FACTORS AFFECTING GROWTH OF LIFE INSURANCE FIRMS IN KENYA. CASE STUDY OF BRITAM LIFE INSURANCE

WESLEY NYABUTO

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DECLARATION

This Research Project is my original work and has not been presented for a degree in any other University or for any other award.

Signature: ……………………………………… Date: ……...………..………….

WESLEY NYABUTO

BCOMK/2/00042/3/17

This research project report has been submitted for examination with my approval as University Supervisor.

Signature……………………………… Date…………………………………

MIS PATRICIA CHEMUTAI

MANAGEMENT UNIVERSITY OF AFRICA

ACKNOWLEDGEMENT

First, all glory and honour goes to Almighty God for giving me good health and strength to carry on.

DEDICATION

This piece of academic work is dedicated to my parents, my brothers and sisters, who stood by me during the period of the class and research work.

TABLE OF CONTENT

ABSTRACT

There is a need for a study that analyzes and assesses the likely contribution to this lackluster trend. As of 2018, there are 14 life insurance insurance firms in Kenya including Seven composite insurance firms (providing combined term and general assurance). In Kenya, only Britam Life recognized and authorized life insurance providers were examined. Each of the life insurance companies was able to identify 54 salespeople through qualitative research. The scientist handed out a standardized interview question to the participants, who were instructed to fill it out. In order to show the results, tables and graphs were utilized to assess the answers using descriptive and inferential statistical approaches. On professional sales, the study concluded that research and development leads to increase in life insurance. The conclusion determined that that innovation assists in increased penetration of life insurance to a great extent. On sales promotion, the conclusion was that extra packages affect the sales volume of an organization. It was also concluded that voluntary training leads to increased awareness of life insurance at a great extent. On affordability, the study noted that affordability influences the increased life insurance covers. Also the conclusion was that affordability leads to improved sales output. On government regulation, the conclusion agreed that enacted laws influences the setting up of life insurance to a large extent. The conclusion also noted that that regulatory framework increases the performance of life insurance firms. It is possible to make some recommendations based on this research: In order to ensure that the services provided to medical insurance customers by the salespeople are valuable and delivered in the best possible manner, the Association of Kenya Insurers (AKI) must educate its delegates on how to get the highest suitable mentoring. In order to maximize value for its customers, the life insurers should ensure adequate personal selling and billing. It is important that the insurers work really hard as well as competitively to guarantee that their services are widely used and to educate the public about the benefits of their life insurance solutions. When it comes to growing their business, life insurers use micro insurance as one of their methods of doing so. If the Insurance Regulatory Authority (IRA) wants to achieve maximum growth, it should devise a set of mechanisms for monitoring the life insurance industry. Effective oversight of the business would guarantee a competitive market and eliminate ethically questionable practices and methods.

LIST OF TABLES

LIST OF FIGURES

DEFINITION OF KEY TERMS

Insurance When two or more parties enter into a contract, the insurance company receives a premium payment from the policyholder. If the covered by insurance suffers an encased loss, the insurer guarantees to reimburse them.

Insurer When a circumstance occurs, this is the participant who offered to indemnify funds. In most cases, the insurance providers are the insurers that provide health coverage.

Insured Someone who experiences a particular danger. By charging a premium, he seeks to protect himself from risk. As a result, the insured makes a claim and gets funding in the event of loss or damage.

Premium Assureds make the payment to their insurance companies as part of their insurance policies. When an insurer provides protection to an insured, it is because of this deliberation. It is the cost of insurance coverage, and it is not cheap.

Insurance Act Refers to Chapter 487 of Laws of Kenya.

Superannuation business: Life assurance Company, defined as the corporation of authorizing or undergoing liability under pension schemes, group life, and perpetual health insurance policies.

ABBREVIATIONS

AKI	Association of Kenya Insurers
COMESA	Common Market for East and Southern Africa
GDP	Gross Domestic Product
IIK	Insurance Institute of Kenya
IRA	Insurance Regulatory Authority
SME	Small and Medium Enterprises
PPM	Price-payment margin

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Even though Kenya's life insurance industry appears to be struggling, its importance cannot be overstated. Because of its marketing and distribution networks, insurance creates job opportunities for immediate insurance providers as well as mortgage brokers, insurance brokers as well as consultants and also damage consultants and program managers. At the same time that life insurance is an essential part of the business through its accumulation scheme, Etemesi (2014) figures out that the sector also contributed significantly to the Gross Domestic Product (GDP) of this nation. Wink (2015) argues that a flourishing insurance industry is essential to the contemporary economy in general. Aside from the fact that the tax system facilitates saving, it also acts as a safety net for businesses and The final benefit, and perhaps the most significant, is that it continues to generate a long-term investment. All of this is furthermore to its fundamental purpose of providing fiscal stability and assistance to those who are covered by insurance. On the basis of these divisions, we've broken down this chapter's analysis into four sections: background to this investigation; statement of the problem; purpose; and research objectives and questions.

Insurance is a means of lowering the risk of an event occurring by reducing the As a result, it has taken on a variety of roles, with its primary goal being to devise plans to counterbalance the financial repercussions . To provide comprehensive support at a plausible fair rate as well as to pay damages swiftly and equitably, insurance is a means of assurance towards unforeseen risks. In spite of the fact that it doesn't prevent the event from occurring, it protects you from the potential burden of such occurances. Historically, the liberation of Kenya as a country is tightly linked to the growth of commercial health coverage in Kenya. According to Muchire (1990), after the invasion of Kenya by British colonists, settlers began to engage in various commercial development, including agriculture and the harvesting of agricultural products (2013).

However, despite these achievements, the medical insurance industry in Kenya has not made contributions significantly to overall GDP, according to the Insurance Annual Review (2019). The magnitude and entry of life insurance is disheartening. Due to a number of challenges, including sluggish growth in the economy, the industry will need to examine a variety of issues in order to provide a solution (Kenya Insurance Survey: KPMG 2009).

It is estimated that as of June 2012, there were 45 licensed insurers in Kenya. Of these companies, 24 were general insurers and 14 were insurers specializing in life insurance; the remaining seven were composite insurers specializing in both To date, there were 154 insurance brokers, 26 surveyors and 20 loss adjusters. There were also 23 medical insurance providers and 78 licensed motor evaluators in the insurance industry as of June 2012. In addition, the company has two authorised assertions settlement agents and ten (Insurance Regulatory Authority, 2012). Among all 54 African nations, Kenya's insurance sector is one of the largest in the continent.

Overall insurance usage in Kenya, according to KPMG (2009), was 2.84 percent in 2009 and 3.10 percent in 2010, a low figure when compared to other markets like South Africa, which leads the continent with an uptake of 16 percent in 2009 and 14.8 percent in 2010. Kenya lags behind countries like Malawi in comparison to its regional neighbors. Figures from ABJ Annual Review (2010) show that the insurance penetration rate in Malawi was 3 percent. 2.4 percent of Zambians and 2.2 percent of Tanzanians were insured. Globally, the insurance market growth rate is 7.5%, with United Kingdom leading with 16.5 percent of GDP, followed by South Africa with 16 percent and Taiwan with 14.5%. (African Insurance Market Outlook, 2010).

Insurance density (subscription fee per head of population) and insurance entry (premium as a proportion of Gdp), which are critical growth predictors, are low in Kenya comparison to other nations, according to the African Insurance Market Outlook (2010) When it comes to life insurance penetration in Kenya, it's been relatively low, ranging from 0.83 percent of the GDP in 2007 to 0.87 percent of GDP in 2008 to 0.94 percent in 2009 to 1.05 (Olende 2010).

According to the World Health Organization, India's life insurance density was only US$12.9, compared to the In 2009, India's life insurance penetration rate was only 2.2%, compared to the global average of 4.59 percent. We've seen a higher growth rate in life insurance penetration in smaller countries like the Bahamas, Honduras, and South Africa, to name just As of 2009, the Bahamas, with a population of 0.5 million people and a gross domestic product of US $ 56 billion, had a density of US $ 699.5 and a penetration of 4. A high level of density and penetration has also been reached in Australia and Switzerland. Switzerland had the highest insurance density in the world, with a US$3,431.8 per capita USA (US $ 1,657.5) had the highest GDP in the world, followed by Japan ($3,002.9) and the United Kingdom ($2,617.70). Also, Australia has the highest life insurance penetration rate in the world at 12.96 percent, followed by the United Kingdom at 8.62 percent, Japan at 8.28 percent, and Taiwan at 8.28 percent, while China has a life insurance penetration rate of 2.30 percent and Brazil/Russia at (African Insurance Market Outlook, 2010).

According to David (2019), prominent features from the insurance sector of the economy achievement in H1'2019 involve, but are not restricted to, convenience and speed gained through the production of alternative streams for both dispersion and top quality acquisition, such as Bancassurance and improved agency networks; progression in technology development allowing premium payments to be made through mobile devices; and development in technological advancement allowing premium payments to be made through mobile devices.

In terms of values, listed insurance businesses have a price to book ratio of 0.8x, while listed banks have a price to book ratio of 1.2x, both lower than their historical norms of 1.6x for the insurance sector and 1.9x for the banking sector. This suggests that both sectors are appealing to long-term investors, owing to robust macroeconomic factors and a favorable investment climate.

The poor penetration and spread of the insurance industry is one of the most discussed concerns in the industry. Lack of trust in the industry, a lack of knowledge about its products, and its limited reach into the informal sector, as well as the perception that insurance is expensive and the fear of not being able to service it on a consistent basis, are all factors that are preventing the service's widespread adoption. Inadequate tax advantages for individuals and corporations, a lack of tax incentives for life insurance, and a lack of active government involvement in disaster mitigation all contribute to the growth of the disease (Kenya Insurance Survey: KPMG, 2009).

The Kenyan insurance industry, on the other hand, has the potential to rise to 5% of GDP each year if coordinated efforts are made. It will also be critical to communicate the benefits of insurance in a way that is easily comprehended by the market. Poor marketing and advertising, as well as a lack of innovative product development, have all contributed to Kenya's low life insurance penetration (Insurance Annual Review, 2019).

The purpose of the study was to learn about the variables that contribute to the slow growth of the life insurance company in Nairobi, Kenya, from the sales employees who are involved in selling and counseling consumers on life insurance.

1.1.1 Insurance industry in Kenya

The insurance business is the business of taking on liability through insurance in the event of death, physical injury, or any other loss or harm, including the liability to pay damage or compensation if a particular event occurs. Its goal is to reduce or eliminate certain quantifiable risks of economic loss. They include life, property, and health protection through the payment of a premium in exchange for indemnification if the risk insured against occurs. In most cases, this entails a risk transfer from the insured to the insurer. The insurance industry in Kenya dates back to the British colonization of the country. Colonialism had both positive and harmful consequences, with the insurance industry being one of them. The white settlers made significant investments in Kenyan land, particularly in farming and agriculture. The settlers, like the Italian merchants, grasped the importance of safeguarding their investments against a variety of threats. Their conquests grew, and so did their investments. As a result, there was an increase in demand for insurance coverage. They capitalized on the situation and founded insurance companies. As these colonies grew, the colonizers' insurance networks grew to meet the increasing need for insurance. British insurers held all of the insurance organizations. Pioneer Assurance Society was founded in 1930, Jubilee Insurance Company was founded in 1937, Pan Africa Insurance was founded in 1946, and Provincial Insurance Company Limited was founded in 1949. The insurance organizations had been upgraded to complete insurance firms by the time Kenya gained independence in 1963.

