ASSESSMENT OF INSURANCE REGULATORY AUTHORITY PUBLIC RELATIONS STRATEGY IN KENYA: A CASE OF KISUMU CITY

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DECLARATION

This research paper is my original work and has never been submitted for examination or award of degree or certificate in any University or Learning institution.
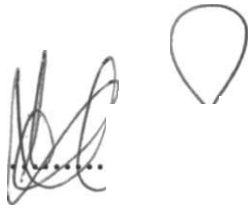
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DEDICATION

I dedicate this research paper to my employer. Insurance Regulatory Authority to learn from the findings and try to increase the insurance penetration in the country. I also dedicate the project to my colleagues, family and friends for their tireless support, input, encouragement and understanding without whom I wouldn't have successfully completed this research paper.

TABLE OF CONTENTS

LIST OF TABLES, CHARTS AND GRAPHS

ACKNOWLEDGEMENTS

ABSTRACT

This study examines the impact of I.R.A consumer education and outreach activities in the insurance sector in Kenya. Looking at the insurance background as well as its history and penetration levels, the study tries to interrogate the one-way model of communication vs two-way model of communication. An argument thus is advanced that the one-way model that was used by the insurance sector in Kenya before, led to information flow problems hence low rates of insurance uptake and fraud that led to collapse of some of the insurance companies, hence high levels of mistrust of the sector by the Kenyan public leading to low insurance penetration levels. Using Kisumu city as a case study, it is found out that the two-way open dialogic model of communication, which has been put in place by I.R.A through consumer education and outreach activities, to some extent has mitigated the information flow problems, and the mystery that has for a long time surrounded the insurance sector in Kenya. The study thus concludes that more effort needs to be put in place to implement the activities, and indeed proper planning, implementation, and regular evaluation or assessment of their impact to information management decisions, in a way all relevant stakeholders are brought on board for maximal outcomes.

ABBREVIATIONS AND ACRONYMS

I.R.A - Insurance regulatory Authority

C.E.O -Chief Executive Officer

GoK - Government of Kenya

GDP _ Gross Domestic Product

I EC - Information, Education and Communication

CSR -- Corporate Social Responsibility

COG - Champions of Governance

ICPSK - Institute of Certified Public Secretaries of Kenya

CHAPTER 1

INTRODUCTION

1.1 Background to the study

Kogi and Maragia (2011) point out that the insurance industry is one of the components of the country's financial sector. This is in respect to the guarantees of payments in many financial dealings. Peace of mind, financial protection, and savings. These are some of the direct benefits that individuals get from the insurance industry. It is imperative thus, that the ordinary citizens are made aware of its existence, benefits and insurable risks in Kenya. This happens in the backdrop of many years of widespread negative public perception of the insurance industry in Kenya. In many ways, this shall boost the Economic Pillar, one of the three pillars of Kenya's vision 2030, others being the Social Political and Economic Pillars.

Despite the obvious benefits from the insurance industry, as noted above, its penetration in Kenya remains low. This fact is attributable to a number of factors as identified in the I.R.A public perception survey report (2011). Therefore, I.R.A, the body that regulates the insurance sector in Kenya, noting the state of affairs, started ambitious education and outreach activities throughout the country to try and increase insurance penetration levels.

Globally, according to AKI report (2011, p. 2), generally there was a fall in Life Insurance premiums, and a growth in non-Life insurance, e.g. in India and China. However, the report notes that overall, "gross premiums declined by 0.8 in real terms".

1

The report points out "low interest rates and extraordinarily costly natural catastrophe events affected insurers overall results" and "the world economy slowed to 3 percent in 2011 …weakening the demand for insurance services." Thus it can be seen that the challenge that Kenya is facing in terms to insurance growth and penetration is not unique. However, efforts need to be put to ensure that the sector remains competitive in Kenya.

In specific terms, the AKI report (2010, p. 4) argues that "slower economic growth in the advanced markets will weigh on insurance demand for Life and non-Life Insurance". Further, the report argues that with regard to Life Insurance premium, there is expected growth especially in the emerging markets such as India and China, a point that the report attributes to adoption of "new regulations by consolidating their distribution channels and restructuring products". In other markets, notes the report, "Life Insurance growth is set to continue to benefit from rising income and increasing risk awareness".

1.1.1 Insurance Penetration in Kenya

According to insurance perception Survey by IRA (2011) report, despite there being a general awareness about insurance within the insurable population and the general public, there is a lack of a proper and particular understanding of the impact the various insurance policies may have in their lives, both at the household and business levels and indeed the country's economy. The survey found out that there are a number of factors that have contributed the poor uptake of insurance products by households and business enterprises in Kenya. Among other factors, the report points out that the image of the insurance industry remains poor because of the strategies hitherto deployed, that

largely did not cater for the input or feedback from the customers, i.e. one way model of communicating with its key publics, that was largely based on manipulation and spinning of facts, and lack of proper ethics thus the industry became oblivious of the customers' needs and desires, entrenching a perception of mistrust of the whole industry or sector.

This has been compounded, according to the *Standard on Saturday* newspaper of September 8 2012, with infiltration of fraudsters. Essentially the industry remained closed for a long time, with little regard to ethical behaviour and professional conduct, involving all the parties or stakeholders in the industry. The *Standard on Saturday* newspaper notes that this necessitated most underwriters, especially Motor Insurance Policies, to go under.

