DISTRIBUTION CHALLENGES FACING THE INSURANCE MARKET IN KENYA

Anjilee Sharma*
The Chartered Insurance Institute, London

Abstract

According to the Insurance Industry Statistics Report for the year 2010 (Association of Kenyan Insurers, 2011), the penetration of insurance in Kenya is estimated at only 3%. The purpose of this paper is to highlight the distribution challenges facing the insurance industry in Kenya and to identify initiatives to overcome these challenges.

The study will explore the Kenyan Insurance Industry and the background of the Kenyan way of funding disasters. It will summarize the performance of the Kenyan Insurance Industry compared to various African countries and then review the main distribution channels used to sell Insurance in Kenya. As this study is specific to the Kenyan market, I will take a closer look at the current distribution channels used in Kenya. This study will also offer insight on the distribution challenges that are currently being faced in this sector. Finally, the initiatives to overcome these challenges will be discussed in detail.

บทคัดย่อ

อัตราส่วนแบ่งการตลาดประกันภัยในประเทศเคนยาคาดการณ์ไว้ที่ 3% จากข้อมูลสถิติการประกันภัยในปี 2010 (สมาคมบริษัทประกันภัยประเทศเคนยา, 2011) วัตถุประสงค์ของรายงานฉบับนี้จะชี้ให้เห็นถึงปัญหาช่องทางการจำหน่ายที่อุตสาหกรรมประกันภัยในประเทศเคนยาประสบอยู่และเพื่อแนะนำวิธีการในการแก้ปัญหาเหล่านั้น

การศึกษานี้จะศึกษาเกี่ยวกับอุตสาหกรรมประกันภัยในประเทศเคนยาและภูมิหลังของวิธีการที่ประเทศเคนยาใช้ในการจัดหาทุนเพื่อภัยพิบัติ โดยจะมีการสรุปเกี่ยวกับการดำเนินการของอุตสาหกรรมประกันภัยในประเทศเคนยาเปรียบเทียบกับประเทศในแถบทวีปแอฟริกา และทบทวนเกี่ยวกับช่องทางการจัดจำหน่ายประกันภัยในประเทศเคนยา เนื่องจากการศึกษานี้จะเน้นเฉพาะตลาดการประกันภัยในประเทศเคนยา ข้าพเจ้าจะให้ความใส่ใจเกี่ยวกับช่องทางการจัดจำหน่ายที่ใช้อยู่ในปัจจุบัน

*Ms. Sharma produced this dissentation for upgrading to Follow of the Chartered Insurance Institute.

ในประเทศเคนยา การศึกษานี้จะให้ข้อคิดเห็นเกี่ยวกับปัญหาของการจัดจำหน่ายที่อุตสาหกรรมนี้กำลังประสบปัญหาอยู่ สุดท้ายนี้ จะมีการอธิบายในรายละเอียดเกี่ยวกับข้อเสนอในการที่จะแก้ไขปัญหาเหล่านี้

INTRODUCTION

Background

A confluence of economic, political and social factors has impeded the penetration of Insurance in Africa in general. Insurance as a concept is not strange to the Kenyan and African societies in general. In many African societies, the consequences of unfortunate events such as death, loss of property and provision for old age were cushioned through the extended family support or even societal contributions in cash or in kind; yet insurance as practiced in modern form has struggled to sell in Africa. Africa continues to lag behind the rest of the world in insurance development yet the need for insurance, in whatever form, is probably much bigger – leading to a huge protection gap.

There are a number of social insurance aspects embedded in practices of societies in Africa. Weddings are planned and in most cases financed by extended families and friends. The same applies to funerals, childrens education, medical care, provision for the aged, just to mention a few prevalent cases. In Kenya there exist a number of predominantly women's groups known as "*Chama*" with the sole objective of collecting money to create a fund meant to cater for diverse contingencies. In most cases these contingencies are what are covered by modern insurance such fire destroying property of a member, death in family of a member, sickness, etc.

In 2008, worldwide insurance premiums rose to approximately USD 4,270 billion. The life business accounted for USD 2,490 billion; non-life insurance accounted for the remaibing USD 1,779 billion. On a capita basis, an average of USD 3,665 was spent on insurance in 2008; of this amount USD 2,175 was spent on life insurance and USD 1,481 was spent on non-life insurance. With the exception of South Africa and Mauritius, the penetration of insurance as a percentage of GDP from the rest of Africa is negligible yet the average GDP growth rate for Africa was 5.9% in the same period. (Swiss Re, 2009).

