"Perceived trust: Do all of its dimensions matter for insurance inclusion?"

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NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
51	0	5

BUSINESS PERSPECTIVES

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PERCEIVED TRUST: DO ALL OF ITS DIMENSIONS MATTER FOR INSURANCE INCLUSION?

Abstract

The study aimed to examine the significance of perceived trust dimensions in explaining insurance inclusion in Uganda. Insurance inclusion remained very low in Uganda. Although trust is vital for insurance inclusion, it is not known whether all of its dimensions are relevant for insurance inclusion. As such, hierarchical regression analysis was adopted to investigate the predictive power of the individual dimensions of perceived trust on insurance inclusion. The significance of the individual components was attained by determining the change in the adjusted R^2 and the significance of the change. Hence, the results showed that integrity ($\beta = 0.316$, $p < 0.01$), credibility ($\beta = 0.252$, $p < 0.01$) and reliability ($\beta = 0.211$, $p < 0.01$) were significant positive predictors of insurance inclusion. However, the results showed benevolence ($\beta = 0.018$, $p > 0.05$) to have an insignificant positive influence on insurance inclusion in Uganda. The effect of benevolence on insurance inclusion was practically and statistically insignificant. Overall results showed that independent variables explained 50.6% of the variance in insurance inclusion in Uganda when combined. Unlike prior studies that have investigated the general effect of trust as the global variable, the current study examined the impact of the independent dimensions of trust in explaining insurance inclusion. Besides, earlier studies ignored the trust theory, which provides key dimensions for understanding trust. The current study reveals that not all dimensions of perceived trust are significant for insurance inclusion in Uganda.

INTRODUCTION

Inclusive financial systems boost the poor's economic well-being when they access financial services through priced and non-price restrictions (Demirguc-Kunt & Klapper, 2012). Without inclusive financial systems, vulnerable and low-income households deplete their savings, sell crops in storage and borrow from friends to mitigate life cycle shocks (Cheston et al., 2018; CGAP, 2015). Notably, insurance thrives as a financial risk mitigation approach enabling poor and vulnerable groups to manage risk effectively (Zuliani & Rahman, 2018). Thus, insurance inclusion fosters financial resilience and cushions people and their societies from economic disruptions, hence keeping them out of poverty (Dassanou & Sherchan, 2018). Accordingly, insurance inclusion is defined as the state of access to and use of appropriate and affordable insurance products for the unserved and underserved (Cheston et al., 2018). Inclusive insurance is aimed at eliminating market barriers that curtail insurance providers from serving the underserved and unserved segments of the population (Lal, 2019).

Although the overall financial inclusion rate is at 78% of the adult population in Uganda, insurance inclusion has remained very low. Only 220,000 Ugandans out of 21,780,000 adult Ugandans are covered by insurance. This implies that 99% of adult Ugandans, a significant per-

centage (98%) of whom lives in rural areas, lack access to any form of formal insurance service (Finscope, 2018). Interestingly, the Finscope survey (2018) noted that, while formal insurance uptake might be low, informal insurance was on the rise. In this regard, 40% (7.4 million adults) of Ugandans, including the salaried, relied on informal mechanisms to deal with risks, while 11 million adults (59% of Ugandans) remained completely uninsured (FSD, 2018). Furthermore, Insurance Regulatory Authority (IRA, 2019) indicated that Uganda's insurance penetration rate dropped from 0.84% in 2018 to 0.772% in 2019.

Extant studies have argued that limited trust in insurance providers negatively affects insurance uptake (see, for instance, Weedige et al., 2019; Moin et al., 2015; Fungáčová et al., 2017). However, although several studies have used trust to explain the uptake of insurance (see, for instance, Agyei et al., 2020; Mohy-Ul-Din et al., 2019; Weedige et al., 2019; Sanjeewa & Hongbing, 2019), these studies have not based their argument on the trust theory dimensions of credibility, integrity, benevolence and reliability as advance by Meyer et al. (1995). Yet the trust theory (Meyer et al., 1995) has been tested and found to influence customer's intention to purchase (see, for instance, Curvelo et al., 2019; Liu et al., 2019; Sarantidou, 2018). However, these studies on intention to purchase were not conducted in the insurance context. Therefore, the current study not only adopts Meyer et al.'s trust theory to explain insurance inclusion, but also tests the predictive power of the trust components of credibility, integrity, benevolence and reliability in explaining insurance inclusion in Uganda.

