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Digitalizing premium payments and claims settlement processes through reskilling initiatives of motor insurance policyholders

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Abstract

Digital transformation is reshaping the insurance sector by enabling more efficient risk management processes and supporting the emergence of innovative business models. Despite increasing digital capabilities, limited empirical attention has been given to how reskilling initiatives support the digitalization of premium payments and claims settlement from the perspective of policyholders, indicating a clear research gap. The objective of this study is to examine the role of reskilling initiatives in facilitating digital insurance transactions within the motor insurance domain. The study employed a quantitative survey research design, using purposive and convenience sampling techniques to collect data from 142 registered motorists through a structured questionnaire. Descriptive analytical methods were applied to examine reskilling practices, enabling factors, perceived benefits, and existing barriers to digital adoption. The findings indicate that reskilling initiatives play a significant role in supporting the digitalization of insurance payment and claims processes, although their effectiveness is constrained by limited awareness and uneven access to facilitating resources. The study highlights the importance of strengthened regulatory enforcement, collaborative efforts between insurers and digital service providers, and sustained public awareness initiatives. These findings offer practical implications for policymakers and insurance practitioners seeking to enhance digital inclusion, improve service efficiency, and promote the widespread adoption of digital insurance solutions.

Keywords: Digital insurance; Insurtech; motor insurance; premium payments; reskilling initiatives.

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1. INTRODUCTION

In the financial sector, innovation is recognized as a major catalyst for change, resulting from the adoption of new technology. The insurance business, initially cautious in adopting innovations seen in other sectors, has emerged as a formidable driver and beneficiary of new technology (Chojan et al., 2022). Utilizing digital technologies in this industry offers the potential to attain increased efficiency, enables novel service supply opportunities, enhances data gathering capabilities, facilitates mitigation measurement, and aids in fraud prevention (Kraus et al., 2021; Sharmila Devi et al., 2025). In the present era, companies face continuous pressure to employ digital technologies and modify their business strategies to align with this emerging paradigm. Digitalization is dependent on the incorporation of digital technologies into daily activities. Although digital transformation and the emergence of new digital business models are widely observed and have a noticeable effect, the academic literature has surprisingly given little attention to these developments. Only recently have scholars begun to explore the concepts of digitization, digitalization, and digital transformation (Nambisan et al., 2017; Venkatraman, 2017; Hui et al., 2025). Nevertheless, Digitalization has been seen as the foremost technology trend that is revolutionizing both society and industry (Reis et al., 2020; Agarwa et al., 2024).

Digitalization is a significant concern for financial organizations, notably those in the insurance industry. The integration of new technologies and the increasing need for digitization have led to the implementation of digitalization procedures in nearly all insurance businesses. These processes have resulted in the emergence of new growth opportunities, risk pools, and efficiency within the industry value chain (Anchen et al., 2023). The identification of the specific business segments within an insurance company, such as marketing, underwriting, and claims settlement, that would benefit the most from implementing InsurTech depends on the objectives of using such technology. This need arises because the Nigerian insurance market must undergo a well-rounded development in response to the increasing use of digital technologies (Chatterjee, 2023).

InsurTech refers to the implementation and integration of innovative technology in the insurance industry. Ostrowska (2021) defined Insurtech as emerging technologies that have the capacity to revolutionize the insurance industry and influence the legislative frameworks of insurance markets. Insurtech has the potential to strengthen the financial stability of communities and individuals in the face of climate change, natural disasters, ageing, increasing healthcare expenses, and agricultural failures (Ruel, 2024). Potential obstacles to the digitalization of insurance businesses' operations may encompass a limited comprehension of insurance, a lack of trust in insurers, dissatisfaction with complex claims management procedures, and products that do not align with consumer requirements.

1.1. Literature Review

1.1.1. Concepts of digitization, digitalization, and digital transformation

Digitization refers to the technological procedure of converting analogue signals into a digital format, and eventually into binary digits (Pascucci et al., 2023). It may also entail transitioning from creating a physical document to collecting user information through a web page, allowing the information to be directly input into a digital application (Verhoef et al., 2021). Digitization primarily involves the acquisition and conversion of information into a digital format for further processing.

Digitalization refers to the utilization of digital technologies in organizations with the aim of enhancing efficiency, effectiveness, and customer satisfaction. The primary objective of this approach is to incorporate digital technology into a company's operations, procedures, and business models in order to streamline and enhance its functioning (Ritter & Pedersen, 2020). Digitalisation is a crucial element of digital transformation, which involves a comprehensive and sustainable strategy to effectively influence the organization. The process of utilizing digitized products to enhance performance, raise revenues, and transform business models is referred to as digital transformation (Brunetti et al., 2020; Kraus et al., 2022).

Digital Transformation refers to the utilization of digital technologies and accompanying competencies to establish a strong and innovative digital business model (Plekhanov et al., 2023). It is crucial to acknowledge that digital transformation encompasses not only the technology itself but also its utilization and the effects it has on an organization's culture, procedures, and strategy. Hence, achieving digital transformation necessitates a comprehensive perspective and a unified strategy that encompasses technological, cultural, and strategic dimensions. Van Veldhoven and Vanthienen (2022) defined digital transformation as a comprehensive process that involves incorporating digital technologies into every aspect of an organization, including operations, procedures, strategies, and business models. Digital transformation aims to enhance operational efficiency, productivity, and customer contentment by implementing digital technology, hence instigating a shift in the organizational culture and its personnel (Feyen et al., 2021; Oentoro, 2024).

