EVALUATION OF HEALTH INSURANCE CLIENT SATISFACTION WITH SERVICE DELIVERY AND QUALITY IN KENYA: THE CASE STUDY OF LANGATA SUB-COUNTY

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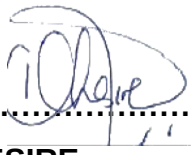
DECLARATION

This research project is my original work and has not been presented for a degree or any other award in any other university.

Signature  **Date**16-11-2021

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This research project has been submitted for examination with my approval as the supervisor.

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ABBREVIATIONS AND ACRONYMS

AKI	Association of Kenya Insurers
CIC	Cooperative Insurance Company
IRA	Insurance Regulation Authority
KHF	Kenya Health Federation
KNBS	Kenya National Bureau of Statistics
MIPAK	Medical Insurance Providers Association of Kenya
NACOSTI	National Commission of Science, Technology and Innovation
NHIF	National health Insurance Fund
NSSF	National Social Security Fund
OOP	Out of Pocket

OPERATIONAL DEFINITION OF TERMS

Customer satisfaction: Customer's satisfaction is defined as the result of goods and services offered for responding to customer's needs and the satisfaction or increasing their expectations during the time of consuming the goods or services (Juran, 2001)

Service Quality: Service quality is regarded as part of satisfaction hence it is a more extensive notion than quality even though they have common points. Services quality shows the understanding of the services by the customer while satisfaction includes service quality, products specifications, pricing, circumstantial factors and environmental ones (Javadeyn & Keymasi, 2005).

Quality: Quality refers to how well service levels match participants' expectations (Lewis and Boom, 1983). Further, Webster (1989) defines quality as a measure of how well service levels are received consistently by participants from service. Further, Parasuraman (1985) defines quality as clients experience in comparison to their expectation of the performances of the services provider

ABSTRACT

Customer satisfaction is often considered the most important factor in thriving in today's highly competitive insurance business and in quality service delivery among firms globally. The importance of satisfying and keeping end customer in establishing strategies for a market and insurance industry cannot be neglected. Customer satisfaction is attained if the perceived performance goes beyond a customer's expectations. However, if the consumer`s expectations are not attained by the perceived performance. Quality and customer satisfaction have long been recognized as playing a crucial role for success and survival in today's competitive market. The quality and satisfaction concepts have been linked to customer behavioral intentions like purchase and loyalty intention, willingness to spread positive word of mouth, referral, and complaint intention. The main objective of the study is to evaluate the client satisfaction with service delivery among health insurance firms in Kenya. The study will adopt a descriptive research design approach. The study utilized primary data collected using questionnaires administered to the sampled households. The sample size of the study was 289 households. The study finding was that that the service quality and product quality significantly determine client's health insurance satisfaction. Further, client's health insurance satisfaction level was found to increase with the insurance cost though insignificant

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

According to Pantouvakis (2010), provision of quality services to clients by an organization is paramount and this has the end effect of enlarging market shares and improvement in the performance of organizations. Kotler (2003) said that customer satisfaction comprises the sensation of happiness or disappointments that result from assessing the difference between the perceived performances of a commodity with the anticipated commodity performance. Failure satisfies the contemplated performance paving way for customer dissatisfaction. On the contrary, a customer will react positively if the product meets, or for some reason, goes beyond the expectation.

According to Diah (2000) a company should place customer satisfaction as a priority in its strategies since the profitability of a firm relies on customer satisfaction. In the first instance, many researchers have come to an agreement agree that a gratified customer is a loyal client (Fornell et al., 2006). Contented clients will keep buying from the same producer. Customers tend to buy from the same manufacturer to avoid bad experience from products from other manufacturers. Secondly, customer satisfaction that would lead to referrals enhances positive brand sensitization and brand positioning.

According to Oliver (2000), researchers in this field have reported that satisfaction involves an attitude developed by the client assessing their pre-acquisition expectations of what they expect to attain through consumption of a product and their personal perceptions of the utility they obtained from the service. Satiation is personal sensations of comfort or disappointment as that is a result of contrasting products' anticipated performance in comparison with his or her expectations, (Kotler, 2000). Moreover, Yi (2000) noted that the total outcome of perceived assessment and mental reactions to the utility experience of a product and service is customer gratification. To conclude, we can define customer satisfaction can be defined through evaluation of the consumer on his or her familiarity with the products. The clients have different levels of expectations due

to alternative perceived performance and attitude from the service Juan, (2001); Kelsey and Bond, (2001).

On the other hand, Zeithaml (2008) defines quality as the specification of the product that has the ability to satisfy customers. Comparison of what the customers anticipate with what the presenter proposes helps them to evaluate the services quality (Zeithaml et al., 2000). They do this evaluation from different attributes; assurance, empathy, responsiveness, reliability and tangibility. Hence, services quality is the difference between what the customers expect from the products or services and their perception of intrinsic competence of the services.

Kara et al. (2005) noted that achieving customer satisfaction is very critical in the competitive insurance business and service sector. Delivering quality services is key for economic enterprise and is an enabling ingredient in the competitive market for the insurance. Pantouvakis (2010) asserts that one of the core strategies that the insurance industry cannot afford to ignore is the satisfaction of the clients.

Customer satisfaction is attained if the perceived performance goes beyond a customer's expectations. However, if the consumer`s expectations are not attained by the perceived performance (negative disconfirmation), then the feeling of dissatisfaction is felt by the consumer. As reported by Churchill & Surprenant (2002), disconfirmation positively affected satisfaction .Hence ,consumers become more satisfied when they perceived a product performs better than expected, higher level of satisfaction is achieved (Churchill & Suprenant, 2002).

A myriad of researches have been done on these two approaches. These two concepts that is quality and satisfaction play major role on customer behavioral intentions in business sector (Hallowell, 2006; and Jacoby et al., 2003).Some of these studies were related to mitigating the behavioral consequences within these variables, which include customer contentment, quality of service, value perception and behavioral projections.

According to Caruana (2002), customer contentment is a utility of service quality, corporate image and retail value. According to Gremler & Brown (2006), service loyalty in the health insurance can refer to the degree to which a customer and clientele's insured

shows preference for a certain service provider and thus possesses a positive inclination for the provider preferring the utilization of this provider when there is need for service (Caruana 2002).

Quality of a product and service offering are the determinants of customer happiness aptly described as a pre-cursor of service quality (Bitner, 2000). According to Naser et al (2009), customer happiness is founded on the perception of clients towards the consistency of delivery of service and their familiarity with the transmission process. The quality of products or services has direct impact on customer's happiness, which has a direct bearing on the interceding variables of disconfirmation while the quality of service has no such impact. Customer satisfaction is all about portending expectation whereas the quality of service is about an ideal expectation; and the extent of precedents of the two ideas are different.

Kelsey and Bond (2001) asserts that information on customer's utility are vital in evaluating how the organizational ability to identify customers' wants in order to fully satiate them. Valuing client's utility involves differentiating the chasm between consumers conceptual performance and expectations; the interrelationship between profitability and satisfaction in the company. The main aspect is how service industries can lead to satisfaction or dissatisfaction of their customers from the products they offer. Satisfaction or dissatisfaction should first be investigated if servicing companies are focused in satisfying their consumers Zeithaml et al, (2000).

Customer satisfaction is attained if the perceived performance goes beyond a customer's expectations. However, if the consumer`s expectations are not attained by the perceived performance (negative disconfirmation), then the feeling of dissatisfaction is felt by the consumer. As reported by Churchill & Surprenant (2002), disconfirmation positively affected satisfaction .Hence ,consumers become more satisfied when they perceived a product performs better than expected, higher level of satisfaction is achieved (Churchill & Suprenant, 2002).

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(2009), customer happiness is founded on the perception of clients towards the consistency of delivery of service and their familiarity with the transmission process. The quality of products or services has direct impact on customer's happiness, which has a direct bearing on the interceding variables of disconfirmation while the quality of service has no such impact. Customer satisfaction is all about portending expectation whereas the quality of service is about an ideal expectation; and the extent of precedents of the two ideas are different.

According to Javadeyn and Keymasi (2005), service quality should be a precedent of customer gratification regardless of the cumulative or transaction-specific aspects. A study supporting this view has been done indicating that customer satisfaction is a byproduct of provision of quality service (Anderson & Sullivan, 2003; Fornell et al 2006; Spreng & Macky 2006). Similar findings are reported by Hafeez and Muhammad (2012) conducted a study on linkage between client's retention on one hand and quality of the service, satisfaction levels among the clients on the other hand. They found that retention and probability of health insurance policy repurchase wa strongly informed by the level of staff satisfaction.

Therefore, the significance of quality of service is important when examining it in relation to customers' happiness. To put it in a concise manner, satisfaction and quality seem like similar ideas, both reflecting on anticipation, familiarity and discernment (Jamali, 2007). Health insurance companies can achieve good patient satisfaction if accompanied by providing quality services; bearing in mind that patient expectations are very high and are demanded to make continuous improvements in health services (Zineldin, 2006).

1.1.1 Health Insurance Industry in Kenya

A review of Kenya's health insurance industry reveals that Kenya has a pluralistic health system, with the government, private actors and donors involved in the financing and provision of health care. Since the late 1980s, the government has encouraged private investment in health care and there is now a large and diverse private health care delivery

sector comprising for-profit and non-profit facilities. The growth of private provision has in turn created demand for private health insurance.

Private health insurance cover is mainly purchased by higher-income employees in urban areas and only covered under 2% of the population in 2013 (Ministry of Health, 2014). It is beyond the financial reach of most of the population in a country plagued by poverty and income inequality, where access to affordable health care depends not just on the availability of funds but also on the availability of health workers and facilities. Until 2006, health insurers operated in an unregulated environment and there have been issues with fraud.

Under the public insurance, we have National Hospital Insurance Fund (NHIF). An Act of Parliament set up NHIF in 1966 as a division of health ministry, which ran its operations, but reported to the Treasury for fiscal purposes. At its set up, the Act stipulated for the registration in the NHIF of all salary-earning persons with a net income of Ksh1000 per month and above in the white-collar sector. Since then, the initial Act of Parliament has undergone various reviews in order accommodate the dynamic health care requirements of the Kenyans populace.

The Voluntary Health Insurance sector is composed of Community Based Health Insurance (CBHI) and the private based services. The CBH services is run from the community level whereas individuals pay the expected premiums for the private services. In the CBHI health insurance, premiums paid by individual families are, as a rule not formulated on personal risk evaluations as opposed to private health insurance. Despite the presence of varied forms of prepackaged programs in Kenya. By 2013, the share of those insured through NHIF increased to 88.4%; private health insurance covered 9.4% community-based insurance 1.3%; and other forms of insurance 1.0% (Ministry of Health, 2014).

The study suggests significant policy statement through its recommendations. The study will make recommendations to regulators and associations such as IRA, KHF, MIPAK and Association of Kenya Insurers (AKI). The information will inform the policy formulation in both the public and private health insurance firms because they will originate from valid

research data. Study will also identify ways of improving accessibility of medical insurance in both the public and private insurers and this will ultimately translate to better access and happier clients.

On matters concerning quality of health insurance services on Kenya, its eminent that the NHIF since its establishment has faced a myriad of challenges that have compromised on the quality of the services offered to the insured. A historical review of the NHIF as a national insurance cover reveals that in the early 2000s the government proposed transforming the NHIF into a National Social Health Insurance Scheme (NSHIS) that would be compulsory for all Kenyans and permanent residents and involve a government subsidy for the poor.

However, the proposed scheme was opposed by health insurance companies, private health care providers. Health insurers feared they would lose business if the scheme was successfully implemented and private providers, including health management organizations, feared they would lose customers if public health facilities were improved. Further, development partners were against the scheme on the basis that it would require more resources than a country of Kenya's economic status could sustain (Consumer Information Network, 2006). The reliability of NSHIS funding was questioned given that the country's formal sector was very small (about two million people out of 39.4 million) and 45.9% of the population was below the national poverty line.