1. LITERATURE REVIEW AND HYPOTHESES

The trust theory associated with Mayer et al. (1995) was adopted to explain the study's perceived trust. The theory postulates that institutions build and communicate trustworthiness within their industry (Kasper-Fuehrera & Ashkanasy, 2001). To resolve potential hindrances to building trust, the theory posits that firms must communicate trustworthiness, cultivate a culture of doing business ethically and create mutuality. Previous scholarly works have argued that effective and successful institutions have embedded trust in their systems (see, for instance, Zucker, 2008; Nooteboom, 2002). Trust is manifested at an interpersonal, group and institutional level. In a business trust relationship, customers are the trustors; however, the trust they give goes further into the more significant entity at the managerial or organizational level (Edelman, 2020). In practice, trust is considered the primary influencer of customer satisfaction in business relationships (Rawlins, 2008).

As such, Mayer et al. (1995) postulate dimensions of trust to include benevolence, credibility, integrity and reliability. Firstly, benevolence looks at how much the trustee does to the trustor besides the need for making profits. Secondly, credibility is the belief and confidence that a firm will deliver as it promises. Thirdly, integrity is the conviction that a firm will act fairly and justly by sticking to such principles that the trustor deems acceptable. Fourthly, dependability/reliability is the conviction that a firm does what it says it does and is consistent and dependable. Consequently, the current study investigated perceived trust based on the foregoing dimensions suggested by Mayer et al. (1995).

Empirically, Sanjeewa and Hongbing (2019) assert that the insurance contract dwells on the principle of utmost good faith. Hence, parties to the insurance agreement are mandated to fully open up to each other by disclosing all the relevant information). Accordingly, the absence of trust from both parties makes it impossible to initiate and continue with the contract (Weedige et al., 2019). According to Moin et al. (2015), trust is vital when providing financial services, since it plays a crucial role in changing customer perception. Trust is also essential for any financial system as it drives financial inclusion and stability (Akhter & Hussain, 2012; Fungáčová et al., 2017).

In that reverence, Mohy-Ul-Din et al. (2019) contended that all investments in financial products dwell on trust. Hence, insurance institutions should implement sound institutional practices that build trust and encourage the public to invest in various insurance services (Moin et al., 2015). The foregoing confirms the findings by Mohy-Ul-Din et al. (2019) that there is a positive and significant asso-

ciation between dispositional trust, trust in institutions, and trust in insurance products. Whereas insurance inclusion intends to extend insurance services to the unserved and underserved segments of the population, Dercon (2018) contends that the low-income sections of the population generally exhibit little or no trust in formal insurance from commercial insurers. Additionally, Van Asseldonk and Belissa (2022) reported that when index insurance was marketed through informal institutions whose leaders are generally well-trusted, insurance uptake doubled in Ghana. According to the Center for Business Economics (2020), trust is an essential psychological mechanism throughout the customer journey for insurance uptake, from trust in registering for insurance to trust that the insurance company will pay out in the event of a shock. Thus, rumors that claims pay-outs are delayed or rejected, even if valid, may negatively affect trust in the insurance provider (IAIS, 2015).

When consumers doubt the design of the insurance product or the chances of receiving a claim payment due to losses, they hesitate to take up insurance products and services (Dayour, 2020). A lack of trust negatively affects insurance demand. Furthermore, Agyei et al. (2020) claim that consumers' non-trusting behavior can develop based on past experiences with the provider. Thus, path dependence significantly influences consumers' beliefs about an innovation they have scanty or no information about (Ali et al., 2020). Moreover, Tabrani et al. (2018) showed that trust could explain the presence of a negative association between risk aversion and demand for insurance. Intuitively, trust reduces due to increased chances of the `worst-case' scenario, in which a client pays an insurance premium, a loss is incurred, but no claim is made (Dayour, 2020).

Additionally, extant literature has generally agreed that without trust between business partners, there cannot be the formation of lasting business relationships (Ben-Ner & Halldorsson, 2010). However, according to Devlin et al. (2015), compared to other industries, the financial sector thrives on trust far much more than the traditional business-customer relationship. In the financial industry, for any party to forego substantial sums of money for any purpose, the person must conceive significant levels of trust that the other party

has the credibility to fulfil their obligation (Delvin et al., 2015). However, service providers who focus on financial goals and fail to deliver their promises to their customers risk causing distrust among loyal customers. Therefore, given that insurance is inherent (Weedige et al., 2019), it is inevitable that consumers will feel exposed to some risk levels regarding the insurance business and its workings.