1.1.2. Digitalizing the insurance business

The insurance sector is transforming due to digital technology, which enables more efficient and effective risk reduction and facilitates the creation of new business models. The advent of digitalization in the insurance industry is significantly altering the range of risks that insurers provide coverage for, as well as the methods they use to assess, distribute, handle, and process claims (Anchen et al., 2023; Access to Insurance Initiative, 2020). Digital devices and transactional platforms are eliminating previous obstacles that prevented the provision of valued items to portions of the population that were not served or underserved (Inoma, 2021).

The insurance industry primarily revolves around three key components: marketing, underwriting, and claims settlement (Rejda et al., 2020). The term used to refer to digital technology in the insurance sector is Insurtech. The insurance sector plays a key role in the economy. Insurance offers protection and assurance to individuals and organizations, generates financial assets and savings, diversifies risks, provides healthcare assistance to society, creates employment opportunities, boosts gross domestic product, has a positive impact on economic growth, contributes to the stability of the financial system, and improves the balance of payments (Eling & Lehmann, 2018; Feyen et al., 2021; Gąsiorkiewicz et al., 2020).

Given the significant impact of insurance on the economy, the insurance sector must prioritize stability and safe operation. This is especially important when considering the unique characteristics of the insurance market and the potential challenges that may arise from digitalization processes (Anchen et al., 2023; Eckert & Osterrieder, 2020). In order to achieve this objective, it is crucial to carefully design and develop each insurance product, ensuring compliance with both legal requirements and customer expectations. Additionally, it is essential to accurately assess and determine the appropriate pricing for the associated risks. Furthermore, the successful sale of the product necessitates collaboration with insurance intermediaries and granting insurers access to the information technology system. Prior research (e.g., Chojan et al., 2022; Eckert & Osterrieder, 2020) has identified several key digital trends in the insurance industry. These trends encompass the collaboration between intermediaries and insurance companies, digitization of documents, process automation, the growing influence of artificial intelligence (AI), the rise of self-service options, and the utilization of external data sources and ecosystems.

1.1.3. Digitalizing insurance claims processes

Claim management is a crucial aspect of the insurance product lifecycle, and its processes can vary significantly depending on the specific product (Gonzalez et al., 2022). Nevertheless, advancements in technology are propelling a revolution. Claims management is a prominent aspect within the insurance sector that clearly demonstrates this transformation. Claims management, which was traditionally a complex and time-consuming process, can now be streamlined by incorporating advanced technologies like artificial intelligence, data analytics, machine learning, blockchain, internet of things (IoT), digital platforms, cloud-based platforms, mobile apps, advanced image and video analysis tools, and digital communication tools (Feyen et al., 2021; Severoni, 2023).

Krysik (2024) states that Insurtech platforms revolutionize the insurance business by transforming the way claims are managed. They achieve this by boosting customer experience, improving efficiency and accuracy, customizing insurance products, decreasing expenses, and fostering the adoption of innovative insurance models. These innovations improve the efficiency, accuracy, cost-effectiveness, and flexibility of the process. Additionally, they allow insurers to evaluate, process, and settle claims in a modern and customer-friendly way, without compromising the reputation of the customer experience. The increase in digital transformation is a result of shifting from manual processing systems to AI-driven automation. This move helps to minimize operational inefficiencies and address legacy issues, leading to reduced maintenance and training expenses, as well as an enhanced customer experience (Instanda, 2021; Thompsett, 2023).

1.1.4. Digitalizing motor insurance products, pricing, and claims

Digital technologies are increasingly being adopted within the motor insurance sector. The incorporation of data collection and analytical instruments into traditional motor vehicle insurance policies enables insurers to obtain information produced by vehicles, as noted by the International Association of Insurance Supervisors (2018). In the context of usage-based insurance, product design typically involves the sharing of both real-time and post-event feedback data between insurers and policyholders. Usage-based insurance refers to a form of automobile insurance in which premiums are determined according to variables such as vehicle characteristics, temporal factors, travel distance, driving behavior, and geographic location (Arumugan & Bhargavi, 2019). To collect such information, insurers primarily rely on telematics technologies, which make it possible to observe specific driving patterns, including distance travelled, occurrences of abrupt braking, trip frequency, and travel destinations. The availability of this data allows insurers to establish more individualized pricing structures that reflect the risk profile of each policyholder (Eckert & Osterrieder, 2020; Quinter et al., 2020).

Prior research, including studies by Che et al. (2022), Prystav and Thornhill (2021), and Ritter and Pedersen (2020), suggests that insurers construct pricing models based on data generated by vehicles, which in turn reflect how insured vehicles are used, including the location, manner, timing, and driver of vehicle operation. Usage-based insurance evaluates driving behavior through a wide range of indicators, such as distance travelled, time of travel, speed, harsh braking and acceleration, cornering patterns, and spatial location. Information obtained through these indicators is transmitted to insurers and is used exclusively to calculate insurance premiums or pricing. As a result, drivers who exhibit lower risk behaviors may benefit from reduced premium levels. In addition, usage-based insurance generates data that can be applied during claims processing to identify or verify the circumstances surrounding damage events.

