

**UNIVERSITY  
OF  
LUSAKA**

**SCHOOL OF POSTGRADUATE STUDIES**

**AN ANALYSIS OF THE IMPACT OF COVID-19 ON WHOLE LIFE  
INSURANCE POLICY IN CHIPATA AND PETAUKE DISTRICT OF  
EASTERN PROVINCE, ZAMBIA.**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE  
STUDIES, UNIVERSITY OF LUSAKA IN PARTIAL FULFILLMENT OF THE  
AWARD OF THE MASTER OF SCIENCE IN ACTUARIAL SCIENCE.**

**BY**

**SIMFUKWE YOUNGSON**

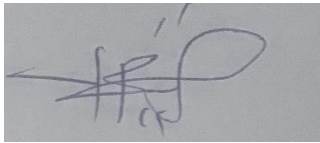
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## DECLARATION

I (Simfukwe Youngson) do hereby declare that the work presented herein is a true reflection of my own research and that no part of this research dissertation been submitted to University of Lusaka or any other Higher learning institution by another student.

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## **DEDICATION**

I dedicate this dissertation to my mother, whose unwavering love, support, and encouragement have been the driving forces behind my academic journey. Her boundless patience, belief in my abilities, and sacrifices have illuminated my path and shaped me into the person I am today. This work is a tribute to her enduring strength, resilience, and devotion. Thank you, Mom, for being my guiding light and source of inspiration.

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I am especially grateful to Dr. Chowa and Mr. Banda A, whose mentorship and dedication have played a pivotal role in shaping my understanding of the subject matter and refining my analytical skills. Their commitment to excellence and passion for teaching have inspired me to strive for academic excellence.

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## **LIST OF ACCRONYMS**

COVID-19 - Coronavirus Disease (2019)

LIMRA - Life Insurance Marketing and Research Association

NAIC - National Association of Insurance Commissioners

WHO – World Health Organization

## **ABSTRACT**

The COVID-19 pandemic brought unprecedented challenges to various sectors, including the insurance industry. This dissertation investigated the impact of the pandemic on whole life insurance policies in Chipata and Petauke Districts, focusing on changes in demand, financial stability and claims experiences of policyholders, and adaptive strategies employed by insurance providers. Through a mixed-method approach integrating quantitative questionnaire responses and qualitative interview insights, this study provided a nuanced understanding of the implications of the pandemic on the insurance landscape.

The findings revealed a nuanced pattern in the demand for whole life insurance policies, driven by economic uncertainties, heightened risk perceptions, and varying socio-economic factors. Despite financial difficulties policyholders face, whole -life insurance policies emerge as crucial financial safeguards, providing stability and peace of mind during times of crisis. Insurance providers demonstrated agility and resilience in adapting their strategies, leveraging digitalization, product innovation, and customer-centric approaches to meet evolving customer needs and market demands.

This study will undoubtedly contribute to the existing literature by integrating insights from behavioral economics, examining broader market dynamics, and considering policy implications. Recommendations are provided to enhance customer engagement, strengthen digital capabilities, foster product innovation, facilitate collaboration, and promote long-term sustainability within the insurance sector. By addressing the challenges and seizing opportunities presented by the pandemic, insurers can navigate uncertainties and contribute to the resilience and sustainability of the insurance landscape in Chipata and Petauke Districts and beyond.

## **CHAPTER 1: INTRODUCTION**

### **Introduction**

Coronavirus disease, scientifically reclassified as COVID-19, has assumed global pandemic proportions. It attained a pandemic status declared by the World Health Organization (WHO) on 11 March 2020 ((WHO, 2020). The spread of the virus at a fast rate compared to previous pandemics resulted in a total lockdown of nations, a ban on travel, public gatherings and a closure of offices. There was global closure of businesses as well as the loss of jobs and lives. The general economic situation became more of a global recession. In most instances, the insurance industry and governments all over the world became the beacons of hope to which people looked for rescue from total annihilation. However, due to the fast increase in infection cases greater than the recovery of infected people, the pandemic overwhelmed many governments and financially weakened some insurance companies. The impact of the pandemic on the Zambian insurance industry is yet to be estimated and projected to provide a guide for the government and insurers for the simulation of future events (Li et al, 2021).

The outbreak of the novel coronavirus disease (COVID-19) has had profound and lasting effects on societies and economies worldwide. Its impact, felt across various sectors, has undeniably penetrated the financial services industry, necessitating comprehensive research to understand and adapt to these changes. For example, Christian Gollier(2021) in his research says “the insurance sectors have been striving to adapt to the situation by creating different business processes and risk management policies. However, economists forecast a slow recovery for these business organizations in the near future”. As the market situation has deteriorated, most of the organizations were forced to terminate employees or reduce salaries. The unemployment rate rose in all countries as an example it was 14.7% in the United States by April 2020, which not only led to the loss of income but also resulted in the loss of sponsor-issued insurance. The pandemic has increased the potential negative effect of the loss of insurance (Jessica Banthin, 2020)

The insurance sector, a cornerstone of financial security, faces unique challenges and opportunities in the wake of the pandemic. In this context, this research proposal aims to

investigate "The Impact of COVID-19 on Whole Life Insurance Policy in Petauke District of Eastern Province, Zambia."

## **1.2 Statement of the Problem**

The global outbreak of COVID-19 has introduced a set of unforeseen challenges and uncertainties in the financial world, leading to various complex issues. The insurance industry, despite its inherent adaptability, faces several specific challenges due to the pandemic's multifaceted impact. Whole life insurance, which typically provides long-term financial security, faces shifting demand, policyholder needs, and risk perceptions. As a result, understanding the specific issues faced by the whole life insurance market in Chipata and Petauke Districts during and after the COVID-19 pandemic is vital.

Furthermore, the disruption brought about by the COVID-19 pandemic has prompted a reassessment of risk perceptions and financial planning by individuals and businesses. While insurance is designed to mitigate these risks, the nature of the pandemic's impact on the industry and on policyholders has not been extensively explored in the context of Chipata and Petauke District. Therefore, this research aimed to contribute to a comprehensive understanding of the issues faced by this specific market.