Therefore, in such risky positions for consumers, trust is the mediator between perceived risk and the purchase insurance decision (Dayour, 2020). Existing literature on consumer behavior has shown that consumers' trust in insurance services plays a crucial part in purchase and repurchase decision-making in insurance (Lin et al., 2019; Driver et al., 2018; Tennyson, 2011). Furthermore, trust impacts customer loyalty; clients stay with the service provider longer and may market the service in their social circles (Agyei et al., 2020). From that perspective, trust becomes a continuous relationship cementer and the foundation of possible future business exchange relationships (Hong & Cho, 2011). Companies must cultivate and entrench trust in their systems to cement long-term business relationships with current and potential customers and other business stakeholders (Veloutsou, 2015). Financial institutions should therefore build trust for their brands, since it strengthens and creates demand for their services and brand. This brand trust will, in turn, drives people's intent to repurchase. Calvo-Porral and Levy-Mangin (2016) concluded that consumers purchase and repurchase from a brand in which they have developed positive beliefs and expectations.

According to Cvitanovic (2018), insurance providers should create a reliable brand in the eyes of the consumers, since a client's perception is an essential psychological aspect that influences their decision to buy insurance. From that perspective, consumers can switch from one insurance provider to another if there is a failure to deliver on promises because this is unreliable to a consumer (Cvitanović, 2018). Financial institutions should therefore build trust for their brands, since it strengthens and creates demand for their services and brand. This brand trust will, in turn, drives people's intent to repurchase. Based on the preceding, insurance providers can gain the trust of their clients when they

understand the different types of insurance policies and their limitations (FSD, 2018). According to Cvitanović (2018), clients consider their perception and attitude towards an insurance firm's reliability before choosing a potential provider.

Furthermore, McCord et al. (2017) contend that insurance firms must create a reliable brand due to the long-term relationship between the insurance provider and the consumers. On that note, given that insurance payments are perennial, consumers will likely deal with a provider they trust most (Fungáčová et al., 2017). Product users consider a brand's reliability in purchasing because reliable brands are reputable. Therefore, with insurance, the provider aims to give satisfaction and build customer loyalty (Ruefenacht, 2018). Consumer loyalty can be achieved when the insurance provider delivers its promises to the consumer's expectations (Weedige et al., 2019).

Notably, insurance consumers asses the ethical intentions and attitudes of insurance agents before making an insurance purchase decision (Tseng, 2020; Trevino & Nelson, 2017). In that regard, Agyei et al. (2020) assert that insurance providers should benevolently consider the interests of their clients when designing insurance products and services to cultivate trust in their clients. Meyer et al. (1995) describe benevolence as the extent to which customers believe that the insurance provider wishes good for them besides the entrenched profit motive. Accordingly, benevolence assumes some attachment between the insurance provider and the customer. Therefore, insurance consumers expect providers to behave ethically while executing their obligations (Tseng, 2020). Based on the foregoing, the researchers believe that insurance consumer's trust influences insurance purchase decisions. However, the foregoing literature does not provide significance of the individual dimensions of perceived trust for insurance inclusion.

It is against this backdrop that the current study aimed to establish the significance of the dimensions of perceived trust for towards insurance inclusion in Uganda. The objectives of the study were to establish the relationship between integrity and insurance inclusion; establish the relationship between credibility and insurance inclusion; establish the relationship between reliability and insurance inclusion; and establish the relationship between benevolence and insurance inclusion. Accordingly, based on the reviewed literature, the following hypotheses were developed:

H1: Integrity significantly and positively predicts insurance inclusion.

H2: Credibility significantly and positively predicts insurance inclusion.

H3: Reliability significantly and positively predicts insurance inclusion.

H4: Benevolence significantly and positively predicts insurance inclusion.

2. RESEARCH METHODOLOGY

The study population comprised 314,501 individuals with individually purchased and fully paid-for insurance policies (UBOS, 2019). The targeted individuals were located in the 13 sub-regions of Uganda (UBOS, 2019). The sampling frame for the current study is the 2019/20 Uganda National Household Survey (UNHS) mapping listing provided by the Uganda Bureau of Statistics (UBOS, 2019). This sampling frame has 78,950 Enumeration Areas (EA). UBOS (2019) states that "an EA is a natural village in rural areas and a city block in urban areas". As such, Uganda comprises 112 managerial districts; every district is subdivided into sub-counties, every sub-country is divided into parishes, every parish is divided into villages, and every village is divided into enumeration areas. Each enumeration area comprises ten households. The sampling frame entails information regarding an enumeration area's location and residence type (urban or rural). Thus, a total sample of 400 personal insurance policyholders was drawn from a population of 314,501. Individuals with a personal insurance policy were selected for the study using formulae recommended by Yamane (1973). The study's sample was determined using the Yamane (1973) formula:

$$n = \left[\frac{N}{1} + N \cdot (e)^2 \right]. \qquad (1)$$

where n = sample size; N = total population; e = tolerable error (0.05 or 95 percent).

