

Perception of the quality of property insurance by mature customers in Lubelskie Voivodship

Anna Jańska^a, Arleta Kędra^b

Abstract. One of the greatest challenges the European Union is facing nowadays is the current demographic changes. The issue of ageing population is gaining popularity also in the light of economic research. The aim of this study is to examine the perception of mature consumers (understood, for the purposes of this study, as born before 1967) of the quality of property insurance, with a particular emphasis on the claim settlement aspect. Information on how mature customers perceive the quality of insurance is important both from the perspective of insurance companies and insurance intermediaries. The former are developing and improving a tailored range of products for specific customer groups, as competition on the insurance market is constantly growing. Insurance sales have become computerised. Insurance agents have to constantly adapt the methods of acquiring clients to the changing needs of the latter; the needs and perception of insurance products and services differ across age groups.

The study was conducted in the years 2016–2017 by means of the CAWI (Computer Assisted Web Interview) and PAPI (Paper and Pen Personal Interview) techniques. The questionnaire was completed by 388 residents of Lubelskie Voivodship whose selection was based on a quota sampling. The results of the survey were analysed with the application of an ordered logit model, in which quality aspects (such as the access to information, availability of the liquidator, etc.) were used as dependent variables, while socio-economic features (i.e. age, sex, place of residence, income, etc.) as regressors. The study showed that in addition to immanent product features, high compensation is most important to the respondents. Respondents perceiving their financial situation as satisfactory tend to assess the technical aspects of the damage liquidation process as less important than those with lower income, while older surveyees perceive the issue of insurance formalities as much more vital than younger respondents.

Keywords: quality, insurance, ordered logit model, property insurance, mature customers

JEL: C59, D12, G22

Postrzeganie jakości ubezpieczeń majątkowych przez dojrzałych klientów w województwie lubelskim

Streszczenie. Jednym z największych wyzwań, przed którymi stoi dziś Unia Europejska, są zmiany demograficzne. Powodują one, że starzenie się społeczeństwa staje się tematem coraz częściej podejmowanym w badaniach ekonomicznych. Celem badania omawianego w artykule jest poznanie opinii dojrzałych klientów (rozumianych w niniejszym badaniu jako osoby urodzone przed 1967 r.) na temat postrzegania jakości ubezpieczeń majątkowych, ze szczególnym uwzględnieniem aspektu likwidacji szkód. Wiedza ta jest istotna zarówno

^a Uniwersytet Marii Curie-Skłodowskiej, Wydział Ekonomiczny.
ORCID: <https://orcid.org/0000-0002-5994-8061>.

^b Uniwersytet Marii Curie-Skłodowskiej, Wydział Ekonomiczny.
ORCID: <https://orcid.org/0000-0002-5867-3078>.

z punktu widzenia zakładów ubezpieczeń, jak i pośredników ubezpieczeniowych. Ubezpieczyciele, wobec rosnącej konkurencji na rynku ubezpieczeń, rozwijają i doskonałą specjalistyczną ofertę rynkową dla konkretnych grup klientów. Agenci ubezpieczeniowi, w obliczu informatyzacji procesów sprzedaży ubezpieczeń, starają się sprostać wymaganiom poprzez dostosowanie procesu pozyskiwania klientów i sprzedaży ubezpieczeń do ich zmieniających się potrzeb i charakterystyki demograficznej. Klienci dojrzaלי charakteryzują się odmiennym niż młodzi ludzie postrzeganiem potrzeb w zakresie produktów i usług.

Badanie zostało przeprowadzone w latach 2016 i 2017 z wykorzystaniem technik CAWI (Computer Assisted Web Interview) i PAPI (Paper and Pen Personal Interview). Ankiety wypełniło 388 mieszkańców woj. lubelskiego, a dobór próby miał charakter kwotowy. Wyniki analizowano przy użyciu uporządkowanego modelu logitowego, w którym jako zmienne zależne wykorzystano aspekty jakościowe (dostęp do informacji, dostępność likwidatora itp.), a jako regresory – cechy społeczno-ekonomiczne (wiek, płeć, miejsce zamieszkania, dochody itp.). Wykazano, że oprócz immanentnych cech produktu najważniejsza z punktu widzenia respondentów jest wysokość odszkodowania. Respondenci, którzy postrzegają swoją sytuację materialną jako lepszą, oceniają techniczne aspekty procesu likwidacji szkód jako mniej istotne niż osoby o niższych dochodach. Ankietowani z wyższej grupy wiekowej postrzegają cechy ubezpieczenia związane z formalnościami jako znacznie ważniejsze niż osoby młodsze.

Słowa kluczowe: jakość, ubezpieczenie, uporządkowany model logitowy, ubezpieczenia majątkowe, dojrzaלי klienci

1. Introduction

When quality is perceived as ‘the standard of something as measured against other things of a similar kind; the degree of excellence of something’ or ‘a distinctive attribute or characteristic possessed by someone or something’ one may argue that it is much more difficult to evaluate the quality of a service than the quality of a product with quantifiable physical characteristics.¹ It is also more problematic to evaluate the quality of a financial service than a non-financial one (yet connected to real economy).