Kenya, like many other developing nations, had no specific insurance regulations prior to independence. The Companies Act governed the operation. However, following our freedom in 1963, the United Nations Conference on Trade Development (UNCTAD) assisted Kenya in recognizing the necessity for legislation to oversee the growth of the insurance industry and the country's economy. The Insurance Ordinance of 1960 was enacted as a result. Its primary responsibility was to oversee the development, financing, and operation of insurance businesses. In 1994 and 1972, respectively, two policies were devised and formalized. According to the first one, economic growth relies heavily on the stability of the national insurance market and reinsurance market According to a second policy, developing countries were urged to take steps to reduce their dependence upon foreign insurance companies, including re-insurers, and to domesticate competitive life insurance terms and conditions from the international. The Insurance Act cap 487 was enacted in 1986 and went into effect in January 1987 as a result of the aforesaid activities. The act established a regulator's office, as well as registration requirements for insurance and reinsurance businesses, as well as agents and brokers. According to the first one, economic growth relies heavily on the stability of the national insurance market and reinsurance market According to a second policy, developing countries were urged to take steps to reduce their dependence upon foreign insurance companies, including re-insurers, and to domesticate competitive life insurance terms and conditions from the international. The Insurance Act cap 487 was enacted in 1986 and went into effect in January 1987 as a result of the aforesaid activities. The act established a regulator's office, as well as registration requirements for collective investment schemes businesses, as well as agents and brokers. Under the Insurance Act chapter 487 of 2010, the insurance industry was regulated by the government. The British America Insurance Co (K) Ltd, established in 1965, is listed as one of the top four insurance firms in Kenya. Priory, which began as a home-based insurance company, has evolved into a full-service financial institution. As a result of this, UAP Provincial Insurance Co. Ltd comes in second, followed by Pioneer Assurance Co. Currently, the Insurance Regulatory Association (IRA) and the Association of Kenyan Insurers provide the legislative and institutional framework for the insurance industry (AKI). The IRA was founded in 2006 as a result of a revision to the Insurance Act, and it went into effect on The goal is to become the industry's premier insurance regulator. Principal responsibilities include regulating, supervising, and developing the insurance business It used to be that the insurance department in the ministry of finance was responsible for these functions. The goal was to address the problems in the insurance industry.

1.1.2 Britam insurance company

A significant financial services business, Britam Holding PLC is listed on the Nairobi Securities Exchange. As a result, the business has a presence in seven countries in Africa - Kenya; Uganda; Tanzania; Rwanda; South Sudan; Asset Management, Life Insurance, Retirement Income, Reinsurance, Health Insurance, Banking and Property Insurance are just a few of the financial products and services Britam offers. In addition to the company's main office in Nairobi (Kenya), Britam has subsidiaries in Uganda (Uganda), South Sudan (South Sudan), This is Britam Holding Plc, also known as Britam Kenya.

The Nairobi Securities Exchange lists Britam Holding PLC, a large diversified financial services firm. Kenya, Uganda, Tanzania, Rwanda, South Sudan, Mozambique, and Malawi are among the seven African nations where the organisation maintains a representation. Capital Management, Insurance Schemes, Retirement Funds, Reinsurance, Health Insurance, Banking, and Property Insurance are just a few of the financial products and services offered by Britam. Britam has offices in Nairobi, Kenya, Uganda, South Sudan, Rwanda, Tanzania, Malawi, and Mozambique, as well as subsidiaries in those countries. Britam Holding Plc, better known by its brand name Britam Kenya, is the community's leading manufacturer. This local incorporation was the initial stage in the Company's localization. Local Kenyan businesspersons bought 33.33 percent of the company in 1984, in accordance with government regulations.

In 2004, the organization acquired British-American Asset Managers, a company that specialized in investment consulting and fund management. Institutions and private clients can benefit from the company's investment funds, which are organized as Unit trusts, as well as discretionary Portfolio management. The group reorganized the following year, forming a non-operating holding company. Britam also bought a strategic ownership investment in Equity Group Holdings Limited in 2004. In 2007, Britam made its first equity investment in Housing Finance Company of Kenya (East Africa's largest mortgage lender).

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Britam's regional development began in 2010, with the formation of Britam Insurance Company (Uganda) Limited, which began operations on November 24, 2010, after the Uganda Insurance Commission granted the company an insurance license. British-American Ventures Company's shares were listed on the Nairobi Stock Exchange in 2011 following an under subscribed initial public offering. The IPO was generally avoided by risk-averse international investors as a consequence of the Eurozone crisis and a weak US economy. Britam Insurance Company (South Sudan) Limited was established in February 2012 and is authorized to write all types of life and non-life insurance. Britam Insurance Company (Rwanda) Limited was established and authorized by the National Bank of Rwanda in 2013.

For KSh1.4 billion (about US$16 million at the time), the British-American Investing Group commenced into a final Share Purchase Agreement with Royal Ngao Holdings on December 9, 2013. There were two payment methods: 60 percent of the purchase price was paid directly and 40 percent was paid by issuing new shares of British-American Investment Insurance companies in Kenya, Tanzania, Malawi, and Mozambique were licensed to do operation as Real Insurance. Founded in 1910, it had been active in the Kenyan insurance market for over Britam expanded into Tanzania, Malawi, and Mozambique as a result of this purchase. There was no competition between Britam and Real Insurance in Kenya. There would be a consolidation of Kenyan businesses. As of February 19, 2014, Britam's shareholders approved the acquisition of Real Insurance.

A deal valued at KSh300 million (US$3.4 million) was announced in April 2014 by the group to acquire 30 percent of Lagos-based Continental Reinsurance Plc Kenyan's affiliate, Continental Re Kenya Limited. Aiming to strengthen market share and diversify revenue streams, the group made this transaction. An anticipated bond issue will be used to fund the acquisition. Housing Finance Company of Kenya received a takeover notice from British-American Investments Company (BAIC) on June 30, 2014 to buy the 24.76 percent equity stake that Equity Group Holdings Limited (EGH) held at the time. As a result of this transaction, Britam's share in Housing Finance climbed to 46.1% on December 31, 2014. Britam Holdings Limited was renamed British-American Investments Company in June 2015 by the shareholders of the company.

1.2 Statement of the Problem

Despite the fact that insurance carriers have been good at absorbing the underwriting effects of significant loss occurrences such as COVID-19, the effect on insurance firms' revenue growth is still questionable After the pandemic, despite the efforts made by authorities to protect citizens from its economic consequences, there is still uncertainty about the long-term implications and restoration from the disease outbreak because it will take time for enterprises to recover. It's inevitable that insurance companies' investments will suffer as a result of falling capital markets and straightening yield curves. Insurance rates are likely to fall under the classification of "unwarranted" expenditures, exerting pressure both on new enterprise quantities and corporate reputation. Insurers are increasingly relying on exemption clause to restrict their assertion pay-out exposure levels, resulting in higher-than-expected mishaps and regulatory cancellations as a result of increased misunderstanding. COVID-19 has had a mixed impact on people's health and well-being, so it's unclear if insurance companies will need to revise their mortality and morbidity presumptions as a result of this. Nevertheless, COVID-19 has accelerated the digital insurance revolution. A long history of being on the outside of insurance innovation has forced insurers to rethink how they do business and the way they operate. The traditional insurance space is being invaded by insurance start-ups and non-traditional insurance companies. Because of this, insurers must upgrade their innovation knowledge under the guise of innovation in order to maintain or grow their market presence.

Having life insurance is advantageous because it protects your commercial interests in the event of an essential harm or disease of the insured person. Investment vehicles also have a powerful wealth generation proposition built in. Because of this, it was necessary to determine what factors influenced the development of life insurance in Nairobi Kenya.

Muchire (2013), in his study of the Kenyan insurance industry's customer experience, indicated that the client is much more knowledgeable, and that the service must be delivered competently. For example, Kabui (2012) argues that the general insurance sector's marketing and public relations techniques are crucial in notifying customers about the benefits of premiums. In the majority of these research findings, the emphasis was on the insurance sector as a whole, rather than the insurance market specifically. Consequently, this study will concentrate on the life insurance industry. Problems include interrupted revenues and market share, as well as a reduction in customer numbers due to low client uptake (due to a variety of factors), which is amplified by unexperienced salespeople, poor product packaging and lack of promotion, along with unaffordable insurance. Life insurance's growth will also be examined through the lens of publicity, accessibility, and expert sales in this study.

1.3 Objectives of the Study

1.3.1 The General Objective

The general objective of this study was to analyses the factors affecting the growth of life insurance business in Nairobi Kenya.

1.3.2 The Specific Objectives

The specific objectives of this study are:

i. To determine the effect of training on the growth of life insurance business in Kenya.

ii. To examine how sales promotion of life insurance products affects the growth of life insurance business in Kenya.

iii. To establish the effect of affordability of life insurance products on the growth of life insurance business in Kenya.

iv. To find out the effects of government regulation policies on the growth of life insurance business in Kenya.

1.4 Research Questions

The study attempted to answer the following questions:

i. What is the effect of staff training on the growth of life insurance business in Kenya?

ii. How do sales promotions of life insurance products affect the growth of life insurance business in Kenya?

iii. What is the effect of affordability of life insurance products on the growth of life insurance business in Kenya?

iv. How do government regulation policies affect the growth of life insurance business in Kenya?

1.5 Significance of the Study

They will benefit from the study's recommendations on what variables have helped contribute to the sector's failure to meet customers' anticipations and cheaper insurance intrusion. When it comes to creating programs and policies to restore the clients' esteem, trust, and devotion, it will be a great resource for the life insurance industry.

1.6 Scope of the Study

An investigation was conducted on Britam Insurance Company, a Nairobi-based insurer authorised and accepted by the Insurance Commissioner as of June 2012. Expert marketing function, promotions, accessibility of life insurance as well as government oversight policy initiatives will be the major areas of interest for the study. As well as various factors, this study will examine the framework of the insurance sector. According to the study, the life insurance industry in Kenya will grow faster, be more stable, and be more profitable if certain structures are implemented.

1.7Limitations of the Study

Resources were a main barrier in this survey's design. As a result of this, only participants from Nairobi were surveyed. A metropolitan city like Nairobi was thought to be a good demonstration of the whole nation. The data was gathered with the help of research associates.

Because the data needed for the study was highly classified, the participants may not have been willing to disclose everything. I overcame it by obtaining the manager's permission and guaranteeing them that their data would remain secret.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter includes literature review of theories and past studies carried out in the field, critical literature review, summary of findings and gaps to be filled and conceptual frame work.

2.1Theoretical Literature review

This research was based on two theories namely; utility Theory and insurance and Theory.

2.1.1 Theory of Constraints

The Theory of Constraints (ToC) is a systematic methodology that seeks to increase production transmission reliability or scheme total performance as quantified by earnings by identifying the methodologies that are constricting the heavy industry device (Goldratt, 2004). According to Kazim (2008), the concept of constraints is entirely based on the premise that a string is only as good as its weakest connection or restrictions, and that the constraint should be raised and controlled as needed. The issues with the theory of constraints are: very long lead times, a large number of unfulfilled orders or orders that are accomplished with a lot extra effort (overtimes), a high level of useless stockpiles or loss of relevant inventory levels, inaccurate materials order, a large number of emergency orders and excursion levels, high tiers of devolution, loss of key client engagement, communication (Goldratt, 2014). Overall performance measurements are based on the theory of bandwidth, stock levels dollar days, and functioning prices, which are hidden beneath the theory of Constraints (ToC).

The Theory of Constraints measurements are based on a simple courting that emphasizes the impact of stock manipulation gadget on advancement toward organisational success. The degree to which a payment processing device enhances organizational competitiveness of commercial operation corporate entities is proof of its performance. The Theory of Constraints (ToC) methodology proposes that employee effectiveness in insurance companies is dependent on inventory management software.

Since this work gives empirical evidence for the major predictions of capacity constraint theories of property-casualty insurance cycles, this theory will be a significant asset to this research. As a result, industry capacity and the price-payment margin, which is the difference between insurance prices and noncapital costs, are the most important implications (PPM). Insurance companies' ability to rebuild capacity will lead to higher PPMs, according to ideas based on a shortage of capacity. Using industrial time series from 1949 to 1990, price-payment margin and capacity series are created. There are inverse relationships between PPM increase at the beginning of the period and capability changes, according to the estimation. In addition, decreases in capacity are connected with a rise in PPM the following period, while increases in capacity have little to no effect on the PPM growth the following time. A favorable correlation exists between current capacity increase and PPM growth from the previous period.