The insurance industry in Kenya recorded a gross premium of USD 708 million (Life insurance, pensions and non-life insurance premiums) in 2008 thus accounting for 0.016% worldwide premiums (Association of Kenya Insurers, 2008). Even though this represented a 14% growth in premiums collected in Kenya in 2008, the insurance penetration (Gross Premium/GDP) remained at a low of 2.63%.

Table 1: Summary of insurance performance in a few countries in Africa 2008

Country	Non-Life Premiums (USD Millions)	Penetration % of GDP	Life Premium % of GDP	Penetration (USD Millions)	Total Penetration % of GDP
Kenya	492	1.76	244	0.87	2.63
Algeria	829	0.48	44	0.03	0.51
Egypt	643	0.40	944	0.58	0.98
Morocco	1,631	1.92	952	1.12	3.04
Nigeria	1,188	0.52	210	0.09	0.61
Tunisia	640	1.73	87	0.24	1.97
South Africa	6,527	2.36	20,919	7.58	9.94

(**Source:** Swiss Re , 2009)

Other factors aside, this paper examines the distribution challenges impeding growth of insurance in Kenya and how some of these have been overcome.

Main distribution channels used to sell insurance in Kenya

The main distribution channels used by providers of insurance are: tied agents, independent agents, brokers, direct marketing and tele marketing. Tied agents are mainly contracted by insurance companies to sell personal lines products such as motor insurance, personal accident, domestic package, fire domestic, life insurance and personal pension plans. Brokers mainly place commercial line products such as marine, aviation, engineering and most of the insurance products sold to the corporate world. A few insurance providers use independent financial advisors to sell for them products such as unit linked policies and personal pension plans that require client advice. Generally, the products in most cases are not necessarily aligned to the distribution channels and are mainly copies from the developed world with very little domestication to customize them to the local Kenyan taste.

In 2008, there were 141 licensed brokers and 3,356 insurance agents in Kenya serving an approximate population of 38 million, out which about 5 million would be potential insurance clents. A majority of these agents and brokers were domiciled in major towns with the bulk being in Nairobi, the capital city; yet the bulk of the Kenyan population live and work in the rural areas where the main accupation is agriculture with seasonal harvests and incomes. Many of the rural population are neither reached nor served with suitable insurance products to match their circumstances and have largely been left out of insurance consumption by the mainstream insurance industry.

DISCUSSION AND LITERATURE REVIEW

The Insurance Concept

Insurance is broadly defined as a risk transfer mechanism. This involves transferring the risks facing one entity to another who specializes in insurance risk mechanisms. The

latter are referred to as insurance companies (insurers). The risks may be transferred directly to the insurer or through an intermediary. The latter may be an agent, insurance broker, consultant, supermarket etc.

Insurance is an intangible service and hence it is not possible to feel, taste, see, hear, or smell before it is purchased; a service cannot be separated from its provider; a service is perishable and cannot be stored; and a customer has access to or the use of a service, but not ownership of the activity or facility (CII, 2011).

The insuring public only feel, taste, see, hear or smell insurance when a claim has occurred and been paid. The public trust in the ability of insurance companies paying a claim is very low in Kenya.

Distribution Challenges in Africa with Specific Reference to Kenya

Products

Why is it that insurance products have not been sold to meet obvious needs? In the research commissioned by the Association of Kenya Insurers in 2008, one of the findings was that there is a general lack of innovation, uniqueness and exciting insurance products on offer in the Kenya insurance market. In fact some of the products sold are the same products that were introduced in the early 1960s by companies trading as branches of British insurance companies in the then colonized Kenya. Very little has been done to domesticate the products to meet the unique demands of the local market. Even though needs such as family income protection, asset protection, health insurance, crop and livestock cover exist, very few products have been devloped to match the needs. A large chunk of the population thus still depends on the "*Harambee*" concept to raise funds or assistance in case of certain contingencies happening.

The insurance policy wording, financing and benefits are structured to suit mainly customers in formal employment and the educated population. Contractual documents are written in jargon that is hardly understood by the consumers thus leading to a big number of people shunning the products. In most cases the products in the market are generic and are hardly targeted at specific markets neither are they aligned to distribution channels used. This is mainly a result of failure by insurance companies to carry out market research to find out what the customers need, or even anticipate such needs and develop trail blazing products. There is hardly any insurance company in Kenya with an established research and development department. Kenya also has very few product development actuaries. What happens in most cases is that products are developed with an inward looking view of what the insurers think the public might need, and the rest of the market wait to copy any product that may seem to sell without due regard to their own market segment or internal core competencies. People do not seem to see how these products relate to their needs and the insurers equally do not understand why the population cannot see that they need insurance products. The result of all these is that there is very little product differentiation in the market and the only platform companies are competing on is price.