The private health insurance, alternative to NHIF has proved not exceptional to challenges facing the quality of health insurance. First, from the accessibility point of view, private health insurance is mainly purchased by the non-poor, the employed and urban residents. Health insurers tend to be based in or focus on urban areas; most urban residents have regular incomes from employment or self-employment (including small-scale or informal businesses); they are generally better educated than rural residents and therefore have access to more information on private health insurance. Having private health insurance is regarded as a symbol of higher social status. Household survey data from 2013 indicate that private health insurance take-up is 26.6% among urban residents, 12.1% among rural residents, 16% among those in the highest income quintile, 3.3% in

the middle quintile and 3.6% in the lowest quintile (Ministry of Health, 2014). It is therefore evident that the number of rural poor people with private cover is very small. What is more, even this small number may in fact represent the dependants of those who are employed and privately insured or those who are covered through NHIF. Therefore, the challenges facing the NHIF scheme and the private health insurance scheme have undermined the quality of the health insurance services as well as customer satisfaction with the same. This warrant the need to investigate customers' satisfaction with these schemes from the quality of service point of view and the quality of the insurance cover as well.

1.2 Statement of the Research Problem

In provision of health insurance services, insurance policy holders have often raised concerns of dissatisfaction with the quality of the service offered by the insurance providers. These range from delays in authorization for treatment, charging of additional fees and charges, failure of the insurer to cover for some treatment services among many others (National health insurance scheme report, 2006). In addition, poor office etiquette by the staff of the insurance providers has been a common claim from the policy holders. Therefore, this call for the need for an examination into health insurance cover holders' satisfaction in attempt to address clients' concerns.

In developing countries, there has been scanty empirical literature on this subject matter. In particular, African countries has few of such studies despite the low health insurance cover uptake across the countries. A myriad of studies have been conducted to interrogate customer contentment with regard to quality of service in the context of many an industry (Asubonteng, et al., 1996; Gronroos, 1994; Gyasi & Azumah, 2009; Mehdi, 2007; Rust, & Oliver, 1994; Rust & Zahorik, 1993), and few have related it to the health insurance industry context in developing countries such as Kenya. Therefore, comprehension of influences that trigger the satisfaction of clients in the medical branch of the insurance industry is imperative in order to empower the management with empirical facts in order to develop an effectual marketing strategy.

The study of client satisfaction and levels of quality of service are scanty both in public and private insurance firms in Kenyan and especially medical insurance. Service quality, client satisfaction and client perception are confirmed from previous studies to be interrelated positively (Gera, 2011). However no studies have been conducted yet to test the service qualitative dimensions directly to gauge its direct relation to client satisfaction, therefore there is a need to test the relationship between each of the product quality aspect and customer contentment (Baker-Prewitt, 2000; Kuo, 2003).

1.3 Objectives of the Study

1.3.1 Main Objective

To evaluate the client satisfaction with service delivery among health insurance firms in Langata Sub-County in Kenya.

1.3.2 Specific Objectives

1. To determine customer level of satisfaction with health insurance services in Langata Sub-County in Kenya.
2. To examine client level of satisfaction with the quality of health insurance services in Langata Sub-County in Kenya.
3. To examine the effect of client perception on service quality and client satisfaction on health insurance services in Langata Sub-County in Kenya.

1.3.3 Research Questions

1. To what extent are customers satisfied with health insurance services in Langata Sub-County in Kenya?
2. What is the client's level of satisfaction on service quality of health insurance services in Langata Sub-County in Kenya?
3. What is the effect of client perception on the quality of service and client satisfaction with the health insurance services in Langata Sub-County in Kenya?

1.4 Justification of the Study

Provision of universal healthcare is one of the key agenda not only at the global level but also in the Kenyan context as envisaged in the government big four agenda. However, its notable that in so far as provision of universal healthcare is concerned, the cost of

healthcare is a key component to enhance affordability hence accessibility of healthcare services. Several studies have examined the determinant of healthcare services in different geographical context. Out of these studies, possession of a health insurance cover has been found to be a key determinant of utilization of healthcare services. This signifies the importance of health insurance cover in transferring the burden of healthcare cost.

Based on this understanding, its therefore notable that the quality of the services offered by the health insurance cover providers is key in determining the uptake of the health insurance cover a well as its utilization. This is key in informing the utilization of healthcare services by the insurance cover holders. As such it is of importance to examine the level of satisfaction among the health insurance cover holders. This will be crucial in informing improvement of service provision among the health insurance cover providers, thus influencing the uptake of health insurance covers which will culminate into increased demand for healthcare services. This informs the need for this study.

1.5 Significance of the Study

The study could be of importance to the policy makers and relevant stakeholders. The study findings would be of significance to the health insurance cover providers in improving the quality of the insurance services as well as the quality of insurance product mainly the features of the insurance policy in pursuit of improving the quality of the services offered to the clients. This would be crucial in increasing the uptake and utilization of the health insurance cover among the uncovered population. The policy makers and relevant stakeholders include the national government institutions such as the National Hospital Insurance Fund as well as the private health insurance cover providers.

Secondly, the study findings will be crucial in contributing to literature body. The study will be fundamental in contributing towards empirical literature around clients satisfaction in so far as health insurance services are concerned among the health insurance cover providers. This will be crucial in offering empirical literature among future empirical studies as well as presenting possible research gaps to potential researchers in this area of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the scholarly work done on customer perception on quality of insurance policy and services offered by health insurance cover providers, satisfaction and service quality. It also provides a theoretical framework adopted by the study.

2.2 Customer Satisfaction

According Tjiptono (2009) the assessment of the differences between services performance and expectations is composed of customer satisfaction and dissatisfaction. Service quality, performance, and expectations form customer satisfaction. In his view, Kotler (2003) said that customer satisfaction comprises the sensation of happiness or disappointments that result from assessing the difference between the perceived performances of a commodity with the anticipated commodity performance. Failure satisfies the contemplated performance paving way for customer dissatisfaction. On the contrary, a customer will react positively if the product meets, or for some reason, goes beyond the expectation.

Diah (2000) explained that the assessment of satisfaction of a customer can be utilized using the discontent patterns approach. Oliver (2007) showed that positive discontent shall emerge if the anticipated performance of consumer service is of a higher quality than what was anticipated, whereas unfavorable disconfirmation comes about when the consummation of products that are not perceived better than expected, concludes to customer disgruntlement.

The abstract idea of gratification and the essence is usually regarded as identical even though these two concepts have a stand-own comprehension (Zeithaml & Bitner, 2001). Generally, the satisfaction of a customer is perceived to have a wider dimension than the evaluation of quality of service that solely takes focus only on the service dimension. Service quality forms the core evaluation that shows the customer's notion of the five cardinal aspects of service, according to the works of Zeithaml & Bitner, (2001). On the

other hand, customer gratification is all-encompassing, that is, gratification is dependent on the notion of quality of service, product quality, pricing, circumstantial factors, and individual factors (Zeithaml & Bitner, 2001).

In firms that are involved in the service industry, the service produced is the products that the company sells. However, companies that provide services are not all involved in the exclusive provision of services. According to a study by Parasuraman et al. (2005) and Zeithaml et.al (2000), various service providers, for example hotels, provide complimentary goods such as food and drink in addition to accommodation services. Research carried out in various service industries looks into the essentials of the goods factor that serve as barriers to client satisfaction. Quality of products provided in conjunction with services will influence customer notions of service. An increase in goods quality leads to a corresponding increase in the satisfaction of the customer with the goods rendered. On the other hand, the lesser the quality of goods, the lesser the overall satisfaction of customer needs (Parasuraman et al., 2005; Zeithaml et al., 2000).

Most customers consider the price of a service as a pointer of what kind of service they expect to receive and what attribute quality to the price charged. (Barsky & Kilian, 2000).It is the nature of clients to attribute high pricing to high quality services. The price of a commodity is the benchmark of the expected service.

A company should place customer satisfaction as a priority in its strategies since the profitability of a firm relies on customer satisfaction. In the first instance, many researchers have come to an agreement agree that a gratified customer is a loyal client (Fornell et al., 2006). Contented clients will keep buying from the same producer. Customers tend to buy from the same manufacturer to avoid bad experience from products from other manufacturers. Secondly, customer satisfaction that would lead to referrals enhances positive brand sensitization and brand positioning. (Fornell et al., 2006).Cross selling and up selling of services and products of a company. A customer expressly communicating their satisfaction is essential in ascertaining organization performance (Solomon, 2002). Solomon (2002) argues that the effect of client satisfaction implies that the providers are able to meet clients' needs.

Economic success of an organization can be impacted by customer satisfaction impacting on different variables. Long term relationship between buyers and suppliers can be achieved through customer satisfaction (Geyskens et al.,2009). Meeting customer's expectations is achieved through customer satisfaction (Oliver,2000). Marketing fosters customer satisfaction by serving as a connection between several levels of consumer buying behaviors. East, (2007) found that customer satisfaction may lead to repeated purchase of the same products and services.

Kelsey and Bond (2001) asserts that information on customer's utility are vital in evaluating how the organizational ability to identify customers' wants in order to fully satiate them. Valuing client's utility involves differentiating the chasm between consumers conceptual performance and expectations; the interrelationship between profitability and satisfaction in the company. The main aspect is how service industries can lead to satisfaction or dissatisfaction of their customers from the products they offer. Satisfaction or dissatisfaction should first be investigated if servicing companies are focused in satisfying their consumers Zeithaml et al,(2000).

Sunita (2017) analysed on the factors that influence a health insurance cover holder to remain with same cover provider for a long time. The study focus was on what are the critical success factors regarding health insurance retention among the clients and insurance cover providers. The study sampled 150 respondents from whom data was collected using questionnaires. It was found that affordability of the cover, provider's responsiveness to client's concerns, the turnaround time in service provision, services' reliability and providers compassion and understanding of clients' needs and concerns significantly informed health insurance policy holders' retention.

According to Oliver (2000), researchers in this field have reported that satisfaction involves an attitude developed by the client assessing their pre-acquisition expectations of what they expect to attain through consumption of a product and their personal perceptions of the utility they obtained from the service. Satiation is personal sensations of comfort or disappointment as that is a result of contrasting products' anticipated

performance in comparison with his or her expectations, (Kotler, 2000). Moreover, Yi (2000) noted that the total outcome of perceived assessment and mental reactions to the utility experience of a product and service is customer gratification. To conclude, we can define customer satisfaction can be defined through evaluation of the consumer on his or her familiarity with the products. The clients have different levels of expectations due to alternative perceived performance and attitude from the service Juan, (2001); Kelsey and Bond, (2001).

Taylor & Baker, 2004, Churchill and Suprenant, (2002) argued that Consumer utility is a factor that affects consumers future purchase. As put forward by Richens,(2003) a happy customer is will probably give referrals to other consumers to purchase similar products and services. However, Levesque and McDougall (2006) found that poor service lowers happiness as well as unwillingness to refer other customers to the same firm Juan, (2001); Kelsey and Bond, (2001) informed that this in effect gives increases the rate losing clientele.

However, if the consumer`s expectations are not attained by the perceived performance (negative disconfirmation), then the feeling of dissatisfaction is felt by the consumer. As reported by Churchill & Surprenant (2002), disconfirmation positively affected satisfaction. Hence ,consumers become more satisfied when they perceived a product performs better than expected, higher level of satisfaction is achieved (Churchill & Suprenant, 2002).

2.3 Service Quality

To understand the perception of one's service quality, it's necessary to have an idea of quality. According to Churchill & Suprenant (2002), quality is the way in which goods and services are prepared and this is done through design quality, accessibility, accordance and suitability of the site to present services. Zeithaml (2008) define quality as the specification of the product that has the ability to satisfy customers. Comparison of what the customers anticipate with what the presenter proposes helps them to evaluate the services quality (Zeithaml et al., 2000). They do this evaluation from different attributes;

assurance, empathy, responsiveness, reliability and tangibility. Hence, services quality is the difference between what the customers expect from the products or services and their perception of intrinsic competence of the services.