Currently, according to the AKI report (2011, p.6) the penetration of insurance is estimated at 3.02 percent (see table 1 below for trend over the last few years). The report is quick to point out that the levels of penetration may go up if there will be "improved regulatory framework, innovative products, adoption of alternative distribution channels, enhanced public education and enhance use of technology".

Thus the perception survey report 2011, recommended a review of the approach on how the industry related to its customers, to restore their confidence. Based on the above observations, I.R.A embarked on a country wide consumer education and outreach activities, through its Public Relations Department, to try and turn round the image of the industry, among its customers and potential customers and indeed the general public, by ensuring a proper and better understanding, and seek to demystify the industry.

Table 1

Year	2007	2008	2009	2010	2011
GDP	1,834	2,111	2,365	2,551	3,025
Life Insurance Premiums	15.14	18.30	21.36	26.71	30.93
Life Insurance Penetration	0.83 %	0.87 %	0.94 %	1.05%	1.02%
Non-Life Insurance Premiums	32.95	36.89	43.11	52.35	60.67
Non-Life Insurance Penetration	1.82%	1.76%	1.90 %	2.05 %	2.00 %
Total Premium	40.09	55.19	64.47	79.06	91.60
Total Penetration	2.65 %	2.63 %	2.84 %	3.10%	3.02 %

Source: AKI Report, 2011

Figures in Billion Kenya Shillings

Insurance Penetration = $\dfrac{\text{Gross Premium} \ast 100}{\text{GDP}}$

1.1.2 Historical Background to Insurance

Kogi and Maragia (2011) point out that the insurance practices are not a new phenomenon. Traditionally, in the African societies, there were methods of handling risks and uncertainties in society, e.g. using the extended family system by sharing costs, *Harambee*, age groups, and herd shifting, among other cultural methods.

With modernisation however, the traditional ways of insurance or mitigating risks have become less sustainable, hence the need for modern insurance practices. Modern insurance practices, operating within a legal framework, and properly regulated, better guarantees financial security of individuals and institutions in the face of financial risks.

The history of the modern classes of insurance is long. According to Kogi and Maragia (2011, p. 65), "the origins of modern insurance are buried in the earliest dawn of antiquity". Kogi and Maragia notes that the Chinese merchants, as early as 3000 BC had a way of sharing risks. Around 600 AD, health and life insurance were introduced by the Greeks, where there were 'benevolent societies' that cared for families and paid funeral expenses. In England, notes Kogi and Maragia, 'friendly societies', existed that pooled money to be used during emergencies. Thus insurance, in terms of its origin, was universal and dispersed throughout the world.

Kogi and Maragia (2011), note that Marine insurance is the oldest class of insurance, followed by ordinary life and personal accident. As the insurance industry evolved, other products came up, such as industrial life, engineering, and employer's liability, among others. Still within respective areas, such as farming, trade, more

insurance products have come up. These classes of insurance observe Kogi and Maragia (2011) are for societal protection against financial risks, and the insurance companies creatively avail products in this regard.

1.1.3 Insurance Industry in Kenya

In Africa Kogi and Maragia (2011) observe that insurance companies began from South Africa in the 19th Century. In Kenya, the insurance companies came as a result of British colonial interests. British insurance agents, such as Da Gama Rose represented Indian Life Assurance Company Ltd as an agent, T.A Woods represented London and Lancashire Insurance Company Ltd, and the East African Estates Ltd was the agent for Royal Insurance Company Ltd. Afterwards, branches were opened in Nairobi, e.g. the Old Mutual Insurance Company in 1905. Pioneer General and Assurance Society was the first insurance company incorporated locally, then followed by Jubilee and Pan Africa in 1937 and 1948 respectively. The main buyers of insurance in Kenya note Maragia and Kogi (2011) are individuals, commercial and industrial sectors, Government, State Corporations and Local authorities.

Historically, observe Kogi and Maragia (2011), governments throughout the world have always had a keen interest in the operation of insurance industry in respective countries. In Kenya, Kogi and Maragia (2011, p. 172) note that the Kenyan government wanted to take control of the industry that was dominated by companies from the United Kingdom and India, to try and supervise the industry. This was to ensure the industry remains viable and stable where public confidence is guaranteed. Specifically, there was

need to have trust, financial stability, balanced contractual relationships, and simplification of insurance documents. Importantly, there was need to encourage the culture of transparency and ethical behaviour among the industry players. This mandate falls under I.R.A, formed under an Act of parliament to "regulate, supervise and develop the insurance industry in Kenya".

The I.R.A, in furtherance of its mandate, did a nationwide survey of insurance perception in 2011, with the objective of understanding the reasons for low uptake of insurance, and mistrust by a larger segment of insurable population. This effort resulted in 2011 Insurance Regulatory Authority perception report, which set the foundation of various intervention efforts, to turn round the image of the insurance sector, hence influence the penetration and uptake of insurance products in Kenya.

1.1.4 Paradigm Shift in Public Relations Practice

Grunig (1989) argues that there has to be a paradigm shift in the way the contemporary Public Relations ought to be practiced, to achieve maximal benefits for organisations and its publics, hence the entire society. For instance, the insurance industry in Kenya has mostly used the one-way model of reaching out to its public, especially the insurable population, leading to information flow problems in the sector. In applying Grunig's arguments, the way the insurance industry has been relating with its publics, has been more often manipulative and spinning of facts, hence a need for a paradigm shift.

