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Liability Insurance and Performance of Insurance Companies in Rwanda: A Case of Sonarwa General Insurance Company Ltd

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Abstract

In Rwanda, insurance companies have introduced liability insurance as a popular product, but the increasing number of fraudulent claims and legal proceedings disrupt the sector's operations and overall performance. This study, conducted on liability insurance and the performance of insurance companies in Rwanda with a focus on SONARWA General Insurance Company Ltd. This study employed a mixed research approach, incorporating both quantitative and qualitative methods conducted among 90 employees of SONARWA GI recruited using a stratified sampling method combined with a purposive sampling. Obtained data was processed and analyzed using SPSS version 21. Descriptive statistics was used to get background information of the study population, and bivariate and multivariate analysis was used to evaluate the liability insurance on performance of GI. In the first set of data, respondents generally agreed on the challenges in liability insurance claims, with a mean score of 4.3470 and low variation. They perceived slightly more challenges in lawsuits (mean 4.3516), but still with low variation, suggesting moderate consensus. For knowledge among insured, perceptions varied more (mean 4.0868) with some significant differences in how respondents understood liability insurance challenges. The performance of SONARWA was considered as the way following: "Share Market" has moderate ratings (mean 3.808) and diverse opinions (high variation). "Profits" are positively perceived (mean 4.442) with strong consensus (low variation). "Meeting Stakeholder Needs" is highly rated (mean 4.479) with minimal variation, showing strong agreement among respondents. The study indicates that respondents generally have a collective understanding of challenges in liability insurance claims, with minimal variation. While they perceive slightly more challenges in lawsuits, there is still moderate consensus. However, perceptions about knowledge among insured vary significantly. Regarding SONARWA General Insurance, their performance in the "Share Market" receives moderate ratings with diverse opinions, while "Profits" are positively perceived with strong consensus. The company excels in "Meeting Stakeholder Needs," with a highly positive and widely agreed-upon perception.

Keywords: *Liablity Insurance, Performance, Insurance Companies, Rwanda, Sonarwa General Insurance Company Ltd*

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1.0 Introduction

The insurance industry has become a vital player in global business performance, and in Africa, businesses are increasingly relying on insurance companies to enhance their competitiveness. This trend is particularly notable in the East African Common Market (EACM), where insurance companies play a pivotal role in the region's economy. They are instrumental in compensating losses and helping both large corporations and small businesses recover from unforeseen risks. Further, insurance companies in East Africa contribute significantly to meeting the economic and social welfare needs of vulnerable populations by reducing losses and creating employment opportunities. Insurance operates on the fundamental principle that the financial losses experienced by a minority can be collectively covered by the periodic premium payments of a larger group (Mazviona et al., 2017). In essence, insurance represents a commitment to compensate for specific future losses in exchange for regular premium payments. From a legal perspective, insurance is a contractual agreement between two parties. In this arrangement, one party provides consideration, typically in the form of monetary payments, in exchange for the other party's promise to provide compensation in the event of loss, damage, or bodily injury (Morara & Sibindi, 2021).

Insurance is founded on the fundamental concept that the financial losses incurred by a minority can be shared collectively through regular premium payments from a larger group, as explained by Mazviona et al. (2017). Essentially, insurance involves a commitment to indemnify against specific future losses in return for consistent premium contributions. Legally, insurance is a contractual agreement between two parties, where one party offers consideration, usually in the form of monetary payments, in exchange for the other party's commitment to provide compensation in case of loss, damage, or bodily injury, as described by Morara and Sibindi (2021). Liability insurance stands out as the most prevalent insurance product offered by insurance companies in Rwanda. This type of insurance offers protection against legal and court-related expenses that may arise when someone sustains bodily injuries or experiences loss or damage to their property while the insured party is providing a service to them (Morara & Sibindi, 2021). The assessment of insurance companies' performance has garnered various viewpoints from stakeholders, as highlighted by Islam et al. (2014). Initially, these companies' performance was chiefly linked to their ability to secure premiums in the market. Nevertheless, the modern perspective on insurance company performance has shifted to encompass the extent to which they effectively achieve their goals and objectives, recognizing that success goes beyond premium volume alone.

