Efficacy of Banc Assurance as a Growth Strategy for Short Term Insurance Firms in Zimbabwe

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Abstract
This research sought to analyse the effects of banc assurance as a growth strategy for short term insurance firms in Zimbabwe. Competition has been stiff on the insurance market with all players fighting to survive and grow their businesses and this has prompted the researcher to analyse some of the ways in which short term insurer’s in Zimbabwe can achieve not only survival but growth as well. The main objective of the study was to investigate the effects of banc assurance as a growth strategy for short term insurance firms in Zimbabwe. A conceptual framework was used to determine relationship between banc assurance as the independent variable and market share, profit levels, sales and productivity as dependent variables. The study was hinged on the Ansoff Matrix Theory also known as Product or Market Growth Matrix which helps organisations in evaluating available options for growth given their product and market mix. The research was quantitative in nature and adopted a positivism philosophy. Simple random sampling was used to draw a sample of 100 respondents from the eighteen short term insurance companies. A response rate of 90% was achieved. Data was collected from both primary and secondary sources of data. Questionnaire was used to collect data and SPSS software for data analysis was used to analyse data. Data collected was also presented in tables, graphs and charts. Regression, correlation and descriptive analysis were used to analyse data collected. The study established that there is a positive and significant relationship between banc assurance as a growth strategy and market share, profits, productivity and sales of short term insurance firms in Zimbabwe. The major challenges of using banc assurance as a growth strategy include lack of adequate training for bank staff, corporate culture and little management involvement in the process. The study recommended that short term insurance firms should go digital on their banc assurance drive to achieve growth whilst using it as a distribution channel. The study also recommended that management of both insurer and host bank should be actively involved in the process to encourage staff and customers to embrace banc assurance. Study also recommended that there should be a robust training plan in place to ensure bank staff are adequately equipped with knowledge of insurance products.

Key words: Banc assurance, Short term insurance, Business growth strategy, Sales, Profit levels, Productivity, Market share, Zimbabwe.
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Introduction and Background of the Study

Globally banc assurance has been a topical issue with most insurance firms recognising the need to grow their business by entering into strategic alliances and partnerships with other financial institutions so as to create a convenient distribution channel for customers. Banking institutions and insurance firms have found banc-assurance as an attractive and lucrative complement to their exchanging activities and also a strategy for increasing revenue for the corporate. Banc assurance has not developed at an equal pace throughout the world. This study seeks to explore the effects banc assurance as a business growth strategy for short insurance firms in Zimbabwe.

Choice of distribution channels to use is key strategic decisions especially for insurance companies as this has an impact on the sales and performance of the company. Ganetay and Molyneux (1998) state that the choice to use when adopting banc assurance as a distribution channel is of strategic importance as it involves various models such as strategic alliance and partnerships and in some cases mergers. The model implemented after adopted banc assurance as a distribution channel has an effect of the performance of the company. Devi (2019) postulates that before embarking on banc assurance, institutions to be involved in the process need to have a thorough review of various factors such as their clientele base, external environment, competitors, market characteristics, resources available and trends of financial performance of other players using the same strategy or model as this has an effect of how banc assurance might also impact their performance. According to Pearson (2010) the objective behind banc assurance of the various parties involved in the process differs even though the benefits derived at the end are more or less the same. Pearson (2010) asserted that for banks, banc assurance might be diversification and a source of extra income whereas for insurance company’s banc assurance might mean market penetration, growth of the firm and increase in premium income and sales.

McKinsey and Company (2019) also state that companies should not ignore digitalization as a core ingredient of growth. Kumar (2018) highlighted that in the United Kingdom after the adoption of banc assurance as a distribution channel the average penetration for life business had an average on 15% in new life business while for non-life business an average of 10-12% was recorded. Various studies carried out in different markets have been trying to point out the growing importance of banc assurance under the banner of service bundling. Jan and Baber (2014) highlighted in their study all the banks and insurer’s in France have recognised the growing importance of banc assurance as a distribution channel thus almost 100% of the banks are selling insurance products.