Consequently, Grunig (1989) argues in favour of symmetrical model, where there is mutually beneficial exchange of information, which promotes understanding amongst

all the relevant publics or stakeholders. In agreeing with Grunig, Heath (2006) argues that there ought to be an approach where public relations would have significant value to the whole society, not just for corporate organisation. Ledigham (2003) on his part, argues that organisational public relations has to be executed around common interests and shared goals, to have mutual benefit and understanding, for both the organisations and their publics over a period of time. In recent times, regarding public relations as practiced in the insurance sector in Kenya, there has been gradual appreciation of this approach, through the consumer education and outreach activities, seeking to meet informational needs of the public concerning insurance sector.

1.1.5 Approach to Public Relations by Insurance Sector in Kenya

Over a long time, the Insurance Industry in Kenya has had information flow problems, which were from insurance providers, hence the negative perception of the sector by the public. Both the policyholders and potential policy holders, according to the *Standard* of September 8 2012, have not had accurate information as regards the insurance industry, especially when it comes to buying of policies. The claiming process and settling of claims more often becomes acrimonious. As a result, the industry has suffered image problems leading to under exploitation of the sector, as a contributor to economic development of the country, as seen from collapse of many insurance companies, and low and indeed stagnant uptake of insurance products.

The asymmetrical information flow problems, in as much as studies have constructed a connection between the theoretical world and the real practice, no study in Kenya, that has attempted to produce empirical results on the symmetrical model that has

been embraced by the Insurance Regulatory Authority (I.R.A) vis-a-vis the earlier models.

In this study thus, the efficacy of I.R.A consumer education and outreach activities shall be evaluated as symmetric, two way dialogic public relations model, in connection to how it has augmented the information flow problems, associated with the asymmetric model, used hitherto by the insurance sector. At the same time, the potential of the activities with regard to knowledge, attitudes and behaviour, and indeed the general perception and image of the insurance industry will be determined.

1.1.6 Culture and Insurance Perceptions in Kenya

The *Standard on Saturday* of September 8 2012 generally attributes culture among Kenyans, where the culture of saving has not been embraced. Coupled with low incomes among the Kenyan populations, as fifty percent of Kenyans live below the poverty line, the low uptake of insurance products is largely because of the foregoing factors. Indeed, the newspaper, citing Sam Makove, the C.E.O of I.R.A, notes that "many Kenyans live below the poverty line" - and such cannot save. In addition to this, Makove points out that "there are inadequate tax incentives that could encourage the middle class to purchase Life Insurance products". On the part of the insurance industry, the *Standard on Saturday* observes that there is "a perceived credibility crisis of the industry in the public, particularly with regard to settlement of claims". To this Makove, in the *Standard on Saturday* adds that "negative perception has its origins as far back as the colonial times...which is very hard to change, is largely to blame for the slow pace of growth in the insurance industry".

9

As observed above, culture of Kenyans and experiences with insurance sector, to a larger extent influences how people perceive the insurance industry in general, consequently impacting on the level of uptake of insurance products. In respect to the area of focus in this study thus, culture plays a significant role in people's investment practices, and indeed how they may perceive the insurance as an investment. Looking at the population of the people in the area of this study, regarding culture Mboya in *Customs, beliefs and practices of the Luo,* the majority of the people "did not like when one die with debts" and respects wealthy people as the community cannot be stable without them (p. 155).

Additionally, Miguna (2012, p. xi) points to the Luo customs that even if one had a house away from home, will not call that home. Miguna observes that, "for Luos,... a home isn't just where one lives or raises a family, no matter for how long you are there...a home is supposed to be where one's mother 'buried the placenta'; where the umbilical cord is cut...even Luos born in modern facilities in cities all over the world are still required to think of 'home' only as their 'ancestral' place". Fedders and Salvadori (2008), in *Peoples and cultures of Kenya*, notes that among the Luo, richness or being wealthy is denoted by "abundance of stock" regardless of crops and that "children represent prosperity". According to Fedders and Salvadori. polygamy seemed a norm and high regard for extended family networks.

Instructively thus, culture influences many of the decisions of people as illustrated above. In relation to insurance thus, all cultural viewpoints may impinge on how people perceive investments, and particularly the insurance industry. It is important that culture

is dear to the hearts of the people who practice it and it is often hard to change. Thus in the context of insurance as an investment and a way of mitigating financial risks, people will always look at it through cultural 'lenses' and alternatives that are 'convenient' and readily available to them. The myths about death, and other myths, additionally impacts on how the insurance is perceived among a given cultural group. It is therefore important to establish how these influences affect the perception of the insurance industry amongst cultural groups since essentially, insurance is supposed to safeguard wealth from risks that may befall. Standard on Saturday of September 8 2012, points out that insurance is supposed to be "seen as providing financial protection and peace of mind for a variety of personal and business purposes" (p. 22).

1.1.7 Media Perception of the Insurance Industry in Kenya

According to insurance industry media perception survey (2012), the media in Kenya perceives insurance as a complex subject that few people can be interested to read on or hear about. The findings were that, when one hears about the insurance industry, motor vehicle insurance, medical insurance and claims of premiums is what comes to their mind. The survey report found out that the media has a perception that the insurance industry is a conduit to fleece people, since insurance people do not tell potential customers on what specific exclusions in terms of claims; only focusing on the benefits of taking insurance cover since sometime insurance companies rejects claims. Consequently, there is a great deal of public mistrust, hence a general feeling of a lack of professionalism, especially of the agents and brokers in the industry. Thus there is need to develop capacity in this regard.