SONARWA, despite its significant presence in the insurance sector, faces notable performance challenges. The company is currently contending with a diminishing client base and a high turnover rate among its top-performing employees. These challenges are partly attributed to the company's frequent changes of ownership, which have impeded its capacity to develop and implement effective long-term strategies. According to Eniola et al. (2019), the resolution of liability claims stemming from accidents related to third-party liability in various insurance categories, such as motor insurance, public liability, or employer's liability insurance, typically entails a lengthy and resource-intensive process during the investigation. Ibrahim and Devesh (2020) also tackled issues within the realm of liability insurance, emphasizing that many insurance companies in Africa face obstacles related to regulatory and legal constraints, as well as a lack of robust market-driven initiatives.

1.1 Statement of the Problem

This highlights a significant challenge faced by public insurance industries globally, particularly in the context of Rwanda. Research consistently identifies claims control as a major obstacle, with contributing factors such as poor production data records (65%), fraudulent cases (20%), delayed reports (10%), and high claims officer workloads (5%). These factors significantly delay claims settlement. In response, insurance companies in Rwanda are diversifying their offerings, with liability insurance gaining popularity. However, the rising number of fraudulent liability claims and legal proceedings is increasingly disrupting the public liability insurance business in Rwanda, impacting the insurance industry's overall performance. This situation calls for a comprehensive study to assess its impact on SONARWA GI and explore effective strategies for managing liability insurance to ensure profitability and competitiveness in this turbulent industry.

1.2 Objectives of the Study

The general objective of this study was to assess the liability insurance and performance of insurance companies in rwanda: a case of sonarwa general insurance company ltd

Specific Objectives

The study has the following specific objectives;

i. To determine liability insurance challenges faced by SONARWA General Insurance Company
ii. To examine the performance of SONARWA General Insurance Company
iii. To establish relationship between liability insurance challenges and performance of SONARWA General Insurance Company.

2.0.Literature Review

Insurance companies play a central, substantial, and crucial role in the financial and economic development of all nations by effectively aggregating risks on a global scale, thus mitigating the impact of substantial losses experienced by both large corporations and individual households. This industry significantly diminishes the resources required to manage these losses independently, fostering increased productivity, investment, innovation, and competition in the international marketplace while advancing strategies for social protection (Datu, 2017). In a study conducted by Chen and Wong (2004) on the financial health of insurance companies in Asia, they identified several factors that have a significant impact on the financial health of general insurance companies. These factors include firm size, investment performance, liquidity ratio, surplus growth, combined ratio, and operating margin. Liability insurance is a form of short-term or general insurance designed to facilitate the transfer of financial risk. It aims to provide coverage to the insured party, typically referred to as the purchaser, in cases where they are legally held responsible for damage or loss incurred by third parties (Norman, 2017). This type of coverage becomes applicable when legal actions are initiated against the insured, and they are found liable for the damages or losses specified in the insurance contract. Notably, liability insurance is intended to address legal responsibilities imposed by external entities or individuals who are not part of the insurance contract, effectively making the beneficiary a third party not directly involved in the contractual agreement (Wachira, 2013). It's worth emphasizing that this insurance does not extend to losses resulting from deliberate actions or breaches of contract. This exclusion is rooted in a fundamental legal principle, reinforced by government regulations, which stipulates that individuals should not be compensated for errors, omissions, or legal violations. Essentially, the primary purpose of liability insurance is to protect the insured party from damage or loss claims filed by third parties.