Banc assurance in Zimbabwe was introduced around 2005 but there has not been a significant increase in the number of players new coming in the market compared with other countries such as India and South Africa which saw a rapid growth in the number of new insurance companies after banc assurance was introduced as various stakeholders saw it as a profitable move. Crawford, Russignan and Kumar (2018) state that from 2011 through to 2017 banc assurance surpassed all other channels of selling insurance in insurance premium growth for both life and short term or non-life insurance products in most parts of the world. In Zimbabwe there hasn’t been any significant growth in the number of short-term insurance firms who have had partnerships with major banks as this should have created an advantage over other insurance firms which do not have...
alliances with major banks. IPEC Non-Life Third quarter report (2019) indicates that there are 18 registered players in the short term insurance market in Zimbabwe, a drop from the 20 which have been in existence since 2018. On a positive note the gross written premium by short term insurers amounted to $629.97 million in 2019 reflecting an increase of 217.45% from the $198.45 million reported previous year in the comparative period as indicated in IPEC Non-Life Third quarter report (2019). However, the worrying part is that some of the short term insurance companies with alliances with major banks in Zimbabwe with a larger clientele base did not make it in the top five in terms of market share.

Statistics from the IPEC Non-life report (2019) in terms of gross written premium indicate that Cell Insurance Company had a market share of 17.28%, Zimnat Lion had a market share of 15.83%, Nicoz Diamond Insurance now Tristar Insurance which had a market share of 15.32%. The report goes on to show that Old Mutual Insurance had a market share of 13.43%, Alliance Insurance Company had 10.40% with Econet Insurance a new entrant in the market emerging and dominating with 7.81%. Other players such as FBC Insurance, CBZ Insurance and Clarion Insurance had 5.93%, 4.58% and 1.69% respectively.

IPEC Non-Life report (2019) also shows that short term insurance market is dominated by nine giants with a combined market share of 92.18%. Of the nine giants three of them were market leaders in terms of gross written premium (GWP) with a combined market share of 48.43%. The Non-Life IPEC report (2019) indicates that there are three market leaders which include Nicoz Diamond which has a banc assurance arrangement with Stanbic Bank, Cell Insurance with ZB Bank and Zimnat Lion with Banc ABC. However, there are some short term insurance companies such as CBZ Insurance and FBC Insurance which have banc assurance arrangements with the major banks in Zimbabwe but their performance in terms of market share and growth has been stagnant over years with CBZ Insurance having a market share of 4.58% for the past three years and Econet Insurance 7.81% as well as FBC 5.93%.

In Zimbabwe banking services have been digitalised with most of the transactions being finalised the digital way. However, banks and insurance companies have been slow to also move banc assurance products down the digitalization lane (Singh, Schwarz, Naujoks and Schwedel, 2018). Business growth through banc assurance has been stagnant because of the complex sales processes of insurance products which makes it also difficult for insurer’s to adopt digital platforms as a means of transacting.

In light of the above sales from banc assurance have been stagnant as few customers physically visit the bank thus insurance companies have lost out sales by not implementing a comprehensive digital model for banc assurance which is having a negative effect on their growth. Hoosen (2006) highlighted that the success of banc assurance as a distribution channel to date has however been far from being uniform across regions, countries and companies. In the same region or country some insurers might benefit incalculably from adopting banc assurance as a distribution channel whilst others might not reap the projected benefits.

Previous studies on banc assurance have mainly focused on benefits of banc assurance as a distribution channel to banks and life assurance as well as its effects on life assurance companies, but there is little evidence on whether short term insurer’s also gain from adopting it as a distribution channel especially in Africa. The findings of previous scholars on the adoption of banc assurance as a strategy have been reported in literature review. Accordingly, this study seeks to analyse variables which have been used to assess the effects of banc assurance as a growth strategy for short term insurance firms in Zimbabwe.
Statement of the Problem

Amidst competition for insurance business in the Zimbabwean market not all insurance firms have opted to use banc assurance as a distribution channel. Even though the market leaders of non-life or short term insurance business in Zimbabwe are using banc-assurance as a distribution channel their market share has not been changing over the years with slight and in some cases no tangible business growth being experience. With competition for business getting tougher than ever before banc assurance has however been identified as one of the distribution channels through which insurance penetration and growth can be enhanced. Greene and Segal (2004) highlight that without growth; an insurer may not be able to accumulate the business capacity necessary to guarantee the collective pooling of insurance risk. Ranganath and Rao (2017) also note that the present status of banc assurance and how over the years it is gaining worldwide acceptance has made it be recognised as a strategic management tool which can lead to growth of insurance firms. Growth in insurance is a necessity as allows the insurance company to continue being in business and be able to pay claims when they arise. Growth in insurance also can be achieved through various means such as coming up with distribution systems and technological improvements of service offering and products. Enhanced banc assurance has been perceived as a profitable tool for business growth in most parts of the world because of the wide network, and customer trust that comes with it. It is in this context that this study seeks to address the effects of banc assurance as a growth strategy for short-term insurance firms in the context of Zimbabwe.

