STRATEGIC DRIVERS AND SERVICE DELIVERY IN THE MOTOR INSURANCE COMPANIES IN NAIROBI CITY COUNTY, KENYA

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ABSTARCT

Background: The study aimed to examine the strategic drivers of service delivery in motor insurance companies in Nairobi City County, Kenya. Specifically, the study aimed to determine the influence of employee training on service delivery and to explore the influence of AI-driven underwriting on service delivery in the motor insurance companies in Nairobi City County, Kenya.

Methodology: This study used a descriptive research design, which involved gathering data that describes events, then organizing, tabulating, depicting and describing the data. This study focused on 8 registered motor insurance companies in Nairobi County, Kenya. The unit of observation was 232 management employees working with the 8 registered motor insurance companies in Nairobi County.

Findings: The study found that employee training has a positive and significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya. The study also found that AI-driven underwriting has a positive and significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya.

Recommendations: The study recommends that the management of motor insurance companies should invest consistently in employee training and development programs to enhance service delivery. The study also recommends that the management of motor insurance companies should adopt AI-driven underwriting systems to enhance service delivery.

Key words: Employing training, AI-driven underwriting, Service delivery, Strategic drivers

Background of the Study

Nairobi County's auto insurance market is a major contributor to the Kenyan insurance market and the country's economy. Nevertheless, the industry has many obstacles, particularly poor penetration rates, despite its potential. Kenya's insurance penetration rate is still low, at 2.3%, well below the global average of 7%, according to the Insurance Regulatory Authority (IRA) (2022). However, motor insurance remains a prominent component, accounting for 37.8% of the total premiums in the country, underlining its importance (IRA, 2022). The shift towards digital transformation has become a key driver in improving service delivery within Nairobi's motor insurance sector. With mobile penetration in Kenya reaching 127.5% in 2023 and 67 million mobile subscriptions (Communications Authority of Kenya, 2023), mobile-based solutions are increasingly central to service delivery. A study by Muturi and Njiru (2021) shows that mobile platforms have improved access to motor insurance, especially for the underinsured populations. An example of this is CIC Insurance's Easy Bima platform, which allows customers to purchase policies, pay premiums, and file claims using their mobile phones (Hapakenya, 2024). The adoption of such digital solutions not only enhances customer convenience but also reduces operational costs by eliminating the need for physical documentation and simplifying the process.

Customer-focused innovations are another key driver influencing service delivery in Nairobi's motor insurance companies. Flexible insurance products, such as pay-as-you-drive (PAYD) policies, have become increasingly popular among consumers, especially among lower-income groups. This model bases premiums on actual vehicle usage, offering greater affordability and flexibility compared to traditional fixed-premium models. According to Financial Fortune Media (2023), the uptake of PAYD policies has increased by 15% between 2021 and 2023, indicating strong demand for more flexible and affordable insurance options. This approach has allowed motor insurers to cater to a wider range of customers, especially among Nairobi's younger, cost-conscious urban populations.

In Canada, the motor insurance sector has experienced significant transformation due to advancements in digital technology and evolving regulatory frameworks. According to the Insurance Bureau of Canada (IBC, 2022), over half of policyholders now handle their insurance policies and claims through mobile applications, leading to improved efficiency in service delivery. This digital shift has contributed to a 20% reduction in claim processing times (McKenna et al., 2021). Additionally, the adoption of telematics, which customizes premiums based on driving behaviour, has gained traction, with 15% of motor insurance policies incorporating this feature (Canadian Underwriter, 2023). Regulatory measures, such as Ontario's introduction of electronic insurance certificates, have enhanced transparency and helped combat fraudulent activities, ultimately strengthening the industry's overall effectiveness.