Considering the specific nature of insurance services, one may come to the conclusion that its quality assessment will be more demanding and different from the evaluations of the majority of other services. These specific features are determined by a number of factors. Insurance companies are perceived as institutions of public trust which cannot undertake any non-insurance activity (some exceptions are allowed under legal provisions); moreover, due to the nature of their activity, these institutions are supervised by state government agencies (Leśniak, Sienicka and Wojno, 2014). Insurance can be classified as a paid-in-advance service, while in contrast to many other products and services, its consumption remains uncertain. In this case the client actually purchases a promise to have a specific service provided (Nowogródzka and Rembisz, 2015). Insurance involves an inverted product life cycle

¹ Oxford Online Dictionary, <https://www.lexico.com/definition/quality> (access: 24.04.2020).

and the insurer uses uncertainty and human fear to establish the functioning of the institution, based on the behavioural aspect.²

Despite the fact that insurance and banking are quite frequently compared to each other and believed to be similar, an observation narrowed to financial market institutions may be insufficient to detect the above-mentioned specific features of insurers. For instance, the transfer of model solutions applicable to banking onto insuring institutions may lead to incorrect conclusions. This is due to a number of reasons. First of all, bank deposits made by clients are, in principle, returnable, whereas contributions made to insurers are not. Similarly, credit-like products offered by banks are essentially collectable (even non-performing debts can be recovered, restructured, or factored), while compensations and claims paid by the insurer cannot be collected.³

The question raised in this paper is how to evaluate the quality of insurance considering its specific nature? Academics and practitioners agree that mere comparing the amounts of contributions offered by different insurers on the market is not sufficient for this purpose. Moreover, there are concerns and doubts as to whether the compiled scope of insurance and exclusions thereof justify drawing the conclusions of 'higher' or 'lower' insurance quality. Clients criticise the insurer or express their dissatisfaction with their services usually at the stage of damage liquidation.

The aim of the study discussed in this paper is to examine how mature customers perceive the quality of property insurance, with a particular emphasis on the claim settlement aspect.

2. Current state of research on insurance quality

The issue of the quality of financial services has been discussed in numerous scientific publications and in chosen practical reports. A number of authors emphasize the specific features of insurance services and problems relating to the evaluation of their quality. In the 1970s, Handschke wrote about the quality and effectiveness of the insurance service itself (Handschke, 1974). Theoretical articles are mostly devoted to the examination of problems regarding definitions, quality and its attributes (Wyrębek, 2011), specific features of insurance services, and available criteria for the evaluation of their quality (Iwko, 2007).

² Research conducted by GFK, 'more than 40 per cent of Poles are afraid of diseases or accidents, which may result in them becoming a burden for their family, also financially. The majority of concerns is connected with the fear of misfortune that may happen to their family'. Downloaded from: <https://biznes.newseria.pl/biuro-prasowe/ubezpieczenia/strach-sie-bac-czyli,b206726753> (accessed on 2 November 2019).

³ Except for situations resulting in subrogation, which is of marginal significance when considered as a part of an insurer's whole activity. For more information see: Bednarczyk, Jańska and Krzyszczak (2016).

Witkowska (2010) conducted an analysis of insurance quality, defining inner quality (of a company) and outer quality (of a customer). Garczarczyk (2002), on the other hand, published results which were aimed at diagnosing, identifying and evaluating the phases of the process of quality management in an insurance company. In another publication, the author stated that an important ‘difference in the hierarchy of the significance of insurance services’ quality attributes for individual and commercial customers’ was identified, and moreover that there are ‘research gaps in the assessment, done by management boards of Polish insurers and their clients, of the significance of quality attributes’. On the basis of the above-mentioned publication, a conclusion could be drawn that insurers, while setting quality norms and implementing quality management procedures, should set different quality requirements for particular customer groups (Garczarczyk, 2003). According to Rogowski (2018), a low level of sales of voluntary insurance (property insurances in particular), results not only from financial barriers or low insurance awareness of the majority of the society, but also from the relatively low level of service quality, mainly customer service, i.e. insurance intermediation and damage liquidation.

The issue of service quality in the insurance industry has been discussed in scientific publications written in English since 1990s. Wells and Stafford published the results of research measuring actual consumer perception of service quality and comparing it against the complaint ratio in order to determine whether the complaint ratio is a valid tool for assessing the quality of insurer services (Wells and Stafford, 1995). Moreover, in foreign literature there could be found numerous publications describing empirical analyses which examine the quality of insurers (Gayathri, Vinaya and Lakshmisha, 2005; Tsoukatos and Rand, 2006), including life insurers (Siddiqui and Sharma, 2010) and providers of financial intermediation services (Eckardt and R athke-D oppner, 2010), and measuring satisfaction and loyalty in insurance (Tsoukatos and Rand, 2006).

The above-mentioned studies on the widely understood quality of services were conducted from several perspectives. Siddiqui and Sharma’s research shows which dimensions of service quality influence customer satisfaction with agents, functional services, and the insurance company in general. Their survey demonstrates that in practical terms, improving service quality increases satisfaction with agents, functional services, and with the company, all three of which finally increase the overall customer satisfaction with life insurance services (Siddiqui and Sharma, 2010).

