

Effect of Employees Perception on Purchase of Motor Insurance

Joseph Ayo Babalola¹, Professor, Epetimehin, Festus, M. ^{1*}, Akinselure, Oluwafemi Philip (M.sc)²

¹University, Ikeji Arakeji, Osun State

¹Department of Acturaial Sciences Joseph Ayo Babalola University, Ikeji - Arakeji, Osun State.

P.M.B. 5006, Ilesa, Osun State, Nigeria.

²Department of Accounting, Joseph Ayo Babalola University, Ikeji - Arakeji, Osun State.

Abstract: *This study is basically about the effect of employee perception on purchase of car insurance in Joseph Ayo Babalola University, Ikeji, Arakeji, Osun State. The methodology of the study is based on survey research approach, which involves the distribution of two hundred and fifty (250) questionnaire. Furthermore, the sampling technique used by the study was the Purposive sampling techniques, which was the basis for distribution of the questionnaire. The data obtained from the questionnaire were then analyzed using Frequency Tables, percentages and Chi-square statistical tool in SPSS(version 20). The result of the analysis of the hypotheses considered in this study, shows that the Chi-square calculated (i.e. 111.545,40.909,65.927,61.927,114.655), were greater than the Chi-square Tabulated (i.e. 9.488) and this shows that there was significant relationship between perception of employee in Joseph Ayo Babalola University and purchasing of car insurance. Based on this result, the study recommends among other things, that employees should consider consulting an insurance expert before purchasing insurance instead of depending solely on their perception.*

Keywords: *Insurance, employees, third party insurance, University, Insurance claim*

I. Introduction

Insurance may be described as a social device to reduce or eliminate risk of life and property. Under the plan of insurance, a large number of people associate themselves by sharing risk, attached to individual. The risk, which can be insured against include fire, the peril of sea, death, incident, & burglary. Any risk contingent upon these may be insured against at a premium commensurate with the risk involved. Insurance is actually a contract between two parties whereby one party called insurer undertakes in exchange for a fixed sum called premium to pay the other party on happening of a certain event. Insurance is a contract whereby, in return for the payment of premium by the insured, the insurers pay the financial losses suffered by the insured as a result of the occurrence of unforeseen events. The business of life insurance started in India in the year 1818 with the establishment of the Oriental Life Insurance Company in Calcutta.

We live in a world of risks. This is the reason why we see all kinds of uncertain outcomes in life. It is important to note that when the outcome is positive, we talk of chance and not risk.

Without risks, there will be no insurance. As a result of the risks that we all come across every day, various methods of managing risks have been developed and insurance is also one of the methods of managing these risks. Therefore, risk can be defined "as the likelihood that an hazard will indeed cause the peril to operate or cause the loss". Insurance can also be defined as "a risk transfer mechanism whereby an individual who is known as the 'insured' transfers his or her uncertainty of loss unto the shoulders of another known as the 'insurer or insurance company' in exchange for a token amount of money known as the 'premium'.

Not all risks are insurable, but according to the Nigerian Insurance Act 2003, Section 2 insurable risks can be classified into two main classes which are; Life Insurance business and General Insurance business.

In the case of Life Insurance business, there are three categories:

- a) Individual life insurance business
- b) Group life insurance and pension business
- c) Health insurance business.

In the case of General insurance business, there are eight categories:

- a) Fire insurance business
- b) General accident insurance business
- c) Motor vehicle insurance business
- d) Marine and aviation insurance business
- e) Oil and gas insurance business
- f) Engineering insurance business
- g) Bonds, credit guarantee and suretyship insurance business
- h) Miscellaneous insurance business.

For the purpose of this research, only one insurance product was considered from the General life insurance business as the commodity being sold to the insuring public. This commodity is the Motor vehicle insurance business.

Vehicle insurance (also known as **car insurance** or **motor insurance**) is an insurance for purchased for cars, trucks, motorcycles, and other road vehicles. Its primary use is to provide financial protection against physical damage and/or bodily injury resulting from traffic collisions and against liability that could also arise there from. The specific terms of vehicle insurance vary with legal regulations in each region. To a lesser degree vehicle insurance may additionally offer financial protection against theft of the vehicle and possibly damage to the vehicle, sustained from things other than traffic collisions.