In Uganda, strategic drivers such as digital adoption, regulatory changes, and customer-focused innovations have played a key role in enhancing service delivery in the motor insurance sector. The Insurance Regulatory Authority of Uganda (IRAU, 2023) reports that the introduction of digital motor insurance certificates and mobile payment systems has led to an 18% increase in insurance uptake between 2020 and 2023. A study by Kabanda and Kato (2022) found that the use of mobile platforms has allowed insurers to streamline their processes, resulting in faster claims and improved customer satisfaction. Regulatory reforms aimed at reducing fraud and boosting transparency have further increased trust in the sector. The continued adoption of digital solutions and regulatory reforms has positioned Uganda's motor insurance industry as one of the most innovative in the region, with a 15% improvement in operational efficiency, according to IRAU (2023).

In Nairobi County, the motor insurance sector has undergone significant changes due to key factors such as digital adoption, regulatory reforms, and innovations aimed at improving customer experiences. The Insurance Regulatory Authority (IRA, 2022) highlights that insurance penetration in the sector remains low at 2.3%, significantly trailing the global average of 7%. However, the adoption of mobile technology has played a pivotal role in transforming service delivery. Companies such as CIC Insurance have integrated mobile applications, enabling customers to purchase policies and file claims conveniently from their smartphones (Hapakenya, 2024). Research by Muturi and Njiru (2021) indicates that mobile platforms have enhanced access to insurance, particularly among underserved communities, leading to notable improvements in service delivery across Nairobi.

Technological investments, particularly in data analytics, have also contributed to better service delivery by enhancing risk assessment and claims processing. The Insurance Regulatory Authority of Kenya (IRA, 2022) reports that the integration of predictive analytics and technology-driven solutions has reduced fraudulent claims by 40% over the last three years. These advancements have allowed motor insurers in Nairobi to streamline claims processing, with 60% of claims now settled within 48 hours, compared to seven days in previous years (Hapakenya, 2024). This increase in processing speed has helped improve both operational efficiency and customer satisfaction (Karanja & Wambugu, 2021).

Statement of the Problem

The global motor insurance industry is undergoing significant changes, largely driven by strategic factors such as digital adoption, regulatory reforms, and innovations focused on customer needs. However, in Kenya, the sector continues to struggle with improving service delivery despite these efforts. A key challenge is the low penetration rate, which stands at only 2.3% in Nairobi County, well below the global average (IRA, 2022). Additionally, issues such as insurance fraud, slow claims processing times, and limited access to affordable policies remain persistent problems that reduce the efficiency of motor insurers. If these challenges are not addressed, the sector's growth will be stunted, leading to diminished customer trust and hampering the overall stability of the insurance market. The failure to find effective solutions could result in continued low levels of customer satisfaction and hinder the broader economic development of the sector.

While various studies have explored the influence of strategic drivers on motor insurance service delivery, significant gaps remain in overcoming the challenges faced by the industry. Muturi and Njiru (2021) highlight that mobile technology has increased access to insurance products, particularly for underserved populations in Nairobi. Yet, the sector has not fully leveraged digital innovations to improve market penetration. Onyango and K'Obonyo (2020) note that regulatory reforms, such as the implementation of digital insurance certificates, have led to a 30% reduction in fraud, but fraud-related claims still cost the sector billions annually (IRA, 2023). These findings suggest that although strategic drivers have had some positive impact, more investment in technology, regulatory frameworks, and customer-centric solutions is necessary to address the sector's challenges effectively. Therefore, a deeper examination of how these drivers interact with the Kenyan market is crucial to unlocking the full potential for improving service delivery in the motor insurance industry.

Objectives of the Study
The study aimed to examine the strategic drivers on service delivery in the motor insurance companies in Nairobi City County, Kenya.

Specific Objectives

i)   To determine the influence of employee training on service delivery in the motor insurance companies in Nairobi City County, Kenya

ii)   To explore the influence of AI-driven underwriting on service delivery in the motor insurance companies in Nairobi City County, Kenya.

Theoretical Review

The study was anchored on Human Capital Theory and Artificial Intelligence (AI) Theory.