11

Further, it is import to note that one of the major findings in the report is that, the insurance industry is picking up compared to the past, though still a small proportion of the population has access to insurance products or services. Thus, consumer education, according to the report, needs to be enhanced to increase awareness and penetration of the insurance sector in Kenya. With the changing dynamic in the industry in Kenya, the media does not seem to understand the various innovations in the indi=ustry, when compared to other financial sectors, for example, the banking sector is more visible in through the media in terms of its innovative products.

Instructively, the report notes that a cross section of media believes the insurance industry provides a lot of information to them, but barely updates new information on their website and thereby denying them access to new information through web search. Further still, the information availed to the mind tend to be too complex for the to unpack and pass to the mass audience, and information provided is one sided, making consumers to make decisions about particular insurance products. As such, the insurance industry should readily clarify and simplify information when the media seeks such clarifications. Additionally, information on settlement of claims, payment process, and frequent updates on the regulatory framework must provided and not just on products.

1.2 Statement of the Problem

Despite the I.R.A embarking on a nationwide consumer education and outreach activities, there has been no academic study with regard to its effectiveness and impact. This study thus is an academic endeavour to try and analyse the consumer education and

outreach activities, and determine their impact on insurance sector perception and influence on uptake of the various insurance products in Kenya.

It is noteworthy that the insurance industry in Kenya, for a long time has experienced image problems with its external publics, mainly its potential customers. According to statistics (see Standard on Saturday, September 8, 2012), this has led to poor uptake of insurance policies among the insurable populations in Kenya. After a Perception Survey by I.R.A in 2011, it was found out that some intervention had to be crafted, to mitigate the communication and information flow problems, by way of implementing the recommendations of the survey report.

I.R.A thus embarked on a nationwide consumer education and outreach activities, aimed at improving the overall image of the insurance industry in Kenya. This was in recognition of the fundamental role that the insurance industry plays in the individual people's lives, and economic development of the country. It is important thus to find out whether communication and information flow problems contributed to the unfavourable image that has characterised the insurance industry for a long time, in the context of consumer education and outreach activities.

1.3 Aim and Objectives

1.3.1 Aim

The overall aim of this study is to critically analyse the various consumer education and outreach activities, and the approach used by I.R.A in trying to open up the insurance sector to the public. Importantly, the study seeks to determine the influence of the communication intervention on the image of the insurance industry and impact on

uptake of insurance products by the public in Kenya by focussing on Kisumu city as a case study.

1.3.2 Objectives

j)   To assess the impact of I.R.A consumer outreach and communication activities.

ii)   To determine the efficacy of **I**.R.A's consumer education and outreach activities in transforming the image of the insurance industry in Kenya.

iii)   To evaluate the influence **I.R**.A consumer education and outreach activities have had on the perception and rate of insurance uptake in Kenya.

1.3.3 Research Questions

   i)   What is the impact of **I.R**.A consumer education and outreach activities?

   ii)   What is the extent to which **I.R**.A consumer education and outreach activities have been effective in turning round the image of the insurance industry in Kenya?

   iii)   What is the influence that **I.R**.A consumer education and outreach activities have had on the perception and rate of insurance uptake in Kenya?

1.4. Justification of the Study

Few studies, if any, have been carried out on the impact of public education and outreach activities in Kenya, especially with regard to the insurance sector. The influence or impact of these approaches have not been critically analysed, evaluated or assessed, to determine their efficacy. Thus this study contributes to the available literature, filling the existing gaps in the literature that is available in this area of study.

Additionally, this study shall be helpful to the insurance industry stakeholders, including the GoK, to fully harness the opportunities that may be inherent in these kinds of approaches of reaching out to the relevant publics. The findings of this will be useful to the insurance industry companies, agents and brokers in their endeavour to increase sales of various insurance products, by targeting their products appropriately and apply appropriate communication models, based on ethics, in communicating with their publics.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on public relations practices drawing from the models that have been put to practice over time. The chapter interrogates the various models, and argues in favour of a two way dialogic model of public relations, with regard to realisation of organisational objectives, in public relation practices in the contemporary environment, where there is greater emphasis on building mutually beneficial and ethical relationships, inspiring trust, confidence, and a culture of transparency.

This chapter begins by giving a brief overview of the history of public relations and the attendant dynamics, and how these dynamics have influenced the practice of public relations in the contemporary society. The chapter then interrogates the various models of public relation practice, where an argument is advanced in favour of two-way dialogic model of public relations. The importance of doing an evaluation of public relation exercises is articulated in the way it may inform management decisions, particularly on feedback that is received from assessing the public relations activities that an organisation or a sector may set to achieve. Afterwards, the insurance Regulatory Authority communication strategy is critiqued in this context. Finally, an exploration of I.R.A efforts to improve the public understanding, aimed at boosting insurance uptake based on transparent and

ethical behaviour, where full disclosure is emphasised is done.

2.1.1 Overview of the History of Public Relations Practice

Watson and Noble (2007) observe that among many people, a misunderstanding of public relations is rampant or widespread. To public relations, note Watson and Noble, there is more to it than getting the name of a company, industry or sector out there. According to Watson and Noble (2007) public relations is beyond media coverage and amount of airtime or space given to a product or an industry in the media.