Vehicle insurance can cover some or all of the following items:

- The insured party (medical payments)
- Property damage caused by the insured
- The insured vehicle (physical damage)
- Third parties (car and people, property damage and bodily injury)
- Third party, fire and theft
- In some jurisdictions coverage for injuries to persons riding in the insured vehicle is available without regard to fault in the auto accident (No Fault Auto Insurance)
- The cost to rent a vehicle if yours is damaged.
- The cost to tow your vehicle to a repair facility.
- Accidents involving uninsured motorists.

Different policies specify the circumstances under which each item is covered. For example, a vehicle can be insured against theft, fire damage, or accident damage independently.

If a vehicle is declared a total loss and the vehicle's market value is less than the amount that is still owed to the bank, the insured may be called upon to pay the difference. In some cases the insured has an agreement with the insurance company for a GAP (Guaranteed Auto Protection insurance) policy.

II. Statement Of The Problem

For satisfaction and enjoyment of a car, most car owner ensure they carryout regular maintenance of their vehicle, however, some of them are very reluctant to pay the cost associated with insurance while others, who already purchase insurance are usually late in renewing their insurance. Most car owners are of the opinion that this problem is caused by the insurance companies, who have unfairly treated them over the years. This has made the Regulatory body of the insurance companies in developed and developing countries to introduce various reforms that will favor car owners, but yet, most of them, still refuse to insure their cars and renew their car insurance when due.

III. Objectives Of The Study

The main objectives of this research work is to determine the employees perception on purchase of motor insurance especially in Joseph Ayo Babalola University Community. The objectives are:

- i. To ascertain the effect of perception(i.e.pricing, awareness,claim settlement and image of the insurance companies) of employee on purchase of motor insurance.

IV. Research Questions

This research will provide answers to the questions below:

- i. What effect does perception (i.e.pricing, awareness,claim settlement and image of the insurance companies) of employees have on purchase of motor insurance?

V. Research Hypotheses

H₁: There is no relationship between perception(i.e.pricing, awareness,claim settlement and image of the insurance companies) of employee and purchase of motor Insurance.

VI. Literature Review

6.1 Conceptual Review

• Concept of Perception

Employee's perception is one of the major issues in this study. Mc Burney and Collins (1984) emphasised that perception, involves some processes that occur "outside" of consciousness. They further stated, perception is the study of the processes by which an organism becomes aware of, or responds to, the environment. Perception is one of the most important areas of communication. People respond to their perception of the world, and not the real world itself. Likewise, consumers react to their perception of brands, companies's image, packaging, advertising and other market stimuli and not purely to the market stimuli themselves (Delozier, 1976). Furthermore, Hart and Stapleton (1983) define perception as the personal interpretation of what one sees, hears and smells, that is, the reception of sensory stimuli and conscious or unconscious application of them, to form an acceptable interpretation of their meaning. Kotler (1988) holds the view that a person's act is influenced by his or her perception of the situation. Robertson, Ziehinsk and Ward (1984) have argued that it is how the consumer perceives products and services that determines the employee's purchasing decision of the insurance product.

• Concept of Insurance

Epetimehin (2010) views insurance as a financial mechanism which aims at reducing the uncertainty of loss by pooling a large number of uncertainties so that the burden of loss is distributed. Insurance also serves as a number of valuable economic functions that are largely distinct from other types of financial intermediaries. Insurers also have an incentive to control losses, which is a significant social benefit (Brainard, 2008). Insurance, as Hadrill (2006) has stated, is about more than just compensating for loss.

Insurance is an intricate economic and social device for the handling of risks to life and property. It is social in nature because it represents the various co-operations of various individuals for mutual benefits by combining together funds to reduce the consequence of similar risk. Simply put, insurance is the placing back of a person who has suffered a loss in the

same position he was the before loss occurred. It aims to eradicate the consequence of a loss by not allowing the insured to suffer the consequential loss (Timothy, 2011). Insurance is beneficial to individuals in many ways. Individuals, society and business benefit from scientifically calculated risk and distribution of financial loss. The premium collected by insurer is utilized for meeting their expenses and claims. The balance is invested in profitable industries. Thus, insurance speeds up industrialization. Hence, development of insurance is a symbol of development of industry, business and commerce, which, in turn, provides employment opportunities (SCERT, 2006). Businesses and individuals would be unable to take risks and protect their assets devoid of it. It allows, furthermore, the victims of accidental losses to recover financially and helps households manage their finances in the face of death and disability and its availability encourages individuals to acquire assets and invest for the future (UNEP, 2007). Insurance enables individuals and businesses to transfer the burden of risk. Pooling premiums for similar risks, it pays the costs of valid claims arising from these policyholders. Insurers organize the pooling arrangement and provide additional capital backing in case claims exceed premiums (Haddrill, 2006). More specifically, the advantage of obtaining insurance is that it allows the pooling of risks and reduces the probability of one party bearing the entire cost of a loss (IAG, 2011).

