

## **Insurance Services and Protection of Economic Resources of Production in Rwanda in Sonarwa**

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### **ABSTRACT**

The focus of this study was to assess the contribution of insurance services in the protection of economic resources of production, taking SONARWA Insurance Company as a case study. The study used a descriptive method whereby both qualitative and quantitative data were sought. The target population consisted of managers in public companies, private companies, semi-public companies, NGOs as well as individual clients who are experienced and paid a considerable premium and also employees of Sonarwa General who are managers and employees working in different departments. The total population came to 104 insured clients including 25 staff respondents from Sonarwa General in Kigali City. Slovin's formula was used to calculate the sample size of 62 respondents of whom questionnaires were distributed to them to receive their views. The researcher designed a special interview schedule with insured clients using random sampling as well as top managers using purposive sampling. The data analysis was done using tables generated from SPSS. It was found that there was the effectiveness of insurance services in protecting economic resources as 21.0% of respondents said that quick compensation is one of the elements that make the insurance services of Sonarwa General very effective because the insured restart quickly their activities and continue its course of productivity. On the impact of insurance services from SONARWA on the sustainability of economic resources of the production of insured, 33.9% said that insurance services protect economic resources through the insurance of goods and properties, 17.7% for liability insurance, and 21.0% for financial operations and bid bonds. On the development of various insurance products and provision of opportunities to secure different types and categories of assets of the insured, 26 (41.9%) of respondents agreed that SONARWA-developed services and products protect the resources of the insured to about a tune of 61% to 80% risk protection against internal and external threats to be able to protect the economic resources of production of its clients. In addition, 24.2% of respondents were contented with the way Sonarwa identified major risks that may affect the economic resources of the insured so that it could establish appropriate ways to properly protect the economic resources of the insured against probable risks.

**Keywords:** Insurance services, SONARWA, Insurance Companies, Economic resources, Insured.

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### **INTRODUCTION**

Within the last decade, certain factors have made an unprecedented positive impact on global growth and the development of insurance. These include the liberalization of world trade, increasing efficiency, advances in Information Technology and the integration of the world financial

system which now provides unparalleled economic, cultural, and recreational opportunities [1]. These developments have created new opportunities for insurance business in Africa; as the African market is now open for global exploration and competition. Conversely, this has

posed new challenges for insurance regulation in Africa. The insurance sector in Rwanda has been established because there was a need to cover losses and damages that different organizations and individuals could suffer. Therefore, different insurance companies were born in the country including SONARWA as the case study of this research. The development of modern insurance services to contribute to the protection of economic business and resources, especially regarding shipping cargo, building property for fire, automobile accidents with motor insurance, and the cost of medical treatment to be alleviated by health insurance that requires effective insurance services that should respond to insured needs [2]. The insurance industry has been helpful to the insured because it helped them minimize the level of loss and reparations. Insurance companies are subjected to certain core principles and methodologies in their working operations which are issued by internationally recognized standard-setting bodies like the International Association of Insurance Supervision (IAIS) for insurers, and the International Organization of Pension Supervisors (IOPS) for pensions. These Core Principles require insurance institutions, among others, to recognize the range of insurance schemes that they can provide to the insured and manage effectively to respond to situational incidents and accidents. BNR as supervisory authority also requires insurance institutions to have a comprehensive problem management process to identify, evaluate, monitor and control or mitigate all material problems and to assess their overall capital adequacy with their insurance profile. It requires that the insurance system should

be appropriate to the complexity, size and nature of the institution's business and should cover the most common organizational problems faced by organizations, such as Strategic, Investment, Liquidity, Operational, Reputational, and Compliance problems.

Losses and resource damages may affect many areas of the organizational activity, such as effects on strategy, operation, finance, technology and environment. In terms of specifics, it may include, for example, loss of key staff, substantial reductions in financial and other resources, severe disruptions to the flow of information and communication, fires or other physical disasters, leading to interruptions of business and or loss of records. It should be advisable for organizations to look for systems and mechanisms that can be used to be able to protect organizations' economic resources and this varies according to the size and the nature of the organization. In today's business operations, businesses resort to insurance services that may contribute to the alleviation of loss and damages that the organization may suffer from in the long run. The motive of this study therefore is to assess the contribution of insurance services in the protection of economic resources and it explains how insurance companies develop and establish insurance schemes likely to contribute to the alleviation of loss and damages that the organization is likely to suffer from. Insurance services contribute to the protection of organizations including non-profit organizations and individuals against likely unpredictable incidents and accidents that may lead to the organization's loss and damage of economic resources.

## METHODOLOGY

### Research Design

This is descriptive research designed to assess the contribution of insurance services in the protection of economic resources of insured clients [3]. The study used the descriptive method because the researcher has based primary data and secondary data to describe how insurance services contribute to the protection of

economic resources of insured clients. This method consists of administering questionnaires that have been distributed among insured clients of Sonarwa General Insurance Company as well as its employees. A sample of respondents will be drawn from insured respondents and other questionnaires will be distributed to the staff of Sonarwa General Company to

assess the contribution of insurance in the protection of economic resources.

### Population of Study

[4] has stated that the target population concerns a particular group of people which is the subject of research it is also related to the targeted respondents which is the point of the estimate which is concerned with the sample proportion of respondents that have a particular characteristic as the best estimator of the population proportion. In this study, the target population are insured clients who are managers in public companies, private companies, semi-public companies, NGOs as well as individual clients who are experienced and paid a considerable premium. This target population also employees of Sonarwa General who are managers and employees working in different departments as well as other respondents operating outside of Sonarwa General but get some service related to insurance. The whole population is comprised of 104 respondents as insured

clients including 25 staff respondents from Sonarwa General in Kigali City.