Cutlip, Center and Broom (2006, p. 5 cited in Watson and Noble, 2007) define public relations as a management function, that is aimed at not only establishing relationships between organisations and publics, but also maintaining those relationships based on mutual benefit. This determines success or failure of any organisation or sector. Consequently, Cutlip, Center and Broom (2006) argue that public relation exercise must be continuous, deliberate and planned, with clearly outlined expected outcomes. This conceptualisation of public relations contrasts with the earlier understanding, where a public relations effort was taken as persuasive aimed at engineering public support using any possible means, more often using propaganda characterised by spinning facts.

Botan and Hazleton (1989) point out that the earlier understanding was that public relations sought to symbolically have control, not only on the evaluative dispositions of relevant publics, but also how they subsequently behaved in relation to particular organisation or sector. Baton and Hazleton (1989) adds that, this was done by way of controlling not only how organisations communicated with publics, but also the kind of information that was made available to them. This way of doing public relation is to be

located in the manipulative persuasive one-way asymmetric model of communicating with publics.

Grunig and Hunt (1984), define public relations as a management of communication between an organisation and its publics, i.e. the organisation's stakeholders, those groups of people that affect the ability of the organisation in meeting its organisational goals or objectives. Essentially, public relation is a management function. Grunig and Hunt (1984) thus describe public relations as the overall planning, execution or implementation, and evaluation of organisation's communication strategies, with both the internal and external publics, that are geared towards meeting the communication goals of a particular organisation. Importantly, public relations provide organisations with exposure to stakeholders, which eventually determine its level of success in relation to its goals and objectives.

2.2 Evolution of Public Relation Models

Even though the history of public relations dates centuries ago, as evidenced in the evolution of its history, it became widely used and accepted during the early twentieth century. In the nineteenth century, emergence of specialists in publicity and press agentry was witnessed, who were full time practitioners and mostly journalists. Grunig and Hunt (1984) postulated models of public relation practice, and articulated roles of public relation practitioners in the four models that they identified i.e., publicity, public information (the two being one-way communication), two way symmetrical and asymmetrical communication models. Out of these public relation approaches, Freeman (1984) points out that there was an effort to find out the best way to bring about

behaviour change within organisations and relationships with publics.

However, press agently/publicity and public information models existed before, as they were the ones that were being used by journalist practitioners from mid nineteenth century. The two models employed one-way communication model, without feedback. In particular, press agentry, described by Grunig (1984) use persuasion that is based on manipulation, to influence stakeholders or relevant publics to behave as the organisation desires, regardless of the interests of its customers. In this model, the media becomes the main medium or platform through which information is disseminated to publics.

Olosky (1989) notes that one way model of communication, is one sided and it is believed that it is propagandist, since it does not give room for feedback. Consequently, the public is manipulated, as the end success of manipulation is to understand the motivations of people in using research, to identify the message most likely to produce the attitudes and behaviors desired by an organisation oblivious of their concerns or interests. As noted above, the models use media to communicate, by writing for example, press releases, and other one-way communication techniques to distribute organisational information, not caring much how publics feel about the organisation. Basically, this model is commonly referred to as journalists in residence.

Grunig (1984) contributed to this evolution of public relations by arguing in favour of two-way dialogic model of public relations. Grunig built on the contributions of Lee, Bernays and Hill, where they had argued that public relations practitioners should tell the truth and interpret relevant publics' needs, wishes and desires. This way, there will be an understanding of their perspectives, all these becoming central in making

management decisions in an organisation. The two-way symmetric model thus employs empirical market research, and other forms of two-way communication, to facilitate understanding and communication for an organisation, to achieve its goals and objectives. Grunig notes that the two-way communication model uses negotiation with publics to get to understand them and resolve conflicts. This promotes mutual understanding, and respect between the organisation and its publics hence mutual cooperation, where feedback loop in the communication process is important. The central goal of professional public relation activity is to create an environment where the public's attitudes influence an organisation's behaviour.

Grunig (1984) thus conceptualised two-way symmetrical communications in public relations as a normative model, which explains how public relations should be practiced. Other scholar argue that, from the outset Grunig's model set out the differences between how public relation was being practiced, and how it ought to be practiced. Public relations should in fact strive to create two-way communication, between organisations and its public, where dialogue is central to this communications relationship.

Grunig and Hunt (1984) applying systems theory based the two-way model of public relations on their understanding of organisational management practice. In their approach to defining public relations they thus argue that public relations activities are part of management communication between an organisation and its publics, hence a management function. In applying the two-way model, different communication tools are incorporated to communicate and get feedback from relevant publics.

A number of scholar agree by pointing out that the spoken word is important, as it builds conversations with publics, which eventually lead to mutually beneficial relationships that are relevant and sustainable in attainment of organisational goals and objectives. In this effort, the top management must get involved, and indeed every other person in the organisation must be associated with the organisation in its communicative effort. For example, letting the employees get involved in the undertaking of the organisation in events or giving their input in terms of communication, helps the organisation build stronger bonds creating a good engagement in meeting its objectives. Additionally, stronger bonds will be built amongst themselves inculcating team spirit, projecting a good image, making customers and potential customers to develop positive attitudes towards the organisation, and in fact, all other relevant publics.

Murphy (1991) in applying concepts from game theory came up with the idea of a mixed motive model. Murphy drew parallels between the symmetrical model and games, to show pure cooperation, in which one side tries to accommodate the interest of the other. Murphy argued that the two-way symmetrical model was not pure cooperation, or total accommodation of publics' interests. Thus Grunig and Grunig (1992), observes that the mixed motive model accurately developed the model as originally conceptualised.