Insurance is a contractual agreement between an insurance company and an insured, which, in exchange for a premium, provides financial protection for risks associated with driving or owning an automobile (Hamm, 2008). By purchasing insurance, individuals and firms can indemnify themselves against the financial effects of adverse events that may be partially or fully caused by themselves or others. Insurance thus ensures individuals are compensated, even though an individual may be responsible for causing the loss and even though a tort process may be required to extract the costs of the loss from that individual (Howell, Kavanagh & Marriott, 2002).

- **Definition of motor insurance:**

Automobile insurance is a contract between the insured and the insurance company that protects against financial loss. Auto policies contain a variety of coverage's that can be purchased depending upon the needs and wants of the consumer. Insured agree to pay the premium, and in return, the insurance company agrees to pay for certain expenses as defined in the policy. Having the right insurance coverage may prevent the insured from suffering a large financial loss in the event of an automobile accident (Commonwealth of Pennsylvania, 2013).

Murcko (2013) defined Car insurance as it is an absolute necessity for anyone who drives a car. Even ignoring the fact that some types of car insurance are mandated by law, coverage is essential: the potential costs surrounding an accident, whether they be repair/replacement costs of the cars or other property, or medical costs of the victims, are simply too huge to exercise the risk of being without adequate coverage.

- **Types of Motor Insurance**

There are four types of motor vehicle insurance: Compulsory Third Party (CTP) Insurance; Comprehensive Insurance; Fire and Theft Only; and Third Party Property Only. Consumers should shop around and ensure they purchase cover appropriate to their situation.

- **CTP** is mandatory in all States and Territories and provides compensation for bodily injuries caused by vehicles. It does not provide cover for any damage to the vehicle and therefore other forms of motor vehicle insurance should also be purchased.
- **Comprehensive Insurance** can cover damage to vehicles, theft of vehicles, collision, malicious damage and weather damage. Depending on the policy, it can cover damage caused to other vehicles.
- **Fire and Theft Only** is a limited form of insurance that only covers for fire damage to, and theft of, vehicles. It does not cover collision damage to vehicles.
- **Third Party Property Only** provides cover for vehicles damaged by the policyholder's vehicle. It does not provide cover for the policyholder's own vehicle. This product is generally only taken out by consumers with a low value vehicle, protecting themselves against damage to other motorists.

- **Benefits of motor Insurance**

The answer is simple. Car Insurance is mandatory by law. Driving around without valid car insurance is illegal in India. In case of death or bodily injury to a third party or any damage to its car, the car insurance policy provides compensation of up to Rs 1. Such type of vehicle insurance is known as the third party insurance and it protects not only you but also other people or family members who may be riding / driving you car. Comprehensive car insurance protects your car from any man made or natural calamities like terrorist attacks, theft, riots, earth quake, cyclone, hurricane etc in addition to third party's claims/damages. At times car insurance can be confusing and difficult to understand. There are certain guidelines that should be followed by the Car Insurance buyers while choosing the policy. Car insurance acts like a great friend at the time of crisis. It covers the losses made in an accident and thus saves you from paying out the huge sum from your pocket.

The following are also benefit of motor/car insurance

- All the states in India require a minimum amount of insurance. Car insurance can help offset the loss of huge sum in the following manner:
- Provides benefits to survivors when an accident results in death.
- It covers lawsuits, including legal fees brought against you as the result of an accident.
- Covers the bills of vehicle repairs due to damage caused in an accident.