### Sample Size Determination

[5] argued that a sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or procedure that the researcher would adopt in selecting items for the sample. Sample design may as well lay down the number of items to be included in the sample i.e., the size of the sample. Sample design is determined before data are collected. Slovin's formula was used to calculate the sample size at a confidence interval of 92% and a margin of error of 8% as described below.

Where;

$$n = \frac{N}{1 + N(e)^2}$$

Where N = Target Population (104)

n = Sample size

e = the margin of error (8%)

N=104

e= 0.08

**Table 1: Categories of respondents**

Categories of respondents	Total population	Sample size	Percentage
Sonarwa General Managers	25	15	60
Managers of Public Companies insured in Sonarwa	10	6	60
Managers in Private companies insured in Sonarwa	15	9	60
Managers in Semi-public companies insured in Sonarwa	9	5	55.5
Managers in Ngo's insured in Sonarwa	15	10	58.3
Individuals insured in Sonarwa	30	20	66.6
<b>Total</b>	<b>104</b>	<b>62</b>	<b>62.5</b>
<b>Sonarwa database 2016</b>			

### Sample Size

$$n = \frac{104}{1 + 104(0.08)^2}$$

n=62 respondents

Therefore because of the homogeneity nature of the population targeted, samples of 15 managers of Sonarwa General from different departments were selected among 25 of them as the total population. A sample of 6 public companies which are the Ministry of Infrastructure and Natural Resources, Rwanda Revenue Authority,

Rwanda Agriculture Board, Rwanda Civil Aviation Authority, National Bank of Rwanda, and Rwanda Social Security, all are insured by Sonarwa General, they were selected among 10 of them. 9 private companies, MTN Rwanda, Bralirwa Ltd, Tigo Rwanda, Bank of Kigali, Skol Brewery Ltd, Kipharma, AmekiColor, EngenRwanda, Kigali Bus Services, they were selected among 15 of them insured in Sonarwa General. 5 managers of semi-public companies, MAGERWA, Rwanda

Development Bank, Commercial Bank of Rwanda, National Office of transports, Access Bank Rwanda, all are insured in Sonarwa General and they were selected among 9 of them. 10 managers of NGO organisations such as World Vision International, Care International, ADRA Rwanda, World Relief Rwanda, Norwegian People's Aid, and FHI/Rwanda, were selected among 15 NGO organisations insured in Sonarwa General. 20 individual clients who are experienced with the company were selected among 30 of them. Thus the total sample is 62 made of 47 insured clients and 15 staff of Sonarwa General selected, among 104 people as total population.

#### **Sampling technique**

[6] has argued that the sampling procedure is the procedure through which the researcher must decide the type of sample used, she must decide about the technique to be used in selecting the respondents for the sample. There are several sample designs out of which the researcher must choose some for his study according to the nature of his/her research, the most known are simple random sampling and the purposive sampling technique. The researcher must select a given number of sample techniques for a given sample size and a given cost.

#### **Simple random sampling**

[7] has stated is a probability sampling method that gives each eligible respondent with equal chance of being selected in the sample. Random procedures are used to select a sample using a sampling frame, which is a list of respondents included in the population. Thus the names of respondents are assigned numbers on the name list. These are written on a sheet of paper folded, put into a box and mixed thoroughly well. One folded piece of paper is picked at random until the required number 65 is reached. This method helps the researcher to eliminate bias during the respondent's selection process. In carrying out this research, the employees of Sonarwa General Insurance Company were used as respondents. They were chosen while taking into account their education levels, responsibilities in the company, and work experience within the

organisation. The purposive sampling technique is employed in the case of selecting the particular known category of respondents to select top managers of Sonarwa General Insurance Company. This is because they are persons considered to be knowledgeable in matters related to the study.

#### **Data collection**

This section explains how data will be collected [8]. Two methods of data collection were used. These included the questionnaire and interview; this is called the primary data. Primary data was mainly used to increase the understanding of the questions that came up in this work. To collect primary data, questionnaires were distributed to many insured clients and staff from Sonarwa General Insurance Company who provided information considered relevant to the study. The primary source of data and secondary data were chosen because it provides information to the researcher. It is original, it is collected for a specific purpose and it is used to solve a specific problem. Not only does the primary source of data enable the researcher to focus on specific issues but it also enables the researcher to have a higher level of control over how the information was collected. However, it is expensive and time-consuming. Many are just too large to be carried out and are therefore not feasible at all. The secondary data, on the other hand, are those which have already been collected by someone else and which have already been passed through the statistical process. The researcher would have to decide which sort of data he would be using (thus collecting) for this study and accordingly, the researcher had to select one or the other method of data collection.

#### **Data collection and instruments**

[9] discussed the tools of data collection which are questionnaires, interviews, library research and the Internet. A questionnaire about the employees of SONARWA is designed in such a way that it contains both multiple-choice questions and questions that require respondents' opinions on the subject under investigation. The questionnaire is designed in English.

[10] discussed it and said that a self-administered questionnaire is designed and delivered to the respondent by the researcher. These questionnaires have been distributed to all 62 respondents. The questionnaire includes both closed and open-ended questions. An introductory letter precedes each questionnaire; this instrument is preferred because respondents feel free to give frank answers at their convenience. Since respondents are informed of the purpose of the search and are not required to disclose their names, cooperation is high and the instrument is cheaper to administer. During the collection of data, questionnaires were distributed to 62 respondents who constitute the sample size to receive their views about different research questions which were of high concern to the researcher to allow him to draw important research conclusions. [11] argued that the interview is an important means of obtaining data from respondents. This method is chosen in agreement with [12] who said that its advantages include; naturalness, flexibility, control of the environment and a high response rate. This method is intended to add quality to the data provided by the questionnaires. Thus, questions that are skipped or carelessly answered are adequate in response to the interview process. The researcher designed a special interview

schedule with insured clients using random sampling as well as top managers using purposive sampling.