Research Objectives

1. To analyse the effects of banc assurance as a growth strategy for short term insurance firms in Zimbabwe.

Hypotheses

H₁: Banc assurance positively improves market share
H₂: Banc assurance positively improves profit margins
H₃: Banc assurance positively improves sales
H₄: Banc assurance positively improves productivity

Conceptual framework

Yamauchi, Ponte, Ratliff and Traynor (2017) define conceptual framework as a network of interlinked concepts that together provide a comprehensive understanding of a phenomenon. Prior studies have indicated that banc assurance has an influence on growth of insurance firms (Omondi, 2013). The following conceptual framework was used for this study and it was based on proposed relationships between variables as observed in reviewed literature.
In line with this research banc assurance as a strategy has been taken as the independent variable which has an effect on short term insurance firm’s growth. Business growth has been measured using dependent variables such as sales, market share, productivity and profit levels. These dependent variables have been chosen for the purposes of this study because they can be used to measure if any growth is taking place in any short term insurance firm. However, the effect of banc assurance on the growth of short term insurance firms depends on the ability of the host bank and the insurer to efficiently use the distribution channel as effectively as possible.

Methodology
The study was hinged on the Ansoff Matrix Theory also known as Product or Market Growth Matrix which helps organisations in evaluating available options for growth given their product and market mix. The research was quantitative in nature and adopted a positivism philosophy. Simple random sampling was used to draw a sample of 100 respondents from the eighteen short term insurance companies. A response rate of 90% was achieved. Data was collected from both primary and secondary sources of data. Questionnaire was used to collect data and SPSS software for data analysis was used to analyse data. Data collected was also presented in tables, graphs and charts. Regression, correlation and descriptive analysis were used to analyse data collected.

Theoretical Framework
This study is underpinned by Ansoff Matrix theory. According to Koks and Kilika (2016) Ansoff Matrix was developed in 1957 by Igor Ansoff and it is a strategic planning tool that provides a framework which can be used by executives, senior managers and anyone in decision making positions in formulating strategies for a firm’s future growth. Loredana (2017) also assert that Ansoff Matrix also known as Product or Market Growth Matrix in other text is a tool which helps organisations in evaluating available options for growth given their product and market mix. Watts, Cape and Hulme (1998) notes that Ansoff Matrix highlights four major strategic options which can be adopted by firms for their new or existing products or services into new or existing market places. They go on to say Ansoff Matrix can be used by businesses in the process of decision making surrounding various aspects such as product offerings and market growth strategies.
Ansoff Matrix provides an organised and detailed plan of assessing potential business growth and strategies to adopt in order to achieve the desired growth. The quadrants for Ansoff Matrix include market penetration, diversification, product development and market development. Watts, Cope and Hulme (1998) state that market penetration involves the selling of more established products into existing markets and this can be done in various ways such as promotions, discounts or better routes to the market e.g. online or banc assurance. Mercer (1996) asserts that market penetration as a growth strategy is an option for those organisation seeking to maintain or increase their market share of its existing products with the market place, gain market leadership or even increasing awareness among existing customers thus strategies like banc assurance can be used. Banc assurance as a market penetration strategy allows the insurer to sell its existing insurance products to the existing clients of the host bank.

Review of Related Literature

2. Effects of banc assurance as a growth strategy for short term insurance firms.

Banc assurance has contributed to the growth of insurance business world over however, Abey (2016) notes that there is limited amount of empirical studies conducted on the development, growth and effects of banc assurance to the insurance firms. Most of the studies focused on the benefits of banc assurance to the host bank or customer. The following have been some of the major findings of certain researchers on the benefits which accrue to insurance firms for adopting banc assurance as a growth strategy.

Kumar (2012) asserts that banc assurance can be used by insurers as a growth strategy as it increases penetration. According to Ombonya (2013) market penetration offers an organisation an opportunity to increase their sales. Banc assurance as a growth strategy leads market penetration which seeks to increase the market share of the current products or services in the existing market (Ansoff, 2007). Banc assurance allows an insurance firm to increase its sales revenue without necessarily making changes to its current product offering. A study by Omondi (2013) showed that in Kenya insurance uptake was low before the introduction of banc assurance and hence insurance penetration can be attributed to the implementation of banc assurance and this has allowed insurance products to reach areas where insurance companies have not branched out but commercial banks have branches.