1.2. Theoretical framework

1.2.1. Theory of technology advances

The works provided describe the socio-economic factors that both enable and result from the evolution of digital technology. Ghaffari et al. (2019) conducted a socio-technical analysis of the Internet of Things (IoT) development, highlighting the interaction between technologies, tasks, structures, and actors. The IoT is considered a highly significant expression of digital technological progress. Scuotto et al. (2016) also view the Internet of Things (IoT) as a specific example of progress in digital technology. According to researchers, smart cities are seeing rapid and extensive development. Big data analytics is a further demonstration of the progress in digital technology, as explained by Bertello et al. (2021), and relies on telecommunications infrastructure. Popkova et al. (2022) demonstrate that the advancement of intelligent technologies occurs throughout the shift towards the digital economy, influenced by both governmental and business administration. Therefore, the aforementioned publications have established a distinct concept of digital technology progress as a socio-economic classification. This classification conceptualizes the advancement of digital technology as a process

characterized by the development and extensive diffusion of advanced technologies associated with the Fourth technological mode. Such technologies include artificial intelligence, big data, the Internet of Things, blockchain, ubiquitous computing, and robotics. Within this theoretical perspective, digitalization is proposed as a transformative mechanism in the insurance industry, particularly in relation to premium determination and claims management processes, through the application of sophisticated training methodologies.

1.3. Purpose of study

This study focuses on the digitalization of premium payments and claims settlement processes in Lagos State, Nigeria. It specifically explores how motor insurance policyholders in Lagos State might be reskilled to adapt to these digital initiatives. Specifically, the specific goals are to:

i. Examine the reskilling techniques for digitalizing premium payment and claims settlement among motor insurance policyholders in Lagos;

ii. Find out reskilling technique facilitators for digitalizing premium payment and claims settlement among motor insurance policyholders in Lagos;

iii. ascertain reskilling techniques benefits for digitalizing premium payment and claims settlement among motor insurance policyholders in Lagos;

iv. Assess the barriers towards reskilling techniques for digitalizing premium payment and claims settlement among motor insurance policyholders in Lagos.

2. MATERIALS AND METHODS

This study utilized a cross-sectional survey design using quantitative methods to gain a deeper understanding of the important choices made by motor insurance policyholders in metropolitan Lagos regarding the digitalization of premium payments and claims settlement processes through reskilling initiatives. This strategy enabled the systematic design and implementation of the study to achieve predefined outcomes while ensuring relevance and applicability to real-world contexts (Creswell & Creswell, 2017; Gray, 2019). The study included a population of 897,982 motorists who were registered by the Motor Vehicle Administration Agency in Lagos State as of 2022 (Motor Vehicle Administration Agency (MVAA, 2022). Lagos state was selected as the study location due to its high concentration of motor insurance policyholders in Nigeria, which leads to significant business volume, premium income generation, and aggregate claims incurred (NIA, 2022).

The selected data gathering instrument for this study was a questionnaire, which is a primary source method. The survey method was selected because it aligns effectively with the overall research design while offering advantages in terms of reduced cost and time requirements. In addition, this technique enables the inclusion of a large and diverse sample, allows for straightforward administration, and supports the extension of findings to comparable research contexts and subject areas (Kothari, 2004). The sampling technique used was a combination of double sampling, quota sampling, and convenience sampling. The respondents for quota sampling were chosen in proportion to the number of motorists registered at each of the 52 existing licensing stations of the MVAA in 2021. The respondents consisted of both individual and commercial vehicle owners. The researcher utilized convenience sampling methodology to gather supplementary data from respondents at all licensing stations. This method was chosen based on the availability and willingness of the participants to complete the research instrument. The study's sample size is 142.

The research evaluated multiple dimensions of validity, including theoretical, content, internal, and external validity. To determine the stability of the findings, test-retest reliability was applied by administering the same measurement instruments to participants at two different points in time (Fallon, 2016). Furthermore, reliability was assessed using Cronbach's alpha coefficients, all of which exceeded the commonly accepted benchmark of

0.7 in examining the effects of road safety interventions on motorists' behavioral patterns in Lagos city. The resulting values aligned with established statistical assumptions concerning scale validity and the significance of internal consistency. The obtained alpha coefficients, therefore, supported statistical interpretations regarding the robustness and validity of the measurement scale (Leavy, 2022).

3. RESULTS

3.1. Descriptive analysis of participants' responses

This section focuses on a detailed examination of demographic characteristics alongside the hypothesis testing procedures undertaken in the study. It provides a systematic summary of the relevant demographic variables and applies rigorous analytical techniques to evaluate the proposed hypotheses, to determine whether the stated propositions are supported or rejected by the empirical evidence.