#### Data Analysis

[13] said that the data, after collection, has to be processed and analyzed according to the outline laid down for the purpose at the time of developing the research plan. This is essential for a scientific study and for ensuring that the researcher has all relevant data for making contemplated comparisons and analyses. Processing implies editing, coding, classification and tabulation of collected data so that they are amenable to analysis. Data processing refers to the transformation of respondent's views into meaningful text. It is the link between the data collection and analysis. Data collected from questionnaires and interviews are edited, coded, tabulated and processed immediately after their acquisition. The data analysis was done using tables generated from SPSS.

#### Ethical Considerations

The researcher assured the respondents to maintain their secrecy and the secrecy of the information they provided to avoid the questions which required the respondents to provide their names [14]. However, this study was conducted for academics and no part of this study is to be reproduced without the consent from the school.

### RESULTS

#### Characteristics of respondents

As previously mentioned 62 respondents were sampled to fill questionnaires. Their

characteristics are presented in the Table below.

**Table 2: Gender of respondents**

	Frequency	Per cent
Woman	20	32.3
Man	42	67.7
<b>Total</b>	<b>62</b>	<b>100.0</b>

#### Primary data

Table 2 shows that the number of male respondents was higher than the female respondents due to daily home and family responsibilities. The male respondents were 42 which is equal to 67.7% and the female respondent was 20 which is equal

to 32.3%, this number of respondents reflects the effort of the research to work on the assessment of the contribution of insurance services to protect the economic resources of insured.

**Table 3: Age of respondents**

	Frequency	Per cent
Below 20 years old	12	19.4
20-40 years old	36	58.1
Above 40 years old	14	22.6
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Table 3 demonstrates respondents of different ages which makes us understand the possible and probable respondent dynamism according to their ages. Respondents beyond 20 years old were in the number of 12 respondents which was the equivalent of 19.4%, respondents aged 20-40 years old were 36 which was equal to 58.1% and those having the age beyond 40 years old were 14 respondents which is

the equivalent of 22.6%. The age difference had a significant effect on the speed of getting responses from respondents, young respondents provided answers more quickly and effectively than aged respondents, that is the reason why it was very important for the researcher to emphasize in his research on the age of respondents.

**Table 4: Education level of respondents**

	Frequency	Per cent
Primary	17	27.4
Secondary	29	46.8
Tertiary	16	25.8
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Table 4 emphasizes on educational level of respondents because the education level of respondents has a significant impact on the better course of research action. The more respondents are well educated the more they contribute significantly to the better accomplishment of the research because this involves knowing how to read

and write. Respondents who had studied primary studies were 17 with 27.4%, respondents who had studied secondary studies were 29 with 46.8%, and those who had studied tertiary studies were 16 with 25.8 compared to the total sample considered in the study.

**Table 5: Length of service consumption**

	Frequency	Per cent
Less than 2 years	15	24.2
2-3 years	22	35.5
Above	25	40.3
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Table 5 talks about the length of consumption of insurance services according to the years that clients had consumed insurance services of SONARWA Insurance Company. The number of respondents who had consumed the insurance services explains the level of experience consumers had experienced in consuming SONARWA insurance services. Respondents that had consumed insurance services less than 2 years were 15 respondents which is the equivalent of

24.2%, respondents that had consumed SONARWA insurance services from 2-3 years were 22 with 35.5% compared to the total sample considered. Those who had consumed SONARWA services for a period beyond 3 years old were 25 respondents with 40.3% compared to the total number of respondents considered in the sample size.



### Views of manager and other insured on the way insurance protects economic resources

The researcher collected the views of managers of organizations and other insureds on the way they perceive the contribution of insurance services to protect economic resources. Among

managers included public sector managers, private sector managers, NGO managers and other individuals who use SONARWA insurance services to give their views on the matter concerning economic resource protection through insurance services.

**Table 6: Managers and other insured**

	Frequency	Percent
Public sector managers	11	17.7
Semipublic sector managers	12	19.4
Private sector managers	16	25.8
NGO managers	9	14.5
Individuals	14	22.6
<b>Total</b>	<b>62</b>	<b>100.0</b>

### Primary data

Table 6 shows the extent to which managers and other individuals agreed on the fact that insurance services contribute to the protection of economic resources. All managers and individuals agreed that insurance contributes to the protection of economic resources but to different extents. 11 public managers mentioned that insurance services are important in protecting the economic resources of the insured. Those respondents are the equivalent of 17.7% compared to the total sample considered. That view explains how the economic resources of public organizations need insurance services to run while being protected. Managers from semipublic organizations agreed also that insurance services are important in the protection of economic resources. 12 semipublic managers with the equivalent of 19.4% said that as the organizations they run are partly owned by individuals, it becomes difficult to recover risk in case of it, and that is the reason why they need to be insured. Private sector managers agreed in several 16 which is equal to 25.8% this big number of respondents accompanied by a big percentage explains the level of dependence on insurance services. This is actually because private organizations should one hundred per cent depend on insurance services in case of risk. Therefore, this proves the importance

of insurance services in private organizations. NGO managers said also that insurance services are important in the protection of their economic resources in their daily running of organization activities. 9 NGO managers with the equivalent of 14.5% said that their organizations are always protected in all countries where they operate in order not to put funds and resources at risk that could be avoided by insuring organizational resources through insurance services. Different personal insured showed their interest when responding to the questionnaire the extent that 14 individuals corresponding to 22.6% said that without insurance services very small number of business activities could recover after undergoing risks, they said that in most cases business operations turn to operation after undergoing risk damages through the compensation from insurance companies.