One company in Kenya has been quite innovative. The Co-operative Insurance Company (CIC) (http://cic.co.ke/) has taken a lead in providing micro insurance products in Kenya. CIC is the current market leader in proving this dealing mainly with Savings and Co-operative Societies and the informal sector mainly through a number of micro finance institutions such as K-REP Bank, Faulu Kenya, Kenya Ecumenical Christian Loan Fund (ECLOF), Kenya Agency for the Development of Enterprises & Technology (KADET) – a project of World Vision and National Hospital Insurance Fund.

Currently CIC Insurance have covered more than 75 micro finance schemes with a total of 300,000 people in Kenya getting covered with micro insurance products through this arrangement. In 2007, CIC collected Kshs 250 million (USD 3.2 million) from micro insurance alone, accounting for 10% of their premium income. The micro insurance products offeered by CIC are mainly credit life covering loan balances owed by members to the co-operative societies and mainly cover death, permanent and total disability and some funeral expense rider benefits. Cover is also provided for the petty traders in the informal sector against contingencies such as fire and burglary.

CIC lately also partnered with the state National Hospital Insurance Fund (NHIF), to provide micro health insurance to member of micro finance institutions or saving and credit co-operative societies at an annual premium of Kshs, 3,650 (USD 47) per family. The benefits under the micro health insurance include full medical expenses and cost of meals incurred in government hospitals, marginal weekly hospitalization allowances, funeral benefit (in case of accidental death of a member) and limited personal accident cover. This cover will seal a gaping hole in health care financing for the poor majority in Kenya. It is currently at pilot stage and statistics are not available but the whole concept is noble and designed to meet an existing need.

Following in the footstep of CIC is British American Insurance Company (BRITAK), the leading provider of individual life insurance in Kenya. BRITAK has partnered with Majani Insurance Brokers Limited (a subsidiary company of Kenya Tea Development Agency) to provide simple life insurance products to tea farmers in Kenya, and their premiums are paid through check off deductions from their tea leaf deliveries to factories run by Kenya Tea Development Agency (KTDA). The cover mainly provides death and disability benefits, funeral expense cover and some limited personal accident benefit. The programme is currently at the initial stages and statistics are not currently available on the number of farmers enrolled and the premiums so far collected from this arrangement

Premium Collection

The most common mode of premium payments is still cash. Insurance premiums are mainly paid at the offices of insurance companies or through the banks. Further, the payment frequency in most cases is either annual, or monthly in life insurance.

How does premium payment become a problem to many prospective consumers of the product? First, a big part of the population is unbanked and therefore paying premiums

through the bank is not an option for them. A National Financial Access Survey done in 2009 revealed that 32.7 per cent of Kenya's bankable population is totally excluded from both formal and informal financial services, and it is this category that is increasingly being targeted for financial inclusion (Business Daily, April 2, 2012). Secondly the spread of insurance companies' offices is mainly limited to major towns and not accessible to the rural population. Finally, a larger section of the population work in agriculture and the informal sector; the earnings of this group is periodic and irregular and does not follow the same pattern as that of the available modes of insurance premium payments.

The lump sum payments of premiums also send the wrong inpression that insurance is expensive, yet there is every evidence that people spend more money on other things that may not be as useful as insurance and they do not think that such purchases are expensive because of the small amounts they pay regularly, but matches their earning patterns. Difficulty in paying premiums makes the buying process of insurance difficult to the majority of people in Kenya thus discouraging them from purchasing insurance products.

Some insurance companies have adopted an easier way of paying premium by using M-PESA (money transfer system run on mobile telephony platform) run by Safaricom Limited, the dominant mobile phone company in Kenya. One of the local companies, Kenya Orient, designed a personal accident policy where customers could buy daily cover and pay their daily premiums through the M-PESA system to the company's account. A number of people who are put off by the inconvenience of current premium collection methods offered by insurance companies found this extremely convenient. We are waiting for the number of policies and premiums collected through this medium to be published. The concept has also been adopted by other players. It will become easier to distribute insurance products to the rural population – there are more people holding mobile phones in Kenya as compared to bank account holders or even insurance policyholders.

Mobile telephony has revolutionized lives in Africa in general and Kenya specifically. The insurance company that will unlock the potential of mobile telephony to distribute insurance products will have a big chunk of the market share in terms of policyholders if not premium income.