2.1.2 Utility theory and insurance

The utility theory was developed by K. K. Aase (2012), one of the scholars. Due to people's willingness to pay a premium for insurance, the industry exists. Insurance companies are willing to pay higher premiums than the net premium, which represents the mathematical anticipation of the covered loss, according to economic theory. There's a hypothesis that says a person's wealth, rather than just w, has an associated value u(), which is called his utility function, even though they aren't aware of it. For example, he examines the expected utility of random losses X and Y and selects the damage with the greatest possible utility. It allows the insured to decide the highest premium P+ that they are willing to pay for an arbitrary loss X using this approach. Using the equilibrium equation E [u(wX)] = u(wP), this can be accomplished. In terms of utility, he does not care if he's insurance or not. As well as the other person engaged, the model also applies to them.

The insurer will set a minimum premium P based on his own conceptual model and maybe supplemental charges. A premium that is between P and P+ will raise both stakeholders' utility if the policyholder maximum payment P+ is greater than the insurer's minimum premium P However, there are certain reasonable aspects of a person's utility function. An increase in wealth implies an increase in utility level, which means that u() should be a non-decreasing variable. Determinants who are risk-averse choose a predetermined loss over one that is unpredictable but has the same estimated return. If an insured has a choice between a policy with a predetermined premium and a cover with the same anticipated payout from the insurer and similar premium, which one would they choose and why? It can be shown that the insured would be better off with the former option. Reinsurance with a specified maximum retained risk is called stop loss reinsurance when a reinsurer insures an insurer's whole claim amount. We will see that this sort of reinsurance is ideal for risk-averse decision makers based on the theory of risk ordering. When it comes to determining how life insurance will expand, the principle of the risk utility theory will be helpful.

Since the insurance market operates because people are ready to pay a premium to be insured, this model will be critical to this study's success. As a result of a mathematical estimate of the covered loss, insureds are willing to pay premiums higher than the net premium. There's a hypothesis that says a person's wealth, rather than just w, has an associated value u(), which is called his utility function, even though they aren't aware of it. Comparing E[u(wX)] and E[u(wY)], he chooses the loss with largest predicted utility. For example, an insured with wealth w can decide the maximum premium P+ he is willing to pay for a random loss X by using this model. Using the equilibrium equation E[u(w X)] = u(w + P), this is accomplished. In terms of utility, he doesn't care if he's insurance or not. As well as the other person engaged, the model also applies to them. The insurer will set a minimum premium P based on his own utility function and maybe supplemental charges. A premium that is between P and P+ will raise both parties' utility if the insured's maximum premium P+ is greater than the insurer's minimum premium P-.

2.2 Empirical Literature review

2.2.1. Staff training and growth of life insurance business.

Customers expect today's insurance salespeople to be knowledgeable about their products, to have innovative ideas to improve the customer's operations, and to be efficient and dependable in their work and communication. Many organizations are now investing more in sales staff training as a result of these expectations. Employees need to be trained on sales strategies, the company's products, and customer satisfaction policies, as well as customer service (Ogutu, 2004). According to Kotler (2003), customers are the ones that maximize value. This leads them to build an expectation of value and then act on that expectation. When it comes to buying life insurance, buyers will go with a company that they believe offers the best customer delivered value, which is the difference between total customer value minus total customer cost. An insurance buyer's pleasure is determined by the perceived value of the product and the buyer's expectations. As a marketing device and a goal, customer pleasure should be a priority. Kamau, 2013 cites Diacon and Carter's (2012) study, which states that sales representatives and other marketing personnel at insurance companies need to be motivated at all times. Even if they don't receive any specific training from their managers, some employees will give it their all. Sell to them is the most intriguing job in the world. They have a strong work ethic and are self-motivated. A large majority of people need to be encouraged and given incentives. A bonus, cash prizes, and other allowances may be included.

According to Maigo (2012), life insurance businesses should be aware of the costs at which they market their products, as well as their clients' needs. Lack of competency is listed as a reason of client discontent in the insurance sector in the Wells, Stafford, and Friedman research (quoted in Etemesi, 2004). Due to a lack of technical and knowledgeable staff, policy terms may be misinterpreted, leading to the payment of a claim that would not have been covered. Customers in the insurance industry are generally dissatisfied, according to Munguti (2016). This is due to a variety of obstacles that prevent clients from receiving services efficiently. When it comes to marketing various sorts of insurance, Dorfman (2004) emphasizes that there have been major shifts in the past few decades. The advertising of insurance coverage has undergone a significant transformation. It was typical for insurance products agents to visit an insured's house on a weekly or monthly basis to collect a little premium for "burial" insurance during the early twentieth century. This sort of life insurance has all but vanished in the last few years. Many persons who clearly described themselves as life insurance brokers are now calling themselves "professional financial advisers," according to Dorfman (2014). Financial planners argue that a new designation better captures the reality that they can provide more services than an insurance agent in the conventional sense of the term.

2.2.1. Sales promotion and growth of life insurance business

Promoting products and services of a particular market as defined by the Berkowitz, Kery, Hartley, and Rudelius (1997) study (as quoted in Kamau, 2003). Marketing's 4Ps include promotion, which is the fourth ingredient of the marketing mix. The promotional mix is a collection of tools available to the marketer. In order to contact their consumers and encourage them to buy their goods, life insurance companies use these tactics. As mentioned in Kabui, 2002, Belch and Belch (2001) define marketing as the synchronization of all seller led attempts to set up channels of information and persuade to sell products or services or advocate a concept. Most of an institution's interactions with the market place are part of a well planned and regulated promotional program, even when implicit people communicate through the marketing strategy. When the business environment undergoes significant changes, such as globalization, liberalisation, computer and telecommunication breakthroughs, and market fragmentation, organizations are forced to restructure their business and marketing operations.

Businesses' principal response to a fast changing environment is to empower their employees to come up with more innovative ideas and take more initiative. Marketing and selling of life insurance products should follow suit. Multiple-benefits-packaged insurance plans have a greater chance of being adopted by consumers. General Manager of Jubilee Kenya Patrick Tumbo says more needs to be done in order for more individuals to take up various insurance policies. According to Mr. Tumbo, "the insurance industry must be nimble enough to recognize and address the needs of the Kenyan market." The Association of Kenya Insurers held an open day at the Kenya International Convention Centre (KICC) in Nairobi. "Insurance solutions that combine several features have proved to be more attractive in convincing the uninsured section of the economy of the necessity for insurance," he stated (Association of Kenya Insurers, 2017). "Marketing's position in an organization is shifting," observes Ogutu (2004). Marketers have always played the role of intermediaries, tasked with understanding the demands of customers. Modern insurance products marketers must integrate all customer-facing procedures so that consumers see a single face and hear a single voice when they connect with the firm in a networked environment.

2.2. Product affordability and growth of life insurance business

A product or service's price, according to Kotler (2003), is the sum of the values that customers exchange in exchange for possessing or utilizing that product or service. A growing number of enterprises base their pricing on the perceived worth of the product. Before deciding on a marketing strategy, price is taken into account along with other elements of marketing mix. Current income, prices, savings, debt, and credit availability determine an economy's purchasing power (Muchire, 2003). Major developments in income and consumer spending must be closely monitored by advertisers (Kotler, 2003). A new set of standards released by the Insurance Regulatory Authority (IRA) in 2009 prohibited a single insurance company from offering both life and general insurance, or composite insurance, as a measure to improve administration in the industry. Composites underwriting were given the option of splitting their firms into two separate businesses and selling one, or combining the two into a holding company and selling the other one as well. Insurers are hoping that by splitting the company, they will be able to avoid situations where composite insurers redirect long-term investments in life insurance into filling short-term cash flow shortfalls caused by general business claims, negatively impacting life insurance operations. Individual shareholdings will be limited to no more than 25% as part of the reforms, which also involve the separation.

The Insurance Amendment Act of 2016 established the Insurance Regulatory Authority (IRA) as an independent regulator in place of the Office of the Commissioner of Insurance, which was a Treasury agency (Association of Kenya Insurers, 2013). If you are a long-term insurance company in Kenya, but not a general insurance company, you must maintain a minimum of ten million shillings or five percent of your total liabilities, whichever is larger. If you are in the long-term insurance business, the number of liabilities at any one moment will be the amount estimated by an actuary, which will not fall below the minimal bases prescribed (Insurance Act Cap. 487, Section 41 par. 1 and 4, 2017).

2.2.4 Government regulation

The legal and economic environment has a significant impact on the sale of life insurance products. Many organizations and individuals are influenced by legislation, government agencies, or pressure groups (Kotler, 2003). Customers' purchasing power is crucial for life insurance product marketers to understand, as well. Current income, prices, savings, debt, and credit availability determine an economy's purchasing power (Muchire, 2003). Major developments in income and consumer spending must be closely monitored by marketers (Kotler, 2003).

A new set of standards released by the Insurance Regulatory Authority (IRA) in 2009 prohibited a single insurance company from offering both life and general insurance, or composite insurance, as a measure to improve administration in the industry. Composite underwriters were given the option of splitting their firms into two independent companies and selling one, or combining the two into a holding company and selling the other one as well. To reduce occasions where composite insurers shift long-term life insurance investments into short-term cash flow shortages originating from general business claims, IRA hopes that the split will help. Individual shareholdings will be limited to no more than 25% as part of the reforms, which also involve the separation. The Insurance Amendment Act of 2006 established the Insurance Regulatory Authority (IRA) as an independent regulator in place of the Office of the Commissioner of Insurance, which was a Treasury agency (Association of Kenya Insurers, 2010). If you're a long-term insurance company in Kenya, but not a general insurance company, you must maintain a minimum of ten million shillings or five percent of your total liabilities, whichever is larger. If you're in the long-term insurance industry, the number of liabilities at any one moment will be the amount estimated by an actuary, which will not fall below the minimal bases established (Insurance Act Cap. 487, Section 41 par. 1 and 4, 2010). After twelve months from the agreed date, or six months from the date when the last policy was issued, the Commissioner may require the insurer to make proposals for transferring or combining their business with another insurer with the Board's permission. The Commissioner may, if an insurer fails to comply with a direction or if the insurer's suggestions are unsatisfactory to him, propose a plan for the transfer of the business to another insurer designated by the first-named insurer and approved by him. For example, a commissioner may order an inquiry of an insurer who has failed to enforce a plan laid out by him, or he may ask a court to wind up the insurance company business if he believes that insurer's continued existence is likely to lead to insolvency or is otherwise detrimental to policyholders' interests. A significant contribution to insurance products business expansion in Kenya can be achieved if the administration, through its

Commissioner of Insurance, formulates laws and regulations that safeguard the life insurance business from harsh socio-economic and social and financial factors, as well as environmental factors (Ogutu, 2004). It was announced in June 2007 that a new legislation will be put in place to raise the capital levels for insurance companies and to restrict individual holdings in order to strengthen corporate governance.