Human Capital Theory (HCT) emphasizes that investing in employee training and development leads to improved productivity and organizational performance (Becker, 1964). In motor insurance companies, training serves as a strategic driver that directly impacts service delivery by equipping employees with the necessary skills and knowledge to meet customer demands. Recent research highlights that well-trained staff are better equipped to manage complex claims, offer precise advice, and enhance customer satisfaction (Ng & Dastmalchian, 2021). This aligns with HCT, which identifies human capital as a critical resource for gaining a competitive edge in the industry.

Tailored training programs in the motor insurance sector significantly improve service delivery by enhancing employees' technical competencies, such as underwriting and claims management, essential for efficient operations. Recent studies show a direct correlation between employee training and improvements in processing times and service accuracy (Smith et al., 2020). Beyond skill development, training plays a crucial role in boosting employee morale and job satisfaction, which are essential for retaining talent in the motor insurance sector. Kooij et al. (2013) found that employees who receive regular training feel more valued and are more likely to remain loyal to their organizations. This is particularly significant in motor insurance, where high turnover rates can disrupt service quality. By investing in training, companies can cultivate a motivated workforce that consistently delivers exceptional service.

Despite its benefits, implementing effective training programs in motor insurance companies faces obstacles such as high costs and resistance to change. However, studies suggest that leveraging e-learning platforms and data analytics can make training more cost-effective and personalized (Noe et al., 2020). Future research should investigate the potential of emerging technologies, such as virtual reality and gamification, to enhance training outcomes in the motor insurance sector. By addressing these challenges and adopting innovative employee training methods, motor insurance companies can further improve their service delivery and maintain a competitive advantage.

Artificial Intelligence (AI) Theory revolves around creating systems capable of performing tasks that typically require human intelligence, such as learning, reasoning, and decision-making (Russell & Norvig, 2021). In the motor insurance sector, AI-driven underwriting utilizes machine learning algorithms and data analytics to assess risks more accurately and efficiently. This approach aligns with AI theory, which emphasizes leveraging data-driven insights to optimize processes. Recent research demonstrates that AI-driven underwriting improves decision-making accuracy, reduces manual errors, and enhances operational efficiency, all of which contribute to better service delivery (Davenport & Ronanki, 2018).

AI-driven underwriting improves customer satisfaction by providing faster, personalized services. Traditional underwriting processes involve lengthy assessments and manual interventions, leading to frustration. AI algorithms analyze data like driving behavior and vehicle telematics to provide real-time risk assessments and customized insurance solutions, enhancing satisfaction (Berger & Kunreuther, 2020). AI-driven underwriting improves service efficiency in motor insurance companies by automating repetitive tasks like data entry and risk assessment. A McKinsey & Company study found that adopting AI technologies reduces operational costs by 30-50% and increases efficiency by 20-30%, enabling higher policy volumes while maintaining high service standards (McKinsey & Company, 2021). AI-driven underwriting enhances risk assessment and pricing accuracy, enhancing customer trust and