### The insurance schemes available in SONARWA protect the economic resources of the insured

The insurance schemes were proved by insured respondents according to the fact that those insurance schemes protect economic resources shown in the Table below, such as people with life insurance, goods and property, public liability, financial operation and bond bids.

**Table 7: Insurance schemes to protect the economic resources of insured**

Insurance services	Frequency	Per cent
Life insurance	17	27.4
Insurance of goods or property	21	33.9
Public liability insurance	11	17.7
Financial operations/bid bonds insurance	13	21.0
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Table 7 above shows insurance schemes of insurance to protect economic resources that are mentioned in Table 7 respondents opted for life insurance and that is the equivalent of 27.4 compared to the total number of respondents. That explains how life insurance is likely to protect the interests of people by offering compensation for the loss or death of people because they constitute the human resource for families and organizations. The importance of insurance schemes was again proved by respondents through the fact that they can cover the loss of goods and property of the organization for individuals. 21 respondents with 33.9% said that when people purchase goods and property of high value they prefer to insure them with insurance coverage. This insurance service reliability explains the importance of insurance schemes of insurance service to protect the economic resources of the insured. Some other respondents opted for insurance services as an effective tool to protect economic resources because they can protect public liability against loss that may surprisingly occur as another kind of loss. 11 respondents which is the equivalent of 17.7% have emphasized that insurance

schemes of insurance services because when people get public liability such as loans and other kinds of liabilities they put them under coverage through public liability insurance from a given insurance company to protect them quite well. Some other respondents said that insurance services are effective tools to protect economic resources through the protection of financial operations and bid bonds. 13 respondents with 21.0% were compared to the total sample considered. This also shows the importance of insurance schemes of insurance services by their abilities to cover risks that may arise from the change in the price when purchasing and selling bonds and other financial operations.

**Business and non-business activities that need the most insurance coverage**

Activities that need insurance coverage are not only business activities but also non-business activities and among the activities that the researcher proposed to respondents were: driving, mining activities, petrol station and construction activities. The researcher chose these activities because of the extent to which they are exposed to probable risks.

**Table 8: Business and non-business activities that need the most insurance coverage**

	Frequency	Per cent
Driving	14	22.6
Mining activities	16	25.8
Petrol station	18	29.0
Construction	14	22.6
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Concerning business and non-business activities that should be the most covered by insurance coverage 14 respondents with the equivalent of 22.6% compared to

the total number of respondents. said that driving deserves to be covered by insurance coverage because not only it is for covering business activity but it is also



important to cover the lives of transported people. That is the reason why driving activity deserves to be covered by insurance coverage. The mining activity was also proposed to respondents by the researcher as one of the business activities that deserve insurance coverage. 16 respondents representing 25.8% of the total sample size of respondents. The increase in the number of respondents opting for this activity to be covered by insurance coverage is due to a large number of workers who get killed while practising the mining activity. This explains the reason why the mining activity is among the most business activities that deserve insurance coverage. Petrol stations are the items for which respondents had focused as business activities that need the most insurance coverage. 18 respondents representing 29.0% said that petrol stations represent a high investment in terms of money but their burning incidents can lead to big losses in terms of materials as well as

human resources. That's the reason why this needs insurance coverage. Construction activities are other dangerous zones that the researcher proposed to respondents and the result was that 14 respondents an equivalent of 22.6% said that construction activities taking place on construction sites deserve appropriate insurance coverage to prepare in advance for the coverage of human and material losses that can occur on the construction sites.

### **Contribution of Insurance to Socioeconomic Development**

The contribution of insurance to socio-economic development by protecting the economic resources of the insured is explained by the following element proposed to respondents to be the focal point of the analysis of this part in analyzing the contribution of insurance to socio-economic development through protection of economic resources of insured. Different managers answered questions in this regard.

**Table 9: Contribution of insurance to the socio-economic development**

	Frequency	Per cent
Public sector managers	12	19.0
Semipublic sector managers	9	14.3
Private sector managers	16	25.4
NGO managers	11	18.5
Individuals	14	22.6
<b>Total</b>	<b>62</b>	<b>100.0</b>

### **Primary data**

Concerning the contribution of insurance to socio-economic development 12 public sector managers representing 19.0% said that insurance insures workers and their families to the extent that even in case of incurring damages such as injuries illness or others, workers get support from insurance companies in which workers are insured. That is the reason why insurance services are important in the contribution of insurance to socio-economic development. Semipublic sector managers in number 9 representing 14.3% said that insurance services contribute to the socio-economic development of the insured in the sense that insured health services from insurance services that they could not get from usual medical insurance provided by hospitals. They mentioned that some

medical insurance from insurance companies provides with insured the possibility to get medical services in a country of their choice around the world. This was another argument explaining how insurance services contribute to the socio-economic development of insureds. Private sector managers had focused on pension funds as a way of keeping the socio-economic development of the insured on the right track. They said that the pension fund from insurance companies is better than the one provided by the Social Security fund organization. 16 private sector managers representing 25.4% focused on it and it shows the way insurance services contribute to the socio-economic development of insured. NGO managers said that insurance services

contribute to the socio-economic development of insure through life insurance in the sense that the death of an insured person provides compensating means to the rest of his family. 11 private sector managers representing 18.5% supported that argument. That explains the way insurance services contribute to the socio-economic development of the insured. Other 14 individuals representing 22.6% of individuals said that insurance services contribute to the socio-economic development of the insured through education insurance which is a long-term

investment that becomes a future sustainable source of economic resources. This proved the way insurance services contribute to the socio-economic development of the insured.

