ABSTRACT

This dissertation examines the processing of insurance claims in the local construction industry. Contractors and insurance companies alike do not take insurance claims seriously. Efficiency in and effectiveness of processing claims have direct and indirect implications on the cost of construction. Delays in processing claims and insufficient compensation can result in a higher cost of insurance. This will indirectly cause an increase in the cost of construction.

The objective of the research is to provide an understanding of the local practices in processing insurance claims in the construction industry. It also seeks to analyze these practices and determine the efficiency and effectiveness of this process. This research goes on to identify the key factors influencing the efficiency and effectiveness. The objective was achieved by conducting analysis on extensive literature reviews, survey results and interviews.

The research results showed that contractors are generally satisfied with the services in the local insurance industry but improvements in certain areas are desired, e.g. loss assessment by contractors and enhanced services by insurance related companies. The nature of the insurance business, and the various parties’ influence on the process were identified as the main factors affecting the process.

Keywords: processing, insurance claims, efficiency and effectiveness