Cultural/Religious Practices

In some societies in Kenya, it is a taboo to talk about death or even anticipate any calamity. The culture of the people is such that talking of death, or even contemplating it, is taboo (www.eldorethospice.org). This makes it very difficult so sell products such as life insurance, specifically funeral products, because it sends a message that somebody is planning for their death. Within the Muslim community, they consider conventional insurance products to be contrary to the teachings of the Quran. The coastal strip and Northern part of Kenya has a huge Muslim population that is currently not adequately covered by insurance. Due to lack of a licensed Takaful operator, most Muslims are

forced to take conventional insurance. Manay others opt not to take insurance at all (http://www.takaful.coop/index.php?option_com_content&view=article&id=340:the-cooperative-insurance-company-of-kenya-cic-kenya-invests-in-takaful&catid=23:news-items&Itemid=71). The extended family pooling of resources to take care of events such as funeral, medical bills and even sometimes school fees also inhibits an individual's role to plan for their own.

Regulations

The concept of micro insurance would make every sense in Kenya given the income levels and the level of development of its financial systems. There exist a number of micro finance institutions targeting the poor, especially in the rural setting. There are also a number of informal groupings in the villages where people come together for diverse reasons. These groupings are economic, social and religious in nature and have established a leadership structure. Even though these groupings provide a ready and suitable platform within which to offer some micro insurnace productrs in one form or the other, the regulaion is not flexible enough to allow, for example, a mosque or temple or church elder to sell insurance products and earn commission from doing so. It is a requirement in Kenya that insurance agents sit examinations and be certified before they can sell.

All agents who sell life insurance are registered with the Commissioner of Insurance and must pass the Certificate of Proficiency (COP) examination administered by the College of Insurance. (http://www.akinsure.or.ke/public_site/webroot/cache/article/file/AKI_Personal_Insurance_Handbook.pdf) This prohibits opinion leaders in the rural set up who are very influential and could easily endorse and sell insurance products in their locality and in turn earn some income.

Furthermore, the current commission structure paid to mainstream insurance intermediaries may not make micro insurance a worthy venture in Kenya yet. For much lower commissions paid to elders and other community leaders enrolled to sell insurance it would be possible to penetrate a market hitherto uninsured.

The Banking Act that regulates banking operations in Kenya, and the Insurance Act that regulates the insurance industry, do not currently allow banks to sell insurance. This has hampered the development of bancassurances as a channel where insurance could be distributed through the banks. Some form of bancassurance exists but this could be better harnessed if the two pieces of legislation could be amended to allow for banks to sell insurance. The reason to allow banks to sell insurance in Kenya is as compelling as it could be in other parts of the world but the main reasons would be that the banking industry has more custormers that may not be insured or adequtely insured and that the banks enjoy a more rosy reputation than the insurance conpanies, so the insurance industry would ride on that to sell more products. Regulations also need to reign in unscrupulous intermediaries and companies so as to restore consumer confidence in the industry.

Other cases of employing alternative distribution channel to increase penetration levels of insurance in Kenya include attempts at opening up some element of bancassurance in spite of the legal hurdles that discourage the development of this particular channel. Currently UAP Insurance Company has an established bancassurance team and has partnered with banks such as Equity Bank (with more than 7.3 million account holders [http://www.equitybank.co.ke/]) to sell a custom-made health insurance product named "equihealth". UAP also has a relationship with Kenya Commercial Bank and currently covers all the mortgage loans issued by the bank and also the homes secured through the mortgage loans against fire. This relationship, even though not well developed is currently generating a premium income of about Kshs. 100 million (USD 1.3 million) in a span of eight months. Jubillee Insurance Company of East Africa and BRITAK have followed suit to establish a similar relationship with Diamond Trust Bank, NIC Bank and Equity Bank to distribute insurance products through the bank network. Standard Bank of South Africa has also acquired majority ownership in a financial house that has two insurance companies (one life office and another composite company) within the group. It is expected that Liberty Life which is part of the Standard Bank group will set up a bancassurance channel with the bank in the group – CFC Stanbic Bank.

How have these relationships been developed despite the existing legislation that does not allow banks to sell insurance? Local banks have set up subsidiary insurance intermediaries that are handling all the insurance product sold through the bank and in turn earning commissions from the business placed under this arrangement. It is estimated that these relationships could be currently generating insurance premiums in excess of Kshs. 500 million (USD 6.4 million) and would exponentially increase once thelegislation is changed to allow for bancassurance.