Empirical Literature

In a different category, the policy operates on a "claims made" basis, where the insurer responds to claims for loss or damage that are reported while the insurance contract is in effect. Under this approach, the insurer accepts liability insurance claims that are communicated during the insurance period, and the events giving rise to these claims occur within the policy term. This "claims made" approach is most commonly found in insurance types like Professional Indemnity and Directors and Officers liability. Public and Product liability, to some extent, also fall under this category of liability insurance (Morara & Sibindi, 2021). In a different category, the policy operates on a "claims made" basis, where the insurer responds to claims for loss or damage that are reported while the insurance contract is in effect. Under this approach, the insurer accepts liability insurance claims that are communicated during the insurance period, and the events giving rise to these claims occur within the policy term. This "claims made" approach is most commonly found in insurance types like Professional Indemnity and Directors and Officers liability. Public and Product liability, to some extent, also fall under this category of liability insurance (Morara & Sibindi, 2021). In a study conducted by Ntwali et al. (2020) on the claims management and financial performance of insurance companies in Rwanda, the researchers found a positive correlation between claims planning, claims control, and claims monitoring and evaluation (M & E) with Return on Equity (ROE). As a result of this correlation, the study recommended the implementation of effective claims planning to manage and prevent the accumulation of outstanding claims. Additionally, the research proposed that insurance companies should invest in empowering their clients, leveraging advanced technology to facilitate real-time communication with customers. This approach can help prevent delayed claims notifications and enhance the overall customer experience.

Empirical research has scrutinized the stock market performance of insurance companies following major lawsuits. In a study led by Brown and Taylor (2016), event study methodology was employed to investigate the influence of legal developments on the stock prices of insurance firms. The results of the study revealed that unfavorable legal outcomes led to negative abnormal returns, indicating that investors expressed concerns about the financial repercussions of these legal actions on the insurance companies. Empirical studies conducted by Zhang and Chen (2020) have delved into the impact of lawsuits on the risk management and compliance practices of insurance companies. Using a combination of in-depth interviews and content analysis of regulatory reports, the researchers demonstrated that companies with a history of lawsuits were more prone to regulatory scrutiny and increased oversight. This, in turn, had consequences for their overall risk management strategies. Lawsuits can significantly affect the reputation and customer trust of an insurance company. Research conducted by White and Davis (2018) examined the influence of negative media coverage related to lawsuits and settlements on policyholder retention rates. Utilizing a mixed-methods approach, which included sentiment analysis of news articles and surveys of policyholders, the study revealed that insurance companies involved in high-profile lawsuits saw a decrease in customer trust, leading to higher customer attrition or churn.

The impact of lawsuits on the operational efficiency of insurance companies is another critical aspect to consider. In a study conducted by Anderson and Johnson (2019), data envelopment analysis (DEA) was employed to evaluate the efficiency of insurance companies entangled in legal disputes. Their findings revealed that companies engaged in prolonged legal battles often experienced reduced operational efficiency. This decrease was attributed to higher administrative costs and the allocation of resources toward managing litigation-related matters. Numerous empirical studies have shown that the financial performance of insurance companies is notably affected by the frequency and severity of lawsuits. Research conducted by Smith et al. (2017) revealed that a rise in the number of lawsuits filed against an insurance company resulted in increased claims payouts, which, in turn, diminished profitability. This study employed regression analysis to establish a statistically significant relationship between lawsuits and financial performance metrics, including underwriting profitability and combined ratios.

Ak and Öztayşi (2009) conducted a review on the performance measurement of insurance companies using the balanced scorecard and ANP (Analytic Network Process). Their findings highlighted the calculation of a single performance level that represents the overall performance of the organization. This performance score was determined through weighted scores. The results indicated an increase in organizational performance from Period I to Period II, with Period I representing 59.22 and Period II representing 62.20, indicating a nearly 3% improvement. In addition, the study revealed that the total earned premiums for all insurance companies amounted to 116.399 billion. Among private sector companies at that time, ICICI Lombard in India held the position of market leader with an earned premium income of 74.77 billion and unearned premiums of 54.83 billion. The research assessed and ranked the performance of all insurance firms using their Individual Performance Measure (IPM) and compared these rankings with traditional methods.

A study conducted by Wachira in 2013 examined the contributions of the Kenyan insurance industry to the country's economic growth and development. The study faced a significant challenge in gathering accurate information, which was a laborious process. This challenge arose because data had to be collected from both the insured and uninsured members of the public to obtain a comprehensive understanding of how insurance services were perceived. It was evident that a substantial portion of the Kenyan population only purchased insurance that was mandatory under the law, such as motor insurance, while leaving other types of insurance underutilized. Studies conducted by Wachira (2013) in Kenya have shed light on the contributions of insurance companies to the country's economic growth and development. According to the Financial Stability Report by the Insurance Regulatory Authority (IRA), insurance penetration in Kenya stood at 3.4%, ranking it among the top five in insurance markets in Africa and the leading market in East Africa. Kenya boasts 47 insurance companies engaged in both general and life insurance businesses.