Organizations try to offer high quality services to the customers so as to increase their presumptions, rivals' activities, ecological factors, ease of accessibility to the internet and the idea of products. Provision of good services to customers cause repeated purchases which enhance performance of the organizations Javadeyn & Keymasi (2005).

2.4 The Quality of Service and Customer Satisfaction

The quality of services offered is the whole examination of services rarely observed and customers' happiness indicates the result of the contract. Satisfaction of the client is the forecast of their perceptions and levels of product quality and evaluation of expected benchmarks (Jun 2004). Service quality is regarded as part of satisfaction hence satisfaction is a more extensive notion than quality even though they have common points. Services quality shows the understanding of the services by the customer while satisfaction includes service quality, products specifications, pricing, circumstantial factors and environmental ones (Javadeyn & Keymasi 2005).

Quality of a product and service offering are the determinants of customer happiness aptly described as a pre-cursor of service quality (Bitner, 2000). According to Naser et al (2009), customer happiness is founded on the perception of clients towards the consistency of delivery of service and their familiarity with the transmission process.
The quality of products or services has direct impact on customer's happiness, which has a direct bearing on the interceding variables of disconfirmation while the quality of service has no such impact. Customer satisfaction is all about portending expectation whereas the quality of service is about an ideal expectation; and the extent of precedents of the two ideas are different. Therefore, the significance of quality of service is important when examining it in relation to customers' happiness. To put it in a concise manner, satisfaction and quality seem like similar ideas, both reflecting on anticipation, familiarity and discernment (Jamali, 2007).

Similarly, Siddiqui and Sharma (2010) and Bala et al (2011) used SERVQUAL model to examine the quality of the health insurance cover offered by the health insurance companies. The finding was that dimensions of the SERVQUAL model were crucial in informing clients' perception on the overall service quality. Similarly, Lee et al (2000) employed the model to examine client's perception on the quality of the service and how this influenced clients satisfaction levels. Similar findings to those by Siddiqui and Sharma (2010) were reported. Hafeez and Muhammad (2012) conducted a study on linkage between client's retention on one hand and quality of the service, satisfaction levels among the clients on the other hand. They found that retention and probability of health insurance policy repurchase wa strongly informed by the level of staff satisfaction.

Price Waterhouse Coopers (2007) states that in India, the assessment of the quality of health services in general has not been good enough, even the results in the health sector that are far from satisfactory (Bajpai and Goyel, 2004). As the target of participant satisfaction increases, the Indian government tries to improve the quality of health services and health facilities (John, 2010). In the health insurance industry, participant satisfaction is also an important issue (Shabbir et.al. 2010).

Health insurance companies can achieve good patient satisfaction if accompanied by providing quality services; bearing in mind that patient expectations are very high and are demanded to make continuous improvements in health services (Zineldin, 2006). According to Javadeyn and Keymasi (2005), service quality should be a precedent of customer gratification regardless of the cumulative or transaction-specific aspects. A study supporting this view has been done indicating that customer satisfaction is a byproduct of provision of quality service (Anderson & Sullivan, 2003; Fornell et al 2006; Spreng & Macky 2006). Similar findings are reported by Hafeez and Muhammad (2012) conducted a study on linkage between client's retention on one hand and quality of the service, satisfaction levels among the clients on the other hand. They found that retention and probability of health insurance policy repurchase wa strongly informed by the level of staff satisfaction.

In Nigeria, Akahome (2017) used SERVQUAL to study satisfaction among patients in Nigerian public hospitals. The study aimed to reveal if there is a significant relationship between service quality and patients satisfaction. Upon sampling 200 patients using simple random sampling technique, the researcher concluded that quality service depends on a wide range of factors – health policies, strategy mechanism and properly remunerated health workers. Findings is that staff of public hospitals were better placed and informed to carry out their duties if they are properly remunerated, trained on the importance of quality service delivery. This implies that government should provide enabling policy framework for healthcare delivery.

Adiman et al (2015) conducted a study on the factors influencing customer satisfaction on medical and health insurance product. Several factors influencing customer satisfaction towards Medical and Health Insurance were ascertained; few of them are infrastructure, interaction, administrative and nurses' care. Henceforth, the study was piloted to determine which of the factors may influence customer satisfaction on Medical and Health Insurance. Inclusive of this research, descriptive statistics were applied with random distribution of 180 questionnaires to respondents from five private hospitals in Shah Alam. The revelation of results showed that administrative is the strongest impact upon customer satisfaction as opposed to other factors. The findings of this research hold important attributes to hospitals, insurance company and customers registering for Medical and Health insurance.

Mwaisabila (2012) examined satisfaction in Private Health Insurance Scheme. A conceptual model linking customer satisfaction and various aspects of the health care provision was developed and tested through a sample survey of 150 health insurance beneficiaries from 14 organizations that are members of two health insurance schemes. He found quality measured in speed of delivery affected satisfaction. Researchers have considered making comparisons in the meaning and measurements of customer satisfaction and quality of service. The happiness of a customer and quality of service have similar points, but the notion of satisfaction has a wider dimension whereas service quality earmarks the dimensions only attributed to service (Wilson et al., 2008). Even though it is indicated that other factors like pricing and quality of service have a direct

impact on customer happiness, the client perception of quality of service is a main component of client happiness (Zeithaml et al. 2006).

Kautish (2021) examined the Indian market regarding clients' satisfaction with the insurance services in health sector. Primary data was collected among the policy holders in India using structured questionnaires. Upon data collection, the study relied on Covariance-based structural equation modelling for empirical analysis. The study found out that insurance company's previous performance, company image and reputation were the key determinants of client's retention among the health insurance cover holders. In addition, it was found that customer apathy as a moderating variable had a greater impact on the negative effect on customer retention.

Kaur and Silky (2015) applied descriptive research design in examining the state of customer satisfaction between public and private sector health insurance companies in India. The study sample size was 250 customers has been used. To check the consistency of the questionnaire, item to total correlation has been used. The questionnaire is found consistent and it has been found that customer satisfaction in private sector was similar to that of public sector.

Murray (2010) applied SERVQUAL to study satisfaction among patients with health covers. The study aimed to reveal if there is a significant relationship between service quality and patients satisfaction. Upon sampling 500 patients using simple random sampling technique, the researcher concluded that quality service depends on a wide range of factors – health policies, strategy mechanism and properly remunerated health workers. Findings is that staff of public hospitals were better placed and informed to carry out their duties if they are properly remunerated, trained on the importance of quality service delivery. This implies that government should provide enabling policy framework for healthcare delivery.

Further, Ramadhan and Soegoto (2019) investigated on what determines the satisfaction level among the health insurance company clients. The study relied on Structural Equation Modeling Partial Least Square to undertake empirical modelling and analysis. Then sample size of the study was 100 respondents with data collected using

questionnaires. The study found that clients satisfaction was informed by provider's responsiveness to client's concerns, the speed of service provision, services' reliability and providers compassion and understanding of clients' needs and concerns.

Mwaisabila (2012) examined factors influencing customer satisfaction in health care provision under the Private Health Insurance Scheme. A conceptual model linking customer satisfaction and various aspects of the health care provision was developed and tested through a sample survey of 150 health insurance beneficiaries from 14 organizations that are members of two health insurance schemes (the Medical Express Limited and National Insurance Corporation) in Tanzania. He found quality of service measure in speed, time of waiting and how reliable the service was influenced satisfaction levels.

Long and Dimmock (2015) examined how the residents in Massachusetts were contented with the health insurance policies they had purchased to cover for their insurance costs. The study largely relied on data from the Health Reform Survey that had been conducted 2 years earlier in 2013. Based on the age factor of the health insurance holders, the study established that young adults were satisfied in general with the insurance health covers they possessed. Further, the young adults were found to be satisfied with regard to healthcare providers' network, coverage scope and the quality of the insurance plans they had purchased. However, the study established that from the financial front, the clients were generally dissatisfied with the insurance companies' coverage limits that was cited in their inability to pay medical bills. This led to poor universal healthcare coverage among the residents of Massachusetts. The findings of the study concur with this study's findings.

Adiman et al (2015) conducted a study on the factors influencing customer satisfaction on medical and health insurance product in Shah Alam. This was amid the rising expenditure on healthcare in Malaysia over the years keeps the people apprehensive and the challenge arises for all parties including the government, insurer's provider and the clients. High demand of insurance requires the companies to elevate their service quality and accomplish the satisfaction of customers. Several factors influencing customer satisfaction towards Medical and Health Insurance were ascertained; few of them are

infrastructure, interaction, administrative and nurses' care. Henceforth, the study was piloted to determine which of the factors may influence customer satisfaction on Medical and Health Insurance. Inclusive of this research, descriptive statistics were applied with random distribution of 180 questionnaires to respondents from five private hospitals in Shah Alam. The revelation of results showed that administrative is the strongest impact upon customer satisfaction as opposed to other factors. The findings of this research hold important attributes to hospitals, insurance company and customers registering for Medical and Health insurance.

Garg (2017) who conducted a study to find out on the problems faced by health insurance policy holders in Punjab India. The study sought to examine the clients' satisfaction levels for policy holders on both the public and private insurance companies. The sample size of the study was 321 clients. The study established that the most sought for policy covers were illness covers and accidents covers. This was confirmed by the highest number of claims relating to illness and accidents filed by the clients. Regarding the satisfaction with the cover, the study established that the policyholders were generally unsatisfied with the delays portrayed by the insurance cover providers. In particular, policy holders complained of delays and denials by the insurance companies to settle claims by the policy holders, lack of cooperation from the insurance company when seeking treatment authorization as well as lack of transparency among the insurance companies on what the insurance cover entails. The study therefore recommended on the need for the insurance companies to consider the clients claims and dissatisfaction in improving the quality and satisfaction levels among the policy holders.

Abu-Salim et al (2017) analysed how the perception on cover affordability, quality of the service and satisfaction level among the policy holders affect the performance of the health insurance providers. The study sample size was 820 policy holders. The study adopted Analysis of Variance and logit regression model to analysis the data. It was established that high level of staff satisfaction does not necessarily guarantee clients retention. Therefore, the study established that clients can be highly satisfied with the insurance services offered by the provider but still choose to discontinue their services

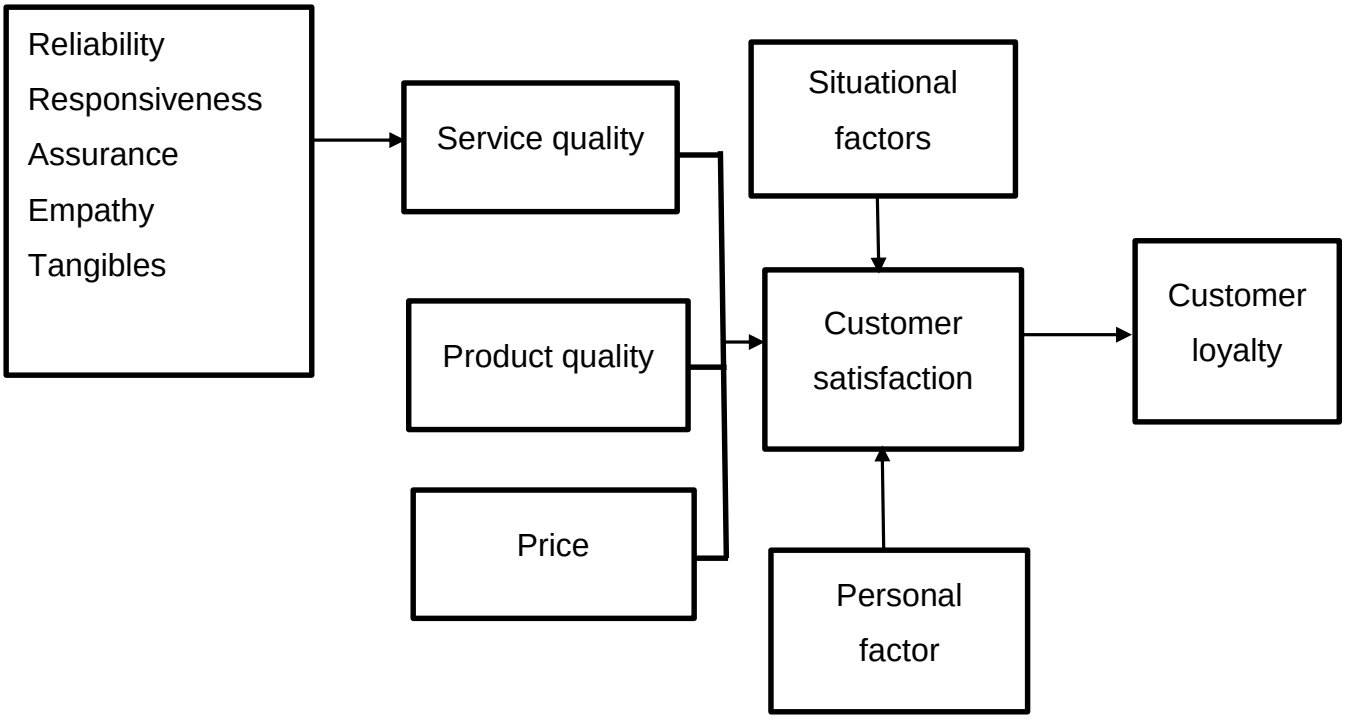
with the provider. This therefore calls for the insurance companies to devise strategies of retaining clients even though the satisfaction levels may be high.