## **1.3 Research Objectives**

The primary objectives of this study were as follows:

- To assess the changes in the demand for whole life insurance policies in Petauke District during and post the COVID-19 pandemic and their impact on insurance providers.
- To examine the financial stability and claims experiences of whole life insurance policyholders in the context of the pandemic and identify evolving risk perceptions.
- To investigate the strategies and adaptations made by insurance providers in Chipata and Petauke District to respond to the pandemic's challenges and maintain their customer base, thus ensuring long-term financial security for policyholders.

These objectives provided a structured approach to examining the impact of COVID-19 on whole life insurance in the specific context of Petauke District.

## **1.4 Research Questions**

The research addressed the following key questions:

- What factors have contributed to the changes in the demand for whole life insurance policies during and post the COVID-19 pandemic in Chipata and Petauke Districts, and how have these changes affected insurance providers in the region?
- How have whole life insurance policyholders in this region been affected by COVID-19 in terms of claims, financial stability, and their perceptions of risk?
- What strategies have whole life insurance providers in Chipata and Petauke Districts adopted to navigate the challenges posed by COVID-19 and ensure the continuity and growth of their customer base?

These research questions guided the collection and analysis of data, providing a comprehensive understanding of the subject matter.

## **1.5 Significance of the Study**

Understanding the impact of COVID-19 on whole life insurance in Chipata and Petauke Districts holds significant importance, as it sheds light on the resilience and adaptability of the insurance sector in a time of global crisis. The findings will not only benefit insurance companies operating in this region but will also provide valuable insights for policymakers, regulators, and stakeholders in the insurance industry. Moreover, it will contribute to the broader body of knowledge regarding the insurance sector's adaptability in the face of unforeseen challenges and its role in maintaining financial security for individuals and families.

It is also believed that this study will offer a roadmap for the industry to navigate future challenges and ensure the long-term financial well-being of policyholders in the Districts.

## **1.6 Scope of the Study**

This research focused on Chipata and Petauke District in the Eastern Province of Zambia, with data collection and analysis limited to the period surrounding the pre and post COVID-19 pandemic. The study involved surveys, interviews, and data analysis of both insurance providers and policyholders in the region. It also encompassed the various

elements of whole life insurance, from policy demand and claims processing to financial stability and customer relationships.

The geographical focus on Chipata and Petauke Districts was due to its unique socio-economic characteristics and the specific impact of the pandemic in the region. By concentrating on this area, the study provided valuable insights that are particularly relevant to the people and businesses of Eastern Province.

### **1.7 Definition of Key Terms and Concepts**

**Whole life insurance** – it is a type of life insurance policy that provides coverage for the entire lifetime of the insured individual.

**COVID-19 pandemic** - A global outbreak of the coronavirus disease 2019 (COVID-19). It was caused by the novel coronavirus SARS-CoV-2 and was first identified in Wuhan, China, in December 2019

**Policyholders** – Individuals or entities who have purchased an insurance policy from an insurance company.

**Insurance providers** – Organizations that offer various insurance products and services to policyholders in exchange for premium payments.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Introduction**

This literature review aims to explore the empirical, theoretical, and conceptual frameworks that underpin the impacts of the COVID-19 pandemic on whole -life insurance policies. To provide a comprehensive perspective, we examine relevant studies conducted around the world, with particular attention to the African context where data is available.

### **2.2 Empirical Literature**

#### **2.2.1 Global Trends in Insurance Premiums**

Multiple empirical studies have shown a decline in insurance premiums during the COVID-19 pandemic. Swiss Re's "Global Insurance Review 2021" reported a 1.3% decline in global insurance premiums in 2020, which included life insurance policies (Swiss Re, 2021). Similarly, the Insurance Information Institute's "Global Insurance Market Report 2021" highlighted the impact of economic uncertainty and rising unemployment rates on the demand for life insurance (Insurance Information Institute, 2021).

#### **2.2.2 Global Insurance Industry Impact**

The outbreak of the COVID-19 pandemic had a significant impact on the global insurance industry. McKinsey & Company's research (2020) indicated that the pandemic led to a surge in claims for life and health insurance products. This increase in claims contributed to heightened uncertainty within the industry, affecting consumer behavior and expectations (McKinsey & Company, 2020). Furthermore, research conducted by Li et al. in "The Geneva Papers on Risk and Insurance - Issues and Practice" showed a significant increase in mortality rates during the pandemic, leading to higher payouts (Li et al., 2021). Whole life insurance policies, providing coverage until the policyholder's death, witnessed a surge in claims, necessitating adjustments in risk assessments and premium calculations.

### **2.2.3 Policyholder Behavior**

A study conducted by LIMRA in the United States explored shifts in policyholder behavior during the COVID-19 pandemic. The research found that the pandemic heightened awareness of financial security and increased interest in life insurance products. The study highlighted that individuals began to recognize the importance of life insurance as a financial safety net during times of uncertainty (LIMRA, 2021).

### **2.2.4 Changing Consumer Behavior**

Consumer behavior underwent a transformation as a result of the pandemic. Studies by McKinsey & Company and Deloitte revealed that the crisis accelerated the demand for digital and contactless insurance solutions (McKinsey & Company, 2021; Deloitte, 2020). Policyholders sought easier access to their policies, highlighting the importance of digital platforms for whole- life insurance policyholders.

### **2.2.5 Regulatory Responses**

Regulatory bodies across the globe responded to the insurance industry's challenges during the pandemic. In the United States, for example, NAIC issued guidelines and recommendations to address the impact of COVID-19 on insurance (NAIC, 2020). Similarly, the United Kingdom's Financial Conduct Authority (FCA) issued directives to safeguard policyholders' interests during these challenging times (FCA, 2020).

### **2.2.6 Insurance Providers' Responses**

The African Reinsurance Corporation (African Re) conducted research in 2020, outlining strategies adopted by insurance companies in Africa in response to the pandemic. The study emphasized the importance of digital transformation and the introduction of new insurance products to navigate the challenges posed by COVID-19 (African Reinsurance Corporation, 2020).