As a growth strategy, banc assurance leads to expansion of the potential market by expanding the distribution network through the access by the insurance firm to the bank’s client portfolio thus new segments are identified (Ochieng,2013). Devi (2019) also states that possible expansion of the market of the insurer arises as a result of the insurer benefiting from the brand image of the bank or credit institution to which it is linked to. Corneliu (2001) asserts that banc assurance allows insurers to make use of the wide reach of bank customers. With increasing changes in the ease of doing business the insurer can thus focus on high-net worth segments which offers greater potential for wealth management business (Corneliu, 2001).

An insurance firm using banc assurance as a growth strategy can also be subject to financial benefits which relate mainly to cost sharing. Cost sharing will emanate from using the existing territorial structures thus a reduction in operational costs (Abey, 2016). If operational costs are reduced it would also imply a reduction in premium rates for clients thus attracting more clients and increasing market share. Constantinesea (2012) also supports the above and states that banc assurance as a growth strategy brings in financial advantages through splitting of costs. Constantinesea (2012) goes on to say that the financial advantage arises as a result of use of existing territorial structures thus the insurance firm can use the extra funds for other activities. The insurers can exploit infrastructure, personnel and marketing systems of the bank without any additional investments. Ombonya (2013) also notes that banc assurance allows the insurer to benefit
from economies of scale via a low cost distribution channel which in turn improves the profitability of the insurer. Kramanic et al (2019) in their study highlighted that banc assurance as a distribution channel comes with cost efficiency and their analysis show that banc assurers’ achieve much higher cost efficiency compared to non-bank assurers. Kumar (2017) brings in a new angle on cost advantages of banc assurance to insurers by highlighting that banc assurance is less costly than other alternative distribution channels because using brokers and agents is more costly.

Marzai (2018) asserts that risks often exceed the financial capability of traditional insurers and thus there is need for the insurer’s to obtain extra funding. Banc assurance as growth strategy for insurance firms if of paramount importance as it allows the insurer to obtain additional investment from partner banks in order to expand their business and improve solvency indicators. Chang, Peng and Fan (2011) suggests that banc assurance benefits the insurance company by tapping into the bank's strength. Not only is banc assurance a benefit to the bank but the insurance company can easily get capital for the growth of the solvency and the development of business easily (Constantinescu,2012). Corneliu (2001) also highlights that insurers can also obtain additional capital from the banks which they have banc assurance arrangements with easily and this helps to improve their solvency and expand their business through additional capital acquired.

Under the banc assurance model, insurance companies backed by the bank, enjoy a strong brand and this in turn increases value of the insurer. Due to high lack of trust associated with insurance and insurance products , it has been found out that customers prefer to purchase their insurance products through the bank assurance business channels because the benefits and authenticity which arise as a results of connection with a bank (Devi,2019). This increases the value of the insurance company since they will be trusted by customers. Scovier (2015) also highlights that banc assurance allows the insurer to benefit from the dependable image and reliability that attracts the public to the banking institutions which is very distinctive to banks. Once an insurance product is sold through the bank, the customers trust more the bank thus in turn trusts the insurer whose services are being provided through the bank. Devi (2019) also found out that banc assurance creates a perceived value or image of the insurance company through its association with a bank and thus creation of trust on the insurance company's products.

Chang et al (2011) indicate that banc assurance is of benefit to the insurer because it provides a new source of business to the insurance firm. The banc assurance channel of distribution can leverage on the geographical reach and penetration of the banks across all segment of customers (Devi, 2019). Banks have a large customer portfolio, service quality, extensive branch network in technology due to which banc assurance has become inevitable. Banc assurance can create a new market for the insurance company by studying the clientele base of the bank, the insurance company can identify a gap in the product offering from the demographic information hence new products can be created to be sold to clients.

Kumar (2017) says banc assurance as a distribution channel to insurer’s comes with competent, trusted and educated staff of the bank. Unlike independent agents employees of the bank are bound by the regulations of the bank hence they are disciplined and easier to monitor and control. The insurer will thus gain more trust from customers because bank staff have excellent customer care from the various trainings they receive on client relationship management. In another article Kumar (2012) highlights that the success of any banc assurance model is greatly hinged on the banks’ ability to have excellent customer relationship management practices thus the bank also plays a pivotal role and needs to work towards the same.