Proportionate stratified random sampling was adopted to select 400 respondents from 13 sub-regions. The lottery technique was used by assigning every household a number picked randomly, one at a time, without replacement until reaching the target sample. From every household, an adult person (18-65 years) who individually fully paid for insurance was purposively selected as a respondent.

The Statistical package for social sciences was adopted for data analysis. Descriptive statistics were run for the study items to test for data normality. Additionally, data were checked for content, convergent and discriminant validity, and composite reliability as guided by Hair et al. (2019). Additionally, Levene's test was adopted to test for homogeneity of variance among study variables.

3. RESULTS

Firstly, diagnostics tests were performed to identify and correct for any sources of bias in the data. Data were tested for composite reliability, content validity, construct validity, discriminant validity and homogeneity of variance. Regarding data reliability, diagnostic results indicated all variables to have composite reliabilities above the 0.7 cutoffs and below the 0.95 upper limit. Particularly, study variables yielded composite reliabilities as follows: integrity (0.919), credibility (0.914), reliability (0.935) and benevolence (0.920). In addition, items were examined for content validity. Results showed that variables had content validity indices above the 0.700 cut-offs. The content validity indices were: 0.750 for integrity, 0.800 for credibility, 0.750 for reliability, 0.833 for benevolence, 0.800 for access, and 0.833 for usage. Additionally, study variables were tested for convergent and discriminant validity. Convergent validity was assessed using the average variance extracted. Results confirmed the presence of convergent validity. All variables had average variance extracted above 0.5 cut-off. Integrity had an AVE of 0.696, credibility 0.728, reliability 0.781, benevolence 0.657, access 0.535 and usage 0.655. Discriminant validity was assessed using the Heterotrait-Monotrait (HTMT) ratio. All variables had HTMT ratios above 0.90, as recommended by Henseler et al. (2015) and Voorhees et al. (2016). This confirmed the discriminant validity of this study. Furthermore, Levene's test was adopted to test for homogeneity of variance in this study. Results from the analysis of data revealed that all the variables had an insignificant Levene test ($P > .05$). Thus, common methods variance was not a problem in this study.

Secondly, Exploratory factor analysis (EFA) through principal component analysis (PCA) and common factor analysis (CFA) was adopted to analyze interrelationships among many variables (Hair et al., 2018). This enabled us to determine the manifest variables that best explain the latent variables. Principal component analysis using Varimax with Kaiser Normalization was undertaken to condense the number of variables under perceived trust. The results showed that 21 items loaded well on the dimensions of perceived trust with four components based on theory and empirical conceptualization. The KMO was adequate at .952 with a significant ($p < .05$) Bartlett's test for sphericity. Additionally, only items with factor loadings above .50 were retained for each perceived trust factor. Principle component analysis was undertaken, and four factors with Eigen values greater than one were returned. Exploratory factor analysis was performed to test instrument item validity. The results showed that four factors of benevolence (23%), integrity (18%), credibility (16%), and benevolence (15%) were generated. The generated factors explained 71% of the variance in perceived trust, as indicated in Table 1.

Furthermore, principal component analysis (PCA) using Varimax with Kaiser Normalization was performed to condense the number of variables for insurance inclusion. The results showed that 11 items loaded well on the dimensions of insurance inclusion with two components based on theory and empirical conceptualization. The KMO was adequate at .918 with a significant ($p < .05$) Bartlett's test for sphericity. Furthermore, only items with factor loadings above .50 were retained on each insurance inclusion factor. Principle component analysis was run and returned two factors with Eigen values above one. Exploratory factor analysis was undertaken to test instrument item validity. The results showed that two factors of usage (54%) and access (23%) were generated. This explained 77% of the variance in insurance inclusion, as shown in Table 2.

Table 1. Exploratory factor analysis for perceived trust

Item scale	Benevolence	Integrity	Credibility	Reliability
The insurance firm is concerned about my welfare	.794	–	–	–
My needs are very important to the insurance firm	.780	–	–	–
The insurance firm puts my interests in the first place	.785	–	–	–
I think that the insurance firm acts ethically when dealing with customers	.687	–	–	–
The insurance provider will do everything within its capacity to assist me	.707	–	–	–
I think the insurance provider has good intentions towards its customers	.641	–	–	–
I never doubt that the insurance firm will stick to its promise	–	.569	–	–
I believe in the insurance firm because it has a good reputation	–	.555	–	–
The insurance firm tries to be fair in its dealings	–	.658	–	–
I believe that the insurance firm operates with honesty	–	.663	–	–
Even if not monitored, I think the insurance firm will do the job right	–	.644	–	–
The insurance provider has the ability to fulfill its tasks	–	–	.733	–
The insurance firm has experience in what it does	–	–	.827	–
Overall, I feel that the insurance firm is competent	–	–	.751	–
The insurance firm is effective	–	–	.711	–
Overall, the insurance firm meets my insurance expectations	–	–	–	.760
My insurance provider is generally dependable	–	–	–	.783
The insurance firm's actions are consistent	–	–	–	.712
I believe that the insurance firm is keen on fulfilling my needs	–	–	–	.689
Eigenvalue	4.606	3.514	**3.205**	2.826
Variance %	23.032	17.572	**16.026**	14.132
Cumulative %	23.032	40.604	56.630	**70.762**