- Covers damage caused by other than an accident for example, theft, fire, etc.
- Additional discounts: Car insurance policies allow premium discounts for theft or for owning more than one policy with the same insurer. It also provides added advantage to extend coverage to others driving your car with your permission.
- No Claim Bonus: If you do not make a claim during the policy period, a no claim bonus is offered on renewals provided you fulfill certain terms and conditions

6.2. Theoretical Review

• **Motivation and Emotional Theory Of Perception.**

According to Sandford, (1936) this theory shows that if participants are deprived of food for varying lengths of time, up to 4 hours, and then ambiguous pictures are shown to them. Participants were more likely to interpret the pictures as something to do with food especially if delayed has been for a longer period of time. Similarly Gilchrist & Nesberg, 1952, found participants who had gone without food for the longest periods were more likely to rate pictures of food as brighter. This effect did not occur with non-food pictures. A more recent study into the effect of emotion on perception was carried out by Kunst- Wilson & Zajonc, 1980. Participants were repeatedly presented with geometric figures, but at levels of exposure too brief to permit recognition. Then, on each of a series of test trials, participants were presented a pair of geometric forms, one of which had previously been presented and one of which was brand new. For each pair, participants had to answer two questions: (a) Which of the 2 had previously been presented? (A recognition test); and (b) Which of the two was most attractive? (A feeling test). Results showed no discrimination on the recognition test - they were completely unable to tell old forms from new ones, but participants could discriminate on the feeling test, as they consistently favoured old forms over new ones. Thus information that is unavailable for conscious recognition seems to be available to an unconscious system that is linked to affect and emotion. Allport, (1955) identified 6 types of motivational-emotional influence on perception:

(i) bodily needs (eg physiological needs)(ii) reward and punishment (iii) emotional connotation (iv) individual values(v) personality(vi) the value of objects.

• **Cultural study of perception.**

According to (Deregowski, 1972)This theory emphasises that perceiving perspective in drawings is in fact a specific cultural skill, which is learned rather than automatic. He found people from several cultures prefer drawings which don't show perspective, but instead are split, so as to show both sides of an object at the same time. . In one study he found a fairly consistent preference among African children and adults for split-type drawings over perspective-drawings. Split type drawings show all the important features of an object which could not normally be seen at once from that perspective. Perspective drawings give just one view of an object. Deregowski argued that this split-style representation is universal and is found in European children before they are taught differently.

• **Top-Down Theory of Perception**

According to Helmholtz (1894) this theory suggests that between sensations and our conscious perception of the real world there must be intermediate processes. Such processes would be, for example, 'inferential thinking' - which allows us to go beyond the evidence of the senses (these inferences are at an unconscious level). Thus Helmholtz was an early Constructivist who believed perception is more than direct registration of sensations, but that other events intervene between stimulation and experience.

6.3 Empirical Review

Epetimehin (2015) findings reveals that the obstacles facing most organizations and individuals today is the reviewing and commanding the risks that is associated to their operation or activities operations. Adetunji (1996) has observed that insurance is the least priority of many Nigerians, and that it is only after people have satisfied virtually all other needs that they turn to insurance. In the same vein, Lijadu (1987) observed that the average Nigerian, with some degree of justification, sees the insurance business in Nigeria as a one-way traffic that leads into the bank accounts of insurance companies. It is generally felt that insurance companies are inept at settling claims. On the contrary, Ajayi (1990) maintains that insurance firms' image problem does not come about spontaneously but emerges over time, not from intimate knowledge of insurance but from misinformation or disinformation of the image giver (the consumer). Similarly, Mordi (1990) is of the view that the image, which an organisation has, is a matter of perception of the viewers. Ngwuta (1996) opines that the insurance companies have contributed to the crisis of confidence in them and their services in Nigeria. According to him, insurance practitioners in Nigeria have continued to live with the erroneous belief that occurrence of perils is very rare in this country. It is common to hear some brokers and insurers tell you that insured risk hardly happens in Nigeria. It is no wonder that almost 80% of insurance companies expose themselves to large risks capable of eating them up in any event of large loss. It was the objective of this study to find the current perception and level of awareness of insurance consumers, of insurance services today, and possibly to suggest ways of improving whatever negative perception may be prevalent among insurance consumers in Nigeria.

VII. Methodology

This study is a survey research based on primary data obtained from distribution of Three hundred and fifty (250) questionnaires, distributed to some selected employee at Joseph Ayo Babalola University, Ikeji – Arakeji, Osun State, These employees were selected from various departments in the university, which includes staffs of Actuarial and insurance department, accounting department and compliance department. The study adopted purposive sampling technique which involved selecting a particular sample based on the researches judgment. The data obtained from the questionnaire

distributed were then analyzed using Frequency table, percentages and Chi-square statistical tool in SPSS (Statistical Package for social sciences).