## **2.3 Theoretical Framework**

### **2.3.1 Economic Uncertainty and Whole Life Insurance**

The theoretical framework underpinning the impact of COVID-19 on whole life insurance policies is deeply rooted in economic theories. The Uncertainty Reduction Theory (URT) developed by Charles Berger and Richard Calabrese (1975) provides insights into how the COVID-19 pandemic introduced heightened uncertainty. URT posits that individuals seek to reduce uncertainty by acquiring information. In the context of whole life insurance, the pandemic introduced heightened economic uncertainty, compelling individuals to reassess their financial priorities. As the global economy experienced upheaval, whole life insurance, often perceived as a long-term financial commitment, emerged as a protective measure to secure one's financial future in an increasingly unpredictable environment.

### **2.3.2 Behavioral Economics and Insurance Choices**

Behavioral economics theories offer insights into the decision-making processes of individuals during a crisis. Prospect theory, developed by Kahneman and Tversky, and the concept of loss aversion play a crucial role in understanding why individuals may have considered or reconsidered whole life insurance policies during the pandemic (Kahneman & Tversky, 1979). These theories emphasize the importance of perceived losses and gains in influencing individuals' insurance choices by suggesting that individuals often make financial decisions based on the perceived value of potential losses and gains. During uncertain times like the COVID-19 crisis, policyholders may be more risk-averse, placing greater value on financial security, leading to changes in insurance decisions.

## **2.4 Conceptual Framework**

### **2.4.1 Long-term Financial Security**

The central goal of whole life insurance is to provide long-term financial security. This conceptual framework assesses how the pandemic has affected policyholders' perceptions of financial security. It considers how changes in financial stability, risk perceptions, and economic uncertainties have influenced policyholders' views on the role of whole life insurance in securing their long-term financial well-being.

### **2.4.2 Changing Demand Dynamics**

This part of the conceptual framework explores shifts in policyholder behavior, demand patterns, and the factors influencing these changes. It considers whether policyholders in Chipata and Petauke Districts have increased their demand for whole life insurance policies in response to the pandemic. Additionally, it examines the drivers behind such changes, such as heightened financial risk awareness and concerns about the future.

### **2.4.3 Insurance Provider Adaptations**

Within this framework, we analyze how insurance providers in Chipata and Petauke Districts have adapted to the changing landscape. Strategies such as digital transformation, product diversification, and marketing approaches are considered as potential adaptations to address the pandemic's impact. This also includes measures taken to maintain operational stability and provide remote services.

### **2.4.4 Long-Term Risk Assessment**

Whole life insurance policies are designed to provide long-term financial protection. The conceptual framework, in light of the COVID-19 pandemic, underscores the importance of reevaluating risk assessment methodologies used by insurers (Smith et al., 2020). The pandemic's disruptive influence and the need to adapt to potential future systemic shocks require a recalibration of how insurers assess and price the long-term risks associated with whole life insurance policies.

## **Conclusion**

The COVID-19 pandemic has had far-reaching implications for the whole life insurance industry, as presented in this literature review. As the world continues to grapple with the ongoing effects of COVID-19, insurers must remain adaptable and innovative to meet the evolving demands and expectations of whole life insurance policyholders. In these turbulent times, understanding the multifaceted impact of the pandemic is critical for the industry's resilience and future growth.

## **CHAPTER 3: METHODOLOGY**

### **3.1 Introduction**

This chapter outlines the research methodology that was employed to investigate the impact of COVID-19 on whole life insurance policies within Petauke District. The study took a mixed research approach, with a strong focus on qualitative methods, aiming to provide a nuanced understanding of how insurance providers and policyholders in this region have been affected by the pandemic. The chapter outlines the research approach, design, population, sample size, sampling techniques, data collection instruments, data analysis methods, and ethical considerations that guided the investigation.

### **3.2 Research Approach**

This study adopted a mixed research approach, primarily emphasizing qualitative methods. The mixed research approach combines both qualitative and quantitative techniques to provide a comprehensive understanding of the impact of COVID-19 on whole life insurance policies in Petauke District. Qualitative research methods were utilized to collect in-depth insights, experiences, and perspectives from both insurance providers and policyholders. Quantitative was used to describe and communicate statistics, such as means and frequencies and also to summarize quantitative findings and identify trends.

### **3.3 Research Design**

The research design was exploratory and descriptive. It aimed to explore and describe the effects of the COVID-19 pandemic on whole life insurance policies, focusing on how insurance providers and policyholders have been affected.

### **3.4 Study Population**

The study population consisted of insurance providers (e.g., banks and other insurance companies) and policyholders in Petauke District, Zambia. Insurance providers were selected based on their presence in the district, while policyholders were randomly selected from those who have whole life insurance policies.

### **3.5 Sample Size**

The study involved a total of 60 respondents from the two districts (Chipata and Petauke), comprising 10 members of staff from 5 insurance providers (2 from each insurance company) and 50 policyholders. This was arrived because of fewer insurance provider in these two towns.

### **3.6 Sampling Techniques**

#### **3.6.1 Insurance Providers**

Convenience sampling was used to select insurance providers based on their accessibility and willingness to participate in the study.

#### **3.6.2 Policyholders**

A stratified random sampling approach was employed. The insurance companies provided a list of policyholders, and a random sample of 50 policyholders was selected with their consent.

### **3.7 Data Collection/Instruments**

Primary data was obtained by means of semi-structured interviews and questionnaires. Semi-structured interviews were conducted with insurance providers to gain insight into their experiences, challenges, and strategies in adapting to the impact of COVID-19 on their insurance policies. On the other hand, questionnaires were administered to policyholders to gather quantitative data on how the pandemic has affected their whole life insurance policies.

Secondary data was obtained using analysis of relevant documents, such as policy documents and reports, which were reviewed to complement the data collected from interviews and questionnaires. In addition, field observations were conducted to collect secondary data.

### **3.8 Data Analysis**

#### **3.8.1 Qualitative Data**

Data from interviews and document analysis was analyzed thematically. Transcripts were coded and categorized to identify recurring themes and patterns. This analysis provided a rich, qualitative understanding of the subject under investigation.