Table 1

Demographic information of participants

Variable	Category	Frequency (%)
Gender	Male	94 (66.2%)
	Female	48 (33.8%)
Age	18 but less than 30	24 (16.9%)
	30 but less than 40	53 (37.3%)
	40 but less than 50	22 (15.5%)
	50 but less than 60	41 (28.9%)
	60 & above	02 (1.4%)
Marital Status	Single	42 (29.6%)
	Married	95 (66.9%)
	Divorced	05 (3.5%)
Educational Qualification	BSc/HND	77 (54.2%)
	Master's Degree	21 (14.8%)
	Professional Certificate	02 (1.4%)
	Others	42 (29.6%)
Reskilling motor insurance policyholders will enhance premium payment and claims settlement	Yes	117 (82.4%)
	No	25 (17.6%)

Source: Field Survey, 2024

The analysis of demographic characteristics presented in Table 1 offers important insights into the structural composition of the study population. The distribution of respondents by gender reveals a pronounced imbalance, with 66.2 percent of participants identifying as male and 33.8 percent as female. This unequal distribution suggests the presence of a notable gender imbalance within the sampled group of motorists. The data reflects a wide range of ages within the sample when it comes to age distribution. Most participants are aged between 30 and 40 years and between 50 and 60 years, accounting for 37.7 percent and 28.9 percent, respectively. Individuals between the ages of 18 and 30 made up 16.9 percent, while those between 40 and 50 accounted for 15.5 percent. Only a minor proportion of 1.4 percent consisted of individuals aged 60 and above. The distribution reveals that a significant proportion of the sample population, amounting to 66.9 percent, is married. While the former group constituted 29.6 percent, the latter group accounted for only 3.5 percent. The educational qualifications of the individuals in the sample population vary in terms of the level of achievement. 54.2 percent of the population has a BSc/HND qualification. Out of the total, 29.6 percent were for individuals with other certificates, while 14.8 percent and 1.4 percent were for those with master's degrees and professional certificates, respectively. 82.4

percent of the participants responded affirmatively to the idea of improving premium payment and claims settlement by providing additional training to motor insurance subscribers, while 17.6 percent responded negatively.

3.2. Descriptive analysis of research variables

Table 2

Criteria for reskilling techniques

Variables	Scale Level					Mean	Std Dev.
	SD	D	U	A	SA		
	1	2	3	4	5		
Digital literacy training is necessary for motor insurance policyholders to be able to pay premiums and file claims more easily	3.5	4.2	17.6	55.0	19.7	3.83	0.915
Mobile app familiarization is key for motor insurance policyholders to pay premiums and call easily for claim settlement	1.4	1.4	16.2	52.8	28.2	4.05	0.793
Motor insurance policyholders require online tutorials and guides at regular intervals to be able to pay premiums and call for the settlement of their claims	2.8	9.9	16.9	42.2	28.2	3.83	1.038
Interactive webinars are necessary for premium payments and the claims settlement process among motor insurance policyholders	1.4	12.7	12.7	40.1	33.1	3.91	1.044
Gamifying the reskilling process of motor insurance policyholders will ease their premium payments and the claims settlement process	1.4	6.3	27.5	34.5	30.3	3.86	0.972
Creating a peer learning network among motor insurance policyholders will assist their premium payment and claims settlement process	2.1	2.8	22.5	48.7	23.9	3.89	0.873

The survey results presented in Table 2 and illustrated in Figure 1 capture participants' responses regarding a range of reskilling strategies. These strategies encompass digital literacy training, familiarization with mobile applications, online tutorials and manuals, interactive webinars, gamification approaches, and peer learning networks. Analysis of the responses indicates that 7.7 percent of respondents expressed disagreement with digital literacy training, 17.6 percent reported a neutral stance, and a substantial majority of 74.7 percent indicated agreement. With respect to participants' familiarity with the mobile application, 2.8 percent expressed disagreement, 16.2 percent remained neutral, and 81.0 percent indicated agreement. For online tutorials and instructional materials, 12.7 percent of respondents disagreed, 16.9 percent were uncertain, and 70.4 percent agreed. Responses regarding interactive webinars showed that 14.1 percent disagreed, 12.7 percent were undecided, and 73.2 percent supported the approach. In the case of gamification, 7.7 percent of participants opposed it, 27.5 percent were neutral, and 64.8 percent agreed. Concerning peer learning networks, 4.9 percent disagreed, 22.5 percent were indecisive, and 72.6 percent expressed agreement. The mean and standard deviation values corroborated these findings across all evaluated items, indicating that participants' responses were normally distributed and concentrated around the mean. Overall, the descriptive statistics for the various reskilling strategies demonstrate consistent patterns, reflecting a general alignment in participants' perspectives on the measures under investigation.

Figure 1

The graphical model explains the reskilling techniques for motor insurance premium payments and claims settlement