Hafeez and Muhammad (2012) conducted a study on linkage between client's retention on one hand and quality of the service, satisfaction levels among the clients on the other hand. They found that retention and probability of health insurance policy repurchase wa strongly informed by the level of staff satisfaction.

Siddiqui and Sharma (2010) and Bala et al (2011) used SERVQUAL model to examine the quality of the health insurance cover offered by the health insurance companies. The finding was that dimensions of the SERVQUAL model were crucial in informing clients' perception on the overall service quality. Similarly, Lee et al (2000) employed the model to examine client's perception on the quality of the service and how this influenced clients satisfaction levels. Similar findings to those by Siddiqui and Sharma (2010) were reported. Hafeez and Muhammad (2012) conducted a study on linkage between client's retention on one hand and quality of the service, satisfaction levels among the clients on the other hand. They found that retention and probability of health insurance policy repurchase wa strongly informed by the level of staff satisfaction.

Sunita (2017) analysed on the factors that influence a health insurance cover holder to remain with same cover provider for a long time. The study focus was on what are the critical success factors regarding health insurance retention among the clients and insurance cover providers. The study sampled 150 respondents from whom data was collec5ed using questionnaires. The respondents' responses were measured using 5 point Likert scale. The findings of the study were that affordability of the cover, provider's responsiveness to client's concerns, the turnaround time in service provision, services' reliability and providers compassion and understanding of clients' needs and concerns significantly informed health insurance policy holders' retention.

Figure 2.1: Customer Perception of Quality and Happiness



Source: Wilson et al. (2008)

Shown in figure 2.1 is how customer satisfaction and service quality relate. The writer illustrated an occurrence where the service quality is a pre-determined assessment which echo what is perceived by customers as reliable, of assurance, responsive, of empathy and tangible. On the other hand satisfaction is comprehensive and affected by the attention brought in by the service quality, price and merit of the commodity, plus the personal and situational factors.(Wilson,2008).

Customer satisfaction relates to service quality from even looking at their definitions to how they relate to other business conditions as elaborated by prior findings on quality of service and utility to customers. A significant portion of authors are in unison with the idea that quality of service influences satisfaction of customers (Darian et al., 2001). In their analysis Parasuraman et al. (2005) suggested that when the merit of service is regarded highly, customer satisfaction increases. “The level of service quality given by service suppliers is what determines customer satisfaction”.

Efuteba (2013) used SERVQUAL model to examine satisfaction with the health insurance cover offered by the health insurance companies. The finding was that dimensions of the SERVQUAL model were crucial in informing clients' perception on the overall service quality. Similarly, Lee et al (2000) employed the model to examine client's perception on the quality of the service and how this influenced clients satisfaction levels.

Fitzgerald and Bias (2015) focused on what informs the decision of the health insurance cover to repurchase the cover from the same provide. The study used data from the exit survey. Upon the analysis, the study established that the quality of the service and the resourcefulness of the provider were the key factors informing customer repurchase of a health insurance cover. In addition, price affordability arising from government subsidies were found to positively influence policy repurchase from the same provider.

2.5 Customer Satisfaction and Service Loyalty

Customer happiness is prerogative in the process of marketing exchange, since it plays a central part to the success of a business.(Darian et al., 2001). In addition, customer satisfaction an essential determinant to forecast consumption patterns and, more to the point to anticipate repeat purchases, Oliver (2007). Loyalty is defined as a strongly held conviction to repeatedly purchase product due to its preference consistently , despite circumstantial influences as well as marketing gimmicks (e.g. price modalities) with the ability to translate it into change (Darian et al., 2001). The higher the number of consumers that achieve satisfaction fulfill their after purchase or utilization of service, the more the likelihood that client will be a repeat customer at the business firm (Wong and Shoal, 2003).

Therefore, client happiness together with other pre-determined factors are paramount in the acquisition and development of loyalty in clientele. The same client would go ahead and serve as brand ambassadors for the product and the company as a whole. Empirical studies carried out have revealed that customers who demonstrate loyalty are the customers whose expectations have been met (Ginner et al., 2008; Henning- Thurau et al., 2002). Therefore, client happiness creates loyalty in a service leads to service loyalty.

Studies carried out recently state that emotion is a basic quality in gratification of wants and these studies extrapolate that client gratification should involve a distinct emotional entity (Cronin et al., 2000). Stauss & Neuhaus (2007) have put forward that a majority of client satisfaction researches have focused on the cognitive element with the exemption of the emotional constituent as an integral issue in the research on customer satisfaction.

2.6 Theoretical Framework

The theoretical framework chosen for this study is the disconfirmation theory by Oliver (1977 &2000). This theory states that satisfaction is pegged on the differences perceived between the perception such as expectations and cognitive benchmarks that include desires (Khalifa& Liu, 2003). This theory highlights satisfaction from a client perspective noting that customers are constantly comparing two aspects, that is, expectations prior to expectations after delivery of services. Through this process, the client basically confirms how well or to what extent an organization has delivered a service. Churchill & Surprenant (2002) argue that disconfirmation theory has emerged as the basic premise for satisfaction archetypes.

According to (McKinney, Yoon &Zahedi, 2002) Customer expectation can be defined as attributions that clientele have formed relating to a product. (Zenithal& Berry, 2008) also illustrated that expectations are seen as predictions by consumers on possible happenings in time of transaction or exchange. Expected outcome is what customers perceive the way in which the utility of a product will serve their own personal needs, wants and desire (Cadotte et al., 2007).

The quality perceived is the basis of the judgments by consumers on the excellence or superiority of an entity (Zeithmal, 2008).Consumer's judgments is regarded as the disconfirmation as an outcome of comparing their perceptions of performance garnered to their expectations (McKinney et al., 2002, Sprenget al., 2006). The void perceived performance, outlook and desires is what defines satisfaction as it is illustrated by disconfirmation theory and it's a promising way to elaborate satisfaction. The theory suggested size and course taken, whether negative or positive of the gap(disconfirmation)

within expectations and the performance that is perceived is what affects satisfaction (McKinney et al., 2002, Sprenget al., 2006).

Client happiness together with other pre-determined factors are paramount in the acquisition and development of loyalty in clientele. The same client would go ahead and serve as brand ambassadors for the product and the company as a whole. Empirical studies carried out have revealed that customers who demonstrate loyalty are the customers whose expectations have been met (Ginner et al., 2008; Henning- Thurau et al., 2002). Therefore, client happiness creates loyalty in a service leads to service loyalty. Studies carried out recently state that emotion is a basic quality in gratification of wants and these studies extrapolate that client gratification should involve a distinct emotional entity (Cronin et al., 2000). Stauss & Neuhaus (2007) have put forward that a majority of client satisfaction researches have focused on the cognitive element with the exemption of the emotional constituent as an integral issue in the research on customer satisfaction.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section presents the methodology, the chapter covers the study design, target population, styles of sampling and size of samples, research tools, reconnaissance study, legitimacy and authenticity, data collection techniques, data analysis and operational and ethical deliberations .

3.2 Study Design

The study adopted descriptive research design. The anchoring of the study on this design was informed by design's ability to offer in depth explanation of study's unit of analysis. In this case the clients satisfaction levels and the quality of service are subjective issues in nature that are best captured through descriptive research design. Through this design, clients perception on the insurance services provided by health insurance providers and how such perceptions affect their satisfaction with the services provided to them.

3.3 Target Population

This study targeted all households in Langata Sub-County. The population for Langata Sub-County stands at 355,188 people (KNBS, 2013). Out of this, there is a total of 108,477 Households. The target population consists of 108,477 households with a population of 355,188 persons covering 196.8 square km.

3.4 Sampling Technique and Sample Size Determination

This study employed systematic sampling method is selecting the household for administering questionnaire. The next sample household will be selected using a sampling interval calculated by dividing the population of households covered by health insurance (25% of 108,477 households) by the determined sample size (289).This implies that every 94^{th} household will be selected to participate in this study. The justification of sampling 25% of 108,477 households is informed by the fact that as per the KIBHS (2015) only 25% of 108,477 households have a health insurance cover.

3.4.1 Sample Size Determination

The sample size was determined using Fisher's et al. (1991) formula, that is:

$$\boldsymbol{n = \frac{Z^2 pq}{d^2}}$$

$\boldsymbol{n}$ = desired sample size (when target population is greater than 10,000)

Z= standard deviation of required confidence level, set at 1.96, corresponding to 95% confidence level

p= Proportion in target population estimated to have characteristics being measured, that is, 25% prevalence of medical insurance

Q=1-p

d= level of statistical significance, set at 0.05

$$\boldsymbol{n = \frac{1.96^2 * 0.25 * 0.75}{0.05^2}}$$

$$\boldsymbol{n = 288.12}$$

Therefore, the final sample size for this study will be 289 Households.

Since Langata Sub-County consists of five wards, the sample size will be distributed as follows:

Table 3.2: Sample Size Distribution

Wards	Area (km^2)	Percent	Population	Sample Size
Karen	48	24%	6,509	70
Mugomo-ini	126.4	64%	17,356	180
Nairobi West	6.9	4%	1,085	10
Nyayo Highrise	0.4	1%	271	7
South C	15.1	7%	1,898	22
Total	**196.8**	**100%**	**27,119**	**289**

3.5 Data Collection

To achieve this, the researcher sought for approval from the university and further obtained a research permit from NACOSTI. On successful approval, the researcher kick started the data collection activities by physically visiting households within Langata Sub-County and administer the data tool. The researcher engaged two research assistants whom were oriented on the purpose of this study and then assigned to specific wards before actual data collection. This research study data collection procedures applied inclusion and exclusion criteria. Households without active subscriptions to a health care insurance scheme were excluded. In case the researcher or research assistants got to the last household without exhausting the number of respondents required for the study, a random starting point was again be chosen and the 94^{th} interval applied until the pre-determined sample size is achieved.

3.6 Data Collection Tools

Primary data was used in the study collected using questionnaires. Prior to administration of the questionnaire to the household, household's consent was sought before administering the questionnaire. The choice to administer the questionnaires directly as opposed to drop and pick method was informed by the need to increase the response rate among the sampled households.

3.7 Pre-testing

Pre-testing was done in a different area from that of this study namely Kibra Sub-County. This ensured that the data collection tool was tested for clarity, comprehension and relevance to research questions. Therefore, 28 respondents were purposively selected to participate in the pre-test. Responses, opinions and comments were used to improve on the final data collection tools.

3.8 Data Analysis

STATA software was used to analyze the quantitative data collected. This would facilitate the analysis using descriptive and inferential statistics. The analyzed data will then be provided in tables for easy interpretation and clarity in the presentation of results.