competitiveness. Machine learning algorithms analyze historical data, customer behaviour, and external factors to predict risks more precisely, ensuring fair premiums, reducing disputes, and improving overall satisfaction (Nguyen et al., 2022).
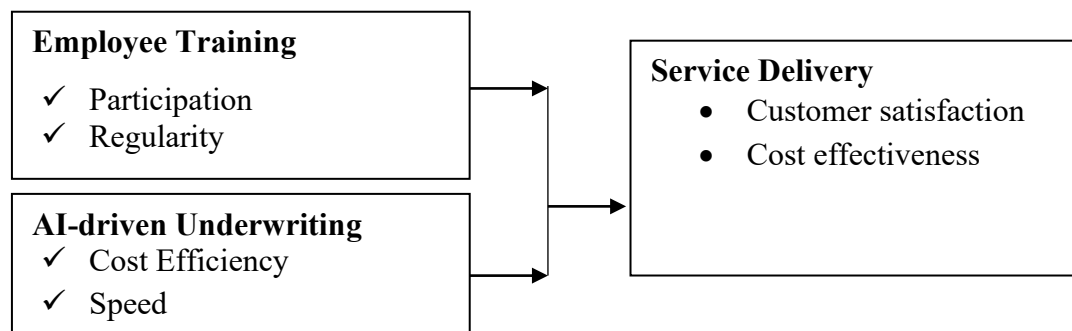
AI-driven underwriting in motor insurance companies faces challenges like data privacy, regulatory compliance, and skilled personnel. Ethical use of customer data and addressing biases are crucial for trust and transparency. Evolving regulatory frameworks and collaboration between insurers, regulators, and technology providers are needed (Floridi et al., 2021). AI-driven underwriting in motor insurance can improve service delivery by integrating advanced technologies like natural language processing and predictive analytics. These technologies can analyze customer feedback, identify risks, and trends. Future research should explore AI's integration with blockchain and IoT for a secure, seamless underwriting process. This will help maintain a competitive edge and enhance customer experiences (Chen et al., 2023).

Conceptual Framework

In this study, the independent variables are Employee training and AI-driven underwriting, while the dependent variable is the service delivery

Independent Variables   **Dependent Variable**

Employee Training

✓ Participation
✓ Regularity

AI-driven Underwriting
✓ Cost Efficiency
✓ Speed

Service Delivery
• Customer satisfaction
• Cost effectiveness

Figure 1: Conceptual Framework

Empirical Review

Employee Training and Customer Satisfaction

Mwangi and Kariuki (2020) conducted a comprehensive study titled "The Impact of Employee Training on Customer Satisfaction in Motor Insurance Firms in Nairobi County, Kenya". The research employed a descriptive survey design, collecting data from 150 employees and customers across various motor insurance companies in Nairobi. The findings revealed that structured training programs significantly enhanced employees' technical competencies, such as underwriting and claims processing, as well as interpersonal skills like communication and problem-solving. These improvements directly translated into higher levels of customer satisfaction, as employees were better equipped to address customer needs promptly and effectively. However, the study faced criticism for its reliance on self-reported data, which may have introduced response bias, and its narrow geographical focus on Nairobi County, which limits the applicability of the findings to other regions in Kenya with different operational dynamics.

Kamau and Wanjiru (2021) investigated "The Role of Employee Training in Enhancing Customer Satisfaction in Motor Insurance Companies in Nairobi". The research adopted a longitudinal design, tracking the performance of trained employees over an 18-month period. The findings demonstrated that regular training interventions led to consistent improvements in service delivery, particularly in areas such as claims processing and customer interaction. This consistency was found to significantly boost customer satisfaction and loyalty. However,

the study was critiqued for its exclusive focus on large, well-established insurance firms, which often have more resources to invest in training programs. Smaller firms, which may face financial and logistical constraints in implementing similar training initiatives, were not included, raising questions about the applicability of the findings across the entire sector.

Nyambura and Maina (2022) examined "Customer-Centric Training and Its Influence on Service Quality in Motor Insurance Companies in Nairobi". The study employed a case study methodology, analyzing training programs in three leading motor insurance companies in Nairobi. The findings underscored the importance of customer-centric training, which focuses on developing soft skills such as empathy, active listening, and effective communication. These skills were found to significantly enhance service quality, leading to higher customer satisfaction levels. However, the study was critiqued for its limited scope, as it focused exclusively on urban areas within Nairobi. Rural regions, where training infrastructure and resources may differ significantly, were not included, potentially limiting the broader applicability of the findings. Additionally, the study did not explore the cost-effectiveness of such training programs, which is a critical consideration for many firms.