Tsoukatos and Rand formulated a path analysis of a perceived service quality, satisfaction, and loyalty in insurance. Their extended research model proved that the connection between service quality and customer satisfaction exists, but the two service dimensions do not influence customer satisfaction equally. The relation between customer satisfaction and loyalty has also been confirmed. Authors summa-

rised their research with a conclusion that emotional loyalty is the antecedent of behavioural loyalty and that customer satisfaction does not have a direct effect on the latter (Tsoukatos and Rand, 2006).

Other studies on the quality of services in the insurance industry stress that an important factor influencing the level of service quality is whether the insurance representative is an exclusive agent or insurance intermediary. In addition, the level of services provided by insurance intermediaries in general depends on the way of collecting and processing information by individual insurance workers. It is because they contribute to alleviating the information asymmetry between consumers and insurance companies (Eckardt and Rätthke-Döppner, 2010). Gayathri, Vinaya and Lakshmisha emphasize that consumers are now aware of the fact that the insurance sector is highly competitive, and that it is in insurance companies' best interest to be aware of it. Following this thought, the authors prepared a quantitative study⁴ of the levels of dimensions of service quality and their relation to the level of customer satisfaction (Gayathri et al., 2005).

Insurers are aware that understanding customers' behaviour after an initial purchase is key to maintaining longer customer relations (Harrison, 2003). However, in practical research, the evaluation of the quality of services provided by insurers is very often limited to ratings measuring only its selected aspects. These initiatives aim to promote and popularise best practices which contribute to the improvement of the quality of products and services offered by the insurance market. For instance, a cyclical research entitled 'Company of the Year' ('Instytucja roku'), based on a survey conducted among clients in 2017, distinguished three banks, three insurers and one mobile network operator. What is interesting about the above-mentioned research is the finding that customers' evaluation of services provided by insurance companies may differ according to the service distribution channel. For example, PZU, Uniqua and Warta received the highest scores for services provided in the insurer's office, while PZU, Uniqua, and Gothaer⁵ scored the highest for the quality of remote services. Another criterion taken into consideration while evaluating the quality of an insurer's services is the number of complaints filed with the Financial Ombudsman (Pol. *Rzecznik Finansowy*), previously Insurance Ombudsman (Pol. *Rzecznik Ubezpieczonych*) by this insurer's clients. What is interesting is the fact that the results of a rating of best insurers based on the above-mentioned criterion differed from the results obtained from the 'Company of the Year' survey. The former named TUiR Warta and Poczta TUW the best insurers of the year 2017. These two companies had the smallest number of complaints filed, as calculated for each per cent of the market share.

⁴ This pilot study was confined to insurance companies solely to illustrate the methodology.

⁵ <https://instytucjaroku.pl/ranking-generalny-jakosc-obslugi-w-kanalach-zdalnych> (access: 15.06.2018).

When comparing the existing publications and practical reports, a research gap could be observed in the realms of both the perception of insurance products and the processes connected with services provided for clients of insurance companies. The insuring party often comes into contact with the insurer only when the insurance policy is purchased or does not come into such contact at all (e.g. when the policy is purchased by the insuring party for someone else's property and no damage is reported during the period of protection). The quality of the insurance at the stage of risk assessment and policy purchase is commonly evaluated in all the above-mentioned research. The final perception of an insurer in the situation where any risk covered by the insurance policy occurs is frequently determined by the marketing activities and, perhaps even more importantly, by the quality of customer service. Efficient liquidation of a damage, transparency of the formalities, professional and undisturbed cooperation between the insurer are frequently the aspects which decide whether the client will remain loyal to his/her insurer.

3. Methodology

The study was conducted in the years 2016–2017 in Lubelskie Voivodship. The questionnaire was completed by 388 residents, whose selection was based on quota sampling. For the purpose of this study, mature customers were defined as those born before 1967 (over 50 years old when surveyed). Due to the relatively low activity of mature people in the Internet and the high level of digital exclusion of respondents aged over 65 (Domańska and Lewicka, 2017), the CAWI (Computer Assisted Web Interview) survey was extended to include personal interviews, i.e. the PAPI (Paper and Pen Personal Interview) method.⁶ The research was aimed at determining the relationships between the aspects of the perception of insurance quality, which were expressed as ordinal variables and socio-economic variables such as age (categorical variable, 50 year-olds and older), sex (binary variable, taking the value of 1 for men and 0 for women), place of residence (places with more than 100,000 inhabitants were classified as big cities, and those with less than 100,000 inhabitants as small cities), occupation (a categorical variable, with the following options: employed, unemployed, retired, pensioner), income (quantitative variable, expressed in PLN, understood as gross income per capita in a respondent's household), and the number of people in a household. The study examined whether people responsible for making financial decisions in their households were likely to perceive insurance quality differently from those financially dependent (e.g. living with their adult children, receivers of low pensions, etc.).

⁶ According to The Public Opinion Research Center (CBOS) in the year of the presented survey, only half of the people aged over 54 used the Internet in Poland, while among people aged over 65 only 25% were Internet users. More on this subject in: CBOS (2016, p. 3).

