

THESIS SUMMARY

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Thesis title: The Correlation between the Economic
Development and Insurance Sector of Kenya.

Basis for writing the thesis :

Company name: Insurance Sector of Kenya
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SUMMARY

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The objective of this study was to establish and examine the relationship between the economic development and the growing insurance sector of Kenya. A vital part of each nation's economic system is insurance. One indicator of the perceived significance of the insurance business to a given country is insurance penetration. Kenya has a relatively low insurance penetration rate of under three percent. Over the years, researchers have examined the variables influencing insurance uptake in Kenya. While numerous studies have been conducted placing emphasis on the corporate insurance industry players, the goal of this study was to examine the factors that influence insurance penetration in Kenya from the perspective of insurance agents who serve as middlemen for the general public by distributing insurance products.

A statistical study design was used in the investigation. The government agencies have already published statistics on economic growth and insurance penetration, thus primary data collection techniques were not used. The Insurance Regulatory Authority (IRA), Association of Kenya Insurers (AKI) and the Kenya National Bureau of Statistics (KNBS), in particular, the Economic Surveys and Annual Insurance Reports. Time series data covering the years 2017-2021 were the type of data that was used.

According to the study's findings, the overall amount of insurance premiums had a noticeable favorable impact on economic expansion. The study highlighted how crucially important the insurance sector is to our nation's development and growth. It also demonstrated that the company is afflicted by a variety of issues, including poor management, poor market prices, and a bad reputation with the public in general. If the company is to realize its full potential, all of these issues must be resolved.

It has been established beyond doubt that the Kenyan insurance sector has enormous capacity to develop, which, if properly managed, can have a very positive impact on the economic growth of our nation. As more businesses are established, more jobs will be created as a result of the need to staff these businesses with qualified individuals to manage them.

Future studies should examine more factors to determine how they affect the penetration of insurance. According to the research recommendation, the insurance business should create personalized products that appeal to customers. As a result, more people would get insurance, driving up premiums accumulated will serve to influence economic activity. Additionally, the government must support the creation of conducive business environments for the insurance sector.

The best way to increase insurance penetration is to raise literacy rates because educated people are easier to persuade about the benefits of insurance. Additionally, it's important to eliminate the public's negative perception of insurance in order to encourage people to purchase insurance coverage.

In conclusion, there is certainly a relationship between the expanding insurance market and the growing Kenyan economy, but there is still much to be done in terms of educating the public about the value of insurance products. At the same time, appropriate regulations must be put in place to ensure that there is equity among the participants and that proper procedures are followed to ensure that the funds invested are used appropriately and are not embezzled or used improperly.