3.9 Regression Model

3.9.1 Analytical Framework

In modeling customer satisfaction in health insurance services, we assume that the utility derived from the consumption of the health insurance is represented by equation 1 below.

$$U_{ij} = \beta' x_{ij} + \varepsilon_{ij} \text{ ----------(1)}$$

Where:

U_{ij} is the expected level of indirect utility for individual *i* for choosing type of health insurance *J.* β' represents vectors of parameters; X_{ij} represents individual characteristics.

ε_{ij} is an unobserved random error term that represents the idiosyncrasies of the individual's preference for choice *j.* An individual will choose the alternative that has the greatest utility. When there are J choices, the probability that individual i chooses alternative j is:

$$Pr(y_i = j) = Pr(U_{ij} > U_{ik}) \text{ for all } j \neq k \quad (2)$$

$$Assuming\ \varepsilon = 0$$

$U_{ij} = \beta' X$

Pr (y_i = j) = Pr ($U_{ij} > U_{ik}$)

Pr (y_i = j) = Pr (U_{ij}) ----------when j = 0 = Pr (β' X)

For non-negative probability use exponential function;

Pr (y_i = j) = exp (β'X)

Pr = $e^{\beta' X} = e^0 = 1$

Thus,

$$P(y_I = 0 \mid X_i) = \frac{e^{\beta X}}{1 + \sum_{j=1}^{J} e^{\beta X}} = \frac{1}{1 + \sum_{j=1}^{J} e^{\beta X}}$$

$$P(y_i = 0 \mid X_i) = \frac{1}{1 + \sum_{k=1}^{J} e^{\beta' k x_i}} \text{ j= 0} \text{ ----------(3)}$$

P ($y_{i=}X_i$) = $\frac{e^{\beta' j x_i}}{1+\sum_{k=1}^{J} e^{\beta' k x_i}}$ **j= 1,----------.....(4)**

The proposed models include the logit regression model given that the outcome of the dependent variable is a binary outcome. equation and the simple model presented as follows:

$$Logit(y) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \cdots + \beta_i x_i + \cdots + \beta_n x_n$$

Therefore, the proposed model is given below:

$$log\ (y) = \beta_i$$

$$log(y) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \cdots + \beta_i x_i + \cdots + \beta_n x_n$$

Where β_i are regression coefficients for each variable

$\log(y)$= customer satisfaction

x_i= The effects of the main independent variables, that is, determinants customer satisfaction

The logit model above is based on the logistic model:

$$F(x) = \frac{1}{1 + e^{-(\beta_0+\beta_1 x_1+\cdots+\beta_n x_n)}}$$

which leads to$\text{logit}(y) = \ln\frac{F(x)}{1-F(x)} = \beta_0 + \beta_1 x_1 + \cdots + \beta_n x_n$.

3.9.2 Model Specification

The dependent variable in this study is customer satisfaction

(y=1) if customer is satisfied.

(y=0) otherwise

To covert the satisfaction level ranking into a binary outcome a ranking greater than or equal to 3 the quality level was assigned value 1 otherwise 0. While x variables includes: Service quality, insurance policy quality and insurance price

y = health insurance [insured either private or public insured]
u= Error term
β0, β1, and β2 -beta coefficients

3.9 Ethical Considerations

The research was carried out ensuring that it adhered to strict ethical guidelines. The researcher ensured that there was no risk or harm to the participants involved in this survey. Before embarking on the field work, University Authority was sought. This Letter of Authority was used to obtain a Research Authorization and NACOSTI which are attached as Appendices. These authorization documents were available for any respondent who needed them shown. The participation of respondents was on voluntary basis and were free to withdraw consent or discontinue participation at any point during the process with no consequences to the participant.

In addition, of particular concern from an ethical perspective was the identification of the research participants and their organizations in view of the sensitivity of the information involved. The message in the communication to the households respondents assured them of anonymity of the respondents and all efforts being put in place to protect the anonymity of the respondents. No names and identification information were required to be provided. Further, the respondents were assured that the research was being carried out as fulfilment of the requirements of a doctoral program and would not be used for any other purposes outside the doctoral program.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF RESULTS

4.1 Introduction

This chapter details the data analysis, interpretation of the results and discission of the tudy findings. In this chapter, the outcome of the analysis is presented. The descriptive statistics, regression model results are presented, interpretated and discussion given in regard to study variables.

4.2 Descriptive Summary Statistics

The results show 48.90 percent of the households surveyed are satisfied with their respective insurance covers. This implies that more than half of respondents (51.10 percent) of the households were not satisfied with their respective health insurance services offered by the supervisors. The rating on the insurance policy quality satisfaction level indicates that the rating was a Likert scale rating ranking from 1 to 5. From the results, 20.40 percent of the households cited that they had the lowest ranking of “strongly disagreed” with the product quality. Further, 22.60, 18.30, 21.30 and 17.40 percent had second, third fourth and fifth ranking respectively on the product quality. Similarly, the rating on the service quality satisfaction level indicates that the rating was a Likert scale rating ranking from 1 to 5. From the results, 19.10 percent of the households cited that they had the lowest ranking of “strongly disagreed” with the service quality. Further, 20.90, 16.20, 24.30 and 19.60 percent had second, third fourth and fifth ranking respectively on the product quality.

The cost of the insurance cover indicates that the mean insurance cover cost was Ksh.38,758.5 with the mean of household size was approximately 4 members. Further, the marital status of the households’ head indicates that 79.60 percent of the households’ heads have ever been in a union (either married, separated, divorced, or windowed). The status of the chronic illness variable indicates that 48.50 percent of the households cite that they have a chronic illness within their household. Lastly, the duration within which a

household has had a health insurance cover indicates that the mean experience in number of years was approximately 2.1808 years.

Table 4.1: Descriptive Statistics

Variable	Obs	Mean	Std.Dev.	Min	Max
Satisfaction level	235	0.4890	0.5010	0	1
Product quality rating	235	2.9280	1.3990	1	5
Product quality rating 1 (Strongly disagree)	235	0.2040	0.4040	0	1
Product quality rating 2 (Disagree)	235	0.2260	0.4190	0	1
Product quality rating 3 (Neutral)	235	0.1830	0.3870	0	1
Product quality rating 4 (Agree)	235	0.2130	0.4100	0	1
Product quality rating 5 (strongly agree)	235	0.1740	0.3800	0	1
Service quality rating	235	3.0430	1.4170	1	5
Service quality rating 1 (Strongly disagree)	235	0.1910	0.3940	0	1
Service quality rating 2 (Disagree)	235	0.2090	0.4070	0	1
Service quality rating 3 (Neutral)	235	0.1620	0.3690	0	1
Service quality rating 4 (Agree)	235	0.2430	0.4300	0	1
Service t quality rating 5 (strongly agree)	235	0.1960	0.3980	0	1
Insurance cost	235	38758.5	16185.75	12390	67746
House hold size	235	4.7489	4.7489	1	10
Marital status	235	0.7960	0.4040	0	1
Chronic illness	235	0.4850	0.5010	0	1
Private cover type	235	0.1660	0.3730	0	1
Public cover type	235	0.8000	0.4010	0	1
Community - based cover type	235	0.0340	0.1820	0	1
Insurance experience (years)	235	2.1808	1.0380	0.3	4

4.2 Regression Results

Prior to estimating the regression model, the insurance policy and service quality satisfaction levels were converted into binary variables. To do so, if the ranking was greater than or equal to 3 the quality level was assigned value 1 otherwise 0. Afterwards, the reference categories for each model variable were set accordingly. To this effect, never being in a union under marital status variable was the reference category, absence of the chronic illness was set as the reference category for chronic illness variable. The Logit, probit and LPM models were in absence of the controlling for the effect of the household characteristics. The estimation in exclusion of household characteristics was deemed crucial in removing their effect on the dependent variable. By doing so, this ensured that only the health insurance characteristics were included into the model thus

being able to disaggregate the effect of health insurance characteristic on client satisfaction.

Table 4.2: Regression Models results before controlling for household characteristics and cover type

	LPM		Logit Model			Probit Model		
Insurance policy and service quality satisfaction	Coefficient	t-value	Coefficient	t-value	mfx	Coefficient	t-value	mfx
Service quality rating	0.056 *	0.83	0.225 **	0.83	0.056	0.141 **	0.83	0.056
Insurance policy quality rating	0.001 *	0.02	0.005 *	0.02	0.001	0.003 *	0.02	0.001
insurance cost	0.080	1.19	0.323	1.20	0.081	0.202	1.20	0.081
Constant			3.558	1.25		2.228	1.25	
Number of observations	235		Number of obs = 235			Number of obs = 235		
F(3, 231)	0.68		Chi-square = 2.038			Chi-square = 2.054		
Prob > F	0.5631		Prob > chi2 = 0.565			Prob > chi2 = 0.561		
R-squared	0.0088		Pseudo R2 = 0.006			Pseudo r-squared = 0.006		
Adj R-squared	0.0041							

Note: Significance Levels: *** p<0.01, ** p<0.05, * p<0.1

From the results in table 4.2, the logit model results indicate that the rating of the service quality has a positive effect on the health insurance client satisfaction. When the ranking of the quality of the service changes by one unit, the customer satisfaction changes by 5.6 percent. In addition, the positive effect of service quality rating on the client's health insurance satisfaction was found for the LPM model with a coefficient of 0.056. The effect of the product quality rating indicates that the product quality has a positive effect on the health insurance client satisfaction whereby a unit change in product quality ranking more likely to cause client's health insurance satisfaction by 0.1 percent.

Further, the client's health insurance satisfaction level was found to increase with the insurance cost. The results of the logit model posit that a unit change in insurance cost is more likely to cause increases client's health insurance satisfaction by 8.1 percent. However, the effect was found to be insignificant. Similar results are reported for the probit and LPM models.

Upon controlling for the household characteristics and the type of the insurance cover held by the household, the results rea presented in table 4.3 accordingly. From the results, service quality was found to have a positive effect on the health insurance client satisfaction. The magnitude of the effect was found to be larger than before controlling for the household characteristics. The effect is significant at 5 percent significance level. Similar results are reported for the LPM model.

Similarly, the product quality rating has a positive effect on the health insurance client satisfaction whereby a u nit change in ranking is more likely to cause client's health insurance satisfaction by 0.1 percent for logit and 0.2 percent for probit model. The respective t – vales is significant at 10 percent significance level. In addition, the positive effect of service quality rating on the client's health insurance satisfaction was found for the LPM model. Client's health insurance satisfaction level was found to increase with the insurance cost. The results of the logit model posit that increase in the insurance cost by 1 percent increases client's health insurance satisfaction by 8.4 percent. However, the effect was found to be insignificant. Similar results are reported for the probit and LPM models.

The household characteristics results indicate that age of the household head has a negative effect on the client's health insurance satisfaction. Households with older households heads were found to have lower probability of being satisfied by 12.6 percent compared to households with older households heads (logit model). Similar effect is reported for the probit and LPM model. However, the results were found to be insignificant. The household size effect reveals that the level of satisfaction increases with the increase in the household size. The logit model results indicate that larger households are likely to have a higher satisfaction probability of 6.3 percent compared to smaller households. Similar effect is reported for the probit and LPM model. The – t- values were found to be significant at 5 percent significance level.

The effect of the marital status of the household head indicates that a household head who has ever been in a marital union is likely to have a higher satisfaction probability compared to a household head indicates that a household head who has never been in

a marital union by 4.6 percent for logit model. The effect of the marital status is however insignificant. Similar effect is reported for the probit and LPM model

Households with a chronic illness existence were found to have lower probability of satisfaction compared to households with no chronic illness by 16.5 percent for logit model. The effect wa found to be significant at 5 percent for all the models. Possession of a private insurance cover was found to increase satisfaction. Households with a private insurance cover were found to have a higher probability of satisfaction by 11.5 percent for logit model with the effect being significant at 10 percent. Similar results are reported for the probit and logit model. However, Possession of a public insurance cover was found to reduce satisfaction. Households with a public insurance cover were found to have a lower probability of satisfaction by 14.3 percent for logit model with the effect being significant at 5 percent significance level.