In a study conducted by Ntivuguruzwa et al. (2020), the impact of financial risk management on the performance of insurance companies in Rwanda was explored. The findings revealed that Rwandan insurance companies employed various financial risk management practices, and these practices significantly affected their performance. Specifically, return on equity (ROE) was identified as the most influential factor, contributing to a positive financial performance with a

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variation of 57.089%. Net income after taxes also played a notable role, with a 17.503% variation, while total expenses did not show significant variation. Interestingly, net premium earned was found to have a negative impact on the financial performance of insurance companies in Rwanda, with a variation of 15.627%. The study's conclusion emphasized a positive relationship between financial risk management and the performance of insurance companies in Rwanda, explaining 96.76% of the relationship. In Rwanda, insurance companies primarily invest in government bonds. The stability of these investments is closely tied to how well inflation and fiscal deficit are managed. When these economic factors are not adequately controlled, it can have negative repercussions for both consumers and investors, including insurance companies. The primary concern in such situations is the potential impact on sovereign credit risk (Muvunyi , 2011).

In Rwanda in 2016, the underwriting combined ratio was at 111.87%, and the adjusted rate of return on free reserves stood at 106.65%. Despite an increase in investment profits, the returns on free reserves were insufficient to cover the total underwriting loss. This observation aligns with CalandroLane's concept of the Maximum Profitability constraint. As a result, insurers in Rwanda reported a net loss of 474.06 million, with an underwriting loss ratio of 5.31% (Bharathkumar, 2018). A study conducted in the United States revealed that highly capitalized insurance companies with significant profit-making capacity tend to rely less on reinsurance, as they can withstand financial pressures effectively. The study examined liability insurance indicators that impact the performance of insurance companies and analyzed the factors influencing the determination of the amount of risk ceded to reinsurers (retention/deductible). It also looked at how much risk is transferred to reinsurers by property-liability insurance companies in Taiwan. The research findings supported the view held by experts that insurance companies with substantial profitability are well-equipped to absorb a significant amount of unforeseen losses and, as a result, are less affected by the underinvestment problem (Lee, 2012).

Iqbal and Rehman (2014) conducted a study to assess the impact of reinsurance on the performance of general insurance companies in Pakistan. Their research delved into how reinsurance practices, whether positive or negative, influenced the performance of general insurers in Pakistan. Their recommendation to insurers was to reduce their reliance on reinsurance and decrease their exposure to risk, regardless of their level of financial stability. This was because an increased dependence on reinsurance exposed insurers to the potential risk of decreased performance. Iqbal and Rehman's study provided a clearer understanding of the relationship between reinsurance utilization and the performance of insurance companies. Specifically, it associated profitability with reinsurance use and the leverage levels of the non-life insurance sector in Pakistan. The findings of the study indicated that a higher reliance on reinsurance arrangements would lead to decreased profitability, as leverage levels had a significant negative impact on profitability. Mazviona et al. (2017) conducted an analysis of the factors influencing the performance of insurance companies in Zimbabwe. Their research suggested that to increase underwriting capacity and achieve more stable earnings, these companies should reduce their reliance on reinsurance. The study utilized regression analysis to establish relationships between the dependent variables, namely Return on Assets (ROA) and Return on Equity (ROE), and several control variables. The regression analysis was employed to assess the impact of Enterprise Risk Management (ERM) implementation, leverage, company size, and life insurance on the overall performance of these insurance companies.