AI-driven Underwriting and Customer Satisfaction

Innovation in product offerings plays a crucial role in enhancing customer satisfaction within the motor insurance sector. Mutua and Wanjiku (2020) examined this in their study, "The Role of Product Innovation in Enhancing Customer Satisfaction in Motor Insurance in Nairobi." Using a descriptive survey design, they gathered data from 200 customers across 15 insurance firms. The findings indicated that customized insurance packages, such as pay-as-you-drive and accident forgiveness policies, were highly valued by customers. However, the study did not address the long-term viability of these innovations or their potential effects on the profitability of insurance firms. In a similar vein, Kamau et al. (2021) investigated the impact of digital product innovations on customer satisfaction in the Nairobi motor insurance market. Their study, "The Impact of Digital Insurance Products on Service Delivery in Nairobi," employed a mixed-methods approach, collecting data from 150 customers and 30 insurance agents. The findings highlighted that digital products, such as telematics-based policies and mobile apps for policy management, significantly enhanced customer convenience and satisfaction. Despite these positive outcomes, the study did not examine the challenges faced by older customers or those with limited access to technology, which could impact the inclusivity of these innovations.

Njuguna (2022) focused on the role of innovative claims processes in enhancing customer satisfaction. The study, "Claims Innovations and Customer Retention in Motor Insurance Firms in Kenya," utilized a correlational design to analyze data from 250 customers and 50 employees. The research found that innovations such as automated claims processing and fast-track claims services improved customer loyalty by reducing processing times. However, the study did not explore the financial burden of implementing these technologies, which might pose challenges, especially for smaller firms in the industry. Wambui and Otieno (2021) conducted a comparative study titled "Product Differentiation and Customer Satisfaction in Motor Insurance: A Study of Kenya and South Africa." Using secondary data and surveys with 300 respondents, the research revealed that unique product offerings, such as bundled insurance policies with roadside assistance, boosted customer satisfaction in both Kenya and South Africa. However, South African insurance firms appeared more successful in implementing these innovations due to better infrastructure and regulatory support. The study did not explore how Kenyan firms could overcome these challenges, limiting the transferability of the findings.

Customer Satisfaction

Customer satisfaction is a key factor in evaluating the effectiveness of strategic drivers in service delivery, particularly in the motor insurance industry. Kamau (2018), in his study "The Impact of Service Quality on Customer Satisfaction in the Kenyan Motor Insurance Sector", explored the relationship between service quality and customer satisfaction in motor insurance firms in Nairobi. The study, which employed a descriptive research design, surveyed 250 customers from various insurance companies. The results highlighted that factors such as efficient claims processing, clear communication, and customer-oriented service had a significant impact on customer satisfaction. However, the study mainly focused on service quality, neglecting other strategic elements like regulatory compliance and technological advancements, which could also influence customer satisfaction.

Similarly, Wambui (2019) researched the role of technological innovations in customer satisfaction in the Kenyan motor insurance market, titled "Technological Advancements and Customer Satisfaction in Motor Insurance: Evidence from Nairobi". The study utilized a mixed-methods approach, combining surveys of 200 customers with interviews of 30 insurance agents. The findings revealed that digital innovations, such as mobile apps for policy management and online claim submissions, greatly enhanced customer satisfaction by providing greater accessibility and convenience. However, the study did not address potential challenges for older customers or those with limited access to technology, raising concerns about the inclusivity of these innovations for all customer segments.

Ndegwa (2020), in his study "Regulatory Compliance and Customer Satisfaction in the Kenyan Insurance Industry", focused on how regulatory compliance affects customer satisfaction. This research, conducted in Nairobi, used a correlational research design, surveying 300 customers and 50 employees from motor insurance firms. The findings suggested that companies adhering to regulatory standards, such as timely claims settlement and customer protection laws, were more likely to achieve higher levels of customer satisfaction. Despite these findings, the study did not consider the difficulties smaller firms face in meeting regulatory requirements, which could impact their ability to maintain high levels of customer satisfaction.