Table 4.3: Regression Models results after controlling for household characteristics and cover type

	LPM		**Logit Model**			**Probit Model**		
Screening	Coef.	t-value	Coef.	t-value	mfx	Coef.	t-value	mfx
Service quality rating	0.061*	0.89	0.255**	0.90	0.064	0.154**	0.89	0.061
Product quality rating	0.001*	0.02	0.004*	0.01	0.001	0.005*	0.03	0.002
insurance cost	0.080	1.18	0.336	1.19	0.084	0.208	1.19	0.083
age	-0.121	-0.76	-0.505	-0.77	-0.126	-0.317	-0.78	-0.126
House hold size	0.060**	0.75	0.251**	0.76	0.063	0.155**	0.75	0.062
Marital status	0.044	0.53	0.184	0.54	0.046	0.112	0.53	0.045
Chronic illness	-0.162**	-2.44	-0.665**	-2.44	-0.165	-0.413**	-2.46	-0.164
Private cover	0.112*	0.57	0.466*	0.56	0.115	0.288*	0.56	0.114
Public cover	-0.139**	-0.76	-0.579**	-0.74	-0.143	-0.359**	-0.75	-0.142
Constant			-1.542	-0.43		-0.941	-0.43	
Number of observations	235		Number of obs = 235			Number of obs = 235		
F(9, 225)	1.13		Chi-square = 9.659			LR chi2(13) = 9.955		
Prob > F	0.3396		Prob > chi2 = 0.379			Prob > chi2 = 0.354		
R-squared	0.0434		Pseudo R2 = 0.032			Pseudo R2 = 0.032		
Adj R-squared	0.0051							

Note: Significance Levels: *** p<0.01, ** p<0.05, * p<0.1

4.3 Discussion of the Results

The results show that the service quality and product quality matter in determining the client's health insurance satisfaction. The findings of the study agrees with Bitner (2000) who asserts that quality of a product and service offering are the determinants of customer happiness aptly described as a pre-cursor of service quality (Bitner, 2000). According to Naser et al (2009), customer happiness is founded on the perception of clients towards the consistency of delivery of service and their familiarity with the transmission process. The quality of products or services has direct impact on customer's happiness, which has a direct bearing on the interceding variables of disconfirmation while the quality of service has no such impact. Customer satisfaction is all about portending expectation whereas the quality of service is about an ideal expectation; and the extent of precedents of the two ideas are different.

Further, the study findings are in agreement with Siddiqui and Sharma (2010) and Bala et al (2011) used SERVQUAL model to examine the quality of the health insurance cover offered by the health insurance companies. The finding was that dimensions of the SERVQUAL model were crucial in informing clients' perception on the overall service quality. Similarly, Lee et al (2000) employed the model to examine clients perception on the quality of the service and how this influenced clients satisfaction levels. Similar findings to those by Siddiqui and Sharma (2010) were reported. Hafeez and Muhammad (2012) conducted a study on linkage between client's retention on one hand and quality of the service, satisfaction levels among the clients on the other hand. They found that retention and probability of health insurance policy repurchase wa strongly informed by the level of staff satisfaction.

In addition, the study findings concur with Abu-Salim et al (2017). The study analysed how the perception on cover affordability, quality of the service and satisfaction level among the policy holders affect the performance of the health insurance providers. The study sample size was 820 policy holders. The study adopted Analysis of Variance and logit regression model to analysis the data. It was established that high level of staff satisfaction does not necessarily guarantee clients retention. Therefore, the study

established that clients can be highly satisfied with the insurance services offered by the provider but still choose to discontinue their services with the provider. This therefore calls for the insurance companies to devise strategies of retaining clients even though the satisfaction levels may be high.

The findings of the study regarding the effect of the household characteristics agree with Mwaisabila (2012) who examined factors influencing customer satisfaction in health care provision under the Private Health Insurance Scheme. A conceptual model linking customer satisfaction and various aspects of the health care provision was developed and tested through a sample survey of 150 health insurance beneficiaries from 14 organizations that are members of two health insurance schemes in Dar es Salaam City.

Long and Dimmock (2015) examined how the residents in Massachusetts were contented with the health insurance policies they had purchased to cover for their insurance costs. The study largely relied on data from the Health Reform Survey that had been conducted 2 years earlier in 2013. Based on the age factor of the health insurance holders, the study established that young adults were satisfied in general with the insurance health covers they possessed. Further, the young adults were found to be satisfied with regard to healthcare providers' network, coverage scope and the quality of the insurance plans they had purchased. However, the study established that from the financial front, the clients were generally dissatisfied with the insurance companies' coverage limits that was cited in their inability to pay medical bills. This led to poor universal healthcare coverage among the residents of Massachusetts. The findings of the study concur with this study's findings.

Further, Ramadhan and Soegoto (2019) investigated on what determines the satisfaction level among the health insurance company clients. The study relied on Structural Equation Modeling Partial Least Square to undertake empirical modelling and analysis. Then sample size of the study was 100 respondents with data collected using questionnaires. The study found that clients satisfaction was informed by provider's responsiveness to client's concerns, the speed of service provision, services' reliability and providers compassion and understanding of clients' needs and concerns

Kautish (2021) examined the Indian market regarding clients' satisfaction with the insurance services in health sector. Primary data was collected among the policy holders in India using structured questionnaires. Upon data collection, the study relied on Covariance-based structural equation modelling for empirical analysis. The study found out that insurance company's previous performance, company image and reputation were the key determinants of clients retention among the health insurance cover holders. In addition, it was found that customer apathy as a moderating variable had a greater impact on the negative effect on customer retention.

Nguyen and Nguyen (2012) conducted a study on service quality and its impact on patients' satisfaction. Both quantitative and qualitative methods were used in the course of study. Multiple regressions were used to analyze data and the findings showed that tangibility (facilities, medical equipment and hospital environment), accessibility to health care services, attitudes and medical ethics were found to have significant positive effects on patients' satisfaction and to a large extent satisfaction with the health insurance policy.

Sunita (2017) analysed on the factors that influence a health insurance cover holder to remain with same cover provider for a long time. The study focus was on what are the critical success factors regarding health insurance retention among the clients and insurance cover providers. The study sampled 150 respondents from whom data was collec5ed using questionnaires. The respondents' responses were measured using 5 point Likert scale. The findings of the study were that affordability of the cover, provider's responsiveness to client's concerns, the turnaround time in service provision, services' reliability and providers compassion and understanding of clients' needs and concerns significantly informed health insurance policy holders' retention.

Further, client's health insurance satisfaction level was found to increase with the insurance cost. However, the effect was found to be insignificant. This finding could be explained by some insights. First, the insignificant effect of the insurance cost could be informed by the fact that majority of the households hold a public insurance cover which is mainly the NHIF with a low cot implication compared to the private insurance cover. Secondly, majority of the households could be covered by a cover that is paid for by the

employer of the household head. These two scenarios could therefore explain the reason behind the effect of the insurance cost being insignificant in determining the levels of client satisfaction. Since majority of the households could not be necessarily paying for the insurance cost directly.

Murray (2010) applied SERVQUAL to study satisfaction among patients with health covers. The study aimed to reveal if there is a significant relationship between service quality and patients satisfaction. Upon sampling 500 patients using simple random sampling technique, the researcher concluded that quality service depends on a wide range of factors – health policies, strategy mechanism and properly remunerated health workers. Findings is that staff of public hospitals were better placed and informed to carry out their duties if they are properly remunerated, trained on the importance of quality service delivery. This implies that government should provide enabling policy framework for healthcare delivery.

Juhana, Marrik, Fabrmella and Sidharta (2015) conducted a study on patients' satisfaction and loyalty on public hospitals in Indonesia. The study made use of 300 patients, and structural Equation Modeling (SEM) was used to determine the degree of closeness of the examined variables. The results show that service quality and brand have positive effect on patients' satisfaction of public hospitals. Thus, patient satisfaction affected patient's loyalty and to a large extent satisfaction with the health insurance policy.

The study findings agree with Garg (2017) who conducted a study to find out on the problems faced by health insurance policy holders in Punjab India. The study sought to examine the clients' satisfaction levels for policy holders on both the public and private insurance companies. The sample size of the study was 321 clients. The study established that the most sought for policy covers were illness covers and accidents covers. This was confirmed by the highest number of claims relating to illness and accidents filed by the clients. Regarding the satisfaction with the cover, the study established that the policyholders were generally unsatisfied with the delays portrayed by the insurance cover providers. In particular, policy holders complained of delays and denials by the insurance companies to settle claims by the policy holders, lack of

cooperation from the insurance company when seeking treatment authorization as well as lack of transparency among the insurance companies on what the insurance cover entails. The study therefore recommended on the need for the insurance companies to consider the clients claims and dissatisfaction in improving the quality and satisfaction levels among the policy holders.

Further, the study findings concur with Adiman et al (2015) who conducted a study on the factors influencing customer satisfaction on medical and health insurance product in Shah Alam. This was amid the rising expenditure on healthcare in Malaysia over the years keeps the people apprehensive and the challenge arises for all parties including the government, insurer's provider and the clients. High demand of insurance requires the companies to elevate their service quality and accomplish the satisfaction of customers. Several factors influencing customer satisfaction towards Medical and Health Insurance were ascertained; few of them are infrastructure, interaction, administrative and nurses' care. Henceforth, the study was piloted to determine which of the factors may influence customer satisfaction on Medical and Health Insurance. Inclusive of this research, descriptive statistics were applied with random distribution of 180 questionnaires to respondents from five private hospitals in Shah Alam. The revelation of results showed that administrative is the strongest impact upon customer satisfaction as opposed to other factors. The findings of this research hold important attributes to hospitals, insurance company and customers registering for Medical and Health insurance.

Long and Dimmock (2015) examined how the residents in Massachusetts were contented with the health insurance policies they had purchased to cover for their insurance costs. The study largely relied on data from the Health Reform Survey that had been conducted 2 years earlier in 2013. Based on the age factor of the health insurance holders, the study established that young adults were satisfied in general with the insurance health covers they possessed. Further, the young adults were found to be satisfied with regard to healthcare providers' network, coverage scope and the quality of the insurance plans they had purchased. However, the study established that from the financial front, the clients were generally dissatisfied with the insurance companies' coverage limits that was cited in their inability to pay medical bills. This led to poor universal healthcare coverage among

the residents of Massachusetts. The findings of the study concurs with this study's findings.

Kaur and Silky (2015) applied descriptive research design in examining the state of customer satisfaction between public and private sector health insurance companies thus giving an in-dept understanding of the reality of customer satisfaction among medical insurance companies. The target population for the study comprises all individual customers having health insurance from all insurance companies that operate in India. The nonprobability sampling technique used in this study is convenience. A sample size of two hundred and fifty (250) customers has been used. To check the consistency of the questionnaire, item to total correlation has been used. Independent Sample T-test is used to compare the customer satisfaction between the public sector and private sector health insurance companies. The questionnaire is found consistent and it has been found that there is no significant difference in customer satisfaction between the public sector and private sector health insurance providers. The findings are in disagreement with the study's findings.

Juhana, Marrik, Fabrmella and Sidharta (2015) conducted a study on patients' satisfaction and loyalty on public hospitals in Indonesia. The study made use of 300 patients, and structural Equation Modeling (SEM) was used to determine the degree of closeness of the examined variables. The results show that service quality and brand have positive effect on patients' satisfaction of public hospitals. Thus, patient satisfaction affected patient's loyalty and to a large extent satisfaction with the health insurance policy.

Fitzgerald and Bias (2015) focused on what informs the decision of the health insurance cover to repurchase the cover from the same provide. The study used data from the exit survey. Upon the analysis, the study established that the quality of the service and the resourcefulness of the provider were the key factors informing customer repurchase of a health insurance cover. In addition, price affordability arising from government subsidies were found to positively influence policy repurchase from the same provider.

