\beta = 0.175$, $t = 4.129$, $p<0.05$) and claims payment ($\beta = 0.112$, $t = 2.728$, $p<0.05$) all have positive and significant effect on competitive advantage while claims complaint ($\beta = 0.023$, $t = 0.522$, $p>0.05$) has positive but insignificant effect on competitive advantage of Selected Insurance Companies in Lagos State, Nigeria. The results of the analysis revealed that all the dimensions of claim management practices (claims planning, claims control, claims monitoring and evaluation and claims payment) except claims complaint has positive and significant effect on competitive advantage of Selected Insurance Companies in Lagos State, Nigeria. This implies that, claims planning, claims control, claims monitoring and evaluation and claims payment are important factors among the surveyed Selected Insurance Companies in Lagos State, Nigeria that influence competitive advantage.

The R value of 0.900 supports this result and it indicates that claim management practices have a fairly strong and positive relationship with the competitive advantage of Selected Insurance Companies in Lagos State, Nigeria. The coefficient of multiple determination $Adj.\ R^2$ = 0.808 indicates that about 80.8% variation that occurs in the competitive advantage of Selected Insurance Companies in Nigeria can be accounted for by the components of claim management practices while the remaining 19.2% changes that occurs is accounted for by other variables not captured in the model. The predictive and prescriptive multiple regression models are thus expressed:
$CA = 0.968 + 0.450CP + 0.222CC + 0.175CME + 0.112CSP + 0.023CSC + U_i$ --------------------- Eqn i (Predictive Model)

$CA = 0.968 + 0.450CP + 0.222CC + 0.175CME + 0.112CSP + U_i$ ---------------------Eqn ii (Prescriptive Model)

Where:

CP = Claims Planning
CC = Claims Control
CME = Claims Monitoring and Evaluation
CSP = Claims Payment
CSC = Claims Complaint
CA = Competitive Advantage

The regression model shows that holding claim management practices to a constant zero, competitive advantage would stand at 0.968 which is positive. In the predictive model it is seen that of all the variables, claims complaint is positive but insignificantly predicts competitive advantage, so the management of the selected insurance companies can downplay the variable, hence, it is not in the prescriptive model. This implies that the selected insurance firms should pay close attention to the claim management practices especially claims planning, claims control, claims monitoring and evaluation and claims payment. The prescriptive model further revealed that when all other variables of claim management practices (claims planning, claims control, claims monitoring and evaluation and claims payment) are improved by one-unit, competitive advantage would also increase by 0.450, 0.222, 0.175 and 0.112 respectively. This implies that an increase in claims planning, claims control, claims monitoring and evaluation and claims payment would lead to an increase in the competitive advantage of Selected Insurance Companies in Nigeria. Similarly, the Analysis of Variance (ANOVA) output showed F-value (5, 655) of 554.770 and the p-values of 0.000 that the overall model is significant in predicting the effect of claim management practices on competitive advantage which implies that claim management practices are important determinants in the competitive advantage of selected insurance companies in Nigeria. The findings indicate that focusing on improving claims planning, claims control, claims monitoring and evaluation, and claims payment can lead to an increase in competitive advantage. Therefore, the null hypothesis ($H_0$2) which states that claim management practices have no significant effect on Competitive advantage of Selected Insurance Companies in Lagos State, Nigeria is hereby rejected.

Discussion of Findings

The findings of multiple regression analysis for hypothesis two revealed that claims management dimensions of claims planning, claims control, claims monitoring and evaluation, claims payment, and claims complaints had a positive significant effect on competitive advantage of selected Insurance Companies in Lagos State, Nigeria. In consonance with the study finding is Hussain (2015) who discussed that profitability liability underwriting is objectively a significant determinant of insurance insurers' profitability. Also, there is a significant positive relationship between reinsurance dependence and profitability of non-life insurance companies in Nigeria. Cheluget and Kitaka (2020), explored factors affecting insurance claims payments in Kenya and findings show that underwriting claims has significant and positive influence on insurance claims.

Furthermore, Tseng et al., (2014), studied the impacts of the loss premium comparisons and insurance coverage on customers' acceptance of claims frauds in developed economies. The findings are in agreement with this study by establishing that loss premium comparisons and insurance coverage affect the final claim amount and age as well as education level may relate to customer acceptance of insurance claim frauds. In tandem also is Tseng (2017) who investigated why lenient claim handling practices exist in the insurance industry with reference to a study on ethical decision claims adjusters in Europe and North America. The study established that significant other and organizational justice have significant effects on claims adjusters towards claim handling practices while significant other and attitude have significant effects on the behaviour intentions.

Theoretically, the findings of this study are consistent with the resource-based view theory that underpins it. RBV emphasised among others that for a firm to work, resources must be both different and static in location. Organizations are considered heterogeneous if their capacities, expertise, and other assets vary from one another. Organizations could not use distinct tactics to compete with one another if they had the same amount and mix of resources. The term "immobile" refers to the inability of resources to be quickly or easily transferred between different businesses. The RBV elucidates the significance and value placed on the empowerment of employees, who are seen as a non-imitable asset that will guarantee a company's long-term competitive edge. Increased productivity can be achieved through providing employees with training and development opportunities, rewarding them for their efforts, and creating a pleasant workplace In the long run, the insurance industry stands to gain a significant competitive edge, enhance its performance, and experience robust development because it is a service company that relies heavily on its workforce to deliver quality services to customers.

In summary, the findings of this study indicate that claims management dimensions as used in this research have a positive and significant effect on the competitive advantage of listed Insurance companies in Lagos State, Nigeria. These findings are in consonance with earlier research highlighting the importance of resource-based theory in increasing corporate performance. According to the study's theoretical implications, RBV is critical in fostering innovative thinking within businesses, which leads to the creation of revenue-producing items and services or better efficiency. Finally, this study emphasizes the vital role of claims management in boosting competitive advantage in Nigeria's insurance industry and gives valuable insights for managers and policymakers wanting to improve firm competitive advantage.

Conclusion and Recommendations

The study investigated the effect of claims management practices (claims planning, claims control, claims monitoring and evaluation, claims payment, and claims complaints) on the firm competitive advantage of listed insurance companies in Lagos State, Nigeria. The study concluded that Claims management practices dimensions have significant effect on competitive advantage of listed insurance companies in Lagos State, Nigeria.

Based on the findings of this study, following recommendations are made:

1. It is recommended that the management of insurance companies in Nigeria need to embrace more innovative tools. They should particularly maintain the control processes to convince clients continue their premium payment with guarantee returns on investment and interest which bring significant cost advantages. In so doing, they would be able to compete favourably with their peers in the industry both in Africa and globally and as a result, competitive advantage is assured.
2. Nigeria Deposit Insurance Corporation (NDIC) as the regulatory body is charged with proper monitoring of insurance firms practices to ensure industry compliant and maintain industry best practices.

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