Novovic et al (2015) indicates that besides exchange of databases, banc assurance also allows for transfer of knowledge and experience between employees of the bank and employees of the insurance company. The insurance company will benefit from having bank staff selling their
products who already have knowledge on how to handle client, query resolution and will only have to train them on the product offerings of the insurance products.

Strategy implementation is the action stage of the strategic management process. When implementing banc assurance as strategy insurance companies should ensure that they have adequate support and resources for it to be successful. Dundure and Sloka (2019) in their study highlight that banc assurance as a growth strategy for insurance firms is influenced by both internal and external environmental factors. External environmental factors include economic growth, regulation, market growth, globalization, and demography among others (Dundure and Sloka, 2019). This study looked at the internal factors that influence banc assurance as a growth strategy for short term insurance firms. Studies have indicated the following as some of the key success factors for the implementation of banc assurance as an effective growth strategy for insurance firms and have a positive impact on the operation and performance of the company:

Banc assurance as a growth strategy also involves promoting corporate culture which see it being used as a distribution channel (Benoist, 2002) and it can lead to increase in sales of the company. Teunissen(2008) also suggests that for banc assurance to be successful as a strategy , insurer’s should understand and respect the host bank’s business proportions and culture and not try to alter since it will be using the bank’s facilities. Karunagaran (2006) also notes that the success of banc assurance as a growth strategy is a factor of several elements which include strong banking structure, favourable legal systems and a favourable corporate culture which promotes its usage. If an insurer fails to complement the host bank’s culture it may difficult for banc assurance to be yield positive effects.

A critical success factor in the implementation of banc assurance is management commitment to the strategy. Dharmaraj (2018) notes that for banc assurance to be effective as a growth strategy for insurer’s management should be committed to its’s implementation by ensuring resources and support is available. Benoist (2002) highlights that management need to constantly review models adopted in using banc assurance as a distribution channel and implement measures to further improve it in the long run.

Marzai (2018) notes that for banc assurance to be an effective strategy for growth of short term insurance firms there is need for integrated IT systems to be in place to ensure its effective implementation. Peng, Jeng, Wang and Chen (2017) in their study highlight that that if integrated IT systems are adopted it improves efficiency of service delivery and also a resultant increase in profitability of the short term insurance company. Peng, Jeng, Wang and Chen (2017) go on to say that participation in banc assurance activities lead to efficiency and profitability of not only the host bank but the insurer as well , the higher the bank and insurer the bank and insurance company are involved in the process of banc assurance , the higher their overall performance improvements. Performance improvement may also translate to growth of the short term insurance company. Since most banks are going on a digitalisation drive, insurance companies should also ensure banc assurance as a distribution channel is also digitalized so as to compliment bank’s products and activities. Karunagaran (2006) in his article “A feasible strategy for Banks in India, he highlights that banc assurance channel should also goes digital for it to continuously bring in new business as customers way of transacting is also changing Anditi (2015) asserts that integrated IT systems should be in place so as to monitor performance and distribution of insurance since banks have a wide branch network.

Devi (2019) asserts that employees working in the banc assurance channels need to be well trained and have acumen on selling insurance products since they are the key drivers in successfully selling insurance products through the bank to the customers of the bank. Unlike life insurance products, short term insurance products are more complex and ambiguous to a layman in insurance terms. Short term insurance products unlike life insurance products involve various products with
some of the products having special terms and condition to meet the various needs of different customers with different needs. Scovier (2015) then goes on to state that when using banc assurance as a distribution channel, bank employees rather than the insurance underwriter, become the point of contact or underwriter for the customer thus if they are not adequately trained they cannot sale the product to the client. Lack of enough skilled employees on issues to do with selling of insurance has been a major drawback of implementing bank assurance as a growth strategy. Muhor (2011) highlights that continuous training and development of bank staff in relation to banc assurance should be done continuously and in most cases it the duty and expense of insurer to make sure bank staff are adequately trained.

Another common challenge for using banc assurance as a growth strategy relates to top management involvement. Skipper (2005) asserts that in German banks often hold substantial ownership interest in the insurance business. The bank would be interested in holding supervisory positions in the board of the insurance company and this can be eroding the insurer. Satsangi (2012) on the other hand highlights that for banc assurance to be successful and a growth strategy and distribution channel management of both parties to the contract should be actively involved in the process. In some scenarios bank manager’s bank management may not be keen to be actively involved in the process of which their support is needed to urge bank staff to embrace the process. Dundure and Sloka (2019) indicate that the success of banc assurance relies on support of banks’ and insurance companies’ top management, however if there is no teamwork among management a challenge is likely to arise since management are the ones involved in setting priorities for the company and allocation of resources. If management commitment is not available banc assurance is near to impossible to use as a growth strategy for insurance because it is likely to have a slow on no impact.