Institutional Confidence

In the last couple of years, 4 major insurance companies in Kenya have collapsed with people's premiums. Thses include United Insurance Company, Lakestar Insurance Company, Invesco Insurance Company Limited and lately Standard Assurance that is currently under statutory management. The major collapse, however, was the going under of the state insurer, Kenya National Assurance Company. The Insurance Regulatory Authority has issued a set of corporate governance guidelines to insurers meant to improve the poor public perceptio towards the industry. Low confidence in management of insurance affairs has over the years dragged down its penetration which is still at less than five per cent (http://www.the-star.co.ke/business/local/35958-ira-moves-to-improve-insurance-perceptions). The market is also replete with stories of agents receiving client premiums and misappropriating the same. Every time these events happen, people's confidence in the industry is shaken, thus hampering increased demand for insurance products.

Macro Economic Environment

One of the major deterrents of purchasing long term life insurance policies in Africa in general and Kenya in particular is the inflationary trend that tends to erode the value of

long term savings in products such as life insurance. There are cases where the amount paid as the sum assured at the end of ten or twenty years of a saving under a life policy generates sums that are not worth the effort. A classical case is the hyperinflation experienced in Zimbabwe (in October 2008, the monthly percentage rate of inflation was 80 billion) and the situation that obtained in Uganda until 1985 when a currency reform measure removed two zeros from people's savings and then applied a factor of 0.7 so that if you previously had Uganda Shillings 1,000,000 you would end up with 7,000 shillings that would probably buy a plate of lunch in a downtown low end restaurant. This single event shook people's faith in buying life insurance products in Uganda and the life insurance business there has never come out of this in spite of twenty four years elapsing. The other economic drivers that influence purchasing of insurance would of course be level of household income. Africa's per capita income is generally low with almost half the population living below the poverty line. However, the penetration of mobile telephony in Africa and Kenya especially tells a different story about people's ability to spend on certain services. As at this writing, there are in excess of 25 million mobile phone subscribers in Kenya (there is possibility of double counting as some people hold lines with all the mobile providers while some hold multiple numbers with the same provider). (http://www.cck.go.ke/news/2011/mobile_subscribers.html.) The total number of policyholders in Kenya is far below this number.

The structure of the Kenya economy is that a big proportion of the population work in agriculture and in the informal sector. The earnings of these people may not always be in cash but in kind. They are, however, able to consume whatever they produce from their farms and sell whatever little that remains to make some essential purchases.

Poor financial intermediation has partly caused insurance penetration to lag behind. There is evidence that there are a number of bank and insurance transactions that can be structured together under one boutique offering to customers thus saving costs and time but this hardly happens currently as each institution or intermediary serves the customer in their limited end of the corner. Customers are losing value that they would derive by these institutions working in a more integrated manner.

HIV/AIDS

The presence of HIV/AIDS has negatively impacted on insurance sales. It has increased the poverty levels in Africa and Kenya in particular, as breadwinners die from complications related ot HIV/AIDS and leave behind dependants that can hardly fend for themselves let alone buy insurance.

RECOMMENDATIONS

The main concern of this study is the distribution challenge facing the insurance industry in Africa, and Kenya specifically. From the previous chapter, it is notable that the distri-

bution challenges facing the insurance industry are many. They can be summarized as follows:

- The products on offer do not meet the needs of the potential policyholders.
- The poor state of the economy means the majority of the people earn less than $1 dollar per day. Hence insurance becomes a luxury. Payment of premium in a lump sum is not possible.
- It is a taboo in some cultures to talk about death. Therefore insurance policies which talk about death may not be acceptable.
- The law as it is, is an impediment to insurance development. For example, banks are not allowed to sell insurance despite the fact that they have a wider clientele than insurance companies.
- Several insurance companies have collapsed in Kenya in the past few years. This has resulted in loss of confidence by the imsuring public.
- HIV/AIDS has contributed to the increase of poverty levels.
- The contribution of insurance to the Gross Domestic Product (GDP) of Kenya just like that of most of the Sub-Saharan Africa, with the exception of South Africa, is low because, among other factors, most of the people operate in the informal sector as petty traders, artisans, subsistence farmers, fishermen, cattle keepers, etc. Such people, who ironically happen to be the majority, usually have low education, low and irregular incomes and therefore do not have access to the regular financial services. The only way to reach these people is to use appropriate micro-insurance mechanisms. Related to the above is the fact that the financial services, insurance included, are overly exclusive, probably due to aforementioned reasons.