Peleckienė et al. (2019) conducted research to examine the relationship between insurance and economic growth in European Union countries. The study focused on the connection between liability insurance and economic growth, which has garnered significant attention from scholars in recent years. The research has revolved around the correlation between these variables, and explanations have been inconclusive. Scholars have engaged in debates regarding the nature of causality in this relationship. They have questioned whether insurance development causes economic growth, if economic growth drives the expansion of the insurance sector, or whether both variables have a mutually reinforcing effect on each other. As per Cristea et al. (2014), the relationship between liability insurance and the performance of insurance companies has led to insurance becoming a significant component in certain countries. In some African nations like Rwanda, Zimbabwe, Kenya, and others, insurance's contribution to the GDP exceeds 10%. This contribution tends to be even higher in countries with greater economic development. Oyedokun et al. (2018) advised that insurance company should endeavour to relate well and work closely with its customers to achieve its overall performance through risk mitigation. Claims management is a major sensitive area to be treated carefully by insurance industries in order to strengthen the customer care and realise a good relationship with clients. It involves five important areas of underwriting and claims management. These include but not limited to careful identification of the client insurance needs by looking closely at the business in which the clients deal. Accordingly, the clients are properly advised on what insurance products to go in for, the prices, terms and conditions involved. A proper control over claim management processes and ensure that genuine claims are adequately and promptly settled, establish mutual close interactions with other related departments they get all information they require for their advantage. For this study the researcher addresses the arrangement made to ensure that SONARWA General Insurance maintains good control of underwriting and claims processes.

2.1 Theoretical Framework

The Innovation theory, as proposed by Knell (2015), suggests that entrepreneurs can benefit from successful innovations introduced by others. This theory distinguishes between innovations that reduce production costs and those that increase product demand. In the context of insurance companies, innovation plays a crucial role in enhancing profitability and managing liabilities. Entrepreneurs, too, can leverage innovation by introducing new products, services, or business models, resulting in competitive advantages and potential profits. It's essential to recognize that not all innovations are successful, and not every entrepreneurial effort leads to success in introducing innovative products or services. The Innovations Theory of Profits emphasizes that successful innovations are those that deliver value to customers and are challenging for competitors to replicate. To achieve this, entrepreneurs must possess a profound understanding of their customers' needs and preferences, as well as a comprehensive grasp of the competitive landscape, to introduce innovations that stand a good chance of success. The Innovations Theory of Profits posits that companies investing in innovation can outperform their competitors by generating higher profits. In the insurance industry, recent years have witnessed a notable transformation driven by technological advancements, evolving customer expectations, and emerging risks. Insurers who embrace innovative strategies to stay at the forefront of these changes can experience increased profitability. For instance, the adoption of telematics devices enables insurers to gather data on driver behavior and offer personalized auto insurance policies that closely match a customer's risk profile. This, in turn, leads to reduced claims costs and higher profits.

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In addition, the Innovations Theory of Profits indicates that insurers who engage in partnerships with other companies within the ecosystem can experience enhanced profitability. For instance, insurers can collaborate with insurtech startups to introduce new products and services. These partnerships can result in improved customer experiences, heightened operational efficiency, and reduced costs. By combining innovation with collaboration, insurers can establish a competitive edge in the market and generate increased profits. The collective risk theory addresses two main issues. First, it involves determining the distribution functions related to the total gain or the cumulative amount of claims within a portfolio or a risk company. Second, it aims to calculate the probability of a risk enterprise depleting its risk reserve, often referred to as the "ruin problem" (Kaas et al., 2008). Further, in collective risk theory, the focus is on examining the risk enterprise as a whole. Rather than primarily concentrating on individual gains, losses, or liability insurance stemming from positive performance strategies, the central interest lies in understanding the overall amount of claims notifications or the cumulative gain resulting from all the policies within the considered portfolio.

Collective risk theory, often referred to as the theory of collective risk models, is a specialized field within actuarial science. It is dedicated to examining the characteristics and behaviors of substantial collections of risks, like those encountered by insurance companies or within a population (Klugman et al., 2012). Central to this theory is the premise that individual risks are not isolated but rather interconnected in some manner. In other words, the realization of a loss for one risk can impact the likelihood of experiencing a loss for other risks within the group due to certain correlations among them. The collective risk model is commonly employed within the insurance industry to estimate the total claims an insurer is likely to payout over a specific timeframe (Klugman et al., 2012). In this model, the insurer aggregates a large number of individual risks and uses statistical methods to calculate the expected value of total claims. It considers various factors, including the frequency and severity of losses, the size of the risk pool, and the level of risk diversification. One significant contribution of collective risk theory is the development of the concept of the aggregate loss distribution. This distribution represents the probability distribution of total losses that a group of risks may encounter (Klugman et al., 2012). The aggregate loss distribution plays a crucial role in evaluating the financial stability of insurance companies, offering insight into the potential losses an insurer might face within a given period.