VIII. Data Analysis And Interpretation

Table 1. Questionnaire Analysis. Section A.

Questions	Demographic Data	Number of Respondents	Percentage (%)
1.	Age: 16-24yrs	7	2.8
	25-34yrs	75	30.0
	35-44yrs	103	41.2
	45-54yrs	16	6.4
	55-54yrs	49	19.6
	Total	250	100
2.	Sex: Female	100	40.0
	Male	150	60.0
	Total	250	100
3.	Marital Status: Single	66	26.4
	Married	130	52.0
	Separated	30	12.0
	Divorced	24	9.6
	Total	250	100
4.	Education Qualification: OND/NCE/HND	42	32.3
	B.Sc	121	21.3
	M.Sc/Mba	49	7.3
	O'Level	79	26.3
	Total	250	100
5.	Employees: Academic	100	40.0
	Non-academics	150	60.0
	Total	250	100

• **Section A – Frequency table Interpretation.**

The statistical analysis shows that most of the respondents were between the ages of 35-44yrs (41.2%), this implies that most of the selected staffs are adults. The analyses also shows that the mail population was dominant among the selected staffs (60%) this could be because most of the respondents have already completed their University education (i.e.B.sc(21.3%). Also, significant number of the respondents were married (52%), and this could be because most the of selected staff are within the Marriageable age. Also, the responses of most of the respondents also confirms, that the most common qualification among the selected staff members was B.sc qualification (21.3%), and this is because majority of them belong to the Non – academic staff categories(60%).

Table 2. Section B.

		S.A(%)	A(%)	D(%)	UD(%)	S.D(%)
1	The importance of motor insurance will never be known without advertisement by the insurance company.	172 (66.8%)	29 (11.6%)	42 (16.8%)	2 (0.8%)	5 (2.0%)
2	Regular salary have made most employees purchase their own motor car?	111 (44.4%)	85 (34.0%)	1 (0.4%)	7 (2.8%)	46 (18.4%)
3	Perception of employees on prices of insurance affect purchase of motor insurance?	105 (42%)	106 (42.4%)	32 (12.8%)	4 (1.6%)	3 (1.2%)
4	Perception of employees about claim settlement in insurance affect purchase of motor insurance?	142 (56.8%)	37 (14.8%)	35 (14%)	17 (6.8%)	19 (7.8%)
5	Third party insurance is more preferable to fire and theft, and comprehensive insurance policy?	139 (55.6%)	69 (27.8%)	19 (7.6%)	16 (6.4%)	7 (2.6%)
6	Third party insurance is more cheaper than any other form of insurance?	182 (72.8%)	36 (14.4%)	29 (11.6%)	3 (1.2%)	0 (0.00%)
7	Will you say that most insurance companies are fraudulent Because they do not pay insurance claim as at when due?	137 (54.8%)	73 (29.2%)	25 (10.0%)	15 (6.0%)	0 (0.00%)
8	Government should make purchase of motor insurance compulsory.	172 (68.8%)	42 (16.8%)	29 (11.6%)	5 (2.0%)	2 (0.8%)
9	Renewing of insurance cover at the right time is a major challenge for most car owners.	3 (1.2%)	72 (28.8%)	52 (20.8%)	0 (0.00%)	123 (49.2%)
10	Insurance companies pay their car owner their claim when due.	2 (0.7%)	18 (60.3%)	29 (9.7%)	20 (6.7%)	139 (55.6%)

• **Section B – Frequency table Interpretation.**

The above statistical table show majority of the respondents will not have understand the importance of motor insurance, if the insurance company had not intensify advertisement (66.8%), The analysis also indicates that most of the respondents were of the opinion that regular salary payment have made it possible for them to purchase their personal car(44.4%), Furthermore, the respondents, also indicated that perception about insurance is a major factor that determine the purchase of their motor insurance (42%). The statistical analysis also emphasized that employee perception on claim settlement affects purchase of motor insurance(56.8%). Also, significant number of the respondents prefer the third party insurance than the other types of insurance (56.8%), and this because it is more cheaper than other types of Insurance (72.8%). Furthermore, Insurance company are not seen as fraudulent despite the fact, that they do not pay regular the

insurance claim as at when due(54.8%). Interestingly, most of the respondents were of the opinion that Government should make purchase of motor insurance compulsory(68.8%), because most of them already understand the importance of insurance, But, despite this fact majority of them still feel reluctant to renew their insurance cover at the right time(49.2%) which can be attributed to the inability of the insurance company to settle the claims of their customers as at when due(55.6%).