The effect of the household characteristics indicate that age of the household head has a negative effect on the client's health insurance satisfaction. Households with older

households' heads were found to have lower probability of being satisfied compared to households with older households' heads. The household size effect reveals that the level of satisfaction increases with the increase in the household size. Large households are likely to benefit from insurance cover that covers all members of the households especially the nuclear family because the cover trades – off the direct cost that the household would incur in case of illness. This could explain the positive effect the household size has on the level of satisfaction with the health insurance.

The effect of the marital status of the household head indicates that a household head who has ever been in a marital union is likely to have a higher satisfaction probability compared to a household head indicates that a household head who has never been in a marital union. This could be explained by the fact that household heads who have ever been in a union are more likely to have spouses and / or dependents (children). In this case possession of an insurance cover is core in covering against medical expenses relating to the spouse and the dependants (children). Therefore, a household head who is or has been in a marital union would see it beneficial to have an insurance cover compared to one who have never been into any marital union.

Households with a chronic illness existence were found to have lower probability of satisfaction compared to households with no chronic illness. This could be explained by the fact that presence of a chronic illness in a household increases the utilization of the health insurance cover. This poses a risk of the depletion of the cover before the end of the insurance period hence having a negatives effect on the satisfaction level since the household may be forced to pay out – of – pocket for health services once the cover is exhausted.

Lee (2018) applied SERVQUAL to study satisfaction among patients with health covers. The study aimed to reveal if there is a significant relationship between service quality and patients satisfaction. Upon sampling 500 patients using simple random sampling technique, the researcher concluded that quality service depends on a wide range of factors – health policies, strategy mechanism and properly remunerated health workers. Findings is that staff of public hospitals were better placed and informed to carry out their

duties if they are properly remunerated, trained on the importance of quality service delivery. This implies that government should provide enabling policy framework for healthcare delivery.

However, Possession of a public insurance cover was found to reduce satisfaction. Households with a public insurance cover were found to have a lower probability of satisfaction. This finding is opposite of possession of a private insurance cover. This finding could be explained by the fact that a public cover such as NHIF has limitations and restrictions in terms of the services offered. First, the public cover such as NHIF has restrictions to one outpatient services facility as opposed to private cover that allows access to the outpatient services from several appointed services providers. Secondly, are the cover limits whereby the private cover is likely to have a higher cover limit compared to a public cover. Further is the turn – around time of service whereby a private cover is likely to have a lower turn – around time of service in terms of issuance of authorization for client to be attended to by the health facility. All these could explain the finding in the study.

The findings of the study regarding the effect of the household characteristics agree with Mwaisabila (2012) who examined factors influencing customer satisfaction in health care provision under the Private Health Insurance Scheme. A conceptual model linking customer satisfaction and various aspects of the health care provision was developed and tested through a sample survey of 150 health insurance beneficiaries from 14 organizations that are members of two health insurance schemes in Dar es Salaam City.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND POLICY RECOMMENDATIONS

5.1 Introduction

The chapter entails conclusions and summary of findings based on the findings fitted in the Logit, Probit and LPM models, policy recommendations and areas for further study.

5.2 Summary of the Study

The study sought to examine health insurance client satisfaction with service delivery and quality in Kenya. A case study for Langata sub-county was adopted. Specifically, the study sought to analyze customer level of satisfaction with health insurance;, examine client degree of perception on quality of health insurance services and thirdly ascertain the effect of client perception on service quality on client satisfaction on health insurance services in Langata Sub-County in Kenya.

The study target population was all households in Langata Sub-County eligible for health insurance covers. The population for Langata Sub-County stands at 355,188 people (KNBS, 2013). Out of this, there is a total of 108,477 Households. Averages of 25% of the Kenyan population are catered for by a public, private or community-based health insurance scheme. The sample size of the study was 289 households drawn using systematic sampling.

5.3 Conclusions

The results reveal that more than half of the households sampled were not satisfied with the health insurance cover policies and services offered by the health insurance cover providers. This points towards the need for the providers to review features of their insurance products as well as the quality of their services. Customer expectation can be defined as attributions that clientele have formed relating to a product. Clients' expectations are seen as predictions by consumers on possible happenings in time of

transaction or exchange. Expected outcome is what customers perceive the way in which the utility of a product will serve their own personal needs, wants and desire.

The regression models regressing satisfaction levels on service quality and product quality found that service quality and product quality matter in determining the client's health insurance satisfaction. This implies that clients are very much concerned with issues of service delivery, timeliness in facilitation, number and types of services covered by the insurance among other quality issues that related to the insurance cover and insurance services offered by the health insurance companies.

Theories in client satisfaction postulate that satisfaction is pegged on the differences perceived between the perception such as expectations and cognitive benchmarks that include desires. These theories explain satisfaction from a client perspective noting that customers are constantly comparing two aspects, that is, expectations prior to expectations after delivery of services. Through this process, the client basically confirms how well or to what extent an organization has delivered a service.

The quality perceived is the basis of the judgments by consumers on the excellence or superiority of an entity. Consumer's judgments is regarded as the disconfirmation as an outcome of comparing their perceptions of performance garnered to their expectations. The void perceived performance, outlook and desires is what defines satisfaction as it is illustrated by disconfirmation theory and it's a promising way to elaborate satisfaction. The theory suggested size and course taken, whether negative or positive of the gap within expectations and the performance that is perceived is what affects satisfaction

Further, insurance cost was found to increase client's health insurance satisfaction level. However, the effect was found to be insignificant. This finding could be explained by some insights. First, the insignificant effect of the insurance cost could be informed by the fact that majority of the households hold a public insurance cover which is mainly the NHIF with a low cot implication compared to the private insurance cover.

Further, Client happiness together with other pre-determined factors are paramount in the acquisition and development of loyalty in clientele. The same client would go ahead and

serve as brand ambassadors for the product and the company as a whole. Empirical studies carried out have revealed that customers who demonstrate loyalty are the customers whose expectations have been met. Therefore, client happiness creates loyalty in a service leads to service loyalty.

In addition, according to the household characteristics and insurance cover type, the effect of the household characteristics indicate that age of the household head has a negative effect on the client's health insurance satisfaction. Households with older households' heads were found to have lower probability of being satisfied compared to households with older households' heads. This has implication on the household expenditures in that larger households will obviously have large expenditure on the basic needs.

The household size effect reveals that the level of satisfaction increases with the increase in the household size. Large households are likely to benefit from insurance cover that covers all members of the households especially the nuclear family because the cover trades – off the direct cost that the household would incur in case of illness. This could explain the positive effect the household size has on the level of satisfaction with the health insurance.

The effect of the marital status of the household head indicates that a household head who has ever been in a marital union is likely to have a higher satisfaction probability compared to a household head indicates that a household head who has never been in a marital union. This could be explained by the fact that household heads who have ever been in a union are more likely to have spouses and / or dependents (children). In this case possession of an insurance cover is core in covering against medical expenses relating to the spouse and the dependants (children). Therefore, a household head who is or has been in a marital union would see it beneficial to have an insurance cover compared to one who have never been into any marital union.

Households with a chronic illness existence were found to have lower probability of satisfaction compared to households with no chronic illness. This could be explained by the fact that presence of a chronic illness in a household increases the utilization of the

health insurance cover. This poses a risk of the depletion of the cover before the end of the insurance period hence having a negatives effect on the satisfaction level since the household may be forced to pay out – of – pocket for health services once the cover is exhausted.

However, Possession of a public insurance cover was found to reduce satisfaction. Households with a public insurance cover were found to have a lower probability of satisfaction. This finding is opposite of possession of a private insurance cover. This finding could be explained by the fact that a public cover such as NHIF has limits and restrictions in terms of the services offered. In addition is the turn – around time of service whereby a private cover is likely to have a lower turn – around time of service in terms of issuance of authorization for client to be attended to by the health facility. All these could explain the finding in the study.

5.4 Policy Recommendations

Given the study findings, a number of policy implications are pronounced. First is the policy about sensitization and awareness creating among health insurance service providers. There needs awareness creation among the insurance health provider on how to enhance the quality of the healthcare services and products. Such initiatives should be aimed at meeting clients' expectations.

Second is the policy matters regarding the development of the health insurance products. There is need for concerted efforts towards bringing all stakeholders in health services together when designing health insurance products. This would ensure development of health insurance product that takes into account the interest of all stakeholders. This would enhance the buy – in of the product hence increased clients' satisfaction.

Regarding the provision of health insurance especially the public insurance cover, the study findings were that households with private cover have higher probability of being satisfied as oppose to clients with public cover. This finding therefore calls for the need to review the public insurance cover with an aim of upgrading it to more competitive terms like those of the private cover. This would entail review of the limits levels, the number of outpatient facilities that one can visit among other features of the cover. In addition is the

need to reviews issues of subsidies for the poor households to make the cover affordable to all.

5.5 Limitations of the Study

From empirical analysis adopted a case study analysis. The study only focused on the Langat Sub – County with a sample size of 239 households. This implies that the findings of the study could not be generalized for other sub counties within Nairobi County. In addition, the study findings could also not be generalized for the entire Nairobi County as well as other counties given the heterogeneity posed by the regional dynamics.

5.6 Areas for further Research

Based on the study limitations, the study would recommend the undertaking of similar studies at the Nairobi County level to inform health policies at the county level regarding health insurance uptake and satisfaction level. In addition, a national – wide survey by the Kenya National Bureau of Statistic under sponsorship of the national government and other health stakeholders such as health services financing donor agencies and insurance companies is hereby recommended.

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APPENDICES

Appendix I: Research Questionnaire

Dear Respondent,

My name is **Irene Chesire**, a continuing graduate student at the **University of Nairobi**. My area of specialization is **Master of Health Economics and Policy**. In order to fulfil the requirements for this course, I am required to carry out an original research study. The title of my project is, "**Evaluation of Health Insurance Client Satisfaction with Service Delivery and Quality in Kenya".** The project's methodology requires me to gather primary data in order to successfully meet the course requirements. I am therefore requesting you to spare at least 30 minutes of your time to complete this questionnaire item.

Please note that there is **no right orwrong** answer. You are also free to skip any question that you do not feel comfortable answering. Please note that all data collected using this questionnaire will be handled confidentially and only be used for purposes of this study. Finally, your **identity** will be kept **anonymous**. The **findings** of this study will be available to the public at the University of Nairobi **library subject to successful completion.**

Instructions to the interviewer: Please ask for the house hold head

I would like to seek your consent to proceed with this interview:

I agree_____

I do not agree_____ (reason for refusal_____)

Questionnaire ID No_____ Location_____

Location Address of Household_____ House No_____

Date of Interview_____ Interviewer_____

Completed/Partially done_____ *(Reason for partial response should be indicated/explained in remarks section)*

Interviewer Remarks_____

NOTE: *Respondents must be at least 18 years or older*

Part I: Demographic Information			
QNo	**Question**	**Response**	**Code**
1.	Are you the head of household? <*To qualify as head of household one must be paying more than half of the household expenses for at least the past 6 months*>	1=Yes 2=No	
2.	If Q1 is NO, please state your relation to head of household	1=Spouse (Wife/Husband) 2=Daughter 3=Son	
3.	Sex	1=Male 2=Female	
4.	Year of birth		
5.	Highest level of education completed	1=Primary 2=Secondary 3=College 4=University 99=Other (specify)	
6.	Marital Status	1=Single 2=Married 3=Widow/Widowed 4=Divorced 5=Separated 6=cohabiting 99=others	
7.	Employment Status of head of household	1=Employed: 11=Permanent; 12=Contract; 13=Temporary 2=Self employed 3=Un-employed 4=Student	

		99=Other (specify)	
8.	If Q7 is 1 or 2, please state no of years or months in employment		
9.	If Q7 is 1 or 2, please state occupation		
10.	Total monthly household income ***(note the spouse and any other working children's income)***	1=Below 10,000 shillings 2=Between 11,000 and 20,000 shillings 3=Between 21,000 and 30,000 shillings 4=Between 31,000 and 40,000 shillings 5=Between 41,000 and 50,000 shillings 6=Over 51,000 shillings	
11.	Type of family structure in the household	1=Nuclear 2= Extended 99=Other (specify)	
12.	How many members live in this household?		
Health Insurance Cover(s)			
13.	Select the health insurance cover(s) that you are currently using (tick more than one if applicable)	**<u>Public Insurance</u>** 11=NHIF Civil Servants Scheme 12=NHIF Supa Cover 13=NHIF Self-employed 99=others	
		<u>Private Insurance</u> 21=UAP 22=Jubilee 23=APA 24=Resolution Insurance 25=First Assurance 26=Madison Insurance 27=AAR Insurance 28=Heritage 29=Britam 99=others	

		Community-Based Insurance 31=Jamii Bora	
		99=Other(Specify)	

Part II: ***Instructions to Interviewer: For each Insurance cover ticked in the question 13 above. Indicate Questionnaire ID no and insurance cover code***				
14.	What does your *(insert name)* insurance policy cover	1=Inpatient only 2=Outpatient only 3=Inpatient & Outpatient 99=Others(Specify)		
15.	Who is covered by this insurance policy	Type:	No. of persons	
		1=Individual		
		2=Individual & dependants		
		99=Other (specify)		
16.	Approximately how much money do you spend on insurance cover annually?			
17.	Please indicate for how long you (years and/or months) have been using the specific health insurance cover(s) selected	Public		
18.	Who pays for the health insurance cover you are currently using	1=Employer 2=Self 3=Parent/Spouse/Relative/Friend 99=Other (Specify)		
19.	Who pays for the health insurance cover you are currently using **(*If answer is YES, declaration of health***	If Yes, please state your condition		

	condition by the interviewee is optional but necessary)	2=No	
20.	Does your insurance provider cover for ALL your medical related costs	1=Yes 2=No	
20b	If No, Approx. how much do you spend annually as out of pocket expenditures on medical related costs?		