#### **The extent to which insurance service Protects the economic resources of the insured**

This shows the level at which insurance service is agreed on to be able to protect the economic resources of the insured according to different percentages reflected by the answers of respondents.

**Table 10: The extent to which insurance service protects the resources of the insured**

	<b>Frequency</b>	<b>Per cent</b>
Below and up to 20%	3	4.8
From 21% to 40%	6	9.7
From 41% to 60%	17	27.4
From 61% to 80%	26	41.9
From 81% and above	10	16.1
<b>Total</b>	<b>62</b>	<b>100.0</b>

#### **Primary data**

Concerning the extent to which insurance service protects the resources of the insured in the range of below up to 20%, 3 respondents agreed about it and this represents 4.8% when compared to the total sample. From 21% to 40%, 6 respondents found it valid and that was equal to 9.7% compared to the total sample. From 41% to 60%, 17 respondents agreed to it and that was 27.4% of the total sample. From 61% to 80%, 26 respondents agreed about it and that represented 41.9% compared to the total sample. From 81%

and above 10 respondents agreed on it and that was the equivalent of 16.1%.

#### **Statement about the importance of insurance services in the protection of economic resources of insured**

The statements about the importance of insurance services in the protection of the economic resources of insured included the insurance for business protection against probable risks, insurance for effective medical treatment, insurance for property protection, insurance for business innovation, and insurance for organization source protection.

**Table 11: Statements about the importance of insurance services**

	Frequency	Per cent
Insurance is important to protect businesses against probable risks	14	22.6
Insurance is important for effective medical treatment	12	19.4
Insurance is important for property protection	17	27.4
insurance is important to motivate business innovation	11	17.7
Insurance is important to protect organizational resources	8	12.9
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Concerning the importance of insurance services 14 respondents corresponding to 22.6% said that insurance is important to protect businesses against probable risks that may occur due to various circumstances. That shows how people need insurance services to cover the risks of their businesses. 12 respondents corresponding with 19.4 said that insurance is important for effective medical treatment in the sense that it provides the insured with the capacity to get treated effectively with quality medical service. 17 respondents representing 27.4% said that insurance is important for property protection. That proved the extent to which the insured need protection of their properties because it costs them a lot to get them. 11 respondents corresponding 17.7% said that insurance is important to motivate

and promote business innovation fact that when the business is insured there is stability which allows working on innovation of the business products. 8 respondents representing 12.9% said that insurance is important to protect organizational resources because all organizations working with insurance companies look for resource protection because they cannot operate when their resources are under risk.

**Effectiveness of Insurance in the Protection of Economic Resources**

The effectiveness of insurance in the protection of economic resources of the insured is characterized by the quick compensation to the claims of the insured, assurance in running business activities, assurance for business continuity, assurance for life sustainability, and insurance for resource protection.

**Table 12: Effectiveness of insurance in the protection of economic resources**

	Frequency	Per cent
Quick compensation	13	21.0
Assurance in running business	11	17.7
Assurance for business continuity	14	22.6
Assurance for life sustainability	15	24.2
Assurance for resource protection	9	14.5
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Concerning the way insurance services protect economic resources 13 respondents corresponding to 21.0% said that quick compensation is one of the elements that make insurance services

very effective because the insured restart quickly their activities and continue their course of productivity. 11 respondents corresponding 17.7% said that insurance provides effectiveness through assurance

in running business. This proves the effectiveness of insurance and its importance in ensuring that after a given risk there can still be the possibility to run business operations. 14 respondents representing 22.6% said that insurance is effective in protecting economic resources because it helps the insured to continue their business transactions thanks to the compensation they get from insurance companies after undergoing different kinds of risks. 15 respondents corresponding with 24.2% said that the effectiveness of insurance is derived from the fact that it assures life sustainability thanks to the quality medical insurance that provides with insured effective medical treatment that helps them to live

longer. 9 respondents representing 14.5% compared to the total the total sample, said that insurance services assure resource protection thanks to the fact that insurance companies provide with insured different insurance schemes according to resources that they need to insure.

#### **Business activities, properties and individuals that are often insured**

Among business activities, properties and individuals that are often insured include air transport business activity, ship transport, car transport, motorcycle and building activities. Questions were asked about these elements about the way they are insured and respondents answered as represented in the Table under.

**Table 13: Business activities, properties and individuals that are often insured**

	Frequency	Per cent
air transport	12	19.4
ship transport	8	12.9
car transport	21	33.9
Motor cycle	14	22.6
building	7	11.3
<b>Total</b>	<b>62</b>	<b>100.0</b>

#### **Primary data**

Concerning business activities, properties and individuals that are often insured 12 respondents 19.4% in the total sample said that air transport is one of the most common business activities that take regular insurance services because of the way air transport is very much exposed to transport dangers. 8 respondents with 12.9 mentioned the ship transport as another transport means that need insurance coverage. This is because it is very difficult to recover resources that are on the ship in case of accidents. 21 respondents with 33.9% said that car transport insurance is the most popular that is known and most purchased because of the large number of cars operating in the country. The high number of respondents and the high rate in terms of percentage is explained by the high rate of car accidents that occur daily around the globe and this proves the importance and the effectiveness of insurance services in protecting economic resources. 14 respondents the equivalent of 22.6% mentioned that the same as car transport

motor cycle transport requires insurance coverage due to the way it's exposed to accidents. This explains why in this regard insurance is an effective tool in the protection of economic resources. 7 respondents with 11.3% said that building activities require insurance coverage because construction sites put the lives of builders at risk. This is the reason why building activities as well as building sites should be covered by insurance coverage to protect material and human resources being used at the building sites.