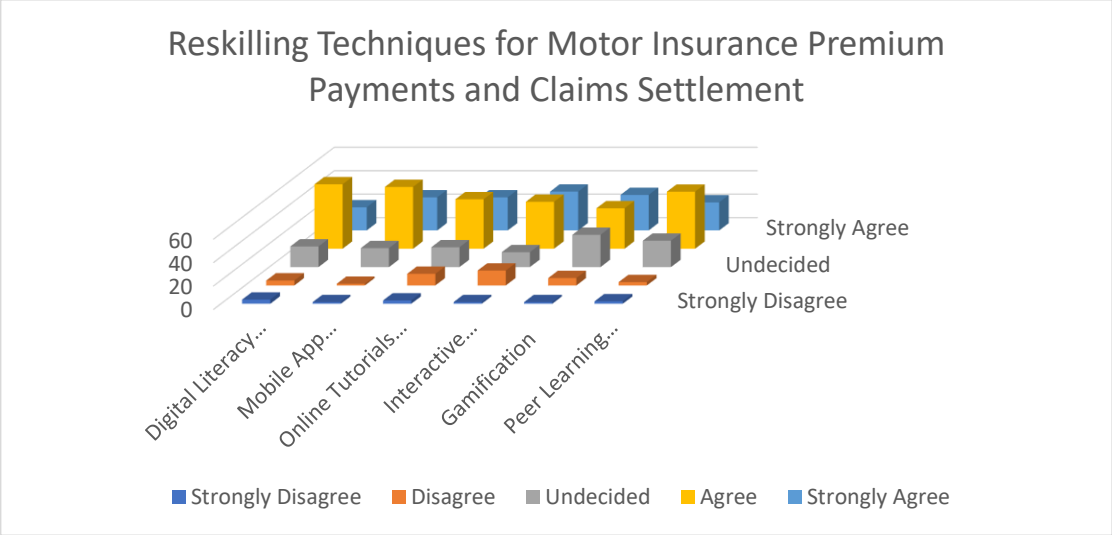


Table 3

Facilitators of reskilling techniques

Variables	Scale Level					Mean	Std Dev.
	SD	D	U	A	SA		
	1	2	3	4	5		
Government policies can assist in facilitating the digitalization of premium payments and claims settlement among motor insurance policyholders	4.9	7.0	20.4	41.5	26.2	3.77	1.070
Public-Private Partnership on facilitating digitalization can assist motor insurance premium payment and the claims settlement process among policyholders	1.4	4.9	15.5	58.5	19.7	3.90	0.819
Initiating and integrating innovation learning platforms among motor insurance policyholders can enhance premium payments and the claims settlement process	2.8	9.9	16.9	42.3	28.1	3.83	1.038
Frequent community engagement and outreach among motor insurance policyholders can aid in premium payment and claims settlement	1.4	13.4	14.1	38.0	33.1	3.88	1.062
Policyholders-centric design of the digitalization of premium payments and claims settlement can aid motor insurance policies	1.4	7.7	28.9	34.5	27.5	3.79	0.981
Connecting financial rewards to policyholders' usage of digital premium payment and claims settlement can aid motor insurance policies	2.2	2.8	23.9	47.2	23.9	3.88	0.879

Source: Researchers' Computations, 2024

The survey items presented in Table 3 and illustrated in Figure 2 gathered participants' responses on reskilling facilitators. These items addressed government regulations, public-private partnerships, innovative learning platforms, community engagement and outreach, user-centric design, and financial incentives. Analysis of responses revealed that 11.9 percent of participants disagreed with government regulations, 20.4 percent were neutral, and 67.7 percent expressed support. Regarding public-private collaboration, 6.3 percent opposed it, 15.5 percent were uncertain, and 78.2 percent indicated support. For innovative learning platforms, 12.7 percent expressed disagreement, 16.9 percent were undecided, and 70.4 percent agreed. In terms of community engagement and outreach, 14.8 percent disagreed, 14.1 percent were neutral, and 71.1 percent expressed agreement. Concerning user-centric design, 9.1 percent of respondents disagreed, 28.9 percent were undecided, and 62.0 percent agreed. Finally, with respect to financial incentives, 5.0 percent expressed opposition, 23.9 percent were uncertain, and 71.1 percent agreed. The mean and standard deviation values supported these findings across all items, indicating that responses were normally distributed and concentrated around the mean. Overall, the descriptive statistics for reskilling facilitators demonstrate a consistent pattern, reflecting general agreement among vehicle insurance policyholders regarding the measures assessed.

Figure 2

The graphical model explains the facilitators of reskilling techniques for motor insurance premium payments and claims settlement