#### **3.8.2 Quantitative Data**

Data from questionnaires was analyzed using statistical software. Descriptive statistics, such as means and frequencies, were employed to summarize quantitative findings and identify trends.

### **3.9 Ethical Considerations**

#### **3.9.1 Informed Consent**

Informed consent was obtained from all participants, including insurance providers and policyholders, ensuring they understood the research purpose and their right to withdraw at any time, if they so wished.

#### **3.9.2 Anonymity and Confidentiality**

Participants' identities were kept confidential, and data was anonymized. Names and personal information are disclosed in the research findings presented.

#### **3.9.3 Data Security**

All data was securely stored to protect the confidentiality and integrity of the information gathered.

#### **3.9.4 Respect for Participants**

The researcher treated all participants with respect and professionalism, ensuring their comfort and well-being throughout the research process.

## **CHAPTER 4: PRESENTATION AND ANALYSIS OF RESULTS**

### **4.1 Introduction**

The COVID-19 pandemic has catalyzed profound disruptions across global socio-economic landscapes, reshaping consumer behaviors, industry dynamics, and risk perceptions. In the context of the insurance sector, the pandemic has underscored the criticality of whole life insurance policies as a vehicle for financial security and risk mitigation, particularly in the face of unprecedented uncertainties.

This chapter presents a comprehensive analysis of the impact of the COVID-19 pandemic on whole life insurance policies in Chipata and Petauke Districts, Zambia. Utilizing a mixed-method approach encompassing quantitative questionnaire surveys and qualitative interviews with insurance providers, the chapter delves into the nuanced nuances of demand dynamics, policyholder experiences, and adaptive strategies adopted by insurers in response to the pandemic-induced challenges.

#### **4.1.2 Data Collection Methods**

The data presented in this chapter were collected through a multi-faceted approach designed to capture diverse perspectives and insights. A structured questionnaire survey was administered to policyholders in Chipata and Petauke District, focusing on demographic information, changes in demand for whole life insurance policies, financial stability, claims experiences, and perceptions of insurance providers' strategies. Additionally, in-depth interviews were conducted with key stakeholders within the insurance industry, including executives, managers, and frontline staff, to glean nuanced insights into the strategic adaptations and operational challenges faced by insurers amidst the pandemic.

#### **4.1.3 Questionnaire Findings**

The questionnaire findings provide a quantitative lens through which to examine the shifting demand patterns, financial vulnerabilities, and satisfaction levels among

policyholders. Through statistical analysis and visualization techniques, key trends and correlations within the data are elucidated, offering valuable insights into the socio-economic determinants and risk perceptions shaping insurance consumption behaviors in CHIPATA and Petauke Districts.

#### **4.1.4 Interview Findings**

Complementing the questionnaire findings, the qualitative interviews offer rich contextual narratives and experiential insights into the strategies and adaptations undertaken by insurance providers to navigate the pandemic landscape. By engaging directly with industry stakeholders, the interviews provide a deeper understanding of the challenges, opportunities, and emerging trends within the local insurance ecosystem, shedding light on the resilience and innovation demonstrated by insurers in responding to unprecedented uncertainties.

#### **4.1.5 Structure of the Chapter**

This chapter is structured in a coherent manner, beginning with an overview of the demographic characteristics of the survey respondents, followed by a detailed presentation and analysis of the questionnaire findings pertaining to changes in demand, financial stability, claims experiences, and perceptions of insurance providers. Subsequently, the chapter transitions to the qualitative interview findings, offering thematic insights into the adaptive strategies, operational challenges, and future outlook of insurance providers in Chipata and Petauke Districts.

## 4.2 Questionnaire Findings

### Demographic Information (Gender and Age Distribution)

The figures below show how gender and age demographics were distributed.