The subject of the study necessitated the assessment of the characteristics of property insurance, with regard to the perception of the quality of insurance. The use of the term 'value' in its literal meaning was avoided intentionally in the survey, as otherwise it might have suggested the answers to the respondents. Instead, the survey included service features that were evident in the process of insurance claim settlement. The hypothesis of the presented research was as follows: from the point of view of mature customers, the quality aspects of insurance, such as the effectiveness of the liquidation service, are more important than the compensation itself.

This paper, focusing on the perception of insurance, is part of a wider study. The respondents were asked several questions concerning their trust and perception of different financial institutions (e.g. banks or savings banks) along with questions checking their awareness of and attitude towards insurance. Respondents were expected to assess different aspects (features) of insurance, rating them from the least to the most important. The interviews were conducted by both staff members and students of Maria Curie-Skłodowska University in Lublin, Poland.

The perspective of mature customers differs from the perspective of young ones, mainly due to wider experience of the former and different attitude towards risk or current financial status (Jańska and Kędra, 2019).

Another important observation here is that the process of the ageing of European societies has been progressing for a few decades. For this reason, the subject of this paper seems to be of crucial importance to both the insurance industry and the whole society.

The factors determining the perception of insurance quality examined in the study were grouped into a set of determinants and expressed as ordinal variables (a subcategory of nominal variables, where clear order can be found). All of them took the values from the five-level Likert scale, where 1 meant 'of the lowest importance' and 5 meant 'of the highest importance'. The variables regarding the perception of the quality of property insurance are presented below:

- access to information – whether the client has easy access to information about his or her damage, or to information regarding the liquidation process, etc.;
- liquidator's accessibility – whether it is possible for the client to meet the liquidator, either in the office or in a location of the client's choice;
- intermediary's help in dealing with formalities – whether an intermediary can suggest some practical solutions in dealing with the liquidation process or explain any intricacies;
- efficiency of liquidation – whether the process is successful, quick and transparent;

- high compensation – whether the compensation received by a client was satisfactory, compared to their perception of damage;
- transparency of formalities – this aspect is connected with the perception of the support provided by the intermediary in dealing with formalities; expresses the subjective perception of all the formalities involved, i.e. whether they were clear enough;
- limited formalities – connected with the previous point; concerns the approach towards the requirements to be met – if they were very demanding for the client or limited to a necessary minimum.

The research involved the examination of a comprehensive set of variables regarding the quality of insurance. The survey on the basis of which the research was performed was prepared by the authors, and therefore constitutes an original part of a broader discussion on the perception of the quality of insurance, seen as a damage liquidation process.

The study was conducted as a part of a wider research project undertaken in the years 2016–2017 by the employees and associates of the Banking Department of the Maria Curie-Skłodowska University in Lublin and its students, thus the region of particular interest was Lubelskie Voivodship, being the closest environment of the university, and, moreover, one of the poorest regions in Poland with one of the highest percentage of residents employed in the agricultural sector. One of the goals of the project was to determine the financial advancement of people over 50. The research involved surveying 388 people, born before 1967 and living permanently in Lubelskie Voivodship. As was mentioned before, two data collection techniques were used: the CAWI (Computer Assisted Web Interview) and the PAPI (Paper and Pen Personal Interview) (Domańska and Lewicka, 2017), and the selection of units participating in the survey was based on quota sampling.

Having used categorical variables to explain the perception of the quality of property insurance (understood as the process of damage liquidation), the authors decided to apply ordered logistic regression models, where the characteristics of the damage liquidation process were included in the models as dependent variables, while the socio-economic features of the respondents (age, sex, occupation, income, etc.) were used as regressors. Some descriptive statistics for the analysed variables were also provided.

4. Results

The results obtained from the conducted survey were analysed statistically and econometrically. Respondents' characteristics in terms of their sex, age, and occupation are presented in Table 1, whereas the structure of their gross monthly income per capita is shown in Figure 1.

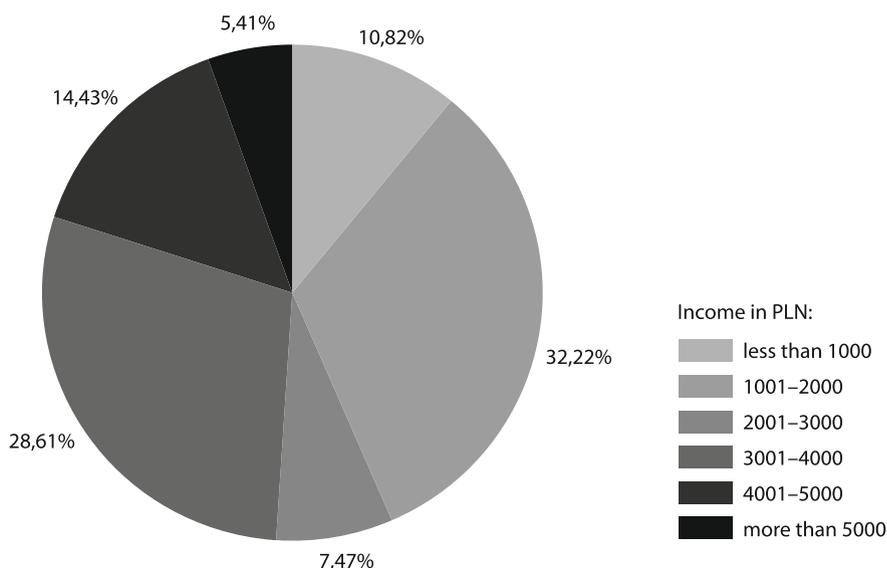
Table 1. Selected socio-demographic characteristics of the respondents