**Results and Discussion**

**Response Rate Analysis**

Table 1 shows response rate of respondents

<table>
<thead>
<tr>
<th>Description</th>
<th>Number Of questionnaires administered</th>
<th>Number Of questionnaires administered and not returned</th>
<th>Number Of questionnaires administered and returned</th>
<th>Percentage of response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>100</td>
<td>10</td>
<td>90</td>
<td>90%</td>
</tr>
</tbody>
</table>

Source: Field Survey (2020)

Of the one hundred questionnaires administered 10% were not returned and 90% were returned. The successfulness of a 90% of response rate was attributed to self-administering of the questionnaires to respondents. The demographic characteristics of respondents are presented in Table 3.
Level of Education of Respondents
Most of the respondents had acquired some basic education up-to Ordinary Level (6%) while (83%) attained undergraduate studies and (11%) attained post graduate. Table 5 shows education levels of employees.

Table 2: Level of Education
Table 2 shows level of education of respondents.

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Level and Below</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Undergraduate Degree</td>
<td>75</td>
<td>83</td>
</tr>
<tr>
<td>Postgraduate Degree +</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey (2020)

The professional and academic qualifications of the respondents in the study varied noticeably among respondents as indicated in Table 5. The results showed that the informants under study had attained reasonable level of education. Table 6 shows work experiences of participants.

Work Experience of Participants
Table 6 shows work experiences of participants. The results in Table 6 shows that respondents below ten years working experience were (11%), the majority who fall in the ten to 20 years category were (78%), those above twenty years were (11%).

Table 3: Work Experiences of Respondents

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 10 years</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>10-20 years</td>
<td>70</td>
<td>78</td>
</tr>
<tr>
<td>Above 20 years</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey (2020)

As indicated in Table 6 the majority of respondents had vast experience in the organisation running their business. This may imply that most employees had vast experience of organisational management policies. Table 7 shows level of authority of respondents in the organisation.

Level of Authority in the organisation
Table 4 shows level of authority of participants in the organisation. The results in Table 7 shows (72%) were non managerial employees, (11%) were managerial and (17%) were executives.

Table 4: Level of Authority in the Organisation

<table>
<thead>
<tr>
<th>Level of Authority</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non managerial</td>
<td>65</td>
<td>72</td>
</tr>
<tr>
<td>Managerial</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Executives</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey (2020)
The study results show that the majority of respondents were non-managerial followed by managerial and lastly executives (Refer to Table 4).

**Correlations of benefits from using banc assurance as a growth strategy for short term insurance firms in Zimbabwe**

Table 5 shows correlations of benefits from using banc assurance as a growth strategy for short term insurance firms in Zimbabwe. The study results in Table 5 shows that there is significant correlation between banc assurance as a growth strategy and market share ($r=0.153$, $p=0.013$). This imply that banc assurance strategy may increase cost sharing leading to greater performance of short term insurance firms.

<table>
<thead>
<tr>
<th>Variable 1</th>
<th>Variable 2</th>
<th>Correlation (R)</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banc assurance as a growth strategy</td>
<td>Market share</td>
<td>0.153***</td>
<td>0.013</td>
</tr>
<tr>
<td>Banc assurance as a growth strategy</td>
<td>Profit margin</td>
<td>0.011***</td>
<td>0.018</td>
</tr>
<tr>
<td>Banc assurance as a growth strategy</td>
<td>Sales</td>
<td>0.029***</td>
<td>0.013</td>
</tr>
<tr>
<td>Banc assurance as a growth strategy</td>
<td>Productivity</td>
<td>0.117***</td>
<td>0.015</td>
</tr>
</tbody>
</table>

Source: Field Survey 2020

**Correlation is significant at 0.01 level (2-tailed)**

*Correlation is significant at the 0.05 level (2-tailed)

Study results also showed that there is a correlation between banc assurance distribution channel as a strategy and profit margin of short term insurance firms in Zimbabwe ($r=0.011$, $p=0.018$) (refer to Table 5). Results from the study also show that there is a correlation between banc assurance as a distribution channel and sales of short term insurance firms in Zimbabwe ($r=0.029$, $p=0.013$). Lastly findings of the study indicated that there is a correlation between banc assurance as a distribution channel and the productivity of short term insurance firms in Zimbabwe ($r=0.117$, $p=0.015$). Table 6 show Chi-Square test of relationship between banc assurance and variables related to the performance of short term insurance firms in Zimbabwe.
Table 6: Chi-Square test of relationship between banc assurance and growth of short term insurance firm in Zimbabwe.