2.3 Summary and Research gap

Table 2. 1 Summary and Research gap

Author	Focus of the study	Findings	Gap to be filled by the study	Contribution of the current study
Muchire (2003)	Factors affecting performance of the general insurance industry.	Customer is a lot more informed and thus the delivery of the service to the customer must be done professionally.	How assessing the service quality in the Kenya's Insurance Industry	analyses the factors affecting the growth of life insurance business
Kabui (2002)	Impact of marketing on growth of insurance on organizational performance	Marketing and communication strategies in the general insurance industry are vital in informing the consumers about the benefits of insurance.	The focus was more on the general insurance business and the insurance industry as a whole.	analyses the factors affecting the growth of life insurance business
Etemesi (2004)	Effects of process operations on service delivery in selected insurance firms in Kenya.	The study found that process operation on service delivery is vital to growth of insurance firm.	The study does no on specific operation service delivery.	analyses the factors affecting the growth of life insurance business

2.4 Conceptual Framework

Independent variables **dependent variable**

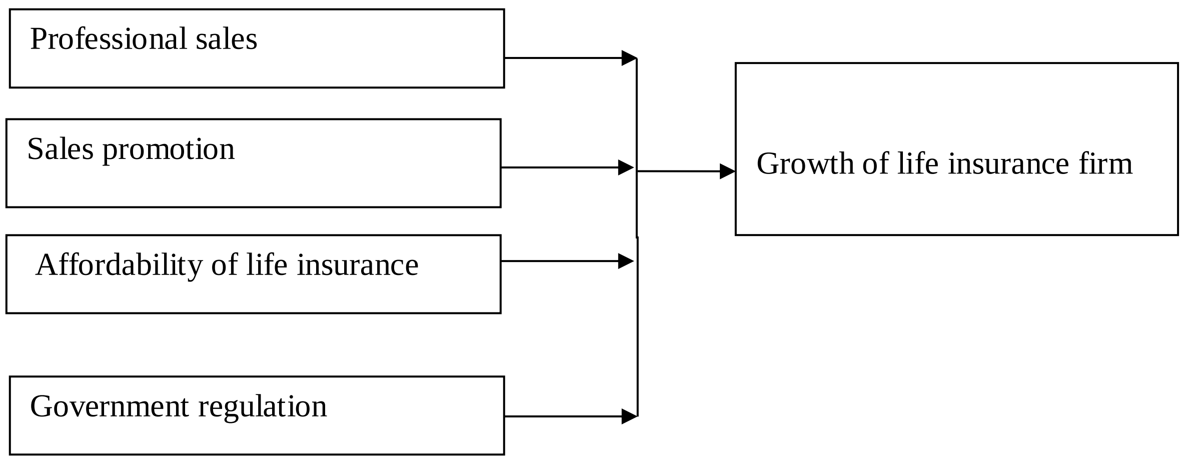

Figure 2. 1 Conceptual Framework

2.5 Operationalization of variables

Table 2. 2 Operationalization of variables

Variable	Indicator	Measurements
Professional sales	• Product idea generation/ innovation • Research and development • Engineering design • Product management • Product Testing Analyst • Product packaging	Likert type questions
Sales promotion	• Extra packages • Free gifts • Voluntary training • Offers	Likert type questions
Affordability of life insurance	• Improve customer satisfaction • Reduction in time taken • Improved quality • Improve quality	Likert type questions
Government regulation	• Policies • Enacted laws • Framework • Supervision	Likert type questions
Growth	• Numbers of firm • Product demand • Market size • New product developments	

2.6 Chapter Summary

The chapter concentrated on a review of the study's existing related literature. Thus, the literature review has focused on the introduction, theoretical review, empirical review, and summary of knowledge, research gaps, conceptual framework, and variable operationalization.

CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction
This chapter provides a detailed description of the selected research design. It describes research methodologies such as what was done and how it will be done. This covered the research design, target population, sample and sampling techniques, instruments, pilot study, data collection procedures, data analysis and presentation, ethical consideration and finally the chapter summary.

3.1 Research Design
The study used descriptive research design. The case study allows the investigator to gather detailed data from the Britam insurance provider in Nairobi and extrapolate research results from the research region (Cooper & Schindler., 2003).

3.2 Target Population
This is the group for which information is sought. Populations are described by Ngechu (2004) as the individuals, activities, components as well as occurrences which are being studied.

The population of this study comprised of all customers and employees of business registration department in Britam insurance firm, Nairobi in Kenya. Due to cost and time challenges, it was not possible to collect data from each and every staff in insurance company, so the researcher targeted employees from business registration department in Britam insurance firm.

Table 3. 1 Target Population

Department	Target population	Percentage
General staff	100	80
Managers	20	20
Total	**120**	**100**

3.3 Sample and Sampling Technique
Sampling is the process of selecting some units from the population of study to carry out research about it in order to make generalizations about the population based on the findings of the sample. This means that a sample is a subset of elements contained in the population of interest (Orodho, 2003).

The target population was 120 employees from the business registration department of Britam insurance firm selected was then sampled to find out the relationship between the variable. Systematic sampling was used to select the customers.

Table 3. 2 Sample Size

Department	Target population	Sample size (50%)	Percentage
Managers	20	10	20
General staff	100	50	80
Total	**120**	**60**	**100**

The study was therefore sample 60 respondents.

3.4 Instruments

The study adopted the use of questionnaires as the main data collection instrument.

3.4.1 Questionnaire

As a result of the sample size of the study, structured questionnaires were employed to collect the necessary information from the participants. First segment (A) provided demographic information about the personnel; second section (B) covered questions related to the study's aims (Kreuger, 2000).

3.5 Pilot Study

"A pilot test" is defined by Kombo and Tromp (2009 as "a replica and rehearsal of the main survey." Scientists can determine whether or not the questionnaire produced the desired findings by using pilot testing, according to him. The term "pilot study" refers to a small-scale version, or "trial run," done in preparation for a larger research project.

3.5.1 Reliability

Reliability is the ability of the research instrument to give the same results or data each and every time it is used (Mugenda & Mugenda 2019). In order to ensure reliability of the measurement instrument.

A pilot study was done at Britam upper hill, where the researcher works. 20 staff mainly from the frontline departments like sales, marketing and service departments participated and filled the questionnaire. The data was compiled and analyzed to test the scale for internal consistency using the techniques Cronbach's alpha.

3.5.2 Validity

When an instrument has the ability to correctly evaluate a subject under research, any significant differences are real and not the due to random or continuous inaccuracies, it has validity. The validity of an instrument determines whether it accurately measures what it is supposed to (Brink, 2011).

Face validity was guaranteed by: presenting the data collecting tool and having the study supervisor examine the instruments. On the questionnaire's content, an extensive literature review was conducted to verify content validity.

When the results of a study can be extended to other persons and other circumstances, it is considered to have external validity. There are several factors that go into making generalizations, such as how much confidence one can place on sample data, and if similar findings would be found at other times and places. The validity of the study was not affected by the fact that the volunteers were aware of the researcher's presence, hence, they did not react in an abnormal manner. The researchers stayed out of the way and only intervened when the respondents asked for it (Brink, 2011).

In the course of data collecting, researchers met the respondents for the first time and simply explained to them the goal of the study. Accordingly, the researcher's influence was negligible. Due to the fact that people tend to lie when they are more acquainted with the scientist, the findings may not be accurate.

3.6 Data Collection Procedures

Selecting people and obtaining information from them was part of the data collection process. Depending on the study's research design and measurement method, the processes needed in data gathering were outlined (Burns & Grove, 2005). The researcher sought to an introductory letter from the institution and one from the area where to carry out the study. The researcher personally distributed the questionnaires and collects them. The respondents were considered to be literate thus they were able to be informed of the purpose of the study and given an information leaflet on the front page of the questionnaire. They read the contents on the leaflet and decided whether or not to participate.

3.7 Data Analysis

The data collected were first be edited and checked for any errors, omissions or any other inconsistencies to ensure completeness and accuracy of information filled in the questionnaires. The data was then coded and analyzed using Statistical package for social scientists (SPSS). The data presented using tables, figures and bar charts.

As part of the data interpretation, statistical package for social sciences were utilized, along with chi-square tests to assess the association amongst independent and dependent variables.

3.8 Ethical Considerations

These are the observed set of conduct when carrying out a research project in order to determine the unacceptable and acceptable code of behaviors.

3.8.1 Informed Consent

For the study to be compliant with research ethics, approval to perform the study must be obtained from relevant authorities. We acquired an introductory letter from the school to serve as proof of the study's goal.

3.8.3 Confidentiality

For the study to be ethically sound, authorization was sought from the appropriate authorities. An explanation of all activities related to the study was given to the authorities, including its sole objective of learning.

3.8.2 Privacy

The study's results were exclusively shared with the Management University of Africa, which ensured a high level of anonymity and confidentiality. Rather than identifying the respondents, the information was designed in such a way that it could not be traced back to them save by the investigator who might need explanation during data analysis.

3.8.3 Anonymity

In order to respect the respondents and protect them from abusive behaviour as a result of the data they provided for the research, data was presented in such a way that it was not linked to individuals who provided it except by the researcher who may have requires special attention during data analysis.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

The section presents the findings gleaned from methods and techniques and gathered in the sector, which are then displayed on graphs and figures in pertaining to the research variables under consideration.

4.1: Presentation of research findings

4.1.1 Response rate

This was to find out the actual number of respondents that participated in the study. The results were presented on the table as shown on table 4.1.

Table 4. 1 : Response rate

Category	Frequency	Percentage
Response	57	95
Non-response	3	5
Total	**60**	**100**

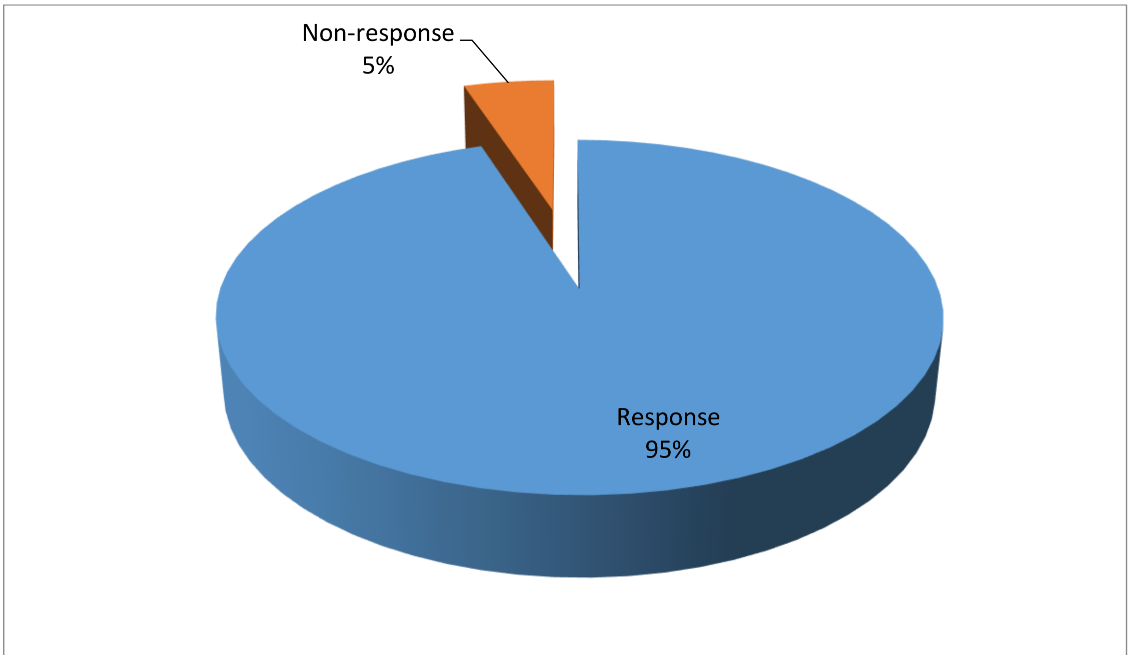

Figure 4. 1 : Response rate

It was noted from the findings that 95% of the respondents participated in the study while 5% did not take part. This was a reliable number to deliver dependable results from the study findings.

4.1.2 Background information

4.1.2.1 Age of respondents

The study aimed at finding out the age of the respondents and the findings were presented on table 4.2.