Research Methodology

This study used a descriptive research design, which involved gathering data that describes events, then organizing, tabulating, depicting and describing the data. The choice of this research design was influenced by the fact that it enables the researcher to assess the situation in the study area at the time of the study. This study focused on motor insurance companies in Kenya. According to the Insurance Regulatory Authority (2024) there are 8 registered motor insurance companies in Nairobi County. This study targeted management employees working in these companies since they are in a better position to provide information on strategic orientation and organization performance. The unit of analysis was 8 registered motor insurance companies in Nairobi County a while the unit of observation was 232 management employees working with the 8 registered motor insurance companies in Nairobi County.

Table 1: Target Population

Category	Target Population
Top management	8
Middle Level Management	64
Low Level Management	160
Total	**232**

The study used the Krejcie and Morgan (1970) formula to arrive at the sample size of 147, which represents 63.3% of the entire population. Stratified random sampling was applied to

get the respondents. The study then used simple random sampling to select respondents from each stratum. In simple random sampling, every respondent has an equal chance of participating in the study. Thus, Top management (5), Middle level management (41) and Low level management (101). This study used a questionnaire to collect primary data. According to Patton et. al (2016), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection.

For this study, data collection was done through the use of questionnaires. Based on the nature of the survey interaction, a questionnaire can be distributed to respondents using several modes: mail, telephone, internet, or face-to-face (Rotich, 2019). This study adopted the self-administered questionnaire approach. Self-administered questionnaires offer researchers the potential to reach a large number of potential respondents in a variety of locations (Cooper & Schindler, 2017).

Descriptive statistics was used to analyse the data in frequency distributions and percentages, which was presented in tables and figures. Discussions and presentations of the analyzed data were done in tables of frequency distribution, percentages, bar graphs and pie charts. The measure of dispersion was used to provide information about the spread of the scores in the distribution. The study also adopted multiple regression analysis to test the relationships between the variables.

Presentation, Analysis and Interpretation of Data
From the 147 questionnaires, 129 were filled out and returned, hence a response rate of 87.8%. The response rate was considered as suitable for making inferences from the data collected.

Descriptive Statistics

Employee Training and Service Delivery

The first specific objective of the study was to determine the influence of employee training on service delivery in the motor insurance companies in Nairobi County, Kenya. The respondents were requested to indicate their level of agreement on the statements relating to employee training and service delivery in the motor insurance companies in Nairobi County, Kenya. The results were as shown in Table 2.

From the results, the respondents agreed that employees actively participate in training programs to improve their skills and knowledge (M=3.918, SD=0.731). In addition, the respondents agreed that the training opportunities provided are well attended by employees across different departments (M=3.890, SD=0.750). Further, the respondents agreed that Training sessions are offered regularly to ensure continuous development for employees (M=3.843, SD= 0.736). The respondents also agreed that the organization ensures that training programs are scheduled frequently enough to support employee growth (M=3.827, SD=0.717). In addition, the respondents agreed that the training programs offered are diverse, combining in-person and online learning options (M=3.761, SD= 0.676). The respondents agreed that the training format is well-suited to the learning needs of employees (M=3.700, SD=0.707).

Table 2: Employee Training and Service Delivery

	Mean	Std. Deviation
Employees actively participate in training programs to improve their skills and knowledge	3.918	0.731
The training opportunities provided are well attended by employees across different departments	3.890	0.750
Training sessions are offered regularly to ensure continuous development for employees	3.843	0.736
The organization ensures that training programs are scheduled frequently enough to support employee growth.	3.827	0.717
The training programs offered are diverse, combining in-person and online learning options.	3.761	0.676
The training format is well-suited to the learning needs of employees	3.700	0.707
Aggregate	**3.823**	**0.720**

AI-Driven Underwriting and Service Delivery

The second specific objective of the study was to explore the influence of AI-driven underwriting on service delivery in the motor insurance companies in Nairobi County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to AI-driven underwriting and service delivery in the motor insurance companies in Nairobi County, Kenya. The results are presented in Table 3.