Huang and Lyria (1995) argue that research done on the model describe the practice of public relations in many cultures and political systems, suggesting variations as per particular patterns of practice that can be described as personal influence and cultural interpretation models. This model is being widely embraced since it seems to be pragmatic and based on years of experience in public relations practice. This presents an

evolutionary scenario in the thinking and practice of public relations, as the practices advance with time, building on previous researches and findings and organisational experiences.

Public relations practice has thus moved from where the roles of a practitioner were of publicity or media relations, to more complex one of analysing trends, research and advising the management on the best way to engage the public in organisation participation, towards meeting its objectives. The two-way model of communication hence becomes suitable for analysing public relation practices in numerous settings, and explaining why public relations is practiced in different ways, and why the roles of a public relation practitioner have changed. Leichty and Springton (1993) however, argue against the two-way dialogic models, maintaining that earlier contingency approach was more realistic than the recommended symmetrical model, as the best normative approach to public relations under most situations. This study does not take this approach.

In recognition of the importance of public relations, many organisations have in house corporate communication departments that articulate and implement the communication strategies of the larger corporate organisation. Clark (2000) observes that the activities of public relations are varied, and some of them include, dealing with clients or customers, with the aim of understanding their challenges, design programmes to mitigate the communication challenges, and decide on the best ways to implement the designed programmes in line with the overall goals and objectives of the organisation, i.e. there has to be particular activities geared toward meeting the intended out comes. The ultimate mandate of corporate communications is ensuring that an organisation, sector or

industry's image, before its stakeholders and the general public is kept high, since the survival of any organisation or industry is dependent or pegged on the image that it projects to its stakeholders and actually the general public based on the way it communicates with them.

With regard to I.R.A, its public relation activities are between the consumers of the insurance products, the general public the insurance companies, and insurance agents and brokers in Kenya. However, this study is limited to the public relations efforts by I.R.A, working together with all stake holders in the industry, including the insurance companies, in the effort to try and favourably influence how the public perceive the insurance industry in general, focussing on Kisumu city as a case study. Arguably, I.R.A is using the integrated marketing communication approach, where there is a combination of advertising and public relations to ensure mutual benefit between the parties involved in this communication effort. In this practice, there has been an effort to ensure that there is honest and ethical behaviour amongst all the stakeholders in the insurance industry.

2.3 Evaluation of Public Relation Activities

Griswold and Griswold (1948, p. 4) argue that the main function of public relations should be embraced as a management function that is geared toward "earn[ing] public understanding and acceptance". Any public relations effort thus, should be carefully planned, implemented and assessed or evaluated, to inform management decisions of an organisation or industry.

Cutlip (1994) points out that towards the end of the 19th century, press agentry and publicity were the dominant models of public relations practice. Hiebert (1966)

argues that these models of public relations practice could not be defined or measured, thus the need for a symmetrical model that can be measured and evaluated using social science research.

Macnamara (2006) observes that public relations and corporate communication operates in an environment of management practices where, among others, performance based measurement and evaluation mechanisms, such as balanced score cards, key performance indicators, and key result areas, are increasingly becoming important. Before evaluation of public relation programmes, argues Macnamara (2006), there are four main barriers that have to be recognised and surmounted. These are outputs versus outcome, SMART objectives, numeric versus rhetoric, and post programme measurement. Thus evaluating public relations against the foregoing, and making requisite decisions, is paramount to organisational success.

Lindenmann (2005) notes that, Cutlip and Center (1952), in *Effective Public Relations* argue in favour of measurement and evaluation of public relations through public opinion research. In this regard, in later editions of the book, Cutlip and Center point out that preparation, implementation, and impact are integral phases in designing and evaluating public relations.

From the 1970s, Watson (2008) notes, public relations activities have been actively practiced. However, according to Lamme and Miller (2010), measurement and media monitoring dates back to the 18th century, though without concrete measurement practices, which began in early 20th century.

With time, there has been an evolution of public relations, specifically in its practice, measurement and evaluation of effectiveness, influence or impact.

Lamme and Russell (2010), in *Removing the Spin: Towards a new theory of public relations history*, observe that in the United States, politicians began by monitoring media to see what citizens thought about them. As such, business organisations started to monitor media, in regard to publics' perceptions and attitudes towards them. In fact, Zerfass (2005) notes that with time, corporate communications techniques emerged such as use of score cards to evaluate effectiveness of public relation activities. Thus Ewen (1996) argues, basing on Edward Bernay that public relations needed to be precisely evaluated. Pavlik (1987) adds that Bernays in *Crystallizing Public Opinion* (1923) there has to be systematic approach and foundations to public relations practice.

Broom and Dozier (1990) notes that Arthur Page, and other public relations practitioners, basing on Walter Lippmann's book *Public Opinion,* argued that public relations research is integral in legitimising governments and corporate organisations. With regard to corporate organisations, public relations become important in not only bench marking the key stakeholders, but also measuring their attitudes, hence important in determining organisational success. Illustratively, Batchelor (1938) notes that the Administration of Roosevelt in the United States of America, went beyond publicity and sought to measure how messages were received by the general public, i.e. whether there were changes in attitudes with regard to messages disseminated to the public. By 1930 and 40s, there had occurred a significant development in measurement and evaluation of

public relation exercises, and this had been put to practical use.