#### **Innovation for Sonarwa Insurance to protect economic resources**

Regarding the innovation brought by Sonarwa to better protect economic resources, there was the involvement of the update of insurance schemes, the development of new kinds of insurance for new businesses, and the facility for the insured to access easily insurance services, to be sensitive to claims of insured. These were elements that could bring innovation in Sonarwa as mentioned by respondents.

**Table 14: Innovation for SONARWA insurance to protect economic resources**

			Frequency	Per cent
	Update insurance schemes	15	24.2	
	Development of new insurance for new businesses	16	25.8	
	Facilitate the insured to access easily insurance services	14	22.6	
	To be sensitive to claims of insured	17	27.4	
	<b>Total</b>	<b>62</b>	<b>100.0</b>	

**Primary data**

Concerning the innovation brought about by insurance to protect economic resources 15 respondents that are equal to 24.2% of the total sample considered said that updating insurance schemes is important in the innovation of insurance services. The update of insurance schemes brings about positive change in satisfying the needs of the insured as well as reaching other new insured. This makes insurance services more attractive to the insured to be able to protect more resources in the economic environment. 16 respondents corresponding to 25.8% in the number of the total sample opted for the development of new insurance to protect new businesses. This is very important to develop insurance schemes that didn't exist before to attract new investments that provide more jobs to people as well as protect economic resources in the new investments created in the economic environment. 14 respondents that are equal to 22.6% mentioned that insurance services facilitate, to access easily insurance services, this facilitates insured to get easily the access of economic resources coverage that they need because their

economic sources should be covered for their businesses to be productive. 17 respondents which is the equivalent of 27.4% mentioned that in the innovation of insurance services, there should be sensitivity to claims of insured. To be sensitive to the claims of the insured explains the extent to which insurance companies take into consideration the problem faced by the insured because once the claims of the insured are taken care of insured becomes satisfied and consumes more insurance services to protect economic resources.

**Strategies of Sonarwa to protect the economic resources of insured**

The kinds of strategies that Sonarwa should take to be able to protect economic resources are such evaluation of the assets value of the insured, monitoring mechanism likely to secure insured resources, identification of major risks that may affect the economic resources of the insured, avail compensation or means to compensate occurred accidents or risks to economic resources of insured, develop policies, procedures and studies for risk management.

**Table 15: Strategies of Sonarwa to protect the economic resources of insured**

	Frequency	Per cent
Evaluation of assets value of insured	11	17.7
Monitor mechanism likely to secure insured resources	13	21.0
identify major risks that may affect the economic resources of the insured	15	24.2
Avail compensation or means to compensate occurred incidents or risks	16	25.8
Developing policies, procedures and studies for risk management	7	11.3
<b>Total</b>	<b>62</b>	<b>100.0</b>

### Primary data

On strategies that customers would like Sonarwa to adopt for economic resource protection 11 respondents with the equivalence of 17.7% have opted for the evaluation of the assets value of the insured as a strategy that can help insured to get fair compensation according to the value of assets claimed by the insured. Fair compensation provides the insured with satisfaction that attracts them toward the insurance company and this creates a win-win situation whereby the insured are stuck to the insurance service provider because the insurance company has been able to protect the interests of the insured through the protection of their economic resources. 13 respondents which correspond with 21.0% have said the better was of Sonarwa to protect economic resources is through is monitoring mechanism likely to secure insured because some mechanism linked with some problems that can compromise the well-functioning of economic protection that is the reason why Sonarwa needs to monitor mechanism of protecting economic resources of insured to serve the interest of insured as included in its mission and value. 15 respondents which is equal to 24.2% said that identification of major risks that can affect negatively the economic resources of the insured so that risks can be detected and preserve the protection of the economic resources of the insured. 16 respondents

corresponding with 25.8% said that the better strategy Sonarwa Cat takes to protect their resources is to avail sufficient means to compensate loss of insured because the compensation offered by insurance companies after the loss incurred by the insured is the only way to bring back the insured to operate again. That is the reason why respondents have opted for availing means for compensation to insured who have incurred loss. Other 7 corresponding with 11.3% of respondents said that Sonarwa should develop strategies likely to protect the economic resources of the insured. The importance of developing strategies to protect economic resources is that when the insurance company looks for different ways of protecting the economic resources of the insured not only it will get more customers as insured but also it will not fulfil its mission and vision as that is in its mission and vision like.

### The most purchased insurance

Among the most purchased the most mentioned by respondents are in the Table below with life insurance, fire insurance, personal accident insurance, motor insurance, and livestock insurance. The research had proposed the kinds of insurance and respondents answered them according to the way they found them to be important in protecting the economic resources of the insured.



**Table 16: The most purchased insurance**

	Frequency	Per cent
Life insurance	13	21.0
Fire insurance	14	22.6
Personal accident insurance	10	16.1
Motor insurance	17	27.4
Livestock insurance	8	12.9
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

About the most purchased insurance 13 respondents with 21.0 among the total sample considered said that life insurance is consumed by many people because it provides a means to get medical insurance and compensation to the rest of the family members who survived thanks to the support of the deceased. That explains the importance of life insurance and the reason of why those respondents opted for it. 14 respondents said that fire insurance is mostly purchased because of the loss and serious damage that it can cover. This reflects the importance of fire insurance because damages that occur due to fire accidents cause serious losses and that was the motive of those respondents to opt for it. 10 respondents corresponding with 16.1% said that the most purchased because people desire to protect themselves personally. The individualism drive explains the reason why these respondents opted for personal accident insurance. 17 respondents 27.4 % have said that the most purchased insurance is motor insurance because of a lot of

movements that motor vehicles and other devices of the related kind make as well as the way they are exposed to probable road accidents influenced respondents to opt for motor insurance as the most purchased insurance from Sonarwa, 8 respondents said that the livestock insurance is the most purchased because our country has a big number of people involved in breeding activities which requires insurance services as economic activities that need protection for probable accidents.