From the results, the respondents agreed that AI-driven underwriting helps reduce the overall cost of the underwriting process (M=3.898, SD=0.621). In addition, the respondents agreed that the use of AI in underwriting allows the organization to process more applications with fewer resources (M=3.877, SD=0.657). Further, the respondents agreed that AI-driven underwriting significantly accelerates the decision-making process for insurance applications (M=3.859, SD= 0.676). The respondents also agreed that the use of AI reduces the time taken to evaluate and approve underwriting decisions (M=3.788, SD=0.731). Further, the respondents agreed that the precision of AI algorithms improves the accuracy of underwriting decisions and pricing (M=3.743, SD=0.736). The respondents agreed that AI reduces human errors in the underwriting process, leading to more reliable results (M=3.697, SD=0.717).

Table 3: Ai-Driven Underwriting and Service Delivery

	Mean	Std. Deviation
AI-driven underwriting helps reduce the overall cost of the underwriting process.	3.898	0.621
The use of AI in underwriting allows the organization to process more applications with fewer resources	3.877	0.657
AI-driven underwriting significantly accelerates the decision-making process for insurance applications.	3.859	0.676
The use of AI reduces the time taken to evaluate and approve underwriting decisions	3.788	0.731
The precision of AI algorithms improves the accuracy of underwriting decisions and pricing.	3.743	0.736
AI reduces human errors in the underwriting process, leading to more reliable results.	3.697	0.717
Aggregate	**3.810**	**0.690**

Service Delivery

The respondents were requested to indicate their level of agreement on various statements relating to service delivery in the motor insurance companies in Nairobi County, Kenya. The results are presented in Table 4. From the results, the respondents agreed that their customers consistently express satisfaction with the services we provide (M=3.980, SD=0.661). In addition, the respondents agreed that they actively seek feedback from our customers to ensure their needs are being met (M=3.888, SD=0.640). The respondents also agreed that they maintain high standards of service quality in all aspects of our operations (M=3.843, SD=0.736). Further, the respondents agreed that their team is well-trained and equipped to deliver services that meet or exceed expectations (M=3.837, SD= 0.717). The respondents agreed that they consistently look for opportunities to optimize operational costs without compromising service quality (M=3.796, SD=0.676). The respondents also agreed that the cost of delivering services is regularly reviewed to ensure they remain competitive in the market (M=3.770, SD=0.777).

Table 4: Service Delivery

	Mean	Std. Deviation
Our customers consistently express satisfaction with the services we provide.	3.980	0.661
We actively seek feedback from our customers to ensure their needs are being met."	3.888	0.640
We maintain high standards of service quality in all aspects of our operations.	3.843	0.736
Our team is well-trained and equipped to deliver services that meet or exceed expectations	3.837	0.717
We consistently look for opportunities to optimize operational costs without compromising service quality.	3.796	0.676
The cost of delivering services is regularly reviewed to ensure we remain competitive in the market	3.770	0.777
Aggregate	**3.852**	**0.701**

Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between the dependent variable (service delivery in the motor insurance companies in Nairobi County, Kenya) and independent variables (employee training and AI-driven underwriting).

Correlation tests

The present study used Pearson correlation analysis to determine the strength of association between independent variables (employee training and AI-driven underwriting) and the dependent variable (service delivery in the motor insurance companies in Nairobi County, Kenya). Pearson correlation coefficient ranges between zero and one, where the strength of association increase with an increase in the value of the correlation coefficient.