The American Management Association (1968), contributed to the measurement and evaluation of public relations, presenting methods by publishing *Measuring and Evaluating Public Relations Activities.* Robinson (1969 cited in Pavlik, 1987, p.66) in *Public Relations and Survey Research*, argues that public relations evaluation shall be transformed from "seat-of-the-pants [to] scientific derived knowledge [where] systematic measures" are employed in assessing public relations. *Public Relations Review* (1990) emphasised a need for assessing or evaluating public relations empirically. In buttressing public relations and corporate communications as a management function, *The Balanced Scorecard* (1996) argued for more incorporation of the objectives of organisations by the senior management, through Key Performance Indicators (KPI) must be embraced.

In June 2010, at the European Measurement Summit (AMEC, 2010), the statement of public relations measurement principles by the Barcelona Declaration of Measurement Principles were adopted. Thus, there is general agreement in public relations practice, to evaluation or measurement of communication impact or outcomes, as opposed to results obtained through media.

2.4 A Critique of I.R.A Communication Strategy

The I.R.A communication strategy has been designed to run from 2011-2017. The strategy points out that the Corporate Communications Department is the one that is mandated to plan and implement the strategies, geared to promote the image of I.R.A. The strategy outlines the ways through which the communication objectives are to be achieved. The strategies, that include media events, conferences and exhibitions and

special campaigns, are all aimed at creating public awareness on the role played by the IRA in the socio-economic development of the country.

According to the strategy, a mechanism is provided for internal communication, for this determines the extent of success of external engagement with its publics, i.e. there has to be an harmonious coordination within and between the departments "to engender a positive culture within the organisation", and build team spirit and project a good corporate image, to be able to influence the external relationships in a meaningful way. It is important for the organisation's subsystems to smoothly operate for the whole organisation as a system, to produce or achieve the desired results or objectives. The strategy thus provides for the tools that are to be used to achieve the corporate communication goals, and indeed the communication goals of I.R.A are outlined vis-a-vis the communication strategy.

The strategy in reference to IRA Communication Policy outlines how Corporate Communications Department is to engage the media, to build relationships that benefit all, disseminate and articulate its policies and activities among other roles. Importantly, the communication strategy seeks to, through media relations, to uphold its reputation, create public awareness on the importance of the insurance industry, and seeking to change the insurance industry perception by the public. Thus, this demonstrates that the industry has had image problems as a result of the previous approaches, where the industry has largely been a closed system, characterised by one-way communication model, leading to its negative perception, since there was no adequate feedback, if there was any, that was forthcoming from the public. This has been due to information flow

problems, hence near stagnation of the uptake of insurance products in Kenya for a number of years.

Despite there being a Corporate Communication Officer, the strategy gives the CEO the role of the spokesperson. However still, the strategy gives a provision for any stakeholder, who must have undergone media training, to speak on behalf of the organisation. This reflects a contrast from the past where information about the industry could not be easily obtained, that created an environment of mystery with regard to the insurance industry practices. In fact, the *Standard* newspaper of September 8, 2012 (p. 22) citing Central Bank of Kenya and Financial Sector Deepening Trust report, observes that "insurance services uptake between 2006 and 2009 stagnated". The report observes that between 2006 and 2009, "only 6.8 per cent of Kenyans were using insurance services". Further, the report notes that "1.1 per cent and 1.5 per cent of Kenyans who previously had a policy of one type or another stopped using such services over a similar period".

The strategy outlines the initiatives that the Corporate Communications Department and the entire organisation has carried out, such as sponsorship and corporate social responsibility, communication to industry stakeholders, education and awareness campaigns, support of training institutions and media training awareness. Despite these efforts, the strategy points out that it is yet to secure a favourable perception by the public. This conclusion is based on newspaper clippings and stories that are carried in the media. In fact, the communication strategy document has newspaper cuttings to illustrate this fact. Overall, the communication strategy does not provide a holist evaluation

mechanisms and assessment of the strategies and the time frames or phases of the communication intervention so as to redesign or remodel the strategies that will produce the desired results. In short, monitoring and evaluation of consumer education and outreach activities, based on sound social science research is not provided.

Just like the Insurance Perception Survey (2011) there ought to be regular perception surveys that are based on scientific research to be able to accurately provide empirical findings, recommending what needs to be done to improve the public relations approach, and even revise the communication strategy that will serve to inform management decisions. If public relation evaluation is done and done well, it will provide the foundation for improving the ways or approaches in mitigating that which hinder insurance penetration, in the specific demographics by having tailor-made solutions to mitigate the challenges faced before. This way, the actual problems bedeviling the insurance sector will be identified, thus the management of I.R.A will make practical decisions in an effort to revise and improve their approach to achieve maximal results.

A critical look at the I.R.A Communication Strategy, one finds out that it does not clearly outline specific approaches in overcoming issues such as culture and how culture among Kenyans perhaps influences the perception of the insurance industry. In its communication priorities, the engagement with the policy holders comes last especially with information regarding the industry in general. In its priorities, it does not give a provision of how to reach out to the public and the time frame of doing that, and the evaluation mechanisms of the communication interventions.

2.5 Conclusion

This chapter has provided an overview on the evolution of the models of public relations practice and how that evolution is influencing the way contemporary public relation ought to be practiced. From the literature above, based on Sriramesh (2004), it can be argued that literature in public relations is asymmetrical. Looking at the early practitioners, propaganda and manipulation was central.