IX. Hypothesis Testing And Interpretation

H_{01} : There is no relationship between perception of employees(pricing, awareness,claim settlement and image of the insurance companies) on insurance and purchase of motor insurance

• **Chi- Square Test Statistics.**

Table 2. Perception of employees on prices of insurance affect purchase of motor insurance?

	Observed N	Expected N	Residual
Strongly Agreed	67	22.0	45.0
Agreed	11	22.0	-11.0
Undecided	1	22.0	-21.0
Disagreed	24	22.0	2.0
Strongly Disagreed	7	22.0	-15.0
Total	110		

Source: Field Survey, 2016

• **Chi – Square Statistic**

	Third party insurance is more cheaper than any other form of insurance (Price)	Will you say that most insurance companies are fraudulent Because they do not pay insurance claim as at when due? (Claim Settlement)	The importance of motor insurance will never be known without advertisement by the insurance company (Publicity/awareness)	Insurance companies pay their car owner their claim when due (Image)	Perception of employees about claim settlement in insurance affect purchase of motor insurance (Purchase of Motor insurance)
Chi-Square	111.545 ^a	40.909 ^b	65.927 ^b	61.927 ^b	114.655 ^b
Df	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000

Calculated Chi-square ($X^2 C$)= 111.545,40.909,65.927,61.927,114.655

Tabulated Chi-square ($X^2 T$)= 9.488

Level of Significance=5%

Degree of freedom(df)= 4

Interpretation of result

From the above analyses, it can be observed that the calculated chi-square value (X^2C) of 111.545,40.909,65.927,61.927,114.655 for the variables under this hypothesis is greater than the tabulated chi-square (X^2T) of 9.488 at 0.05 level of significance, at a degree of freedom of 4. Hence, the Null hypothesis will be rejected. While the Alternate Hypothesis will be accepted, which implies that there is statistically significant relationship between the perception of employees as regards prices, claim settlement, publicity/awareness, image and purchase of motor insurance. This also lends credence to the fact, that any positive reforms by relevant government agencies that is aim at improving purchase of motor insurance will also significantly affect the perception of employees.

X. Conclusion

Based on the literature review and the finding above, the following conclusion will be advanced

- i. Perception of the employees(i.e. pricing, awareness, claim settlement and image of the insurance companies) have significant relationship with the purchase of motor insurance this is because the chi-square value calculated was greater than the Chi-square value tabulated
- ii. Most of the selected employee have their personal cars, this is probably because the Management of the University has a fair and regular salary structure for the most part of the year, which was confirmed by the responses of the respondents in question 2 of section B in the questionnaire.
- iii. The study also confirms that most of the respondents prefers third party insurance to theft, fire and comprehensive motor insurance, because this is less expensive than other form of insurance, and this was emphasized in question 3 of Section B in the distributed questionnaire.
- iv. The study also reveal that the selected employees do not see the insurance companies as fraudulent even though they do not pay their premium as at when due, which was established in section B of the questionnaire

XI. Recommendation

Base on the above conclusion and the finding of this study the following recommendation will be highlighted

- i. The Actuarial Department of the university should have a plan to start a magazine that will sensitize the public about the relevance of other form of insurance, since, the analysis above have shown that most of the selected employees prefers only third party insurance cover.
- ii. The University employees should collectively organize a big gift for the Management of the university, as a means of showing gratitude, since, the analysis above, reveals that most of them have their personal cars..

- iii. The car owners should consider other insurance companies if they do not receive good services from their present insurance company
- iv. Individual car owners should not allow their perception determine, if insurance cover should be obtained for their car but should consult with insurance expert, to ensure the best decision are made.

The conclusion of the study also emphasizes that most of the respondents renew their vehicle at the right (49.2%) See, question 9, It also reveals that majority do not got insurance claim (55.6%) see table 2,

Recommendations

Based on the above conclusion this study advance the following recommendations:

1. Management of JABU should make sure that motor insurance cover are taken when car loans are given to employees.
2. There is also the need for more enlightenment on the significance of motor insurance purchase, because significant number of the respondents do not make effort to renew their motor insurance at the right time.
3. A seminar should be organized by the Actuarial Sciences and Insurance Department, to enlighten people on the importance of motor insurance, because it seems as if most car owners in JABU only have understanding of third party motor insurance.
4. The government should make it compulsory that all motorist should carry a minimum third party cover on their vehicles and ensure that is adequately enforced by relevant government enforcement agencies.