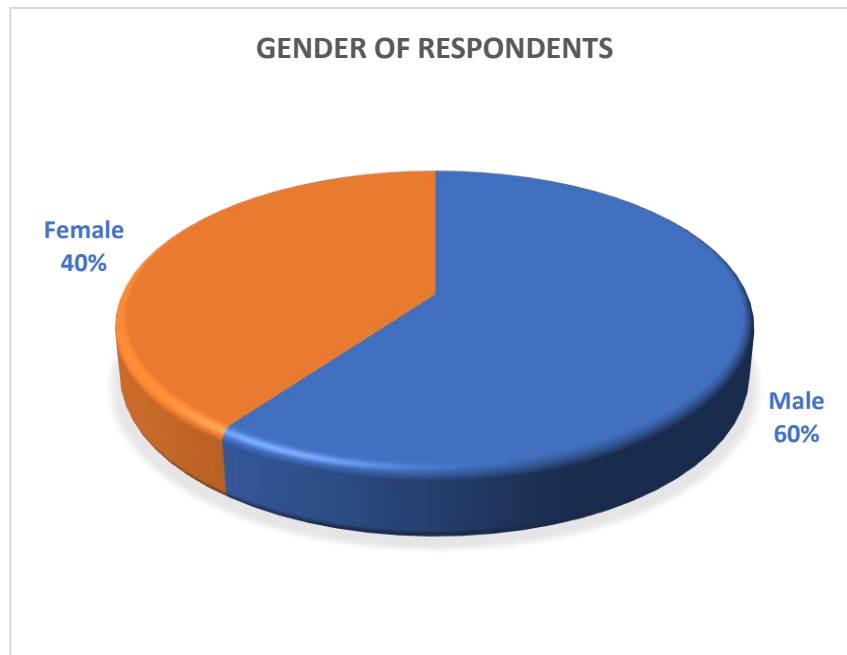


fig 4.2.1

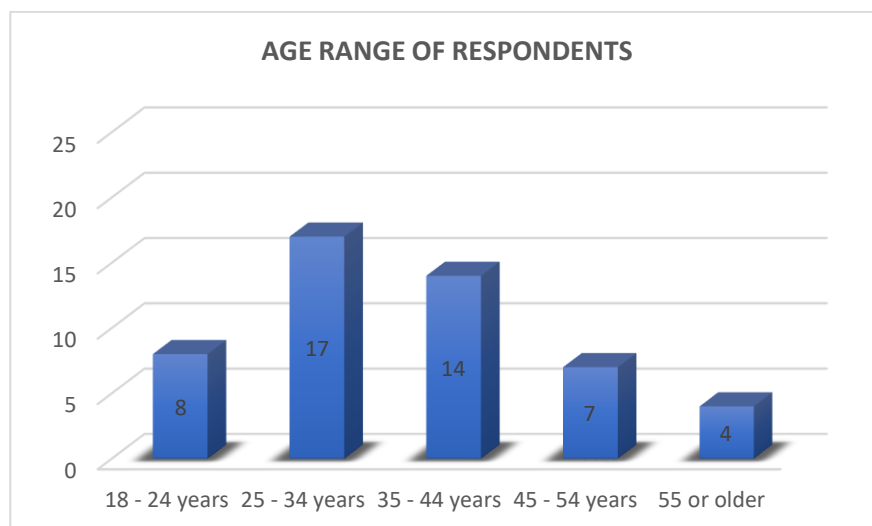


fig 4.2.2

As observed from *fig 4.2.1*, the questionnaire revealed that 30 out of the 50 respondents were male, representing 60% of the selected sample. This indicates a notable gender disparity in the sample population and the skew towards male respondents may reflect underlying socio-cultural norms or disparities in financial decision-making and insurance engagement between genders.

Furthermore, *fig 4.2.2* shows that the predominant age group among respondents was between 25-44 years, encompassing individuals in the prime of their working-age and family-building years. This demographic trend aligns with established patterns of insurance engagement, as individuals in this age cohort typically prioritize financial planning, risk management, and protection for dependents.

The concentration of respondents within this age range underscores the significance of whole life insurance as a key financial instrument for long-term wealth accumulation, legacy planning, and risk mitigation among young to middle-aged adults. Furthermore, the higher representation of this age group may also reflect their greater responsiveness to survey participation, given their digital literacy and active engagement with financial matters.

### **Whole Life Insurance Policy Demand**

The questionnaire revealed that 46% of respondents reported having a whole life insurance policy before the onset of the COVID-19 pandemic. This finding suggests a moderate level of penetration of whole life insurance products among the surveyed population in Petauke District. The prevalence of whole life insurance ownership indicates a pre-existing awareness and engagement with long-term protection and investment solutions among a significant segment of respondents.

However, the survey data highlighted a surging shift in whole life insurance demand dynamics amidst the COVID-19 pandemic as shown below:

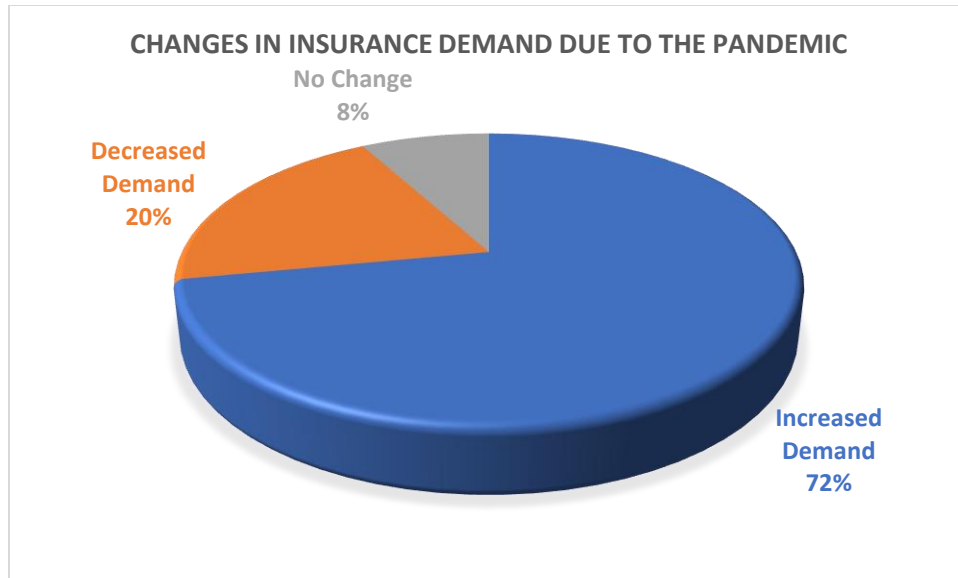
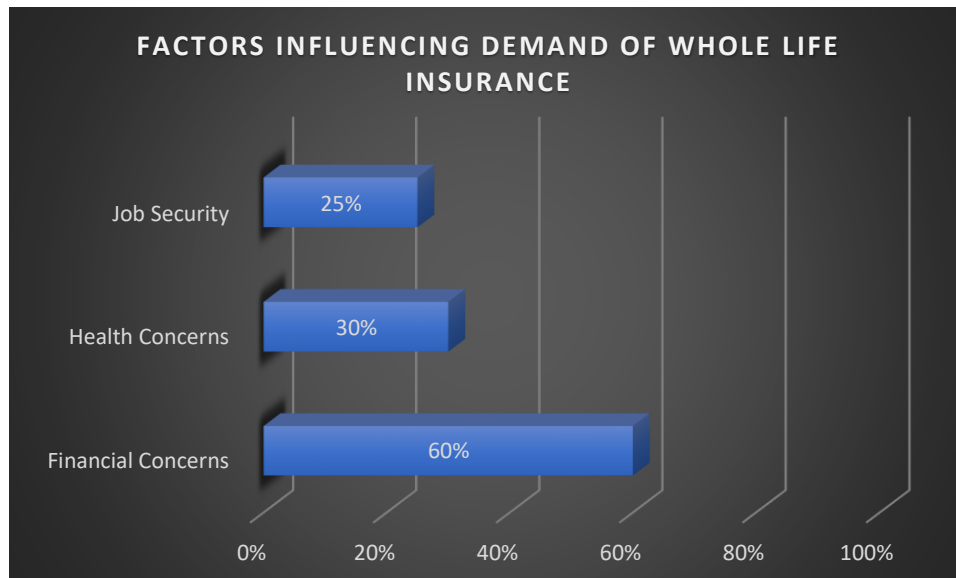


fig 4.2.3

As noted in Fig 4.2.3, 72% of respondents reported an increased demand for whole life insurance policies during the pandemic period, while 20% of respondents indicated a decrease in demand for such policies, with only 8% reporting no changes. The observed variations in demand patterns underscore the differential impact of the pandemic on individual risk perceptions, financial priorities, and purchasing behaviors among respondents. For example, the 72% increased demand reported can primarily be attributed to heightened health and financial risk perceptions, while the 20% decreased demand that was reported among respondents can be due to economic uncertainties and prioritization of essential expenses.