Recommendation

- Products should be developed only after a thorough research has been done on the targeted customers. Therefore the insurance industry in Kenya needs to develop products which are in line with the needs of the would-be policyholders. In this respect, there is need for research and development departments, especially in the large insurance companies. The policy wordings currently in use are complicated and cannot be easily understood by the ordinary person. The policies need to be worded using plain English language.
- A majority of the customers cannot afford to pay the premium in one installment. Therefore, the industry should come up with options on premium payment. Premiums can be calculated such that they are payable either on a yearly, half-yearly, quarterly, monthly or weekly basis. Each customer will then choose the option which is suitable to him/her. The M-pesa transfer facility is highly recommended. Data from the Central Bank of Kenya indicates that the amount of money transfered through mobile phones crossed that KS1 trillion (12$ billion) mark in 2011. (http://www.mwakilish.com/content/articles/2012/03/20/m-pesas-new-platform-promises-faster-payments.html)

- Kenya is very rich culturally. Some beliefs are outdated in today's modern world. Some religious beliefs also have played a role in the development of insurance. For example, some Muslims belief that conventional insurance is not in line with the Quran. To address this issue, there is need to develop Takaful Insurance products in order to attract the Muslim community. Regarding outdated cultural belief, there is need to educate the public about the negative consequences of such beliefs. The Associatio of Kenya Insurers and the Insurance Regulatory Authority have a big role to play here.
- The Insurance Act does not allow banks to sell insurance. Banks have a wider customer base than insurance companies. Therefore there is need to amend the Insurance Act with a view to allowing banks to sell insurance and hence earn commission. Currently, banks have formed separate entities to sell insurance. This has resulted in the formation of more insurance agencies and insurance brokers. The public confidence in these agencies and brokers is not the same as they have in banks, although the former are supported by the latter. The best way to deal with this issue is to allow banks to form insurance departments manned by qualified insurance personnel.
- Following the collapse of several insurance companies in the last 10 years, public confidence has seriously been eroded. The industry needs to repackage and rebrand itself in order to rebuild public confidence so as to be on the same level with banks. An area which requires immediate attention is claims settlement. Most insurers have scored very low in claims settlement. It is not uncommon to hear from insurance agents commenting that they were unable to acquire a client due to bad claims settlement experience.

CONCLUSIONS

The realization in Kenya that the majority of the population live in the rural areas of the country and work in the informal sector rather than the formal sector pushed some of the industry players to realize that growth and increase in insurance penetration required a fundamental shift in thinking how products should be structured and positioned in order to access this through micro insurance. Even though in its formative stages, micro insurance has proved that the majority of the population who before could not consume insurance products could actually be brought on stream as long as the product and distribution systems are aligned to their situation.

Micro insurance targets low income earners, who constitute the majority of working Kenyans. Paying premium in a lump sum is a challenge, hence the need to have affordable payment options.

The pursuit of insurance industry players to develop bancassurance as a distribution channel is borne out of reality that banks have ten times more customers than the insurance companies. If the latter could manage to get half of the bank customers, the insur-

ance penetration in Africa, and in Kenya in particular, will substantially go up. However, public confidence has to be built to a fairly high level. If this is done, most of the distribution challenges will become a thing of the past.

The potential for insurance growth in Kenya is quite promising. If the recommendations above are implemented, then the distribution challenges facing the insurance industry will be substantially reduced, if not eliminated.

BIBLIOGRAPHY

Assocation of Kenya Insurers 2008 - Insurance Report 2008.
Business Daily, April 2, 2012.
CII (2011), Marketing of Insurance Products & Services, CII, London.
Swiss Re. (2009), Sigma No. 3/2009 - World Insurance in 2008, Zurich.

Websites

www.cie.co.ke
www.allafrica.com
www.cii.co.uk
www.eldoret_hospice.org
http://www.takaful.coop/index.php?option=com_content&view=article&id=340:the-cooperative-insurance-company-of-kenya-cic-kenya-invests-in-takaful&catid=23:news-items&Itemid=71
http://www.akisure.or.ke/public_site/webroot/cache/article/file/AKI_Personal_Insurance_Handbook.pdf
http://www.equitybank.co.ke/
http://www.the-star.co.ke/business/local/35958-ira-moves-to-improve-insurance-perceptions
http://www.eck.go.ke/news/2011/mobile_subscribers.html.
http://www.mwakilishi.com/content/articles/2012/03/20/m-pesas-new-platform-promises-faster-payments.html.