Specification		Respondents	
			in %
Sex:	female	231	60.47
	male	151	39.53
Age:	50–55	95	24.87
	56–65	147	38.48
	66–74	86	22.51
	75+	54	14.14
	Occupation ^a :	employed	199
	unemployed	15	3.92
	retired	152	39.69
	pensioner	30	7.83

a The sum exceeding 100% refers to the double status of the respondents on the labour market (for example, retired and at the same time working).

Source: Authors' work based on the results of the survey.

The table above shows that more women were surveyed than men, which was coherent with the population structure in Lubelskie Voivodship in 2016 (42% of men and 58% of women aged 50 and over).⁷ More than half of the interviewees were employed, and almost 40% were retired. Approximately 4% of the respondents were unemployed.

Figure 1. Structure of respondents' monthly gross income per capita

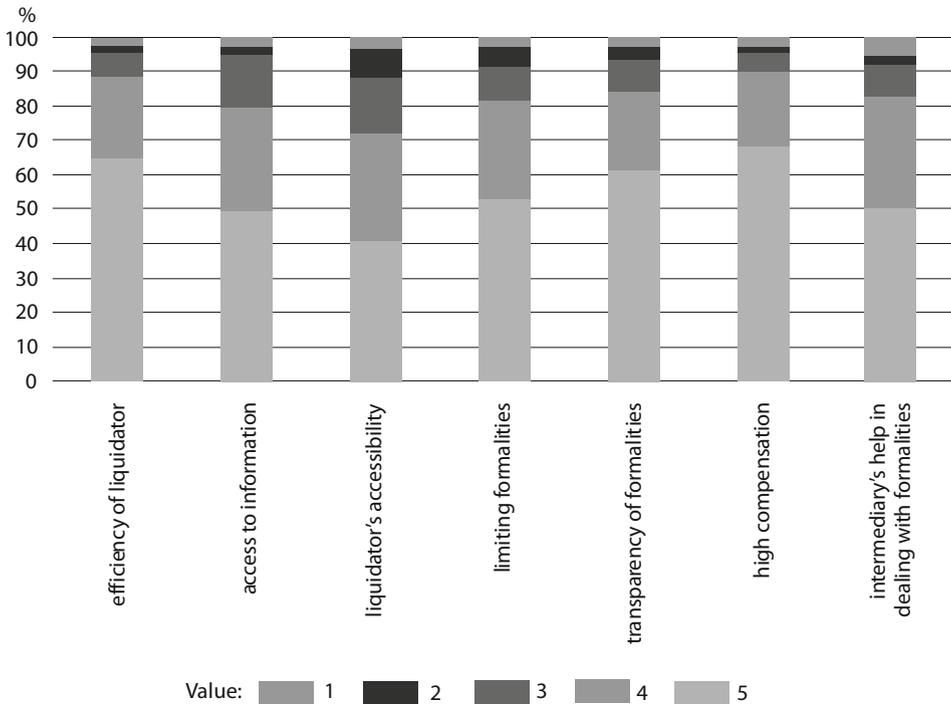
Source: Authors' work based on the results of the survey.

⁷ Bank Danych Lokalnych GUS, <https://bdl.stat.gov.pl/BDL/dane/podgrup/tablica> (access: 24.03.2019).

The data presented above demonstrate that in 2016, the majority of respondents lived in households with a monthly gross income per capita ranging from PLN 1,000 to PLN 2,000 (32.22% of all the interviewees) and from PLN 3,001 to PLN 4,000 (28.61% of all the interviewees). The average monthly gross salary in Lubelskie Voivodship equalled PLN 3,815.95 at that time, whereas for the whole Poland it was PLN 4,290.52. In the same period, the average monthly pension in Lubelskie Voivodship totalled PLN 1,812.10, and PLN 2,086.35 for whole Poland. 10.82% of the respondents from Lubelskie Voivodship declared a monthly income of less than PLN 1,000. For comparative purposes, in 2019, the average gross monthly salary in Lubelskie Voivodship equalled PLN 4,627.78, and PLN 5,169.06 for the whole Poland, whereas the average monthly pension in Lubelskie Voivodship and for the whole Poland were PLN 2,049.58 and PLN 2,327.07, respectively. All the data on pensions and remunerations have been drawn from the Local Data Bank of Statistics Poland.⁸

The structure and summary statistics of the analysed dependent variables are displayed in Figure 2.

Figure 2. Perception of the process of damage liquidation



Source: Authors' work based on the results of the survey.

⁸ Bank Danych Lokalnych GUS (access: 25.04.2020).

The results of the econometric analysis are presented in Table 2. As the variables are ordinal ones, ordered logit models were applied. The authors included all the socio-economic variables as regressors in all the models, and then omitted insignificant variables by the application of the sequential elimination of variables using a two-sided p -value of 10%, i.e. models that are the result of backward selection. The coefficients of significant variables and their p -values are presented below.