Furthermore, three factors were the main drivers of the demand trends shown in Fig 4.2.3 and these were; financial, health, and job concerns. The bar chart below provides a summary of the responses given:



*fig 4.2.4*

As shown in the bar chart above (fig 4.2.4), the predominant factor influencing changes in demand was financial concerns, cited by 60% of respondents. Economic uncertainties stemming from the pandemic, such as job loss, income reduction, and market volatility, likely prompted individuals to reassess their financial priorities and seek long-term financial security through insurance protection.

On the other hand, approximately 30% of respondents identified health concerns as a contributing factor to changes in demand for whole-life insurance policies. This no doubt can be attributed to heightened awareness of health risks associated with the pandemic, coupled with concerns over medical expenses and future healthcare needs, which may have incentivized individuals to bolster their insurance coverage to mitigate health-related financial risks.

Furthermore, around 25% of respondents cited job security as a determinant of changes in demand. This was obviously due to uncertainties surrounding employment stability and income continuity which may have influenced individuals' decisions regarding discretionary spending and long-term financial planning, including the uptake of whole life insurance policies.

**Financial Stability and Insurance Benefits**

The survey data indicated that a significant proportion (80%) of respondents faced financial difficulties during the COVID-19 pandemic. Economic disruptions stemming from lockdowns, business closures, and job losses had profoundly affected individuals' financial well-being, exacerbated existing financial vulnerabilities, and necessitated adaptive financial management strategies. In fact, the widespread prevalence of financial challenges underscores the pervasive impact of the pandemic on households' income stability, savings capacity, and overall financial resilience. Despite the economic turmoil, 66% of respondents acknowledged the role of their whole life insurance policy in providing financial relief or stability during the pandemic. The table below (*table 4.2.1*) provides a summary of the responses.

Question	Response	No. of Respondents	Percentage
Have you faced any financial difficulties during the COVID-19 pandemic?	Yes	40	80%
	No	10	20%
Did your whole life insurance policy provide any financial relief or stability during this period?	Yes	33	66%
	No	6	12%
	Not Applicable	11	22%

*table 4.2.1*

For most policyholders, whole life insurance policies offered a unique combination of protection and savings features, providing them with a financial safety net and asset accumulation vehicle during that time of uncertainty. Benefits such as guaranteed cash value accumulation and loan facilities served as critical financial lifelines for policyholders facing income disruptions or unforeseen expenses amidst the pandemic.

**Analysis of Satisfaction with Claims Processes**

The table below (table 4.2.2) shows responses regarding the level of satisfaction among insurance claims.

Question	Response	No. of Respondents	Percentage
Did you make any claims on your whole life insurance policy at any point during the pandemic?	Yes	40	80%
	No	10	20%
If yes, how satisfied were you with the claims process and settlement?	Very satisfied	8	20%
	Satisfied	13	32.5%
	Neutral	6	15%
	Dissatisfied	9	22.5%
	Very Dissatisfied	4	10%

*table 4.2.2*

As shown in the table above, among the 40 respondents who made a claim on their whole life insurance at some point during the pandemic, only 21 attained some level of satisfaction with the way their claims were processed and settled (representing 52.5% of the sample who made a claim on their whole life insurance).

While a slight majority of respondents expressed satisfaction with claims processes, it is noteworthy that a significant proportion indicated a dissatisfaction or neutrality with the way their claims were processed and settled, representing approximately 32.5% and 15% of the respondents, respectively. This nuanced finding suggests that while insurers have generally performed well in claims management, there remain areas for improvement or instances where policyholders' expectations may not have been fully met.

For example, a common complaint among policyholders with lowered satisfaction levels was the delays in claim processing, characterized by prolonged wait times for claim assessment, documentation review, or settlement. In addition, insufficient communication or updates regarding the status of claims, including lack of transparency, ambiguous

explanations, or inadequate follow-up, contributed to policyholders' dissatisfaction. Furthermore, a less common but equally stated reason for dissatisfaction (especially for those who were very dissatisfied) was the issue of disputed claims or claim denials, mainly due to coverage limitations, policy exclusions, or interpretation of policy terms, which resulted in frustration and dissatisfaction among affected policyholders.

### **4.3 Interview Findings**

Generally, insurance providers echoed the questionnaire findings, noting a nuanced shift in demand dynamics. For instance, most insurance providers stated that there was heightened interest in policies offering pandemic-related coverage, such as critical illness and income protection. However, the overall demand trajectory was influenced by socio-economic factors, including unemployment rates and disposable income levels.

In regard to claims, insurance providers acknowledged a surge in claims frequency and severity, particularly for health-related incidents and income loss. To address these challenges, insurers stated that they streamlined claims processing by making use of digital platforms for documentation submission and remote assessments. Despite the surge in claims volume, insurers prioritized maintaining service quality, and ensuring timely and fair claim settlements to uphold policyholders' trust and confidence.

In terms of insurance providers adapting to the changes brought in by the pandemic, the following strategies were highlighted; (1) expansion of digital services encompassing not only claims processing but also policy issuance, renewal, and communication channels, (2) tailored policy packages offering flexible coverage options and premium adjustments to accommodate evolving needs and financial constraints, (3) proactive communication initiatives, including educational campaigns and personalized outreach, aimed to enhance policyholder engagement and loyalty amidst uncertainty.

Looking ahead, insurers emphasized the importance of continued innovation and resilience, recognizing the dynamic nature of risk landscapes and evolving customer expectations.