Table 4. 2 : Age of respondents

Category	Frequency	Percentage
Below 25 years	3	5
26-30 years	12	21
31-35 years	26	45
36-40 years	10	17
Above 40 years	6	12
Total	**57**	**100**

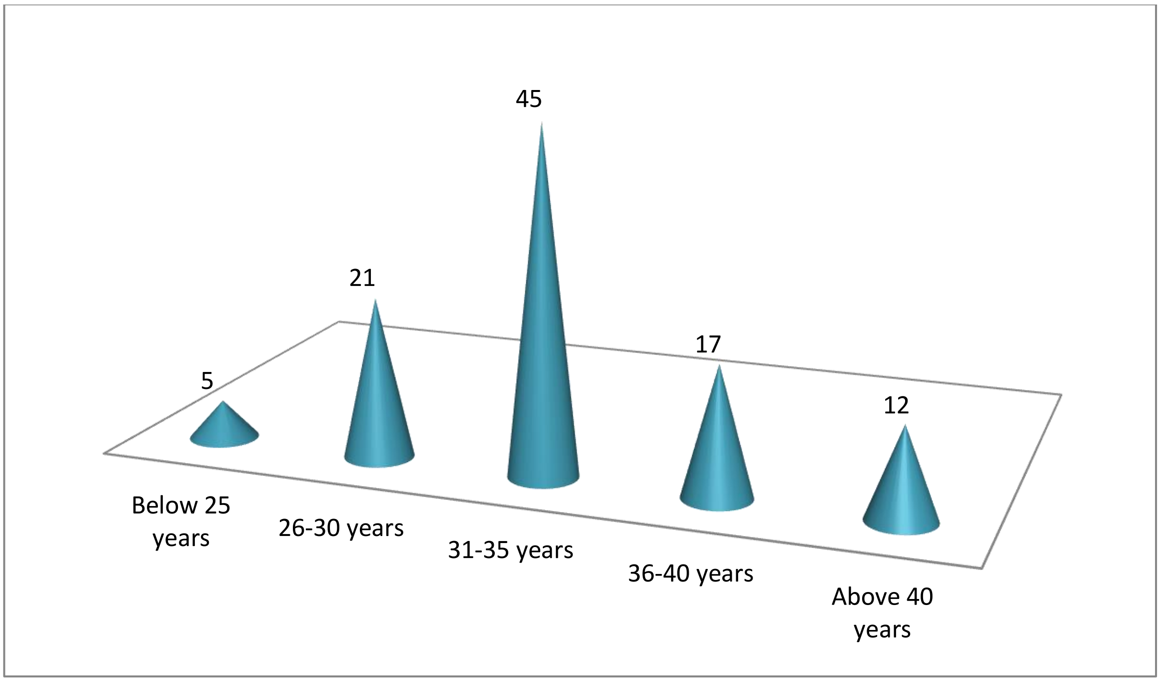

Figure 4. 2 : Age of respondents

The study established that those below 25 years of age were at 5%, between 26-30 years were at 21%, between 31-35 years were at 45%, between 36-40 years were at 17% and then those above 40 years were at 12%.

4.1.2.2 Gender of respondents

This was to find out the gender of those participating in the study and the findings were presented on table 4.3.

Table 4. 3 : Gender of respondents

Category	Frequency	Percentage
Female	36	63
Male	21	37
Total	**57**	**100**

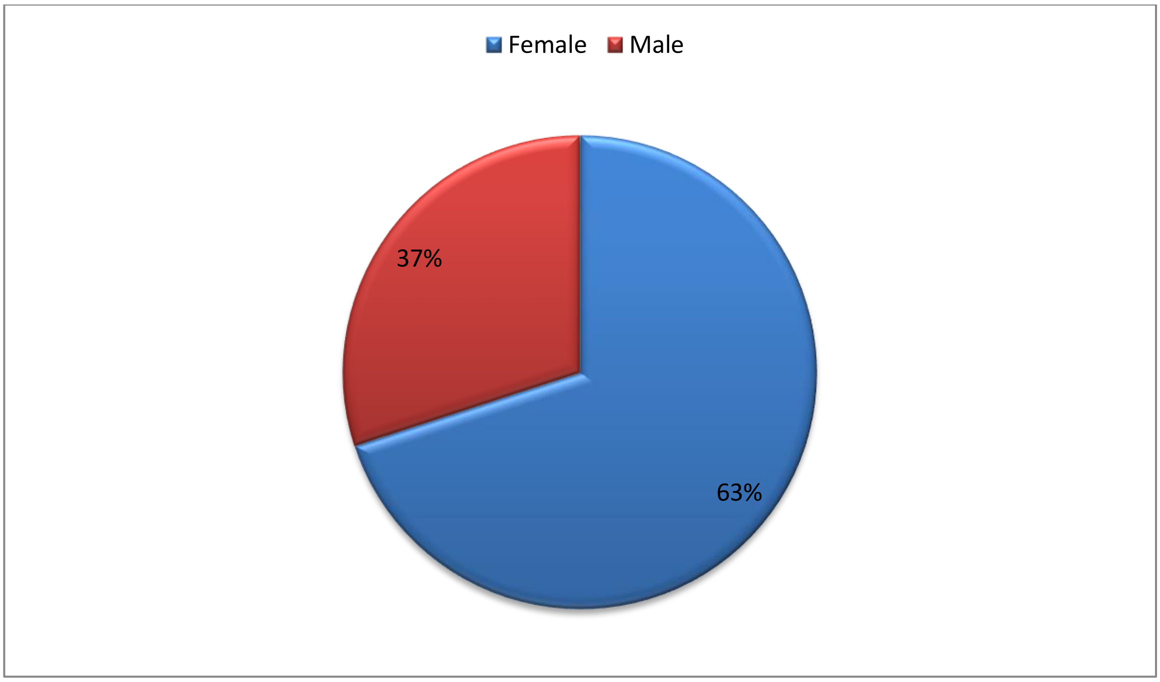

Figure 4. 3 : Gender of respondents

The findings indicated that 63% of the respondents were female while the remaining 37% were male.

4.1.2.3 Academic Qualifications

This was to establish the academic qualifications of the respondents and the researcher obtained the findings as postulated on table 4.4

Table 4. 4 : Academic qualifications

Category	Frequency	Percentage
K.C.S.E	2	3
Certificate	7	11
Diploma	14	24
Degree	28	49
Post-graduate	6	13
Total	**57**	**100**

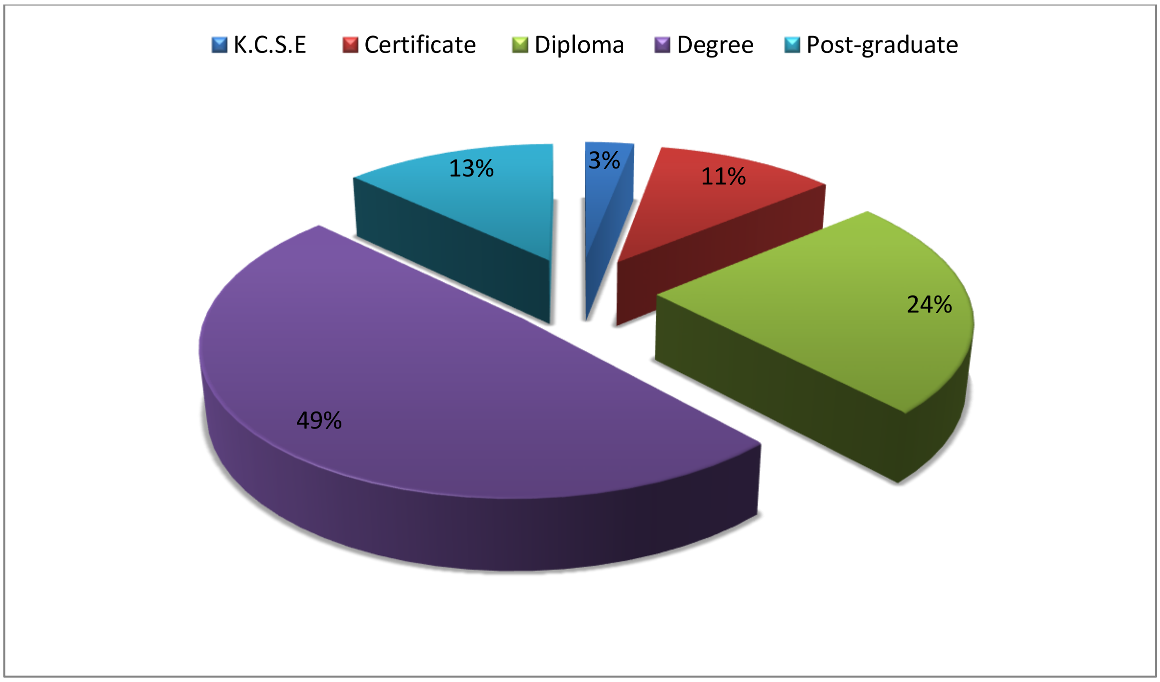

Figure 4. 4 : Academic qualifications

The study's' findings postulated that those with K.C.S.E qualifications were at 3%, certificate at 11%, diploma at 24%, degree at 49% and then 13% at post-graduate.

4.1.2.4 Duration of service

This was to find out the duration the research respondents had worked in the organization and the findings were tabulated on table 4.5.

Table 4. 5 : Duration of service

Category	Frequency	Percentage
0-2 years	10	17
2-5 years	20	35
Above 5 years	27	48
Total	**57**	**100**

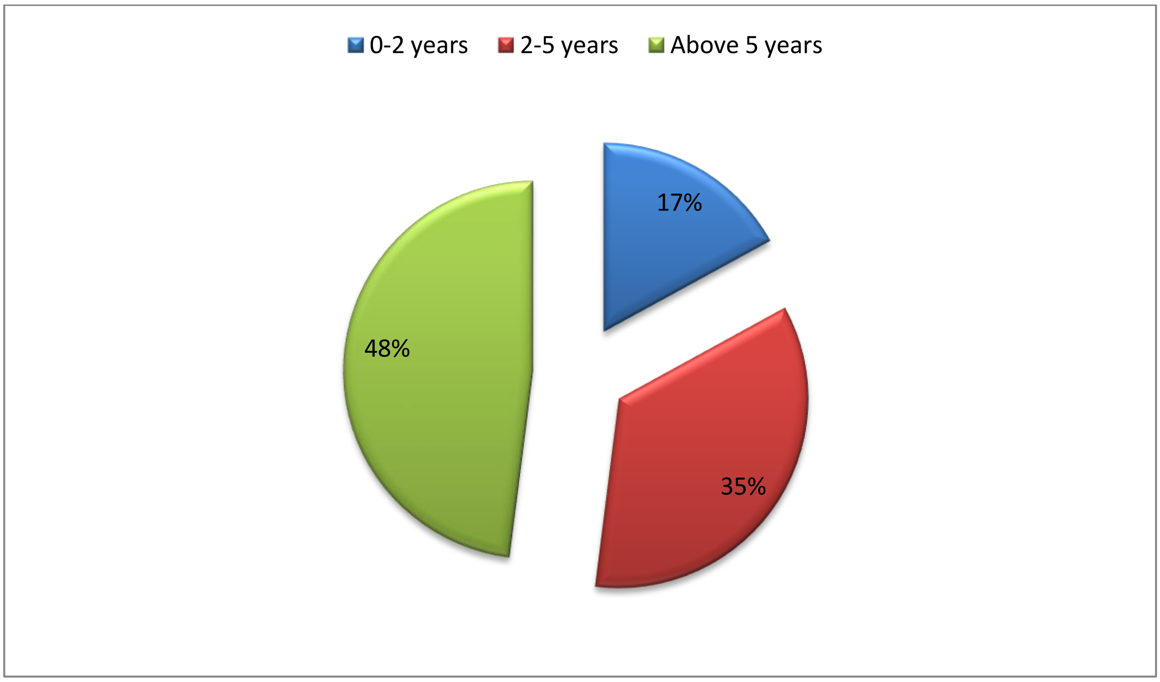

Figure 4. 5 : Duration of service

The researcher established from the findings that those who had worked between 0-2 years were at 17%, between 2-5 years were at 35% and then those who had worked there above 5 years were at 48%.

4.1.3 Professional sales

4.1.3.1 Research and development is positively related to increase in life insurance

The study aimed at finding out whether Research and development leads to increase in life insurance. The findings were presented on table 4.6 as shown.