**The improvement of Insurance Services for the protection of economic resources of the insured**

Regarding the improvement of insurance services for the protection improvement of insurance services in Sonarwa such as the provision of better service to customers, quick action and reaction to problems of customers, better ICT systems, and innovative insurance schemes. insured researcher had proposed elements that could characterize the economic resources.

**Table 17: Improvement of insurance services for the protection of economic resources of insured**

	Frequency	Per cent
Provision of better service to customers	18	29.0
Quick action and reaction to problems of customers	13	21.0
Better ICT systems	17	27.4
Innovate insurance schemes	14	22.6
<b>Total</b>	<b>62</b>	<b>100.0</b>

**Primary data**

Like other organizations, Sonarwa needs an improvement of insurance service to attract more customers as well as being up-to-date. In this regard, 18 respondents with 29.0% said that for Sonarwa to improve its insurance service must provide better service to customers which

is to work on the quality of different products that it offers to its customers to keep the existing ones and attract new ones. 13 respondents that are equal to 21.0% said that quick action and reaction to problems of customers is very important to improve services of

customers. Quick action and reaction to claims and other problems of the insured is an important way to serve customers and satisfy them. That is the reason why those respondents have opted for quick action and reaction to problems of customers as a better way for Sonarwa to improve its services to better protect the economic resources of the insured. 17 respondents corresponding with 27.4% argued that better ICT systems can be another way of improving Sonarwa insurance services and this should be accompanied by the exhibit of available insurance schemes that customers need to have to better protect their economic

From the manager's viewpoint different companies and NGOs that get their insurance from Sonarwa General said that insurance services protect the economic resources of the insured shows the extent to which managers and other individuals agreed on the fact that insurance services contribute to the protection of economic resources. All managers and individuals agreed that insurance contributes to the protection of economic resources but to different extents. 11 public managers mentioned that insurance services are important in protecting with 17.7%, semipublic managers with 19.4%, private sector managers with 25.8%, NGO managers with 14.5% other individuals with 22.6%.

#### **Effectiveness of products offered by SONARWA to contribute to the safety and security of business assets of insured**

From the respondents' point of view, it was proved by the insured that there is enough effectiveness in the protection of economic resources. Insured proved it to be effective with 27.4% of respondents saying that there is effectiveness of insurance in the protection of economic resources, corresponding with 33.9% said that insurance services protect economic resources through the insurance of goods and properties, 17.7% for liability insurance, 21.0% for financial operations and bid bonds.

resources. That statement shows the driven motive of respondents to support the argument of better customer care as one of the ways to improve insurance services of insured. 14 respondents with 22.6% compared to the total sample considered said that the innovation of insurance schemes is a key factor for improving Sonarwa insurance services. Improvement is brought about through innovation which brings positive change to adapt to the changing economic environment by innovating insurance services and schemes that the insured need to protect their economic resources.

#### **CONCLUSION**

##### **Impact of insurance services from SONARWA on the sustainability of economic resources of production of insured**

It was found that there is effectiveness of insurance services to protect economic resources as 21.0% respondents said that quick compensation is one of elements that make insurance services of Sonarwa General very effective because insured restart quickly their activities and continue its course of productivity, 17.7% of respondents said that insurance provides effective assurance in running business, 22.6% of respondents said that insurance is effective in protecting economic resources because it helps insured to continue their business transaction thanks to the compensation they get from insurance companies after undergoing different kinds of risks, 24.2% said that the effectiveness of insurance is derived from the fact that it provides the assurance for life sustainability thanks to the quality medical insurance that provides with insured effective medical treatment that help them to live longer, 4.5% of respondents said that insurance is effective thanks to the fact that it provides insured with different insurance schemes according to resources that they need to insure.

**Development of various insurance products and provision of opportunities to secure different types and categories of assets of insured**

Concerning the extent to which insurance service protects the resources of the insured respondents said that in the range of below up to 20%, 3 respondents agreed that and this represents 4.8% when compared to the total sample. From 21% to 40%, 6 respondents found it valid and that was equal to 9.7% compared to the total sample. From 41% to 60%, 17 respondents agreed to it and that was 27.4% of the total sample. From 61% to 80%, 26 respondents agreed about it and that represented 41.9% compared to the total sample. From 81% and above 10 respondents agreed on it and that was the equivalent of 16.1%.

**Protection against internal and external threats to be able to protect the economic resources of production of its clients**

The strength of insurance services was reflected in strategies that it has taken to be able to protect economic resources. 17.7% of respondents appreciated the evaluation of the asset value of the insured used by Sonarwa General as a strategy to protect the value of assets. 21.0% of respondents liked the way Sonarwa General monitors mechanisms likely to secure insured resources to make sure that available mechanisms used by Sonarwa can be able to serve the interests of the insured by ensuring their economic resources. 24.2% of respondents were content with the way Sonarwa identified major risks that may affect the economic resources of the insured so that it could establish appropriate ways to properly protect the economic resources of the insured against probable risks. 25.8% of respondents liked the availability of compensation or means to compensate occurred accidents or risks to protect the economic resources of the insured. 11.3% of respondents appreciated the establishment of policies, procedures and studies on risk management so that risks that could affect economic resources can be effectively managed to protect the economic resources of the insured.

**Effectiveness of products offered by SONARWA to contribute to the safety and security of business assets of insured**

Concerning how insurance services offered by Sonarwa contribute to the safety and security of business assets of the insured, the result shows that first and foremost quick compensation is one of the elements that make insurance services very effective for the safety and security of economic resources because insured restart quickly their activities and continue its course of productivity. Through the provision of compensation, the organization is assured to run properly its daily business activities because after a given risk there can still be the possibility to run business operations thanks to the compensation offered by the insurance company. Insurance provides life insurance and health insurance that contribute to the protection of the human resources of the organization. Insurance contributes to the safety and security of economic resources thanks to the fact that insurance companies provide insured with different insurance schemes according to the resources that they need to insure.