## **CHAPTER 5: DISCUSSION OF FINDINGS**

### **Introduction**

The comprehensive analysis of both quantitative questionnaire responses and qualitative interview insights provides a nuanced understanding of the impact of the COVID-19 pandemic on whole life insurance policies in Petauke District. By employing a mixed-method approach, this study delves into the complex dynamics of demand shifts, challenges faced by policyholders, and adaptive strategies implemented by insurance providers in navigating the unprecedented uncertainties brought forth by the pandemic.

### **5.2 Changes in Demand for Whole Life Insurance Policies**

The findings illuminate a nuanced pattern in the demand for whole life insurance policies during the pandemic. While a segment of respondents reported an increased demand, driven by heightened awareness of health and financial risks amidst the pandemic's upheavals, others experienced a decrease in demand due to economic uncertainties and the prioritization of essential expenses. This dichotomy underscores the heterogeneous nature of consumer behavior in response to crises, reflecting varying risk perceptions and financial priorities among policyholders (McSherry & Hovey, 2020).

Further exploration revealed the intricate interplay of socio-economic factors influencing demand dynamics. The economic downturn resulting from lockdown measures and job losses had amplified financial insecurities among individuals, prompting heightened interest in insurance products offering protection against unforeseen contingencies. Conversely, the adverse impact on disposable incomes and discretionary spending had led to a cautious approach towards financial commitments, contributing to a segment of policyholders scaling back on insurance coverage.

### **5.3 Financial Stability and Claims Experiences**

The economic fallout of the pandemic had been palpable, with a majority of respondents indicating financial difficulties. However, amidst the challenges, whole life insurance policies had emerged as a crucial financial lifeline for policyholders, providing stability and peace of mind during times of crisis. The accumulation of cash value and the assurance of death benefit protection had alleviated financial strains and provided a sense of security to policyholders facing economic uncertainties.

Moreover, the moderate satisfaction levels with claims processes underscore the pivotal role of insurance providers in mitigating financial burdens on policyholders during challenging times. However, insurers can do better to improve the confidence of policyholders in them by expediting claim processes while ensuring transparency at the same time, coupled with proactive communication initiatives. This can go a long way in bolstering policyholders' trust and confidence in insurers, reinforcing the perceived value of insurance coverage amidst uncertainties (Ward & Moser, 2021).

### **5.3 Strategies and Adaptations by Insurance Providers**

In response to the dynamic landscape shaped by the pandemic, the study has shown that insurance providers have demonstrated agility and resilience in adapting their strategies to meet evolving customer needs and market demands. The introduction of digital services, including online policy management and premium payments, has facilitated seamless interactions and enhanced accessibility for policyholders, particularly amidst social distancing measures and mobility restrictions.

Furthermore, insurers have embraced a customer-centric approach by customizing policy packages and offering flexible premium payment options to accommodate varying financial circumstances. The proactive outreach and personalized communication initiatives have fostered stronger connections with policyholders, positioning insurers as trusted partners in navigating uncertainties and promoting financial resilience (Lepore et al., 2020).

### **5.4 Long-Term Resilience and Sustainability**

Looking beyond the immediate impacts of the pandemic, it is essential to consider the long-term implications for the sustainability and resilience of the whole life insurance market in Chipata and Petauke Districts. While adaptive strategies have enabled insurers to navigate the immediate challenges posed by the pandemic, fostering long-term resilience requires a strategic focus on innovation, risk management, and customer engagement (Hartwig et al., 2020). Insurers must continue to invest in technological infrastructure, data analytics capabilities, and talent development to anticipate and respond effectively to future disruptions while maintaining financial stability and customer trust.

## **Conclusion**

In conclusion, the findings of this study underscore the multifaceted impact of the COVID-19 pandemic on whole life insurance policies in Chipata and Petauke District. By integrating quantitative insights with qualitative perspectives, this study offers a nuanced understanding of the shifting demand patterns, challenges faced by policyholders, and adaptive strategies implemented by insurance providers. Moving forward, the study advocates for continued innovation, resilience, and customer-centric approaches to enhance the relevance and efficacy of whole life insurance policies in promoting financial well-being and mitigating risks in uncertain times.

## CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

The comprehensive analysis conducted in this study has provided valuable insights into the impact of the COVID-19 pandemic on whole life insurance policies in Chipata and Petauke Districts. Through a mixed-method approach integrating quantitative questionnaire responses and qualitative interview insights, this study elucidated the nuanced shifts in demand patterns, challenges faced by policyholders, and adaptive strategies implemented by insurance providers amidst the unprecedented uncertainties brought forth by the pandemic.

### 6.1 Key Findings

**Changes in Demand for Whole Life Insurance Policies:** The pandemic-induced economic uncertainties and heightened risk perceptions have led to divergent demand patterns, with some policyholders seeking increased coverage for financial protection, while others exhibit caution in committing to insurance expenses.

**Financial Stability and Claims Experiences:** Whole life insurance policies have emerged as crucial financial safeguards for policyholders facing economic hardships, providing stability and peace of mind during times of crisis. Moderate satisfaction levels with claims processes not only underscore the pivotal role of insurers in mitigating financial burdens and fostering trust among policyholders but also highlight areas for improvement on the part of insurance providers.

**Strategies and Adaptations by Insurance Providers:** Insurers have demonstrated agility and resilience in adapting their strategies to meet evolving customer needs and market demands. From the introduction of digital services to the customization of policy packages, insurers have prioritized innovation and customer-centricity to enhance service delivery and maintain market competitiveness amidst disruptions.

### 6.2 Implications and Contributions

The findings of this study will contribute to a deeper understanding of the implications of the COVID-19 pandemic on the whole life insurance landscape in Chipata and Petauke Districts. By integrating insights from behavioral economics, examining broader market

dynamics, and considering policy implications, this study offers comprehensive insights into the challenges, opportunities, and adaptive responses within the insurance sector.