Table 4. 6 : Research and development is positively related to increase in life insurance

Category	Frequency	Percentage
Strongly agree	18	31
Agree	22	38
Disagree	10	17
Strongly agree	7	14
Total	**57**	**100**

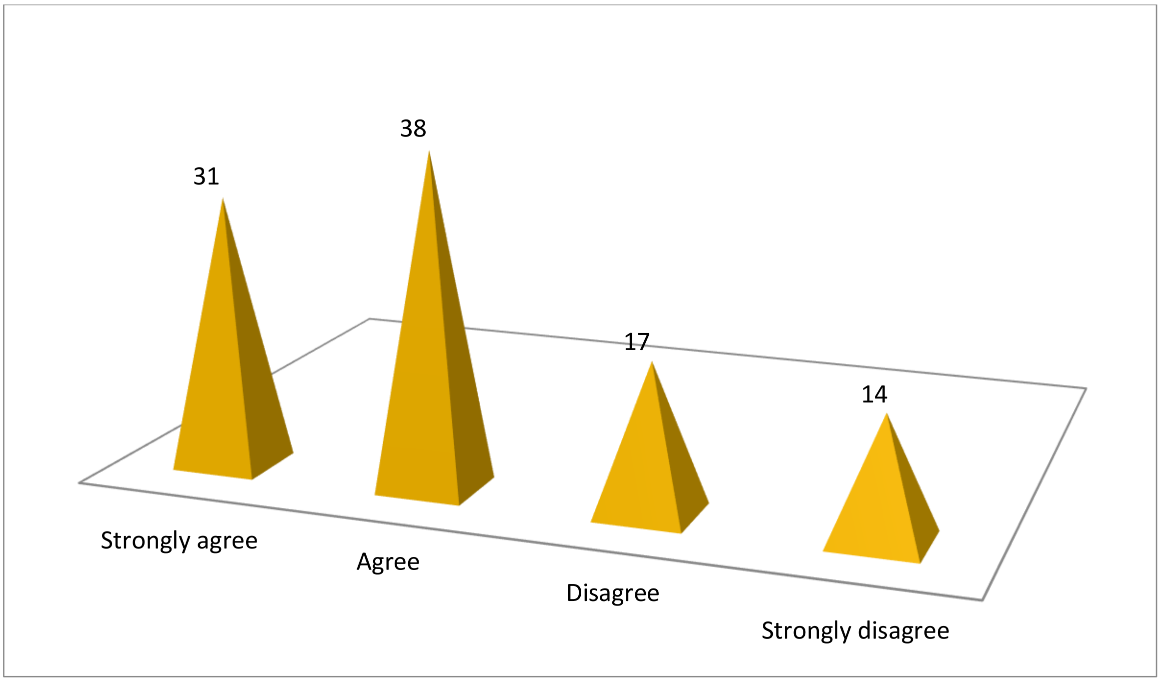

Figure 4. 6 : Research and development is positively related to increase in life insurance

The study postulated that 69% of the respondents agreed to research and development leads to increase in life insurance while 31% did not agree to it.

4.1.3.2 Innovation on increased penetration of life insurance

The researcher wanted to establish whether innovation assists in increased penetration of life insurance or not. The findings were recorded on table 4.7 as shown.

Table 4. 7 : Innovation on increased penetration of life insurance

Category	Frequency	Percentage
Great extent	24	42
Moderate extent	15	26
Less extent	11	19
No effect	7	13
Total	**57**	**100**

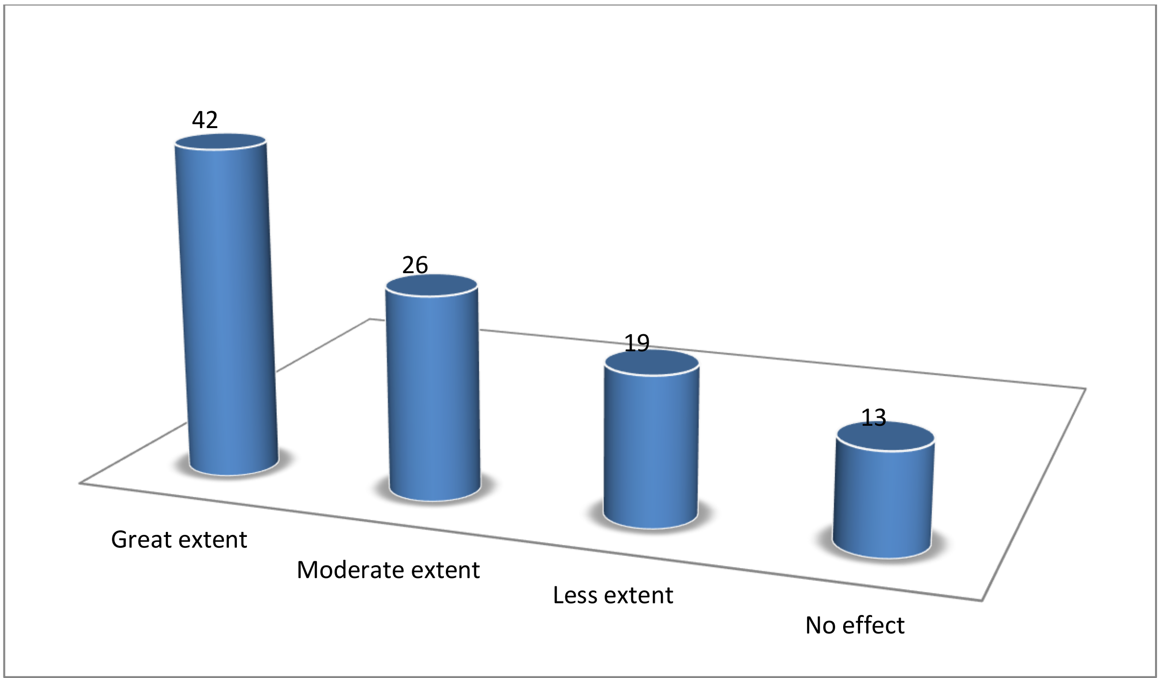

Figure 4. 7 : Innovation on increased penetration of life insurance

The researcher identified that innovation assists in increased penetration of life insurance to a great extent according to 42% of the respondents, moderate extent at 26%, less extent at 19% and no effect at 13%.

4.1.4 Sales promotion

4.1.4.1 Extra packages on increased sales.

This was to determine if extra packages affects the sales volume of an organization. The results were presented on the table 4.8 as shown.

Table 4. 8 : Extra packages on increased sales

Category	Frequency	Percentage
Strongly agree	28	49
Agree	14	24
Disagree	10	17
Strongly disagree	5	10
Total	**57**	**100**

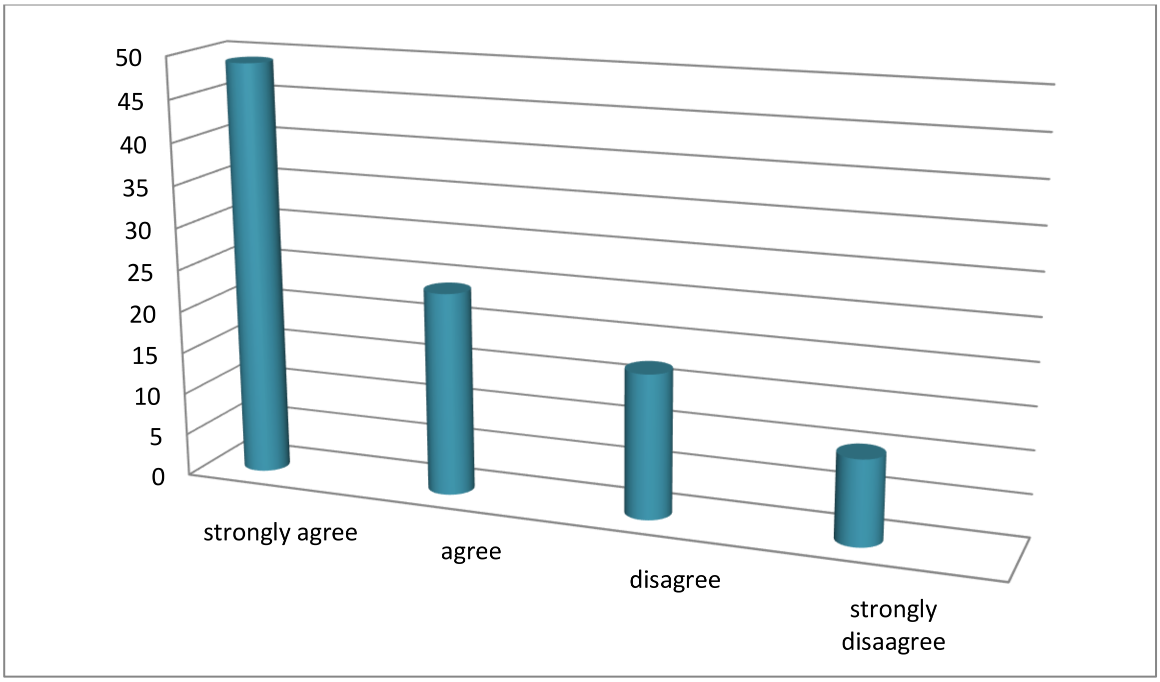

Figure 4. 8 : Extra packages on increased sales

The researcher noted that those who agreed to extra packages affecting the sales volume of an organization were 73%, while those who disagreed were 27%.

4.1.4.2 Voluntary training on increased awareness of life insurance

The aim was to find out the extent at which voluntary training leads to increased awareness of life insurance. The results were presented in table 4.9 as shown.

Table 4. 9 : Voluntary training on increased awareness of life insurance

Category	Frequency	Percentage
Great extent	23	40
Moderate extent	16	28
Less extent	10	17
No impact	8	15
Total	**57**	**100**

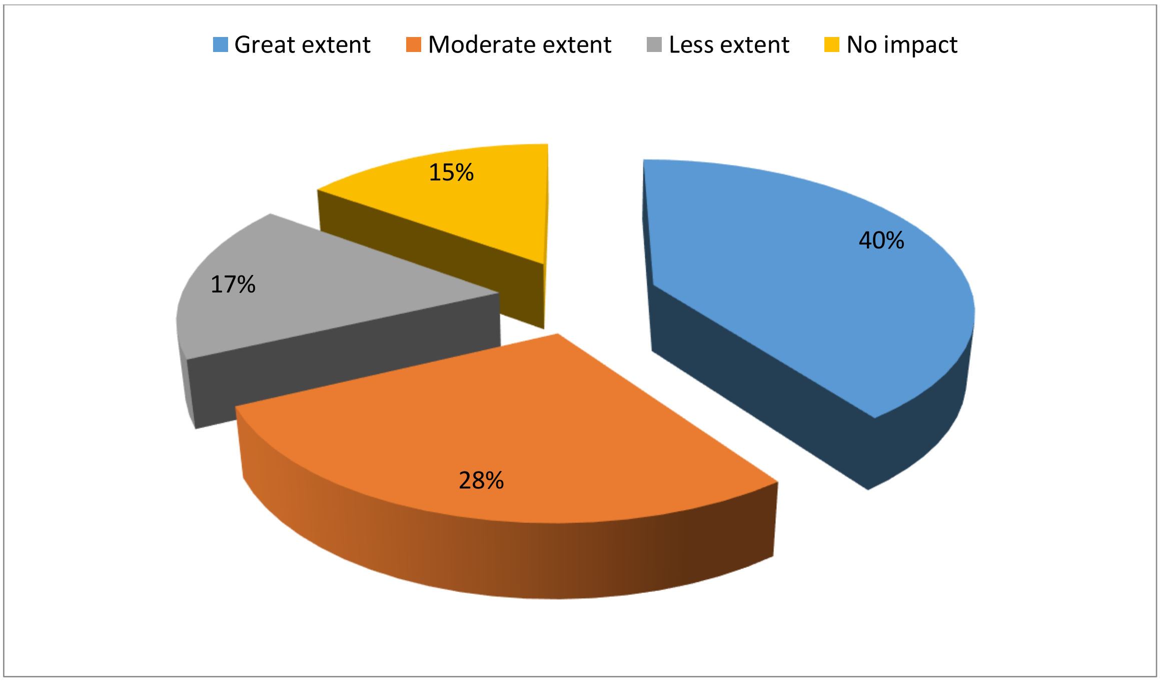

Figure 4. 9 : Voluntary training on increased awareness of life insurance

The findings indicated that voluntary training leads to increased awareness of life insurance at a great extent according to 40%, moderate extent at 28%, less extent at 17% and then no impact at 15%.