Customer Satisfaction

This describes the results of health insurance provider services offered with regards to responding to customer's needs and their satisfaction; this also includes increasing customer's expectations during the time of 'consuming' services Instructions to the interviewers)*

21.	My insurance cover(s) allows me to access		ALL	SOME	
		Public Hospital			
		Private Hospital			
		99=Other (Specify)			

*Below are statements regarding your level of satisfaction with health insurance cover provider, please indicate your level of satisfaction (***Strongly agree to Strongly disagree***) against the following statements*

No	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
22.	My health insurance cover provider solves customer concerns, answers customer calls, customer texts, customer visits, or customer emails timely (Please specify for each insurance type cover)					

23.	My health insurance cover provider allows for a flexible and customized payment plan for my policy premium					
24.	My health insurance cover provider processes most/all of my health insurance claims in time					
25.	I am at times forced to make extra payments from my pocket owing to late health insurance claim processing from my provider					
26.	My health insurance cover provider offers partial support (other plausible arrangements) when I exhaust my annual cover limit					
27.	I am satisfied with the service delivery and quality offered by my health insurance provider					
28.	I am likely to recommend my health insurance provider services to my friends/relatives					
29.	Please add/write any additional comment regarding your level of satisfaction and or concerns with your health insurance provider _____					

Customer Perception on Quality

Customer perception on quality shows the understanding of the services by the customer with regards to degree of services provided such as service quality, product specifications, pricing, circumstantial and environmental factors

*Below are statements regarding your level of satisfaction with health insurance cover provider, please indicate your level of satisfaction (***Strongly agree to Strongly disagree***) against the following statements*

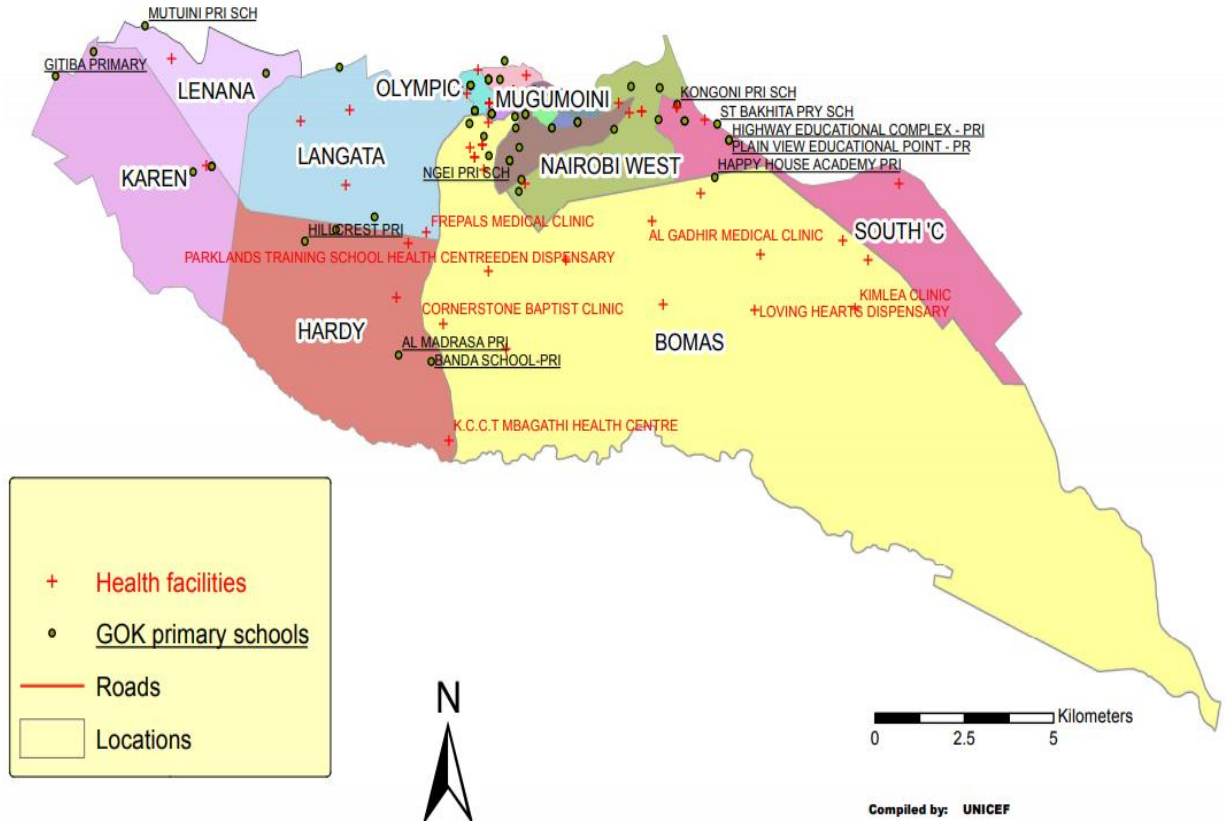
No	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
30.	Services provided at my health insurance provider selected					

	hospital/clinic meets my expectations					
31.	I can access most services at my health insurance provider selected hospital/clinic without being referred to other health facilities					
32.	My health insurance cover provider works closely with selected hospital/clinic to guarantee quality services					
33.	The quality of services offered at selected hospitals/clinics is acceptable					
34.	Please add/write any additional comment regarding your perception on quality in regards to your health insurance provider _____					
Customer Perception on Quality and Level of Satisfaction *Customer perception on quality is regarded as part of satisfaction hence it is a more extensive notion that the health insurance provider services are meeting or exceeding customer expectations according to the customer's definition of quality*						
35.	Do you think that quality of services impacts or influences your level of satisfaction?	1=Yes 2=No				
Please explain your reason for this response _____ _____						
Which of the following statements best describe your service quality requirements		(**Tick**)				
36.	Services provided at my insurer's health care facility are convenient					
37.	Services provided at my insurer's health care facility are available					
38.	Services provided at my insurer's health care facility are timely					

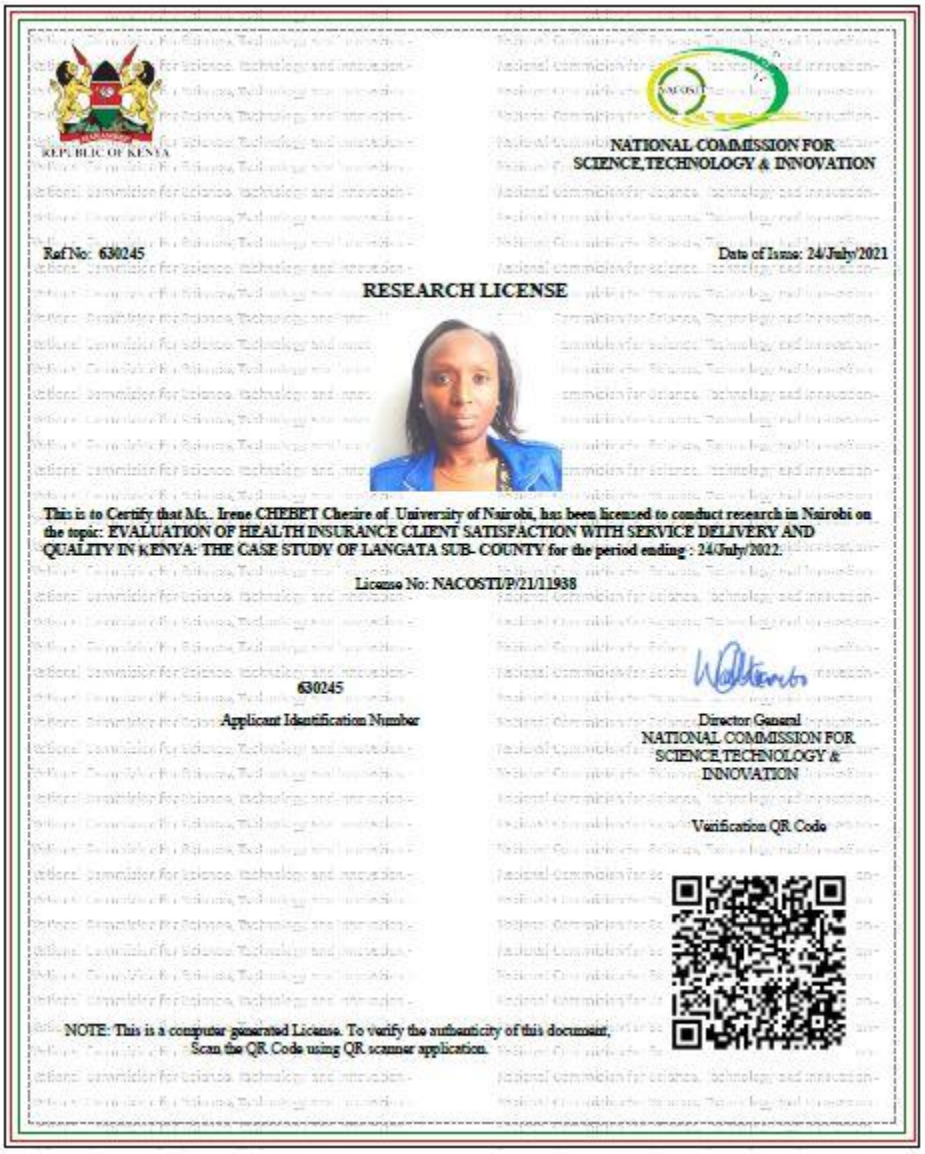
39.	Services provided at my insurer's health care facility are consistent and reliable		
40.	Service providers at my insurer's health care facility are friendly and cordial		
41.	Service providers at my insurer's health care facility give detailed information		
42.	Service providers at my insurer's health care facility give detailed information		
43.	Service providers at my insurer's health care facility satisfactorily answer/address to all my questions and concerns		
44.	Do you have any additional or closing remark(s) regarding service delivery and quality among health insurance providers in Kenya?		

Thank you for taking your time to answer these questions.

Appendix II: Map of Langata Sub-County



Appendix III: Research License from NACOSTI



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RESEARCH LICENSE

This is to Certify that Ms.. Irene CHEBET Cheire of University of Nairobi, has been licensed to conduct research in Nairobi on the topic: EVALUATION OF HEALTH INSURANCE CLIENT SATISFACTION WITH SERVICE DELIVERY AND QUALITY IN KENYA: THE CASE STUDY OF LANGATA SUB- COUNTY for the period ending : 24/July/2022.

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