### **6.3 Recommendations**

In view of the findings of this study, the researcher would like to make the following recommendations;

- Insurers should promote expedited and transparent claim processes and mechanisms so as to ensure that policyholders have their claims settled in a timely manner.
- Insurers should prioritize customer engagement initiatives to foster greater awareness and understanding of insurance products and benefits. Educational campaigns and personalized outreach efforts can help demystify insurance concepts, address misconceptions, and empower consumers to make informed decisions about their financial protection needs.
- The accelerated digitization of insurance processes presents an opportunity for insurers to enhance operational efficiency, accessibility, and customer experience. Continued investment in technological infrastructure, data analytics, and cybersecurity is essential to ensure seamless digital integration and safeguard customer data privacy.
- Insurers should proactively innovate and tailor insurance products to meet evolving customer needs and preferences. The development of flexible policy packages, offering modular coverage options and premium adjustments, can cater to diverse demographic segments and enhance market relevance amidst changing socio-economic conditions.
- Stakeholders across the insurance ecosystem, including insurers, policymakers, regulators, and consumer advocacy groups, should collaborate to foster market resilience and promote consumer welfare. Public-private partnerships can facilitate the development of supportive regulatory frameworks, incentivize insurers to offer pandemic-related coverage, and enhance insurance penetration and financial resilience at the societal level.

- Insurers must adopt a proactive approach to risk management and long-term sustainability, considering evolving risk landscapes and regulatory requirements. Stress testing, scenario planning, and robust capital management practices are essential to ensure financial stability, uphold policyholder protection, and maintain market confidence in uncertain times.

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## APPENDICES

### Appendix I - TIMELINE

<b>Months</b>	<b>Activities</b>
SEPTEMBER	Formulation of the research question
	Writing a proposal
OCTOBER	Submission of research proposal
NOVEMBER	Distribution and collection of Questionnaires
DECEMBER/JANUARY	Organization and analysis of data
JANUARY	Writing and Submission of the Project Report

## Appendix II – Questionnaire for Policyholders

Dear Policyholder,

Thank you for participating in this study. Your experiences and opinions are crucial for understanding the Impact of COVID-19 on Whole Life Insurance Policy in Petauke District of Eastern Province. Please take a moment to answer the following questions honestly and to the best of your knowledge.

### Part 1 – Demographic Information

1. Gender     Male                     Female
2. Age:       18-24             25-34       35-44       45-54       55 or older
3. Employment Status  
 Employed             Unemployed             Self-employed  
 Student             Retired             Other (please specify) .....
4. Monthly Income:  
 K500 – K2,500  
 K2,501 – K4,500  
 K4,501 – K6,500  
 K6,501 – K8,500  
 K8,501 – K10,500  
 Above K10,500

### Part 2 - Whole Life Insurance Policy Demand

5. Did you have a whole life insurance policy before the COVID-19 pandemic?  
 Yes             No

6. Did you experience any changes in your demand for whole life insurance during the pandemic?

Increased demand                       Decreased demand                       No change

7. What factors influenced your decision regarding the demand for whole life insurance during the pandemic? (Check all that apply)

Financial concerns       Health concerns       Job security  
 Family responsibilities       Others (please specify) .....

**Part 3 - Financial Stability and Claims Experiences**

8. Have you faced any financial difficulties during the COVID-19 pandemic?

Yes                       No

9. Did your whole life insurance policy provide any financial relief or stability during this period?

Yes                       No                       Not applicable

If yes, please elaborate on the type of relief and how it helped.

.....  
.....  
.....  
.....

10. Did you make any claims on your whole life insurance policy at any point during the pandemic?

Yes                       No (skip next question)

11. If yes, how satisfied were you with the claims process and settlement?

Very satisfied       Satisfied       Neutral

Dissatisfied       Very dissatisfied

12. Please state the reason(s) for your answer in (11) above.

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**Part 4 – Strategies and Adaptations by Insurance Providers**

13. Have you noticed any changes in the services or offerings provided by your whole life insurance provider during the pandemic?

Yes             No

If yes, please specify the changes you observed.

.....  
.....  
.....  
.....

14. Do you believe your whole life insurance provider effectively adapted to the challenges posed by the pandemic?

Yes             No             Not sure

15. How important do you think it is for insurance providers to adapt their strategies during times of crisis like the COVID-19 pandemic?

Very important             Important             Neutral  
 Not important             Not sure

16. What additional measures do you think whole life insurance providers could implement to better serve their customers during and post the pandemic?

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.....  
.....

***Thank you for your time and participation***

## **Appendix III – Interview Schedule for Insurance Providers**

### **Introduction**

1. Introduction of interviewer and purpose of the interview.
2. Confirmation of consent for participation and recording of the interview (if applicable).

### **Background Information**

3. Can you provide an overview of your role and responsibilities within the insurance company?
4. Briefly describe the whole life insurance policies offered by your company in Petauke District.

### **Changes in Demand for Whole Life Insurance Policies**

5. How have you observed the demand for whole life insurance policies changing during and post the COVID-19 pandemic?
6. What factors do you believe have influenced these changes in demand?
7. Have you implemented any strategies to address shifts in demand for whole life insurance policies during the pandemic? If so, could you describe them?

### **Financial Stability and Claims Experiences**

8. From your perspective, how has the financial stability of policyholders been impacted by the pandemic?
9. Can you share any insights on the claim's experiences of policyholders during the pandemic? Have you noticed any trends or patterns?
10. How does your company ensure efficient and satisfactory claims processing for policyholders during challenging times like the pandemic?

### **Strategies and Adaptations by Insurance Providers**

11. What specific strategies or adaptations has your company made to respond to the challenges posed by the pandemic and maintain customer satisfaction?

12. How important do you believe it is for insurance providers to adapt their strategies during times of crisis like the COVID-19 pandemic?
13. In your opinion, what are the key factors contributing to the long-term financial security of policyholders, and how does your company address them?

### **Future Outlook and Recommendations**

14. Looking ahead, what do you foresee as potential challenges or opportunities for insurance providers in Petauke District?
15. Based on your experience, what recommendations would you offer to other insurance providers to better serve their customers during and post the pandemic?

### **Conclusion**

16. Is there any additional information or insights you would like to share regarding the impact of the pandemic on insurance providers and policyholders in Petauke District?

Thank the interviewee for their time and participation.