Collective risk theory is a vital component of actuarial science that offers a structured approach to the assessment and handling of risks within large groups. This theory has played a pivotal role in shaping contemporary insurance practices and remains a fundamental tool in the industry. Through a comprehensive understanding of the characteristics and dynamics of collective risks, insurers can make well-informed choices regarding pricing, risk mitigation, and the allocation of capital. Ultimately, this can contribute to enhanced financial stability and profitability within the insurance sector.

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2.2 Conceptual Framework

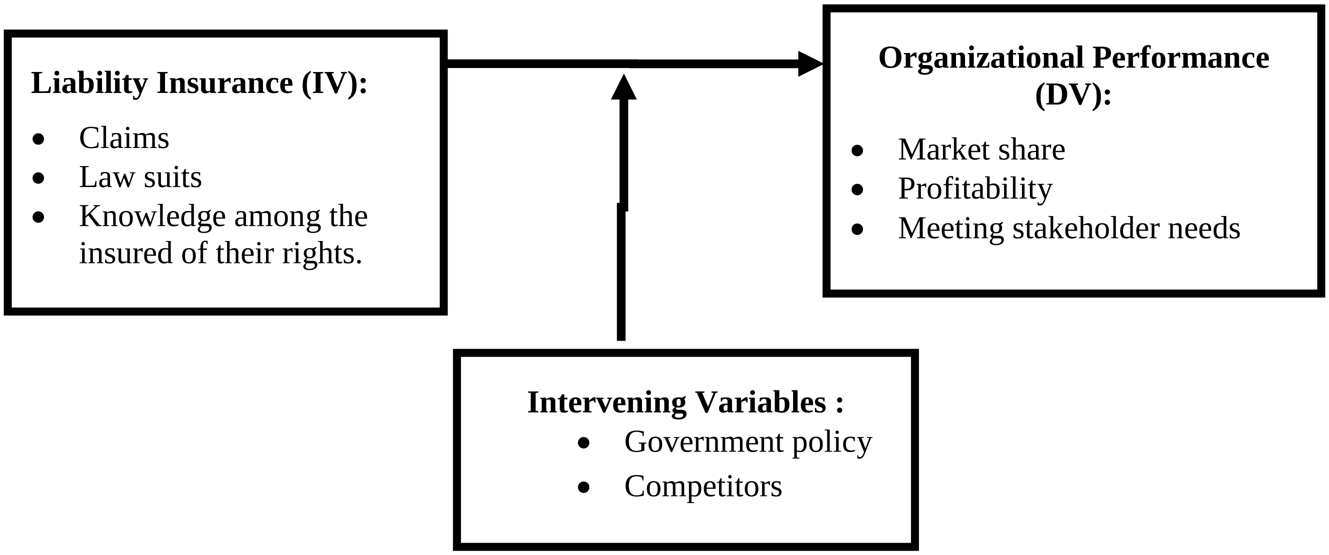

Figure 1: Conceptual Framework

Above is a diagram illustrating a conceptual framework that outlines the connections among the study's variables. The study examines several independent variables within the context of liability insurance, including the claims made, the lawsuits resulting from some of these claims, and the policyholders' understanding of their rights. The dependent variable pertains to organizational performance, which encompasses factors such as market share, profitability, and the company's capacity to satisfy stakeholder expectations. Additionally, the study considers the moderating variable of government policy regarding public liability insurance.