A logarithm for income was applied in order to increase the comprehensibility of the analysis. The highest values of coefficients (exceeding 10% of the highest value, i.e. 0.5) are in bold. Because of the nature of logistic regression, the authors decided not to use R^2 to evaluate the quality of the models, as this parameter is not regarded a very informative goodness-of-fit measure (Hosmer, Lemeshow and Sturdivant, 2013, p. 182). In all the analysed models McFadden R^2 did not exceed 2% (also due to the presence of categorical and ordinal explanatory variables). The authors considered the likelihood ratio test, where in all models the p -value appeared to be of less than a 10%-significance level; thus, the null hypothesis was rejected, stating that the coefficients are jointly significant. Furthermore, the number of cases correctly predicted was calculated, which is another goodness-of-fit measure for logit models. In the above-presented models, these values range from 44% (Model 3) to 68% (Model 5), indicating that some other aspects, not included in the present research, might have influenced the assessment of the analysed aspects of the damage liquidation process. The information above has the potential to become a starting point for further research on the evaluation of property insurance with the application of a wider variety of determinants.

The evaluation of the importance of access to information depends on the respondent's age and their place of residence. Older respondents perceive access to information as less important than younger ones. Respondents from big cities declare this variable of higher importance (by 0.48) than inhabitants of smaller cities or villages. The liquidator's accessibility is less important for older respondents (by 0.02) and more significant for people living in big cities (by 0.06). Interestingly, those who have better access to the insurer's offices (living in bigger cities, where more insuring companies are located, or younger people with more opportunities to contact the liquidator (via Internet or by driving to another city) consider the liquidator's accessibility more vital. In addition to other reasons, this may be the consequence of the high quality of this service, as the changes in the perception of this aspect are minor. As the income increases by 1%, the perception of the relevance of a liquidator's accessibility also increases, by 0.78 (i.e. 16%), which indicates that people with higher income expect the liquidator to be more accessible.

Table 2. Coefficients and their *p*-values in ordered logit models

Specification	Access to information		Liquidator accessibility			Intermediary's support in dealing with formalities			Efficiency of liquidation			High compensation			Transparency of formalities			Limiting formalities		
	age	big city	age	big city	income (logarithm)	pen-sioner	sex	sex	age	unem-ployed	big city	small city	pen-sioner	sex	decid-ing on finan-cial issues	income (logarithm)	sex	sex	age	small city
<i>p</i> -value	0,02	0,03	0,04	0,00	0,04	0,00	0,07	0,02	0,00	0,09	0,00	0,03	0,00	0,00	0,05	0,02	0,00	0,03	0,03	0,00
N		383			380		383			383			383			380				381
Chi ²		0,097			0,000		0,000			0,000			0,002		0,001					0,001
AIC		909,38			1020,55		908,01			760,37			736,95		827,08					913,20
BIC		933,07			1048,14		931,70			791,96			772,48		854,67					944,75

Source: Authors' work based on the results of the survey.

Pensioners assess an intermediary's support in dealing with formalities as less vital than the remaining respondents (by 0.61). This suggests that pensioners are familiar with completing formalities and the process of purchasing insurance or damage liquidation does not seem complicated to them. What is more, men tend to perceive this aspect as less important by 0.36 than women. This may lead to the conclusion that men are more acquainted with different formalities than women. As this research concerns mature customers, the statement above might result from the traditional division of responsibilities between men and women, where men are most often responsible for dealing with various procedures without seeking any third party's help in the process.

The efficiency of the procedure of damage liquidation is relatively less important to the unemployed. They see it as less significant by as much as 0.81 compared to the other respondents. This is an unexpected result, as those who have either no income or low income are regarded as ones who would expect fast compensation. The explanation here might be that the unemployed purchase only compulsory, basic property insurance (which is less likely to provide satisfactory compensation). Another reason for the unemployed's lower expectations regarding the efficiency of liquidation procedures might be associated for instance with their fear that fast liquidation of damages in a car accident, for which they were responsible, is likely to deprive them more quickly of their insurance discounts. The unemployed constituted only about 4% of all the respondents, which calls for a more in-depth analysis of this group. Both sex and age are negatively correlated with the perception of the importance of liquidation's efficiency, by 0.51 and 0.05 respectively, which indicates that older people are not as much concerned about quick liquidation as the younger ones. Moreover, men consider this aspect less significant, which may have a similar explanation as in the case of dealing with formalities.

High compensation is vital both to residents of big cities (by 0.86) and small cities (by 0.61). Therefore, it may be stated that high damage compensation is highly important to all respondents, while those living in bigger cities consider it even more so than those from small cities. Pensioners, on the other hand, regard high compensation as less significant (by 0.73) than other groups. Surprisingly, the respondents with lower income do not regard this aspect of insurance quality as crucial.