4.1.5 Affordability

4.1.5.1 Affordability on increased life insurance covers.

The researcher wanted to find if affordability influences the increased life insurance covers. The results were presented on table 4.10 as shown.

Table 4. 10 : Affordability on increased life insurance covers

Category	Frequency	Percentage
Yes	47	82
No	10	18
Total	**57**	**100**

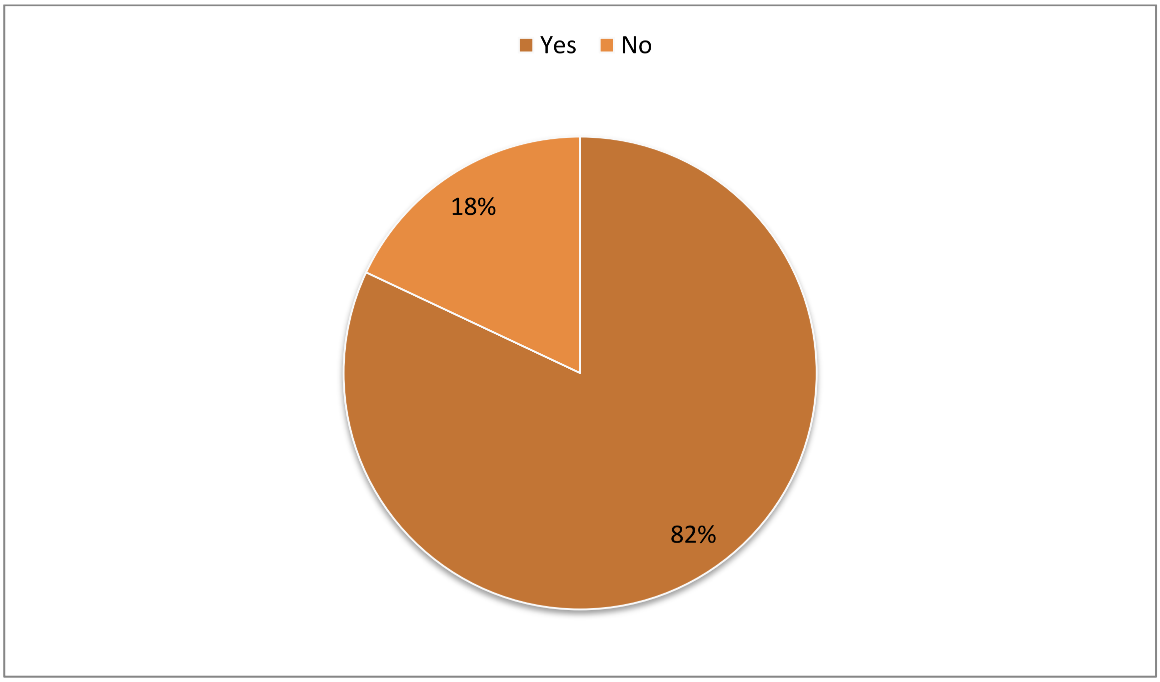

Figure 4. 10 : Affordability on increased life insurance covers

It was established that affordability influences the increased life insurance covers according to 82%, the remaining 18% did not agree to it.

4.1.5.2 Affordability on improved sales output

The researcher wanted to find out if affordability leads to improved sales output and the results presented on table 4.11 as shown.

Table 4. 11 : Affordability on improved sales output

Category	Frequency	Percentage
Strongly agree	13	22
Agree	30	52
Disagree	9	16
Strongly disagree	5	10
Total	**57**	**100**

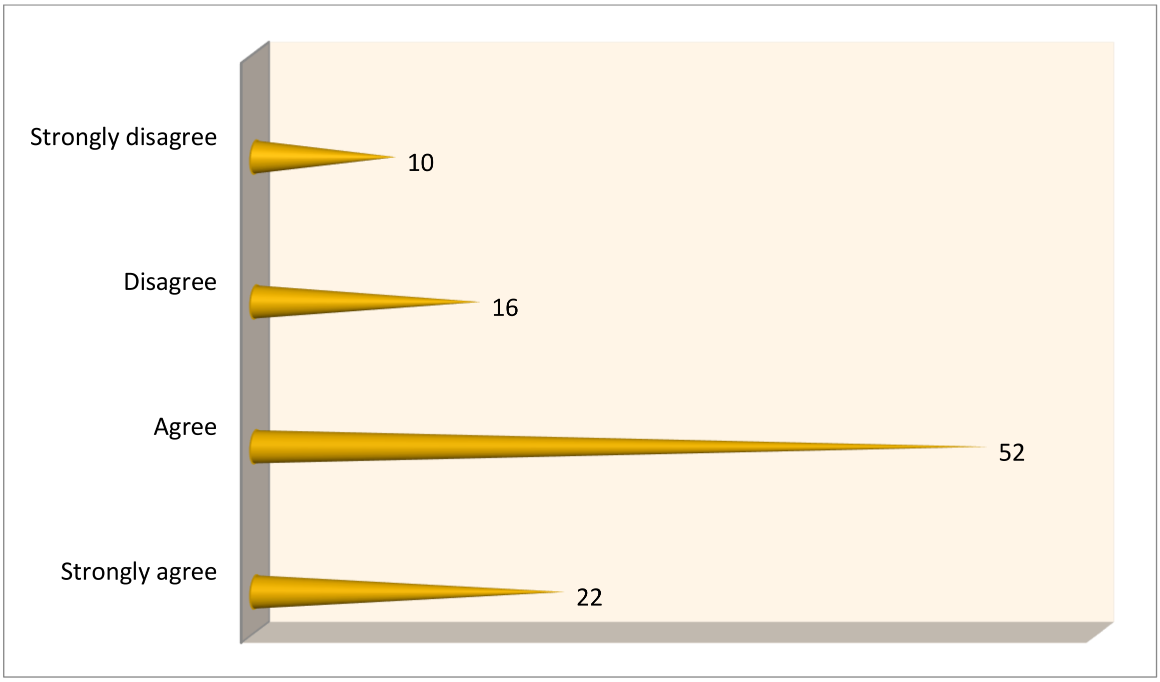

Figure 4. 11 : Affordability on improved sales output

The study established that affordability leads to improved sales output according to 74% of the respondents who agreed while 26% did not agree to it.

4.1.6 Government regulation

4.1.6.1 Enacted laws on setting up of life insurance firms

This was to determine if enacted laws influences the setting up of life insurance. The results were presented on the table 4.12 as shown.

Table 4. 12 : Enacted laws on setting up of life insurance firms

Category	Frequency	Percentage
Yes	52	91
No	5	9
Total	**57**	**100**

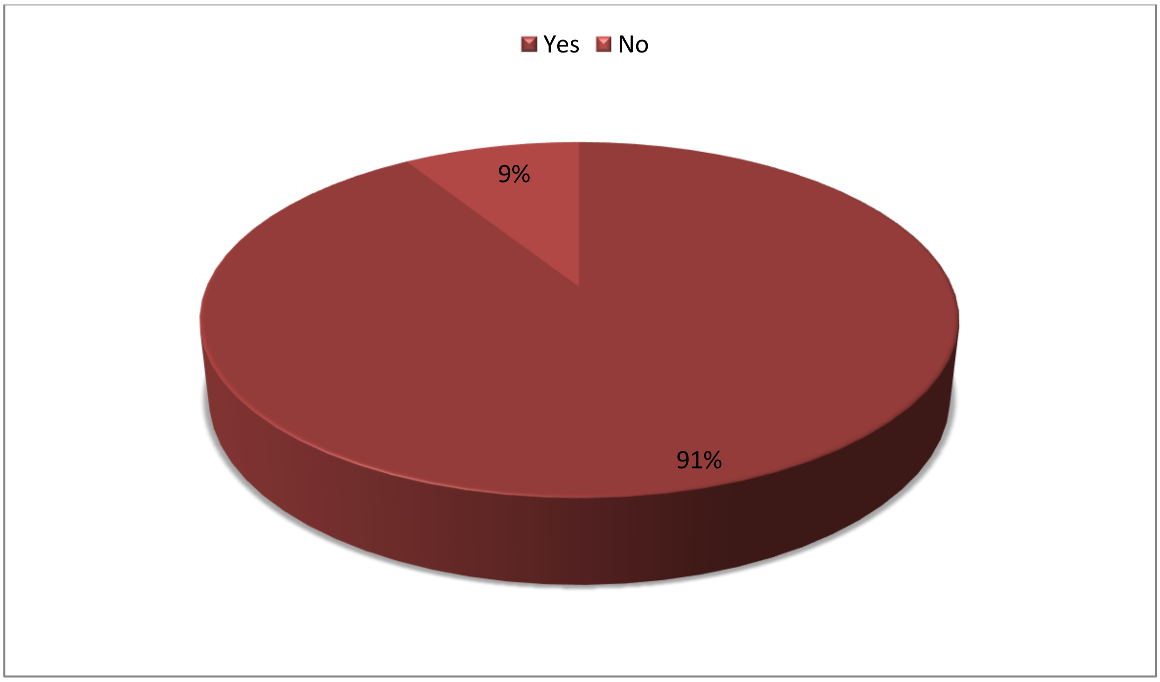

Figure 4. 12 : Enacted laws on setting up of life insurance firms

The study findings indicated that enacted laws influences the setting up of life insurance according to 91% of the respondents agreeing while 9% did not agree.

4.1.6.2 Regulatory framework on increased performance

The researcher wanted to establish the extent at which the regulatory framework increases the performance of life insurance firms. The findings were presented on table 4.13 as shown.

Table 4. 13 : Regulatory framework on increased performance

Category	Frequency	Percentage
Great extent	20	35
Moderate extent	15	26
Less extent	18	31
No impact	4	8
Total	**57**	**100**

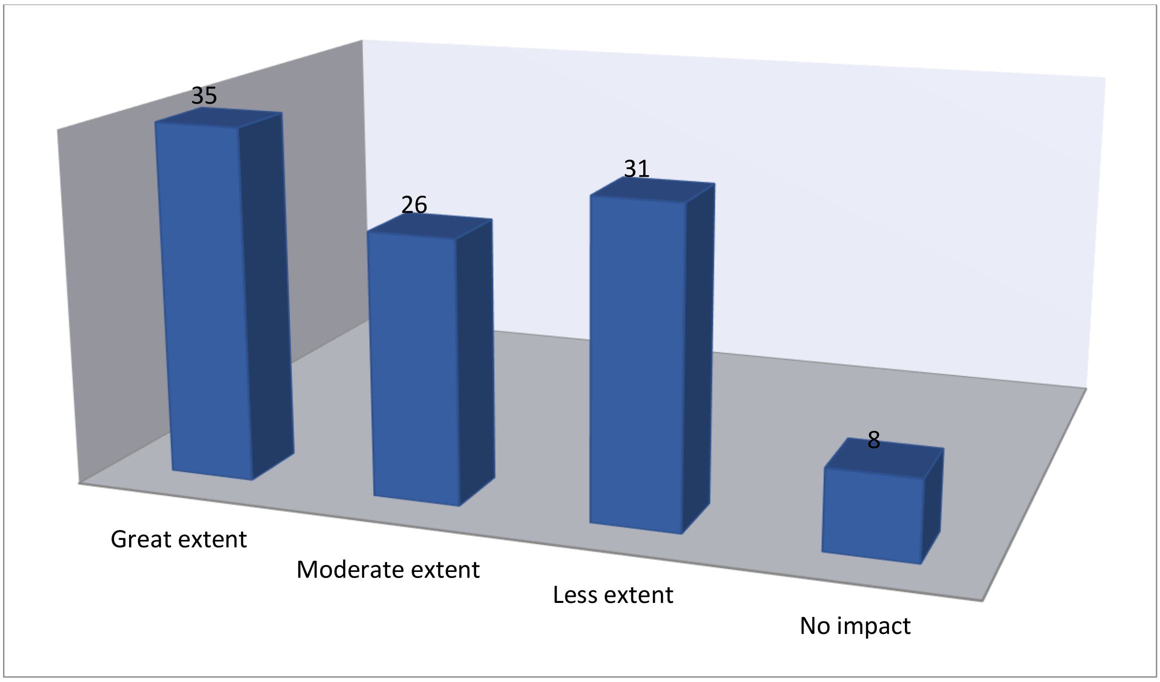

Figure 4. 13 : Regulatory framework on increased performance

The study findings indicated that regulatory framework increases the performance of life insurance firms according to great extent at 35%, moderate extent at 26%, less extent at 31% and no impact at 8%.