<table>
<thead>
<tr>
<th>Variable 1</th>
<th>Variable 2</th>
<th>Chi-square (x²) Value</th>
<th>DF</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banc assurance as a growth strategy</td>
<td>Market share</td>
<td>4.685</td>
<td>3</td>
<td>0.012**</td>
</tr>
<tr>
<td>Banc assurance as a growth strategy</td>
<td>Profit margin</td>
<td>4.456</td>
<td>3</td>
<td>0.119**</td>
</tr>
<tr>
<td>Banc assurance as growth strategy</td>
<td>Sales</td>
<td>3.574</td>
<td>3</td>
<td>0.123**</td>
</tr>
<tr>
<td>Banc assurance as a growth strategy</td>
<td>Productivity</td>
<td>6.503</td>
<td>4</td>
<td>0.044**</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2020

*Significant at 0.05 level  
**Highly significant at 0.01 level  
DF=Degrees of Freedom

Chi-square tests revealed that there is a relationship between banc assurance as a growth strategy and market share of short term insurance firm in Zimbabwe ($X^2=4.685$, DF=3, $p=0.012$) at 90% confidence level as shown in Table 9. The results also indicate that there is evidence to suggest that banc assurance as a growth strategy is positively related to profit margins of short term insurance firms in Zimbabwe ($X^2=4.456$, DF=3, $p=0.119$) at 90% confidence level as shown in Table 6. Using Chi-Square statistic there was a significant positive relationship between banc assurance as a growth strategy and sales of short term insurance firms ($X^2=3.574$; DF=4; $p=0.023$) at 90% confidence level (see Table 6). The study results also show that there is positive relationship between banc assurance as a growth strategy and productivity of short term insurance firms ($X^2=4.503$; DF=3; $p=0.044$) at 90% confidence level.

Challenges which arise from using banc assurance as a growth strategy for short term insurance firms in Zimbabwe

![Challenges for Banc assurance strategy in CBZ insurance firms](image)

Figure 1: Challenges which arise from using banc assurance as a growth strategy for short term insurance firms in Zimbabwe  
Source: Field Survey, 2020
The study results indicate that (50%) respondents identified lack of adequate and constant training as a challenge which arise from using banc assurance as a growth strategy, while (20%) respondents strongly agree, (20%) respondents were neutral, (5%) disagreed and the other (5%) strongly disagreed. The results also showed that corporate cultures of both host bank and insurance company inhibits the insurance firms to effectively use banc assurance as a growth strategy where (40%) respondents agreed, (25%) strongly agreed, (15%) respondents were neutral while (5%) respondents disagreed and (5%) strongly disagreed. The study also indicated that management commitment from both the host bank and the insurance company was also a hurdle where (50%) respondents agreed, (30%) strongly agreed, (5%) respondents were neutral while (5%) respondents disagreed (Refer to Figure 1). Figure 2 show the effectiveness of implementing banc assurance as a growth strategy.

The Effectiveness of implementing banc assurance as a growth strategy for short term insurance firms

![Effectiveness of Banc Assurance as a growth strategy in for short term insurance firms](image)

Figure 2: Effectiveness of implementing banc assurance as a growth strategy for Short Term Insurance Firms in Zimbabwe

Source: Field Survey, 2020

Effectiveness of implementing banc assurance as a growth strategy for short term insurance firms has been seen as crucial in this study. The study results indicate that (50%) respondents identified training needs analysis as yielding positive results in the implementation of banc assurance as a growth strategy while (20%) respondents strongly agree, (10%) respondents were neutral, (5%) disagreed and the other (5%) strongly disagreed. The results also showed that corporate culture act as a catalyst in implementation the insurance firms to use banc assurance as a growth strategy where (25%) respondents agreed, while (5%) respondents disagreed and (5%) strongly disagreed. The study also indicated that management commitment was also very important in spear heading the implementation of banc assurance as a growth strategy for short term insurance firms in Zimbabwe whereas (50%) respondents agreed, (30%) strongly agreed, (5%) respondents were neutral while (5%) respondents disagreed (Refer to Figure 2). In the same vein the study also indicated that trending with technological advancement was of special need for firms to adhere and upgrade banc assurance insurance product delivery methods. In this study (35%) respondents...
agreed to the notion of incorporating technology in the implementation process, (30%) respondents strongly agreed, (15%) respondents were neutral, (2%) respondents disagreed and (8%) respondents strongly disagreed.