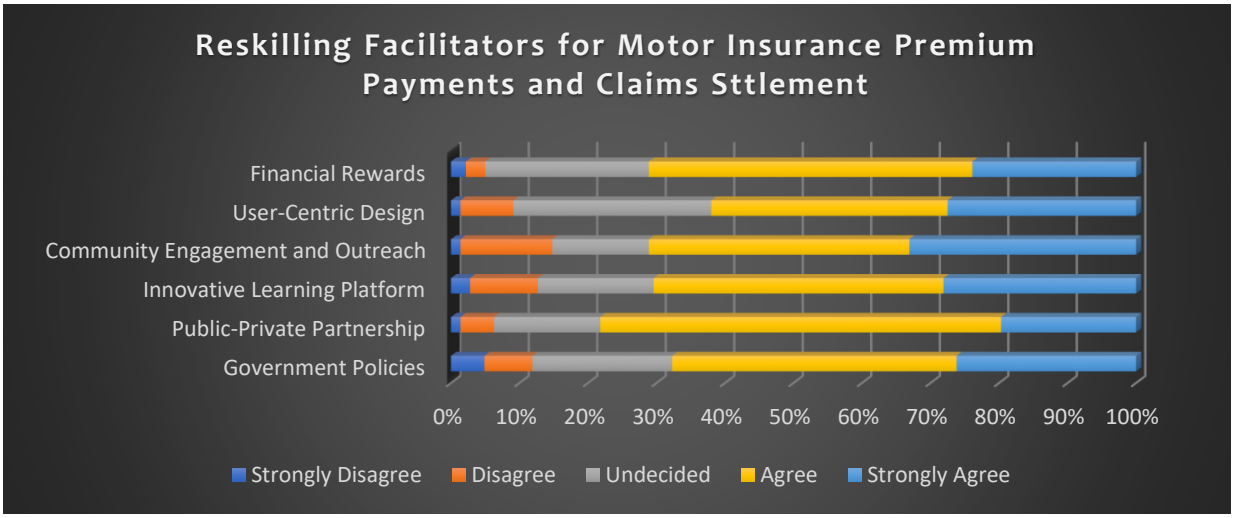


Table 4

Benefits of adopting reskilling techniques

Variables	Scale Level					Mean	Std Dev.
	SD	D	U	A	SA		
	1	2	3	4	5		
Enhanced digital literacy is of greater benefit to motor insurance premium payment and claims settlement	4.9	7.0	16.2	59.9	12.0	3.67	0.951
Digital adoption for motor insurance premium payment and claims settlement creates improved access and convenience	2.1	8.4	9.9	43.7	35.9	4.03	0.996
Digital payment and settlement of motor insurance premiums and claims are cost-saving	4.2	4.9	16.9	45.1	28.9	3.89	1.016

Digital adoption for motor insurance premium payment and claims settlement creates transparency and accountability	1.4	4.2	24.6	35.9	33.9	3.96	0.941
Paying and settling motor insurance premiums and claims help enhance the risk management process effectively	1.4	4.9	21.8	43.0	28.9	3.93	0.912
Financial inclusion is easily achieved by the digital adoption of motor insurance premium payment and claims settlement	4.2	1.4	23.9	48.7	21.8	3.82	0.932
Adaptation of motor insurance premium payment and claims settlement to technological trends would create a positive response from policyholders	1.4	4.2	33.1	38.1	23.2	3.77	0.902

The survey results presented in Table 4 and depicted in Figure 3 captured participants' responses regarding the benefits of reskilling strategies. These benefits encompassed enhanced digital literacy, improved accessibility and convenience, cost reduction, transparency and accountability, strengthened risk management, financial inclusion, and adaptation to technological advancements. Analysis of the responses indicated that 11.9 percent of participants disagreed with the notion of improved digital literacy, 16.2 percent were neutral, and 71.9 percent agreed. For enhanced accessibility and convenience, 10.5 percent expressed disagreement, 9.9 percent were undecided, and a majority of 79.6 percent indicated support. In terms of cost savings, 9.1 percent disagreed, 16.9 percent were uncertain, and 74.0 percent agreed. Regarding transparency and accountability, 5.6 percent opposed, 24.6 percent were neutral, and 69.8 percent supported the measure. For improved risk management, 6.3 percent expressed disagreement, 21.8 percent were undecided, and 71.9 percent agreed. In relation to financial inclusion, 5.6 percent opposed, 23.9 percent were neutral, and 70.5 percent agreed. Finally, with respect to adaptation to technological trends, 5.6 percent disagreed, 33.1 percent were uncertain, and 61.3 percent indicated agreement. The mean and standard deviation values confirmed these results across all items, suggesting that respondents' judgments were normally distributed and centered around the mean. Overall, the descriptive statistics regarding the benefits of reskilling strategies demonstrate consistent patterns, reflecting a broad consensus among automobile insurance policyholders on the measures evaluated.

Figure 3

The graphical model explains the benefits of reskilling techniques for motor insurance premium payments and claims settlement