3.0 Research Methdology

A mixed-method survey design was used in this study, which included both quantitative and qualitative research methods. The target population consisted of 90 employees, 75 staff members and 15 management personnel. Slovin's formula, which takes into account the margin of error and the total population, was used to determine a sample size of 73 participants. To represent a broader range of respondents, stratified random sampling was used to select employees from four specific departments (Underwriting, Claims, Legal, and Finance), while purposive sampling was used to select key informants known to have the required information. Structured questionnaires were used to collect quantitative data, and semi-structured interviews were used to collect qualitative data. After explaining the study's objectives, questionnaires were distributed, and key informants were interviewed. To study the impact of independent variables on the dependent variable, quantitative data was subjected to univariate and bivariate analyses, including simple linear regression. To understand respondents' perceptions and beliefs, qualitative data was analyzed using thematic content analysis, in which responses were coded into sub-themes and overarching themes. Administrative procedures ensured that participants were fully informed while maintaining confidentiality. The researcher oversaw the entire study, obtaining all necessary approvals and completing data collection and analysis.

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4.0 Findings and Discussion

The section present the results of the study as presented in the figures anddiscussion below

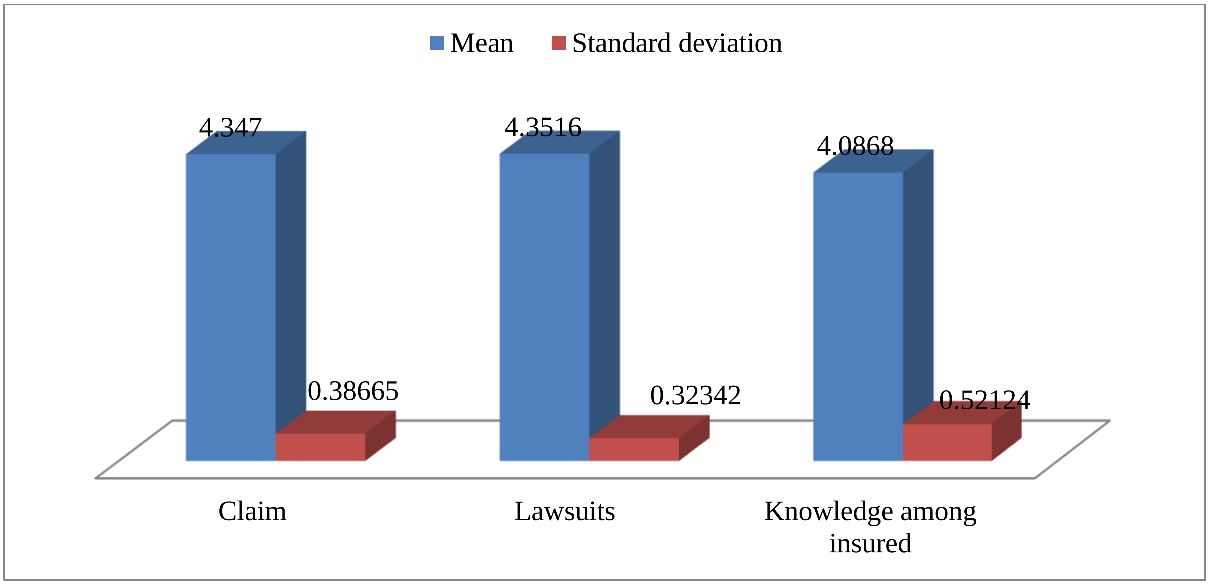

Figure 2: Liability Insurance

The results about Claim's respondents have, on average, consistently rated their perception of challenges related to claims in liability insurance, with a mean score of 4.3470 and a relatively low standard deviation of 0.38665. This indicates a collective understanding of these challenges, with minimal variation among respondents. In contrast, the "Lawsuits" variable shows a slightly higher mean of 4.3516, suggesting that, on average, respondents perceive challenges related to lawsuits in liability insurance as slightly more pronounced than those related to claims. The standard deviation remains relatively low at 0.32342, signifying a moderate level of consensus among respondents. The "Knowledge among insured" variable reveals a lower mean of 4.0868 and a somewhat higher standard deviation of 0.52124, indicating that respondents have, on average, rated their understanding of liability insurance challenges somewhat lower than other aspects. Moreover, there is greater variability in responses, implying that some respondents may hold significantly different perceptions regarding their knowledge of liability insurance challenges. These statistics provide valuable insights into the overall consensus and variability among respondents' perceptions of liability insurance challenges.