Women tend to assess the transparency of formalities as more significant (by 0.57) than men, which, again, indicates there is a difference between women and men of either a behavioural or a social nature. This aspect may require conducting wider research into behavioural characteristics of the respondents, as the content collected in this study does not allow such a deep insight into the matter. Moreover,

household members who are responsible for making financial decisions tend to perceive transparency of formalities as more significant (by 0.64) than those who do not make such decisions, which is probably the consequence of the former's sense of responsibility for the financial condition of their household. For that reason, when a liquidation process is involved, it is the decision-makers who are interested in completing it in the possibly easiest and most efficient way. What is more, when income increases by 1%, so does the perceived importance of this variable (by 0.56), which means that respondents with a higher financial status are more concerned with having the process completed as efficiently as possible.

Surprisingly, older respondents view the limited and reduced formalities as less important than younger interviewees (by 0.23). This may be caused by the fact that very frequently younger relatives provide assistance to their elders while performing various formal activities, and as a result, the latter do not deal with the whole process single-handedly. A household may consist of several decision-making members (apart from the respondent), who are responsible for the purchase of insurance products. As a consequence, the perception of insurance quality may vary according to the roles held by particular members of a household. The participants of the survey which constitutes the basis for the present research were asked to answer questions concerning their perception of insurance products, taking into account the fact that they may rely on their relatives and seek their help or advice in making financial decisions. As was mentioned before, men consider the aspect of limited and reduced formalities as less crucial than women (by 0.46). As regards the place of residence, inhabitants of small cities and villages tend to assess the issue of formalities as more important than inhabitants of big cities (by 0.74). This probably results from the fact that inhabitants of bigger cities have better access to insurers' offices and so are able to complete the formalities in person. Moreover, residents of bigger cities have better access to the Internet and thus can complete the process via the Internet, while those living in smaller cities and villages are often deprived of such a possibility. When they face all the procedures and documentation alone, they often find going through the whole process overwhelming.

In the cases where formalities were taken into account, women appeared to be more interested in receiving assistance from an intermediary and having efficient damage liquidation or transparent and reduced formalities. Men view these aspects as less important than women, which, as mentioned before, may be the result of inherent differences between the sexes or social tendencies, observable especially among older people. This could constitute a starting point for a subsequent analysis in the field of behavioural economics.

5. Summary and conclusion

The conducted research demonstrated that the perception of different aspects of the quality of property insurance varies according to the socio-economic status of a surveyed person. The following seven aspects of the quality of insurance were examined: the efficiency of the liquidator, access to information, liquidator's accessibility, limited formalities, transparency of formalities, high compensation, and intermediary's help in dealing with formalities. The results showed that the perception of insurance, and especially its quality, differs from the expectations of scientists. Scholars agree that it is possible to evaluate the quality of insurance fully at the stage of damage liquidation. However, the above-described survey showed that mature customers perceive insurance in a different way, i.e. regarding high compensation as the most desirable outcome of the process of damage liquidation and putting it ahead of the intermediary's help or transparency of formalities. This leads to the conclusion that regardless of age or other determinants, high compensation is vital to all the customers who purchase insurance.

As mentioned before, the research was conducted on the sample of mature customers from Lubelskie Voivodship. Income was included in the models as a regressor, therefore the authors controlled for income, but the distribution of the income was skewed positively (0.6), meaning that the median income was lower than the mean one. The distribution of income indicates that the largest group of respondents (circa 32%) estimated their monthly income between PLN 1,000 and PLN 2,000, which is below the average income. Therefore, the authors recommend conducting a similar analysis on a larger sample of respondents from different voivodships.

The study moreover proved that the expectations of individual customers vary with age, which results from differences in the financial condition of old and young respondents, their previous experience, emotional maturity, the faster pace of life in the case of young people, and different priorities. Having analysed the results of this research using the ordered logit model, the authors discovered that regardless of age or other determinants, the amount of compensation is a significant factor for all the insured. Surprisingly, the liquidator's accessibility was reported by all age groups of the lowest importance. Another unexpected outcome of the study was the fact that older respondents view the aspect of limited and reduced formalities as less significant than the younger ones. Also, women turned out to be more anxious to receive assistance from an intermediary and to have efficient liquidation of damage and transparent and reduced formalities.

It has to be mentioned that the results of the presented research are difficult to compare with previously-published studies on the quality of insurance products and

services. This is mostly because the present study used different research methodology than other similar analyses conducted so far, for example, it used ordered logit models in an experimental way. Likewise, the essence of this study is unique, as it focuses on the aspect which has not been researched before – the perception of the quality of the settlement of insurance claims. Another novelty of this research is that unlike its predecessors, it analyses a sample of mature clients, and only those from Lubelskie Voivodship.

Despite the above-mentioned limitation, the obtained results might serve as a starting point for further research and market analyses. An important conclusion for the insurance market is that introducing improvements solely in the processes and the implementation of innovative technologies are not sufficient to fully satisfy mature customers and to meet their needs. For them, the most decisive factor determining the ‘high’ or ‘low’ quality of insurance is the amount of compensation, so, as might be said, the ‘core product’ rather than a highly developed frame of that product. Further analysis should be performed to check how the quality of insurance is viewed throughout the entire customer service process, using a wider spectrum of respondents and including other geographical areas and/or age groups. The current tendencies in insurance markets make one hope that this part of the insurance industry which is tailored to mature customers’ needs will develop both quantitatively and qualitatively, so according to the changing expectations of this target group, which has grown in number and significance.