Notes: Extraction method: Principal Component Analysis; Rotation method: Varimax with Kaiser Normalization; Rotation converged in 5 iterations; Kaiser-Meyer-Olkin measure of sampling adequacy = .952; Bartlett's test for sphericity = 5686.012, significance level = .000.

Thirdly, demographic statistics were run to understand the characteristics and nature of the respondents. Demographic results depicted that majority of the respondents were female, with a percentage representation of 56%, while the male respondents accounted for 43.2% of the sample. The results showed that most of the respondents with individual insurance policies were in the age bracket of 34-49 years at 49.3%, followed by respondents aged 18-33 years at 45.8%. In contrast, only 5% of the respondents were aged 50-65. Regarding the highest level of education attained, the results indicated that most participants had earned a bachelor's degree, representing 67.3%, while 16.5% of the respondents had an ordinary diploma. Furthermore, 11.3% of the participants

Table 2. Exploratory factor analysis for insurance inclusion

Item scale	Usage	Access
I intend to continue using insurance services	.623	–
I would recommend others to buy insurance	.681	–
If I need financial protection, I will purchase insurance	.664	–
I expect to buy insurance in the future	.810	–
I feel good about my decision to buy insurance	.676	–
The probability that I would buy insurance in the future is high	.830	–
The premium charged by the insurance company is affordable	–	.835
I easily access my insurance provider when in need of insurance	–	.560
The insurance products meet my insurance needs	–	.732
Insurance agents come to you when you want to have an insurance policy	–	.802
Minimum documentation is required by the insurance company to get a policy	–	.753
Eigenvalue	5.941	**2.553**
Variance %	54.008	**23.213**
Cumulative %	54.008	**77.221**

Notes: Extraction method: Principal Component Analysis; Rotation method: Varimax with Kaiser Normalization; Rotation converged in 5 iterations; Kaiser-Meyer-Olkin measure of sampling adequacy = .918; Bartlett's test for sphericity = 2486.382, significance level = .000.

had attained a master's degree representing 11.3%. While 3.8% of the respondents attained UACE and 0.5% of the respondents held a Ph.D. The demographic results indicated that most respondents had a household size of 4-6 members representing 48.8%. At the same time, 33% of the respondents had a household size of 1-3 members, followed by 17.5% with households of 7-10 members. Lastly, the smallest percentage, 0.8% of the respondents, had households of above ten members. Lastly, demographic results revealed that 97.5% of the respondents were involved in income-generating activity, while 2.5% were not involved in any income-generating activity. Accordingly, majority (34%) of those involved in income generating activities earned an income (Ugshs) within 1,550,000-2,050,000 range, while 21.3% earned an income of 550,000-1,050,000. Furthermore, 16.3% earned 1,050,000-1,550,000 followed by 15.8% with 50,000-500,000. Lastly, 11.3% of the respondents earned 2,050,000 – shs 2,500, 000, while only 1.5% earned less than shs 50, 000.

Fourthly, descriptive statistics were run to establish how respondents understood the scale items about perceived trust and insurance inclusion. Descriptive statistics enabled us to summarize the observed data. Means and standard deviations were used to summarize the data. According to Field (2017), means summarize the data, while standard deviations tell how well the means represent the data. Results in Table 3 show relatively small standard deviations. Standard deviations ranged from 0.49661 to 0. 60866. This indicates that the observed data are closer to the mean hence a good fit. Moreover, the standard errors of the estimate are relatively small. Standard errors ranged from 0.02483 to .03029. This implies that the sample means are similar to the population from where they are derived. This is a good indication that the sample for the data is an accurate representation of the population.