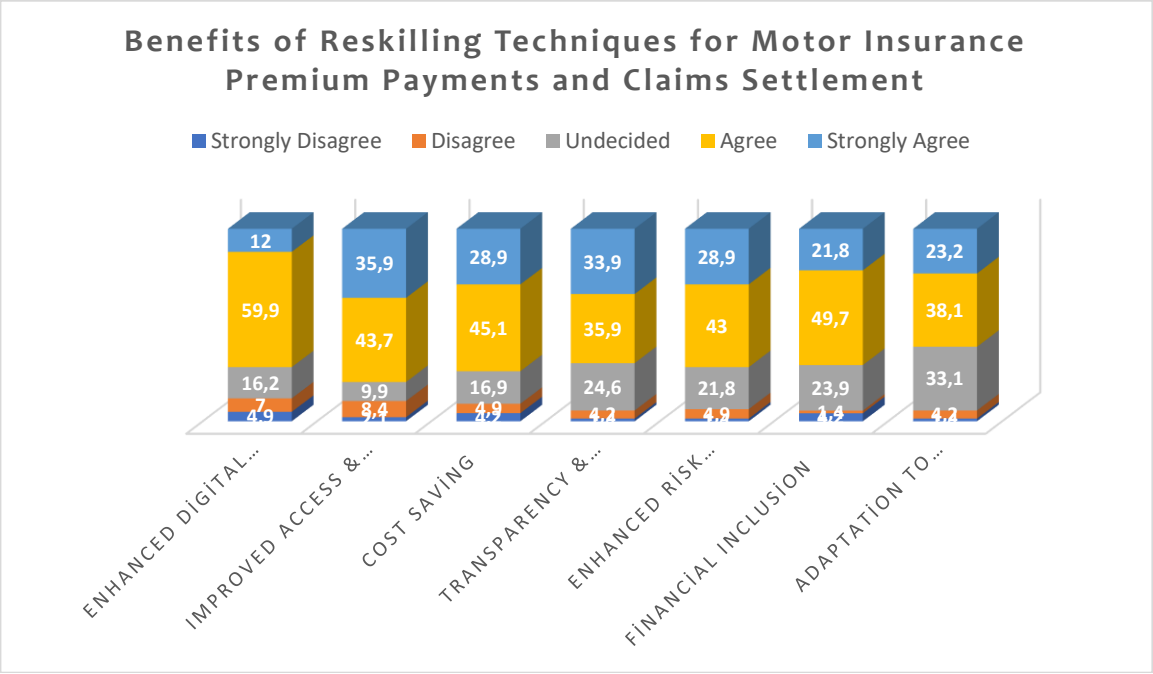


Table 5

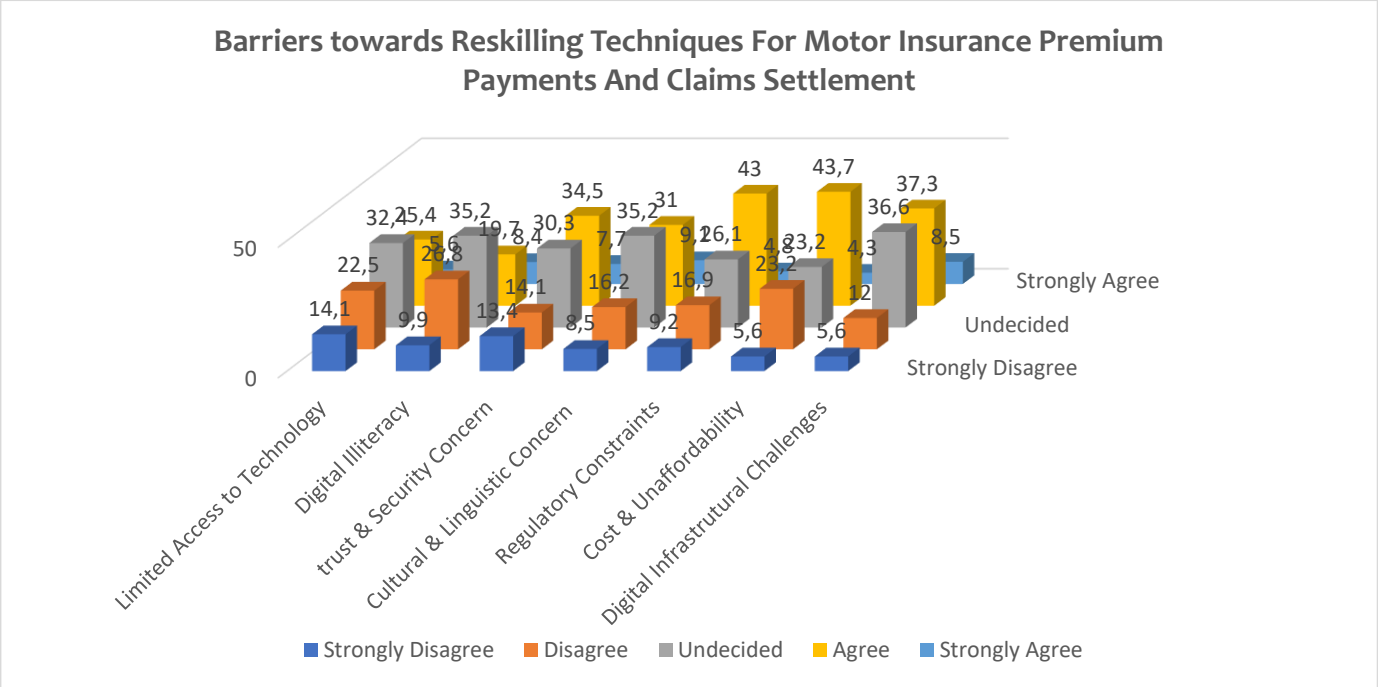
Barriers to adopting reskilling

Variables	Scale Level					Mean	Std Dev.
	SD	D	U	A	SA		
	1	2	3	4	5		
Limited access to technology has affected me as a motor insurance policyholder in making premium payments and processing claims settlements digitally	14.1	22.5	32.4	25.4	5.6	2.86	1.121
I am digitally illiterate; therefore, making premium payments and processing claims settlement becomes difficult	9.9	26.8	35.2	19.7	8.4	2.90	1.094
I have trust issues and security concerns about paying premiums and settling my claims digitally	13.4	14.1	30.3	34.5	7.7	3.09	1.154
Cultural and linguistic barriers have affected my motor insurance premium payment and claims settlement process through digital means	8.5	16.2	35.2	31.0	9.1	3.16	1.076
Regulatory constraints towards digital usage in Nigeria have affected my premium payment and claims settlement processes	9.2	16.9	26.1	43.0	4.8	3.18	1.067
I have not been motivated to pay insurance premiums and call for claims through digital means due to its expensive and unaffordable nature	5.6	23.2	23.2	43.7	4.3	3.18	1.020
Digital infrastructural challenges in Nigeria have hindered my premium payments and claims settlement	5.6	12.0	36.6	37.3	8.5	3.31	0.983