Table 5: Correlation Results

		Service Delivery
Employee Training	Pearson Correlation	.815**
	Sig. (2-tailed)	.000
	N	129
AI-Driven Underwriting	Pearson Correlation	.806**
	Sig. (2-tailed)	.002
	N	129

There was a very strong relationship between employee training and service delivery in the motor insurance companies in Nairobi County, Kenya (r = 0.815, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significance level). The findings are in line with the findings Mwangi and Kariuki (2020) who indicated that there is a very strong relationship between employee training and service delivery. The results also revealed that there was a very strong relationship between AI-driven underwriting and service delivery in the motor insurance companies in Nairobi County, Kenya (r = 0.806, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the findings of Mutua and Wanjiku (2020) who indicated that there is a very strong relationship between AI-driven underwriting and service delivery.

Regression Analysis
Multivariate regression analysis was used to assess the relationship between independent variables (Employee training and AI-driven underwriting) and the dependent variable (service delivery in the motor insurance companies in Nairobi County, Kenya).

Table 6: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.335	0.085		3.941	0.000
Employee Training	0.361	0.093	0.362	3.882	0.001
AI-Driven Underwriting	0.328	0.087	0.329	3.770	0.002

The regression model was as follows:

$$Y = 0.335 + 0.361X_1 + 0.328X_2 + \varepsilon$$

The results also revealed that employee training has a significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya (β_1=0.361, p value= 0.001). The relationship was considered significant since the p-value of 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Ochieng and Awino (2019) who indicated that there is a very strong relationship between employee training and service delivery.

The study found that employee training has a positive and significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya. From the results, the respondents agreed that employees actively participate in training programs to improve their skills and knowledge. In addition, the respondents agreed that there the training opportunities provided are well attended by employees across different departments. Further, the respondents agreed that Training sessions are offered regularly to ensure continuous development for employees. The respondents also agreed that the organization ensures that training programs are scheduled

frequently enough to support employee growth. In addition, the respondents agreed that the training programs offered are diverse, combining in-person and online learning options. The respondents agreed that the training format is well-suited to the learning needs of employees

In addition, the results revealed that AI-driven underwriting has a significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya ($\beta1=0.328$, p value= 0.002). The relationship was considered significant since the p-value of 0.002 was less than the significant level of 0.05. The findings are in line with the findings of Njuguna (2022), who indicated that there is a very strong relationship between AI-driven underwriting and service delivery.

The study found that AI-driven underwriting has a positive and significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya. From the results, the respondents agreed that AI-driven underwriting helps reduce the overall cost of the underwriting process. In addition, the respondents agreed that the use of AI in underwriting allows the organization to process more applications with fewer resources. Further, the respondents agreed that AI-driven underwriting significantly accelerates the decision-making process for insurance applications. The respondents also agreed that the use of AI reduces the time taken to evaluate and approve underwriting decisions. Further, the respondents agreed that the precision of AI algorithms improves the accuracy of underwriting decisions and pricing. The respondents agreed that AI reduces human errors in the underwriting process, leading to more reliable results.

Conclusion of the Study

The study concludes that employee training has a positive and significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya. Findings revealed that participation, regularity and modality influence service delivery in the motor insurance companies in Nairobi County, Kenya. The study also concludes that AI-driven underwriting has a positive and significant effect on service delivery in the motor insurance companies in Nairobi County, Kenya. Findings revealed that cost efficiency, speed and precision influence service delivery in the motor insurance companies in Nairobi County, Kenya.

Recommendations

The study recommends that the management of motor insurance companies should invest consistently in employee training and development programs to enhance service delivery. Evidence shows that training has a positive and significant effect on staff performance, equipping employees with the necessary skills, knowledge, and confidence to handle customer needs more effectively and efficiently. Well-trained personnel are better positioned to utilize technology, adhere to regulatory standards, and offer tailored solutions that improve customer satisfaction. The study also recommends that the management of motor insurance companies should adopt AI-driven underwriting systems to enhance service delivery. AI-driven underwriting has shown a positive and significant effect on the efficiency, accuracy, and speed of insurance processes. By leveraging artificial intelligence, insurers can automate risk assessment, analyze large volumes of data in real time, and make faster, more informed underwriting decisions.

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