Fifthly, Pearson correlation analysis was adopted to establish the relationship between perceived trust constructs and insurance inclusion, as shown in Table 4. The results in Table 4 revealed that there is a significant positive relationship between benevolence and insurance inclusion ($r = 0.569$, $p < 0.01$). This implies that a positive change in benevolence is associated with a positive change in insurance inclusion. Thus, insurers' benevolence positively influences insurance inclusion. Furthermore, results showed a significant positive relationship between integrity and insurance inclusion ($r = 0.672$, $p < 0.01$). This implies that an increment in insurance providers' integrity leads to increased insurance inclusion. Additionally, the findings indicated a significant positive relationship between credibility and insurance inclusion ($r = 0.611$, $p < 0.01$). This implies that insurance providers' credibility influences insurance inclusion. The study

Table 3. Descriptive statistics for study variables

Variables	N	Minimum	Maximum	Mean	Std. error	Std. deviation
Benevolence	400	1.00	5.00	3.9313	.03029	.60577
Integrity	400	1.00	5.00	4.0840	.03043	.60866
Credibility	400	1.00	5.00	4.1845	.02761	.55211
Reliability	400	1.00	5.00	4.0425	.02935	.58709
Perceived trust	400	1.42	5.00	4.0570	.02614	.52277
Insurance inclusion	400	1.00	5.00	4.2189	.02483	.49661
Valid N (listwise)	400					

Table 4. Correlation analysis results

Variables	Benevolence	Integrity	Credibility	Reliability	Perceived Trust	Insurance Inclusion
Benevolence	1	–	–	–	–	–
Integrity	.740**	1	–	–	–	–
Credibility	.647**	.689**	1	–	–	–
Reliability	.731**	.801**	.616**	1	–	–
Perceived Trust	.902**	.919**	.811**	.884**	1	–
Insurance Inclusion	.569**	.672**	.611**	.633**	.699**	1

Note: ** Correlation is significant at the 0.01 level (2-tailed).

findings also showed that reliability is significantly and positively related to insurance inclusion (r = 0.633, p < 0.01). This implies that reliable insurance providers influence insurance inclusion.

Sixthly, hierarchical regression was adopted to establish whether all the components of perceived trust matter for insurance inclusion. This was attained by establishing the predictive power of perceived trust components on insurance inclusion. Accordingly, Table 5 entails the overall model fit. The table has four models entered through the hierarchical method with four blocks. The first model is the first stage in the hierarchy when integrity is entered as the predictor. The third model shows when integrity and credibility are entered as predictors. Model 3 denotes when integrity, credibility and reliability are entered as the predictors. Finally, the fourth model indicates when all four predictors of integrity, credibility, reliability and benevolence are entered as the predictors.

Accordingly, for *H1*, results revealed that integrity significantly and positively predicts insurance inclusion (β = 0.316, p < 0.01). Thus, the results support hypothesis *H1*. This finding implies that as integrity increases by one unit, insurance inclusion increases by 0.316 units. However, this finding holds only if the effects of credibility, reliability and benevolence are constant. Additionally, results showed an R^2 of 0.450 in the first model, which means that integrity accounts for 45% of the variance in insurance inclusion.

Furthermore, results indicate that credibility significantly and positively predicts insurance inclusion (β = 0.252, p < 0.01). Thus, hypothesis *H2* was supported. This result means that as credibility increases by one unit, insurance inclusion increases by 0.252 units. However, this finding holds only if the effects of integrity, reliability and benevolence are constant. Remarkably, when credibility was combined with integrity in the second model, the R^2 increased to 0.491, meaning that the two predictor variables explain 49.1% of the variance in insurance inclusion. Furthermore, credibility accounted for an additional 0.042 or 4.2% of the variation in insurance inclusion when introduced in the model. The R^2 change of 0.042 was statistically significant (p < 0.001).

Results further indicated that reliability is a significant positive predictor of insurance inclusion (β = 0.211, p < 0.01). Hence, hypothesis *H3* was supported. This finding implies that as reliability increases by one unit, insurance inclusion increases by 0.211 units. However, this finding holds only if the effects of integrity, credibility and benevolence are constant. Furthermore, the third model showed that integrity, credibility and reliability accounted for 0.506 or 50.6% of the variance in insurance inclusion. Reliability accounted for an additional 0.017 or 1.7% of the variation in insurance inclusion when introduced in the third model. The R^2 change of 0.017 was statistically significant (p < 0.001).

On the contrary, results indicated that benevolence does not significantly predict insurance inclusion (β = 0.018, p > 0.05). Thus, hypothesis *H4* was not supported. In addition, when introduced in the fourth model, behavior did not contribute to the variance in insurance inclusion. Benevolence had an R^2 change of 0.000. Although there was a positive relationship (β = 0.018, p > 0.05), it was practically and statistically insignificant towards explaining insurance inclusion. However, the four predictors explained 51% of the variance in insurance inclusion. Overall, the adjusted R^2 was 0.505, implying that the adjusted R^2 was very close to the R^2 of 0.510. According to Field (2017), it is desired that the adjusted R^2 be very close to or the same as the R^2. Thus, the adjusted R^2 shrunk by 0.005 or 0.5%, implying that if the model were derived from the population rather than the sample, it would account for approximately 0.5% less variance in the outcome.

