

RELATIONSHIP BETWEEN MOTOR VEHICLE THIRD PARTY POLICY  
IMPLEMENTATION PRACTICES AND CLIENT SATISFACTION IN INSURANCE  
SECTOR IN NAIROBI: A CASE OF STAREHE SUB-COUNTY

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AN APPLIED RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF  
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### **ABSTRACT**

The purpose of the study was to investigate the relationship between motor vehicle third party policy implementation practices and client's satisfaction in the insurance sector in Starehe Sub-county, Nairobi. The study specific objectives include: to assess the relationship between client's awareness creation policy practice and client satisfaction in the insurance sector in Starehe Sub-county; to establish the relationship between client compensation practice and client satisfaction in the insurance sector in Starehe Sub-county; and to examine the relationship between time schedule practice and client satisfaction in the insurance sector in Starehe Sub-county. The study targeted 400 where samples of 196 subjects were picked as the study respondents and which include: administrative representatives from the insurance sector and representative of matatu saccos. Stratified sampling, simple random sampling and purposive sampling procedures was applied in sample selection. Questionnaire used for data collection. The split half method was used to assess the reliability of the questionnaire. To ensure that the instruments are valid, content validity were used. The collected data was analyzed with the help of Statistical Package for Social Science (SPSS) version 21.0. Descriptive statistics was used for data analysis. Analysed data was presented in simple frequencies and percentages and summarized in tables and figures. Further, Pearson's correlation coefficient values and regression analysis was used to test the study hypotheses. The findings indicated that correlation coefficient on client awareness creation practice( $r = 0.658$ ), client compensation practice( $r=0.862$ ), time schedule implementation practices showed positive correlation( $r=0.743$ ). The study concludes that through effective client awareness the insurance companies will reduce disappointments to the clients. Timely response by the insurance companies to compensate the clients can motivate more clients and this can also increase the client base and the market share for the insurance company. The study therefore recommends that insurance companies should have aggressive media campaigns that should go even up to grassroots levels giving factual information regarding the third-party insurance cover only, this will reduce the negative perceptions in the public domain regarding third party insurance policy and increase the clients satisfaction. The study also recommends that the insurance companies should stick to the policy when compensating for the clients this should be made on a timely manner and as per the terms of this study may improve practice in the insurance company and contribute to the body of knowledge in the field of business administrations in Kenya