**Hypotheses Testing: Chi-square tests of goodness of Fit**

**H1: Banc assurance positively improves market share**  
Chi-square tests revealed that there is a relationship between banc assurance as a business growth strategy and market share of Short term insurance firm in Zimbabwe ($X^2=4.685$, DF=3, $p=0.012$) at 90% confidence level as shown in Table 6.

**H2: Banc assurance positively improves profit margins**  
The results also indicate that there is evidence to suggest that banc assurance as a business growth strategy is positively related to profit margin of short term insurance firms in Zimbabwe ($X^2=4.456$, DF=3, $p=0.119$) at 90% confidence level as shown in Table 6.

**H3: Banc assurance positively improves sales**  
Using Chi-Square statistic there was a significant positive relationship between banc assurance as a growth strategy and sales ($X^2 =3.574$; DF=4; $p= 0.023$) at 90% confidence level (see Table 6).

**H4: Banc assurance positively improves productivity**  
The study results also show that there is positive relationship between banc assurance as a business growth strategy and productivity in short term insurance firms in Zimbabwe ($X^2 = 4.503$; DF=3; $p= 0.044$) at 90% confidence level.

However with the aforementioned evidence from the chi-square tests, this study therefore rejects the null hypothesis that there is no significant relationship between banc assurance strategy and performance and growth of short term insurance firms in Zimbabwe and adopts the alternative hypotheses that there is a positive relationship between banc assurance strategy and performance of short term insurance firms in Zimbabwe.

**Conclusions and Recommendations**  
The main objective of this study was to investigate the effects of banc assurance as a growth strategy for short term insurance firms in Zimbabwe. The findings of this study supported prior research by other scholars from the review of literate. It was established from this study that banc assurance has a positive effect on the growth of short term insurance firms in Zimbabwe as it can led to increase in sales or revenue, increase in market share, increase in profit margins which may arise from increase in sales as week as improving the productivity of the firm. In this technological era insurers should also digitalize banc assurance platforms for ease distribution of insurance services. Short term insurers should move from focusing on the traditional ways of selling insurance (Agents and Broker Models) to adopting banc assurance. However the banc assurance model adopted should be constantly reviewed and move along with technological advancements and views regarding alternative and emerging new distribution channels and models in relation to business growth. This study focused on the effects of banc assurance as a growth strategy for short term insurance firms in Zimbabwe. The findings of this study can be further used to study the concept of banc assurance models which can be adopted by short term insurance firms in Zimbabwe to improve performance. Findings of this study can also be used to add on to the current body of knowledge on banc assurance as a growth strategy for short term insurance firms. The
same topic can also be looked at with more than one research instrument in order to improve data triangulation and refine research findings.

Study focused on banc assurance as a growth strategy for short term insurance firms in Zimbabwe. A number of recommendations can be made to short term insurance firms based on the findings of this study. Findings from this study recommend that short term insurance firms in Zimbabwe should enhance their current banc assurance models by also implementing technological advanced methodologies in this digital era when selling insurance. Study findings also show that bank staff are not adequately trained on insurance products and services thus, the study recommends that the management of the insurance companies should have a robust plan in place to constantly train bank staff and adequately equip them with knowledge of insurance products and services.

This study also recommends that the insurers should ensure that they also come up with strategies to motivate the host bank staff so as to boast their morale. Favourable commission rates can also be offered to host bank in order to boost morale to continuously sell insurance products. Depending on the banc assurance model adopt, management of the insurance companies should ensure that the have flexible underwriting processes so as to ease the selling and underwriting of insurance products through the banc assurance distribution channel.

This study being descriptive in nature, it gives room for other researches to be done focusing on other dependant variables other than those which were discussed in this study which may also have an effect on the growth of short term insurance firms which adopt banc assurance as a growth strategy. More research will be essential to further enhance and elaborate novel findings of this study so as to highlight banc assurance and how it can have other positive effects on short term insurance firms besides growth.
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