Table 5. Hierarchical regression analysis

Predictor	Model 1	Model 2	Model 3	Model 4
Constant	1.979	1.564	1.440	1.437
Integrity	0.672**	0.478**	0.322**	0.316**
Credibility	–	0.282**	0.256**	0.252**
Reliability	–	–	0.217**	0.211**
Benevolence	–	–	–	.018
R^2	0.452	0.494	0.510	0.510
Adjusted R^2	0.450	0.491	0.506	0.505
R^2 Change	0.452	0.042	0.017	0.000
F Change	327.993**	32.840**	13.373**	2.098
Durbin-Watson	–	–	–	1.819

Note: * p < 0.05; ** p < 0.01.

4. DISCUSSION OF FINDINGS

Regarding the first objective, the study findings revealed that integrity has a significant positive influence on insurance inclusion. Thus, the hypothesis that integrity significantly and positively predicts inclusion was supported. In that regard, people buy insurance if the insurance providers stick to their promises. Insurance providers promise to indemnify the insured in the event of loss or maturity for life insurance. Creating doubt in clients deters enrolment for insurance services. Skeptical clients do not buy insurance due to the uncertainty of receiving a payout, thus giving a negative recommendation for insurance. Insurance providers that do not stick to their promises discourage existing clients who do not renew insurance contracts in the future. Likewise, results showed that people enroll for insurance due to the good reputation of insurance providers. The insurance business largely survives by word-of-mouth recommendations.

Thus, insurance providers' public reputation influences people's decisions to enroll on insurance services. Accordingly, insurance providers' reputation is built through timely and exact payouts to insurance clients with due payments. Failure to make the payments damages the institution's reputation, discouraging people from enrolling for insurance. People trust insurance providers with a good reputation. In addition, decisions to enroll for insurance services depend on an insurance provider's fairness in dealings with no intention to defraud clients. Furthermore, from the integrity perspective, the findings indicated that the honesty of insurance providers influences decisions to buy insurance. Since insurance indemnity payouts are futuristic, clients base their decision on whether the insurance provider has been honest in their dealings.

The findings regarding the influence of trust on insurance inclusion through integrity are consistent with Weedige et al. (2019). They posited that consumer loyalty could be achieved when the insurance provider delivers its promises to the consumer's expectations (Weedige et al., 2019). Furthermore, the findings agree with Sanjeewa & Hongbing (2019) who put that the insurance contract hinges on the principle of utmost good faith. Hence, insurance providers must be open to insurance consumers by disclosing all the relevant information to the clients. Notably, the study findings align with Dayour (2020), who argued that trust reduces due to increased chances of the 'worst-case' scenario, in which a client pays an insurance premium, a loss is incurred, but no claim is made. This emphasizes the importance of trust through integrity towards insurance inclusion.

Regarding the second objective, results showed that credibility significantly and positively predicts insurance inclusion. This finding supported hypothesis *H2* of the study. The findings suggest that people purchase insurance when insurance providers fulfil their tasks. Insurance consumers expect insurance providers to compensate them in case of a loss or to provide a lump sum payment in case of life insurance. Insurance providers that fail in their obligation discourage people from enrolling for insurance. Additionally, the findings suggest that people enroll for insurance based on an evaluation of the provider's experience with insurance. Since insurance payouts happen in the future, clients consider insurance providers' length of experience before enrollment.

Furthermore, the study findings suggest that insurance providers' effectiveness influences consumers to buy insurance. Effective insurance providers are considered credible by insurance consumers, hence insurance enrollment. Accordingly, insurance providers' effectiveness manifests itself through prompt payouts, quick address of client queries and timely delivery of updated insurance statements. The current findings are consistent with Delvin et al. (2015). They argued that, for any party to forego substantial sums of money for a financial service, they must conceive significant levels of trust that the other party will fulfil their obligation. Additionally, the findings are in agreement with IAIS (2015). They put that rumors that claims pay-outs are delayed or rejected, even if valid, may negatively affect trust in the insurance provider.

Additionally, when consumers doubt the design of the insurance product or the chances of receiving a claim payment due to losses, they hesitate to take up insurance products and services (Dayour, 2020). Thus, the findings align with Agyei (2020),

who recommended that financial institutions build trust for their brands; trust strengthens and drives people's intent to repurchase financial services. Lastly, the findings agree with Calvo-Porral and Levy-Mangin (2016), who concluded that consumers purchase and repurchase from a brand in which they have developed positive beliefs and expectations.