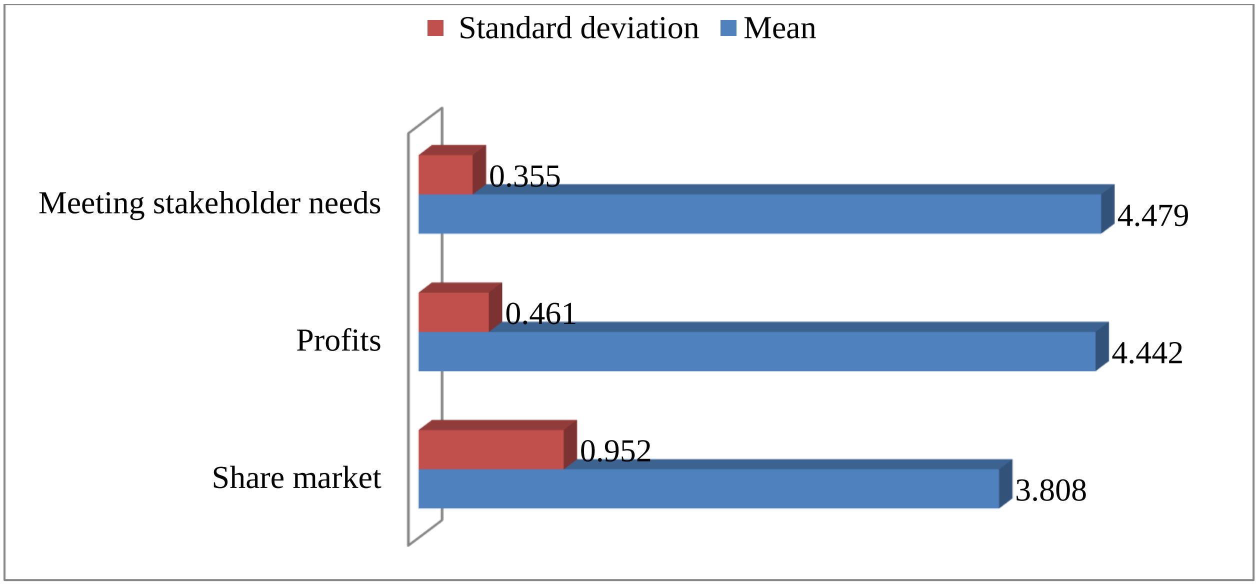

Figure 3: Overall descriptive Statistics

The figure 2 highlights the descriptive statistics for SONARWA General Insurance's performance across three critical variables. In terms of the "Share Market," the mean score is 3.808, with a relatively high standard deviation of 0.952, indicating a moderate average rating and substantial variation in perceptions among respondents, suggesting diverse opinions on the company's performance in the share market. When considering "Profits," SONARWA's performance is positively perceived, with a mean score of 4.442 and a relatively low standard deviation of 0.461. This implies a collective and consistent viewpoint among respondents regarding the company's profitability, with a strong level of consensus. In contrast, the variable "Meeting Stakeholder Needs" stands out with the highest mean rating at 4.479 and a low standard deviation of 0.355, signifying a very positive collective perception of SONARWA's performance in meeting stakeholder needs, with minimal variation in responses and a high level of agreement among the respondents.

50 Conclusion

The study indicates that respondents generally have a collective understanding of challenges in liability insurance claims, with minimal variation. While they perceive slightly more challenges in lawsuits, there's still moderate consensus. However, perceptions about knowledge among insured vary significantly. Regarding SONARWA General Insurance, their performance in the "Share Market" receives moderate ratings with diverse opinions, while "Profits" are positively perceived with strong consensus. The company excels in "Meeting Stakeholder Needs," with a highly positive and widely agreed-upon perception.

6.0 Recommendations

To enhance SONARWA's performance, it's recommended to diversify strategies in the share market to accommodate varied investor preferences, improve communication about market initiatives, and address stakeholder concerns. Additionally, maintaining strong profitability is crucial by continuing effective practices and communication. Strengthening stakeholder engagement is also vital through proactive communication, responsiveness, and consistent commitment to meeting stakeholder needs.The administrative recommendations are intended to guide SONARWA General Insurance Company in achieving its strategic goals, improving customer satisfaction, and contributing to the development of the insurance industry in Rwanda.

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