The survey findings presented in Table 5 and illustrated in Figure 4 captured participants' responses regarding barriers to reskilling strategies. These barriers included limited access to technology, digital illiteracy, trust and security concerns, cultural and linguistic challenges, regulatory constraints, cost and affordability issues, and limitations in digital infrastructure. Analysis of the responses showed that 36.6 percent of participants disagreed with the sufficiency of access to technology, 32.4 percent were neutral, and 31.0 percent agreed. Regarding digital illiteracy, 36.7 percent expressed disagreement, 35.2 percent were undecided, and 28.1 percent indicated agreement. In terms of trust and security, 27.5 percent disagreed, 30.3 percent were neutral, and 42.2 percent agreed. For cultural and linguistic concerns, 24.7 percent expressed disagreement, 35.2 percent were uncertain, and 40.1 percent agreed. Concerning regulatory constraints, 26.1 percent opposed, 26.1 percent were undecided, and 47.8 percent supported the measures. Regarding cost and affordability, 28.8 percent expressed disagreement, 23.2 percent were neutral, and 48.0 percent agreed. Finally, for digital infrastructure challenges, 17.6 percent disagreed, 36.6 percent were undecided, and 45.8 percent agreed. The mean and standard deviation values validated these findings across all items, indicating that participants' evaluations were normally distributed and centered around the mean. Overall, the descriptive statistics on barriers to reskilling strategies demonstrate consistent patterns, reflecting a coherent distribution of perspectives among automobile insurance policyholders regarding the challenges assessed.

Figure 4

The graphical model explains the barriers towards reskilling techniques for motor insurance premium payments and claims settlement



4. DISCUSSION

The results of this study indicate that reskilling strategies, including digital literacy training, mobile app familiarization, interactive webinars, and peer learning networks, are broadly supported by motor insurance policyholders in Lagos State. This aligns with prior literature emphasizing the role of digital technologies in transforming insurance operations and enhancing efficiency, customer engagement, and risk management (Kraus et al., 2021; Sharmila Devi et al., 2025; Chojan et al., 2022). The high levels of agreement among respondents suggest that structured reskilling initiatives can effectively facilitate the adoption of digital premium payments and claims settlement processes, reinforcing the practical relevance of InsurTech in the Nigerian context.

The facilitators identified government policies, public-private partnerships, innovative learning platforms, community engagement, and financial incentives corroborate the findings of Anchen et al. (2023) and Ostrowska (2021), who highlighted that enabling regulatory frameworks, collaborative efforts, and technology-driven solutions are critical to successful digitalization in insurance. In particular, the support for public-private collaborations and user-centric design reflects a growing consensus that digitalization initiatives require coordinated efforts across multiple stakeholders, echoing recommendations in the global InsurTech literature (Ruel, 2024).

The benefits of reskilling, such as improved digital literacy, convenience, cost savings, transparency, enhanced risk management, and financial inclusion, are consistent with prior research emphasizing the operational and societal advantages of digital adoption (Feyen et al., 2021; Krysik, 2024). Notably, respondents recognized that adapting to technological trends would create a positive response among policyholders, suggesting that reskilling initiatives not only enhance procedural efficiency but also foster customer trust and engagement, a finding in line with Ostrowska's (2021) assertion that InsurTech strengthens financial resilience.

Despite these similarities, the study also reveals key differences compared to prior work. While global studies often highlight advanced AI, blockchain, and IoT-driven platforms (Popkova et al., 2022; Ghaffari et al., 2019), this study emphasizes foundational reskilling strategies that prioritize human capacity building among policyholders rather than solely focusing on technological sophistication. This distinction underscores the contextual challenges in Lagos, including variable digital literacy and limited access to infrastructure, which necessitate complementary human-centered interventions alongside technology deployment.

Barriers identified in this study, such as limited technology access, digital illiteracy, trust and security concerns, regulatory constraints, cost, and infrastructural limitations, reflect socio-technical challenges emphasized in prior literature (Inoma, 2021; Ruel, 2024). While the overall support for reskilling is high, these constraints highlight the importance of designing targeted interventions that address both technical and social dimensions, ensuring that digitalization initiatives are inclusive and sustainable.

In conclusion, the study demonstrates that reskilling strategies are critical for enabling effective digitalization of premium payments and claims settlement in the motor insurance sector. The findings corroborate existing literature on the transformative potential of digital technologies while extending it by highlighting the importance of human-centered approaches in emerging markets. By combining training, user engagement, and supportive policy measures, insurers can overcome adoption barriers, enhance operational efficiency, and promote customer-centric digital innovation in line with global InsurTech trends.

5. CONCLUSION

The study highlights the use of reskilling strategies to digitize premium payment and claims settlement among motor insurance policyholders in Lagos, Nigeria. The study verified the reskilling methods that are accessible for digitizing the payment of vehicle insurance premiums and the settlement of claims. Additionally, we thoroughly

examined the facilitators that would promote reskilling approaches, as well as conducted a detailed analysis of the hurdles and benefits associated with these techniques.

Based on the aforementioned findings, the study suggests that government authorities should strengthen the enforcement of reskilling techniques facilitators in order to ensure that all drivers on the road have sufficient insurance coverage. This can be accomplished by implementing telematic (usage-based insurance) systems. Nevertheless, it is crucial to implement focused public awareness efforts on digitalization to educate drivers about its importance and help them become familiar with the necessary skills for adapting to new technologies. Insurance practitioners, particularly motor insurance providers, should collaborate with technologically advanced enterprises to effectively adopt and implement Insurtech on a large scale for motorists. Motor insurance providers should be encouraged by the regulator (NAICOM) to implement AI-based automation to streamline pricing and claims settlement processes. This will help to minimize operational inefficiencies and address legacy problems, while also reducing maintenance and training costs. Ultimately, it will lead to an improved customer experience.

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Ethical Approval: The study adheres to the ethical guidelines for conducting research.

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