Regarding the third objective, the findings revealed that reliability significantly and positively predicts insurance inclusion. The findings are in support of hypothesis *H3* of this study. Notably, the findings showed that the reliability component of trust impacts people's decision to use insurance now and in the future. With insurance contracts, consumers vest their hope in insurance as the financial protection mechanism of the last resort. Thus, unreliable insurance providers discourage the usage of insurance services. As such, the study found that when insurance providers meet consumers' insurance expectations, insurance usage will be continued in the future. In addition, consumers would recommend insurance to others. Similarly, the findings revealed that insurance providers' dependability influences the usage of insurance services. This implies that in the event of loss, insurance providers must meet their end of the bargain to encourage the utilization of insurance by the people. Furthermore, it was found that people intend to buy insurance from providers with consistent actions. Likewise, people will buy insurance from firms keen on fulfilling the interests or needs of their clients.

The current findings agree with Cvitanovic (2018), who advanced that insurance providers have to create a reliable brand in the eyes of the consumers since a client's perception is an essential psychological aspect that influences their decision to buy insurance. When insurance providers create a reliable brand, a long-term relationship between the insurance providers and the consumers is cemented

McCord et al., 2017). Moreover, the study's findings relate to Fungáčová et al.'s (2017) assertion that consumers are most likely to deal with a provider they trust most since insurance payments are perennial. Thus, consumers can be influenced to switch from one insurance provider to another if there is a failure to deliver on promises because this is unreliable to a consumer (Cvitanović, 2018). In a nutshell, product users consider a brand's reliability in purchasing because reliable brands are reputable and trustworthy.

Lastly, findings on the fourth objective showed that benevolence has an insignificant positive influence on insurance inclusion. Hence, this finding is in disagreement with hypothesis *H4* of this study. The findings suggest that although benevolence positively correlates with insurance inclusion, benevolence does not significantly predict insurance inclusion in Uganda. These findings disagree with Tseng (2020), who argued that insurance consumers enroll for insurance when insurance providers behave with ethical intentions and attitudes towards them. Similarly, the findings are in contention with Agyei et al. (2020), who found that considering clients' interests while designing insurance products was vital for insurance inclusion.

Therefore, given that, this is the first study to investigate the significance of the dimensions of perceived trust towards insurance inclusion. Future studies should be undertaken to check the established findings, especially the insignificant effect of benevolence on insurance inclusion, since some earlier studies (Tseng, 2020; Agyei et al., 2020) find that benevolence is positively associated with insurance uptake. Additionally, future studies could adopt longitudinal designs, since the current study was cross-sectional and could not capture changes in the behavioral characteristics of the respondents. Yet, behavioral changes could affect the insurance decisions of respondents.

CONCLUSION

The aim of the current study was to establish the significance of the individual dimensions of perceived trust towards insurance in Uganda. The findings indicate that perceived trust dimensions of integrity, credibility and reliability significantly and positively influence insurance inclusion in Uganda. However, the benevolence dimension of perceived trust was found to be an insignificant predictor of Insurance inclusion. Overall, perceived trust dimensions were found to explain 50.6% of the variation in insurance inclusion.

Practically, the findings imply that insurance providers should ensure that a trust culture is instilled in the insurance provision processes. Insurance providers in Uganda must exhibit integrity and be reliable and credible when providing insurance services. To promote trust, insurance providers must guarantee fast and effective claims processes. They should also ensure that consumers clearly understand exclusions to claim payments. More importantly, insurance providers must ensure that clients understand the insurance products and the insurance process. This will enhance insurance inclusion in Uganda. Theoretically, the findings confirm the trust theory by showing that its components of integrity, credibility and reliability are vital in promoting insurance inclusion in Uganda. However, the findings disagree with the trust theory that benevolence influences insurance purchase decisions.

AUTHOR CONTRIBUTIONS

Conceptualization: Archillies Kiwanuka, Athenia Bongani Sibindi.
Data curation: Archillies Kiwanuka.
Formal analysis: Archillies Kiwanuka.
Software: Archillies Kiwanuka.
Investigation: Archillies Kiwanuka.
Methodology: Archillies Kiwanuka, Athenia Bongani Sibindi.
Project administration: Archillies Kiwanuka, Athenia Bongani Sibindi.
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Writing – original draft: Archillies Kiwanuka.
Writing – review & editing: Archillies Kiwanuka, Athenia Bongani Sibindi.

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