4.2 Limitations of the study

The respondents once in a while demanded for fees in order to provide the statistics required or wouldn’t be comfortable and consequently this meant that not all the target variety of population would answer the questions, making undertaking the study difficult to gain the desired statistics threshold. During the interview, the researcher made it clear that the study had a specific aim and that participants should not be paid or coerced into taking part, and that their This made it easier for the most of them to take part in the study.

4.3 Chapter summary

Data from each variable was presented under multiple sub-headings in order to make particular studies. For easier analysis in the next section, all of the data was displayed in well-labeled diagrams, tables, as well as charts from which a conclusion were made and some assertions were clarified.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

This part of the study summarizes the research outcomes, recommendations and conclusion. The outcomes are summarized in line with the study variables.

5.1 Summary of findings

5.1.1 Background Information

It was noted from the findings that 95% of the respondents participated in the study while 5% did not take part. This was a reliable number to deliver dependable results from the study findings. The study established that those below 25 years of age were at 5%, between 26-30 years were at 21%, between 31-35 years were at 45%, between 36-40 years were at 17% and then those above 40 years were at 12%. The findings indicated that 63% of the respondents were female while the remaining 37% were male. The study findings postulated that those with K.C.S.E qualifications were at 3%, certificate at 11%, diploma at 24%, degree at 49% and then 13% at post-graduate. The researcher established from the findings that those who had worked between 0-2 years were at 17%, between 2-5 years were at 35% and then those who had worked there above 5 years were at 48%.

5.1.2 Professional sales

The study postulated that 69% of the respondents agreed to research and development leads to increase in life insurance while 31% did not agree to it. The researcher identified that innovation assists in increased penetration of life insurance to a great extent according to 42% of the respondents, moderate extent at 26%, less extent at 19% and no effect at 13%.

Contacting prospective customers by offering one or more forms of insurance is how insurance sales professionals assist their organizations in generating new business As an insurance agent, I educate my clients on the different types of insurance coverage and aid Insurers generally offer policies from multiple different firms through insurance brokers, but some operate directly for a single insurer.

5.1.3 Sales promotion

The researcher noted that those who agreed to extra packages affecting the sales volume of an organization were 73%, while those who disagreed were 27%. The findings indicated that voluntary training leads to increased awareness of life insurance at a great extent according to 40%, moderate extent at 28%, less extent at 17% and then no impact at 15%.

The promotional mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. Advertising aims at reaching and persuading citizens to purchase. Definition of promotion: coordination of all seller-driven efforts to set up information and persuasion pathways for selling products or services or promoting a concept. This is why sales promotion is such an important part of the marketing mix. With the increase in the growth of players in the Insurance sector (both public and private) the insurance companies are finding it difficult to promote their products. This paper tries to study the benefits of promotional activities as a tool for selling insurance products to the final customer.

5.1.4 Affordability

It was established that affordability influences the increased life insurance covers according to 82%, the remaining 18% did not agree to it. The study established that affordability leads to improved sales output according to 74% of the respondents who agreed while 26% did not agree to it.

Affordability of health care services is among top five most important national issues for a large part of the Georgian population. Medical Insurance for the Poor (MIP), a public program initiated in 2007, provides private insurance coverage to one fifth of the Georgian population and is aimed to protect its beneficiaries from financial hardship and impoverishment that may be caused by health care expenditures. This policy brief presents key findings, and conclusions of the study that assessed the impact of MIP on equity in access to essential health care services and financial protection against health care costs for the poor and general population. It briefly describes identified accomplishments and shortcoming of the public private partnership in realization of MIP and discusses emerging policy options and policy recommendations on the future of MIP.

5.1.5 Government regulation

The study findings indicated that enacted laws influences the setting up of life insurance according to 91% of the respondents agreeing while 9% did not agree. The study findings indicated that regulatory framework increases the performance of life insurance firms according to great extent at 35%, moderate extent at 26%, less extent at 31% and no impact at 8%.

An important aspect of regulatory compliance is reliable recordkeeping. Formal definition and automation of business processes support the capture of appropriate records. Electronic identity and signatures ensure proper authorization and accountability for record content. Where regulated activities involve planning and decision-making by knowledge workers, adaptive case management technology can help apply rules and track compliance.

5.2 Conclusions

On professional sales, the study concluded that research and development leads to increase in life insurance. The conclusion determined that that innovation assists in increased penetration of life insurance to a great extent.

On sales promotion, the conclusion was that extra packages affect the sales volume of an organization. It was also concluded that voluntary training leads to increased awareness of life insurance at a great extent.

On affordability, the study noted that affordability influences the increased life insurance covers. In addition, the conclusion was that affordability leads to improved sales output.

On government regulation, the conclusion agreed that enacted laws influences the setting up of life insurance largely. The conclusion also noted that that regulatory framework increases the performance of life insurance firms.

5.3 Recommendations

These suggestions can be made on the basis of this research: In order to ensure that the services provided to life insurance customers by the sales personnel are valuable and delivered in the best possible manner, the Association of Kenya Insurers (AKI) must educate its members on how to get the finest training available. When it comes to life insurance products, life insurance firms need to make sure that they are properly marketed and priced so that it is important that the insurance firms work hard and competitively to guarantee that their services are widely used and that they educate the public to help demystify their life insurance services. According to insurers, micro-insurance is one of the ways they may boost the growth of their When it comes to the life insurance market, the Insurance Regulatory Authority (IRA) should come up with methods on how it can be best supervised to Regulating the industry would create a level playing field and eliminate unethical behaviour.

5.4 Suggestions for further research

It's time to expand the scope of research by including other variables that seem relevant to the Studying the interrelationship of other elements that determine the development of the life insurance business is necessary. In order to gain additional insight into the life insurance industry, the study should be replicated with a bigger sample of participants. Similarly, other issues that affect the entire insurance business may be deeply analyzed in a similar survey.

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QUESTIONNAIRE

Dear respondent,

This study has a purely academic intent. Please answer these questions as truthfully and accurately as possible. We will keep your answers to these questions private. As suitable, please check the boxes or enter the required information in the fields presented.

SECTION A: SOCIO – DEMOGRAPHIC CHARACTERISTICS

Please put a tick {√} in the box where the question requires you to do so.

Respondent‟s Name (optional) ……………………..…………………………………

Name of your organization …………………………………………….……………

Date of interview------ / ------ / ---------

No.	Questionnaire	Response	
1	Gender	1 = Male	
		2 = Female	
2	Respondent organizational responsibility category	1 = Management	
		2 = Non - Management	
3	How long have you worked in this organization	1 = Less than 1 year	
		2 = 1 - 5 years	
		3 = 5 - 10 years	
		4 = 10 – 15 years	
		5 = 15 years and above	
4	Religious affiliation	1 = Protestant	
		2 = Muslim	
		3 = Hindu	
		4 = Atheist	
		5 = Other specify	

SECTION B: FACTORS AFFECTING THE GROWTH OF LIFE INSURANCE BUSINESS

No.	Questionnaire	Response	
1	In your opinion does the company have a comprehensive sales and marketing department?	1 = Yes	
		2 = No	
		3 = No Idea	
2	How do you rate your company in undertaking professional sales staff training?	1 = Very Satisfactory	
		2 = Satisfactory	
		3 = Undecided	
		4 = Not Satisfactory	
		5 = Highly Not Satisfactory	
3	To what extent is sales force training and development a major factor in the growth and Marketing of life insurance policies?	1 = Very much	
		2 = Much	
		3 = Not much	
		4 = Not affected at all	
		5 = Do not know	

4) In the table below, put a tick {√} in the appropriate box.

	Does your company:	YES	NO
i)	Carry out sales staff appraisals on their dealings with the life insurance Customers?		
ii)	Practice good ethics in their dealings with life insurance customers?		
iii)	Expose sales staffs that are unethical?		

No.	Questionnaire	Response	
5	How do you rate your company in getting the Customers satisfied with your services?	1 = Very Satisfactory	
		2 = Satisfactory	
		3 = Undecided	
		4 = Not Satisfactory	
		5 = Highly Not Satisfactory	
6	Does your company carry out adequate customer surveys?	1 = Yes	
		2 = No	
		3 = No Idea	

No.	Questionnaire	Response	
7	Do you view proper life insurance products packaging as a factor that affects growth of life insurance business?	1 = Most Likely	
		2 = Likely	
		3 = Less Likely	
		4 = Not Likely at all	
		5 = No Idea	
8	Do you view sales promotion of life insurance products as a factor that affects growth of life Insurance business?	1 = Most Likely	
		2 = Likely	
		3 = Less Likely	
		4 = Not Likely at all	
		5 = No Idea	
9	How does your company promote its services?	1 = Advertising	
		2 = PR and Publicity	
		3 = Through Agency	
		4 = Personal Selling	
		5 = Sales Promotion	
		6 = No idea	

10) How do you view affordability of life insurance products as a factor affecting the marketing and growth of life insurance business?

1 = Most Likely ☐

2 = Likely ☐

3 = Less Likely ☐

4 = Not likely at all ☐

5 = No Idea ☐

11) To what extent do you think government regulation policies in Kenya affect the marketing and growth of life insurance business in your company?

1 = Strongly Agree

2 = Agree

3 = Neutral

4 = Disagree

5 = Strongly Disagree

Please explain

____

12) What do you think is the single most important reason for the current state of low penetration of life insurance in the country?

Description	Response
Relatively inexperienced employees / management	
Lack of timely intervention by the regulator	
Lack of focus by companies ('let’s do everything', 'let’s do what the competitor does')	
Too much focus on top - line customers for growth / monthly new business volumes	
None of the above ('it is not all that bad')	
Other (Please specify)	

13) To what extent do you think the life insurance companies should increase the penetration of life insurance by targeting the low – end market (low income population)?

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

14) Do you think most of the life insurance products are traditional and do not address the Modern needs of the public leading to low penetration of life insurance?

1 = Yes

2 = No

15) In your opinion do you think life insurance products should be repackaged to include various benefits and address the modern needs of the public?

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

16) In scales of 1 – 5 with 1 representing the lowest priority and 5 representing the highest priority, which two or three factors will in your opinion be "game changers" and can shape the life insurance business in Kenya over the next five years?

Key

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Sources of growth	**1**	**2**	**3**	**4**	**5**
Awareness to the public on life insurance products and benefits					
Innovation					
Product packaging with various benefits					
Professionalism in companies and by sales persons					
Image and Reputation of the public towards the insurance industry, insurance companies and life insurance products					
Customer Service					
Technology					
Change of distribution channels					
Government Regulatory changes i.e. increase tax relief as an incentive					
Expanding coverage (decentralisation of offices)					
Consolidation and Merger by insurance companies					
Affordable Pricing					
Other (Please specify)					

17) Any other comment?

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THANK YOU VERY MUCH FOR YOUR PARTICIPATION.