**Impact of insurance services on the sustainability of economic resources of production of insured**

The most important observed outcome derived from the observation and experience of respondents regarding the protection of economic resources of the insured as shown by the conclusions below: From the analysis of insurance services in the protection of economic resources the capacity of Sonarwa to provide quick compensation was the important criteria in the protection of economic resources of insured as it allows the organization to continue organizational activities. The satisfaction of the insured thanks to the protection of their economic resources is derived from the ability and capacity of the management of Sonarwa to properly address problems, complaints and suggestions of the insured as well as policies and procedures likely to protect the interests of the insured. From the data analysis customer care and the explanation of insurance services of Sonarwa to insured and the way those

services can contribute to the protection of their economic resources as well as making them understand the importance of insurance services in the protection of their resources. From the analysis insured showed their interest in working hand in hand with Sonarwa to continue to benefit from the protection of their economic resources derived from the insurance services. Answers to the research question were obtained thanks to information from respondents from Sonarwa General Insurance Company and other stakeholders. This provided the researcher with feedback on different kinds of questions that motivated him to conduct this research work.

#### **Development of various insurance products and provision opportunities to secure different types and categories of assets of insured**

Sonarwa insurance services have an impact on the sustainability of business assets insured of different business activities such as collective properties and individual assets which are insured by Sonarwa, air transport takes insurance from Sonarwa as a business activity because of the way air transport is very much exposed to transport dangers. Ship transport is one of the transport means that need insurance coverage. This is because it is very difficult to recover resources that are on the ship in case of accidents. Car transport insurance is the most popular business activity that is known and the most purchased insurance scheme because of the large number of cars operating in the country. The high number of respondents and the high rate in terms of percentage is explained by the high rate of car accidents that occur daily around the globe and this proves the importance and the effectiveness of insurance services in protecting economic resources. Motorcycle transport requires also insurance coverage due to how it is exposed to accidents. This explains why in this regard insurance is an effective tool in the protection of economic resources. Building activities require insurance coverage because construction sites put the lives of builders at risk. This is the reason why building activities as well as

building sites should be covered by insurance coverage to protect material and human resources being used at the building sites. Sonarwa Services provides compensation to the insured as a better strategy that it takes to protect the insured resources by availing sufficient means to compensate the loss of the insured because the compensation offered by the insurance company after the loss incurred by the insured is the only way to bring back insured to operate again. That is the reason why respondents have opted for availing means for compensation to insured who have incurred loss because it allows the business activity to restart. It is very important to mention that compensation availed by the insurance company results from the payments of different insured in terms of premiums that are paid for a specific period. Fair compensation provides the insured with satisfaction that attracts them toward the insurance company and this creates a win-win situation whereby the insured are stuck to the insurance service provider because the insurance company has been able to protect the interests of the insured through the protection of their economic resources and premiums paid by insured assures sustainability of the existence of the insurance company. The importance of insurance schemes was again proved by respondents through the fact that it can cover loss of goods and property of the organization for individuals because people purchase goods and property of high value they prefer to insure them with insurance coverage. This insurance service reliability explains the importance of insurance schemes of insurance service to protect the economic resources of the insured. Sonarwa General insurance services as an effective tool to protect economic resources because they can protect public liability against losses that may surprisingly occur as another kind of losses because people get public liability such as loans and other kinds of liabilities they put under the coverage through the public liability insurance from a given insurance company to protect them quite well against probable losses. Sonarwa General Insurance services are an effective

tool to protect economic resources through the protection of financial operations and bid bonds. This shows the importance of insurance schemes of insurance services by their abilities to cover risks that may arise from the change in the price when purchasing and selling bonds and other financial operations. Sonarwa can protect itself against internal and external threats through the management of its economic resources but also by insuring itself in other reliable insurance companies to protect the organization against internal threats.

**Ways to protect itself against internal and external threats to be able to protect the economic resources of product of its clients**

That is the reason why there should be innovation in organizational insurance services such as updating insurance schemes important in the innovation of insurance services. The update of insurance schemes brings about positive change in satisfying the needs of the insured as well as reaching other new insured. This makes insurance services more attractive to the insured to be able to protect more resources in the economic environment.

**Recommendations**

The key objective of the study was to assess the contribution of insurance services in the protection of economic resources through Sonarwa. This insurance company was as a case study, investigated and many positive results were found but the researcher wanted to investigate and find out how best the company through its insurance schemes/products can contribute to the

protection of economic resources of the insured.

**To SONARWA management**

The development of new insurance products to protect new businesses. This is very important to develop insurance schemes that didn't exist before to attract new investments that provide more jobs to people as well as protect economic resources in the new investments created in the economic environment. To facilitate the insured to get easily access of economic resources coverage that they need because their economic resources should be covered for their businesses to be productive.

**To SONARWA stakeholders and policymakers**

In the innovation and ICT systems of insurance services, there should be the sensitivity to claims of insured. To be sensitive to the claims of the insured explains the extent to which insurance companies take into consideration the problem faced by the insured because once the claims of the insured are taken care of insured becomes satisfied and consumes more insurance services to protect economic resources. Social networking communication at the workplace is important for Sonarwa to communicate with the insured and other stakeholders who would like to work with this insurance company. To make this possible the organization should set up a network likely to facilitate the organization's communication with its stakeholders to work hand in hand with them because it is they that are the reason the organization exists as service beneficiary and service provider.

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