The issues connected with the perception of insurance by mature customers are interesting and thought-provoking for various reasons. The nature of an insurance product is complicated and thus discourages scholars from implementing simple analogies to other products or services, including financial ones. Moreover, it is difficult to apply the traditionally defined term of ‘quality’ to a typical insurance product or service, due to their relatively abstract nature, time separation between the moment of purchase and ‘consumption’, and inverted product life cycle.

References

- Bednarczyk, T. H., Jańska, A., Krzyszczak, B. (2016). Funkcja kompensacyjna regresu na przykładzie ubezpieczeń OC posiadaczy pojazdów mechanicznych. *Zarządzanie i Finanse. Journal of Management and Finance*, 14(3/1), 5–21.
- CBOS. (2016). *Korzystanie z internetu. Komunikat z badań nr 92/2016*. Warszawa: Centrum Badań Opinii Społecznej.
- Domańska, A., Lewicka, B. (2017). Metodyczne uwarunkowania badań dotyczących aktywności ekonomicznej osób w wieku 50+ z województwa lubelskiego. In: A. Korzeniowska, W. Misterek (ed.), *Aktywność ekonomiczna osób w wieku 50+ w województwie lubelskim* (p. 9–18). Lublin: Wydawnictwo UMCS.

- Eckardt, M., Rätke-Döppner, S. (2010). The Quality of Insurance Intermediary Services-Empirical Evidence for Germany. *Journal of Risk and Insurance*, 77(3), 667–701. DOI: 10.1111/j.1539-6975.2010.01361.x.
- Garczarczyk, J. (2002). Jakość usługi ubezpieczeniowej jako przesłanka zarządzaniem zakładem ubezpieczeń. In: T. Sangowski (ed.), *Ubezpieczenia w gospodarce rynkowej* (p. 313–314). Bydgoszcz, Poznań: Oficyna Wydawnicza Branta.
- Garczarczyk, J. (2003). Zarządzanie jakością usług. *Gazeta Bankowa*, (23), 30–31.
- Gayathri, H., Vinaya, M. C., Lakshmisha, K. (2005). A Pilot Study on The Service Quality of Insurance Companies. *Journal of Services Research*, 5(2), 123–138.
- Handsche, J. (1974). Efektywność ochrony ubezpieczeniowej w teorii i praktyce. *Ruch Prawniczy, Ekonomiczny i Socjologiczny*, (4), 209–227.
- Harrison, T. (2003). Editorial: Understanding the behaviour of financial services consumers: A research agenda. *Journal of Financial Services Marketing*, 8(1), 6–10. DOI: 10.1057/palgrave.fsm.4770102.
- Hosmer, D. W., Lemeshow, S., Sturdivant, R. X. (2013). *Applied Logistic Regression: Third Edition*. Hoboken, New Jersey: John Wiley & Sons.
- Iwko, J. (2007). Jakość usług ubezpieczeniowych. *Problemy Jakości*, 39(2), 35–38.
- Jańska, A., Kędra, A. (2019). Factors determining the purchase of insurance products. *Econometrics. Ekonometria*, 23(1), 19–28. DOI: 10.15611/ead.2019.1.02.
- Leśniak, D., Sienicka, E., Wojno, B. (2014). *Zakłady ubezpieczeń i ich usługi. Nadzór, licencje, produkty*. Warszawa: Komisja Nadzoru Finansowego.
- Nowogródzka, T., Rembisz, W. (2015). Analiza marketingu usług ubezpieczeniowych. *Zeszyty Naukowe Uniwersytetu Przyrodniczo-Humanistycznego w Siedlcach: Seria: Administracja i Zarządzanie*, (105), 141–153.
- Rogowski, S. (2018). *Jakość usług ubezpieczeniowych*. Downloaded from: https://rf.gov.pl/publikacje/artykuly-pracownikow-i-wspolpracownikow/_Jakosc_uslug_ubezpieczeniowych_-_PUSiG_7_00_261 (access: 18.06.2018).
- Siddiqui, M. H., Sharma, T. G. (2010). Analyzing customer satisfaction with service quality in life insurance services. *Journal of Targeting, Measurement and Analysis for Marketing*, 18(3–4), 221–238. DOI: 10.1057/jt.2010.17.
- Tsoukatos, E., Rand, G. K. (2006). Path analysis of perceived service quality, satisfaction and loyalty in Greek insurance. *Managing Service Quality: An International Journal*, 16(5), 501–519. DOI: 10.1108/09604520610686746.
- Wells, B. P., Stafford, M. R. (1995). Service quality in the insurance industry: Consumer perceptions versus regulatory perceptions. *Journal of Insurance Regulation*, 13(4), 462–477.
- Witkowska, J. (2010). Ocena jakości usługi ubezpieczeniowej w opinii klientów. *Rozprawy Ubezpieczeniowe*, 9(2), 107–119.
- Wyrębek, H. (2011). Zarządzanie jakością usług ubezpieczeniowych. *Zeszyty Naukowe Uniwersytetu Przyrodniczo-Humanistycznego w Siedlcach: Seria: Administracja i Zarządzanie*, 16(89), 181–195.