References

- [1]. Adetunji, E. C(1996) "UNIC braves all odds, records major growth", *Business Times*..26,
- [2]. Ajayi, L. (1990) "Barriers to Marketing Insurance Services in a competitive. Environment", *Insurance News*, (4), 32-35.
- [3]. Brainard, L. (2008) What is the role of insurance in economic development?, Zurich Government Industry Affairs thought leadership series. Zurich.
- [4]. Commonwealth of Pennsylvania, (2013).Automobile insurance guide. Retrieved from: www.portal.state.pa.us/.../auto_insurance/.../_insurance_guide/53652
- [5]. Delozier, I W. (1976) *rite Marketing Communication Process*, McGraw-Hill Inc., International Students Editions, Tokyo.
- [6]. (Deregowski, 1972). Cultural dimension to perception, *Theories of perception Review* Epetimehin, F. M (2010), *Handbook on Agricultural Insurance*, Ibadan, Crown F. Publishers.
- [7]. Epetimehin, F. M (2015) *Operational Risk Management And The Financial Sector Development: An Overview*. *International Journal of Economics, Commerce and Management*. United Kingdom,3 (3).
- [8]. Haddrill, S. (2006). Older drivers: road safety, mobility and motor insurance. Retrieved From:www.mss-media-consultants.co.uk/Fin-Products-Guide.pdf.
- [9]. Hamm, W. (2008). A consumer's guide to auto insurance. North Dakota Insurance Department.US. Retrieved from :www.state.nd.us/ndins.
- [10]. Howell, B., Kavanagh, J., & Marriott, L. (2002). No-Fault public liability insurance: evidence from New Zealand. *Agenda*, 9, (2), 135-71 149.
- [11]. Hart, M. A. & Stapleton, J. (1983)*Glossary of Marketing Terms*, Heinemann, London.
- [12]. Helmholtz(1894) Top-down approach to Perception – *Theories of perception Review* Kotler, P. (1988) *Marketing Management Analysis, Planning, Implementation and Control*,Prentice - Hall Inc., New Jessy.
- [13]. Lijadu, O. (1988) "Maintaining the Insuring Public confidence The role of Insurance Industry", Paper presented at the Insurance seminar for managers and executives Of JnSUTHI Ice. reinsurance lind brokers-firmandfinancial institutions, August, pp. 1-6.
- [14]. McBurney, D. H. & Collins, V.B. (1984)*Introduction to Sensation /Perception*,Prentice-Hall., Englewood Cliffs, New Jessy
- [15]. Mordi, O. (1990) "Managing Insurance Industry towards a Better Public Image", *Journal of tire West African Insurance Companies Association*, (WAICA), 15, 120-131
- [16]. Murcko, T. (2013). Different types of car insurance policies and provisions. Retrieved from <http://www.investorguide.com/article/11602/car-insuranceand-the-different-types-of-policies-igu/>
- [17]. Ngwuta, P.O. (1996) "Recapitalisation, Undercapacity and distress in the Insurance Sector", *Insurance Torch*, (7), 29-34
- [18]. State Council of Educational Research & Training (SCERT). (2006).*General Insurance: vocational higher secondary teachers' source book*. Government of Kerala, DepartmentOfEducation.Retrievedfrom:kucs.glp.net/c/document_library/get_file?p_l_id=498516.
- [19]. Sandford, (1936) *Motivation and Emotional Theory Of Perception – Theories of perception review* Timothy, I. O., (2011). *Analysis of the Basic Principles of Insurance under the Nigerian Law of Insurance*. University of Ilorin, Ilorin, Nigeria. Retrieved on 17 April, 2014, types-of-policies-igu/.
- [20]. United Nations Environment Program (UNEP). (2007). *Insuring for Sustainability: Why and how the leaders are doing it. The inaugural report of the Insurance Working Group of the United Nations Environment Program Finance Initiative*. Retrieved From: www.portal.state.pa.us/.../auto_insurance/.../_insurance_guide/53652