In fact, Gower (2006) agrees that in public relations, there needs to be borrowing from other disciplines, to fashion a new theory of public relations thinking and practice in an effort to argument its theoretical and practical understanding. Thus, sociology, psychology and more importantly, corporate social responsibility, relationship management and stakeholders theory, are some of the areas of study that should be used to enrich the conceptualisation, thinking and practice of public relations.

A broader perspective, particularly in the business environment which is dynamic, there needs to be an articulation and clarification of the relationship between business and society, where dialogue and sustainable relationships are vital and thus these relationships must be built and strengthened. In the context of the insurance industry in Kenya as offered above, there must be a paradigm shift, where an environment of open dialogic model, with the feedback loop, is put to practical use. Trust, transparency and holist approach to the development of the industry, given a background of image problems suffered previously, must form the bedrock of any engagement with stakeholders. Thus the relationships must be balanced, where manipulated and spin-based models are avoided, in favour of nurturing partnerships.

Freeman (1994) thus argues that moral discourse cannot be separated from business creation. In the public relations literature, terms such as relationships, trust, and social capital and mutually beneficial relationships are being embraced and as such this ought to be picked up by the insurance sector in Kenya if any developments are to be seen. The paradigm of public relations is shifting from that of seeking to control publics, to the strategies that promote trust and building society. In effect, the field of insurance in Kenya ought to define itself where social cohesion is paramount, through commitment to the quality of relationships, as long term performance in business is underpinned by the relationships with the stakeholders.

2.6 Theoretical Framework

2.6.1 Introduction

While conceptualising open model of public relations practice, this chapter provides the theories on which this study is framed. This theoretical framework seeks to contextualise the practice of public relations within the social and ethical framework, according to the paradigm shift in the contemporary public relations practice. Thus, this study is framed on three theories: the situational theory of communication, systems theory, and wedging and hedging theory of public relations.

Pavlik (1987, pp. 77-80), notes that situational theory of communication holds that a number of situational factors determine the relationships between awareness (knowledge), attitudes, and behaviour, among publics of interest to an organisation. These factors include: the level of problem recognition, the level of constraint

recognition, i.e. does the person see the problem to be within their ability to do something, the level of involvement and a prior knowledge, i.e. referent criterion. The outcome of a communication intervention thus, may not be always behavioural, but to get people to think about an issue, change attitudes and form opinion accordingly. This theory thus, according to uses summation method, providing a conceptual framework and practical tool for breaking down a population into strategic subgroups, such as active or activist public, the public that is aware, latent public and non public.

Regarding systems theory and public relations, according to Broom and Dozier (1990), enhances the comprehension of the way in which subsystems in a corporate organisation are interconnected in a way that they make up a complete system. In fact, the subsystems converge in a way that there is interdependence between them to enhance co-operation and co-ordination in the changing corporate environment. Thus a system, according to Almaney (1974 p. 73) is a "communication network" with clear set goals or objectives.

Importantly, according to Grunig and Grunig (1989), if pressure is exerted on a system externally, the organisation or system must evolve accordingly, or atrophy. Thus, the public relations function is to link the company with the external environment, and ensuring that the organisation is 'open' such that, according to Cutlip, Center, and Broom (1985), there is interaction, through scanning the environment, gathering information, and in a continuous way, utilising the information to react to the changes in the external environment. Broom and Dozier (1990) note that, without this kind of active engagement, organisations are likely to become not only insensitive and dysfunctional,

but also unproductive and dormant.

Broom, Casey, and Ritchey (1997) thus argue that, it is important for organisations to do an evaluation of their public relations programmes, by maintaining a two-way dialogic model, to access and get to understand its publics through the feedback, to rate the quality any communication intervention. Information concerning the effectiveness of a communication programme is obtained, and used to assess the level of success of the communication intervention, adjust appropriately.

On Hedging and Wedging theory of public relations, Stamm and Grunig, (cited in MacNamara 1992, pp. 17-32) came up with this theory, and it had broad effect on public relations. According to Stamm and Grunig, this theory attempts to explain what a person does when confronted with a view opposed to the one already held. A person who has a firmly held or wedged view, when faced with an opposing view, hedges at best. Hedging is a cognitive strategy where a person, at the same time, holds two or more views that are conflicting. Since it is not possible for one to change attitudes diametrically, from negative to positive or the reverse, Stamm and Grunig posits that one's attitudes can be changed from wedging to hedging to wedging, and not wedging to wedging. Since in public relations, focus is more on changing the views of the people diametrically regarding an organisation, this theory thus becomes significant.

2.6.2 Conclusion

From above public relations has been framed on the ethical domain where it adds value to society. The situational theory as offered, outlines the levels that where phases of behaviour change, and necessary efforts have been identified. On systems theory,

interdependence of all subsystems that makes the whole system characterised by open systems as opposed to closed ones, where organisations open up to their publics. Finally, hedging and wedging theory illustrates the process of attitude change.

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter defines research approaches, and **shows** a relationship to research design. **Objectives** of **this** study are briefly **outlined** to **establish** a **connection between them** and **the** methodology used in this study. This chapter then describes the sample, and the justification for the sample size is as well provided. The actual methods of data collection are provided and explained in terms of their suitability in this study. Methods of data analysis are also outlined and explained.

This chapter starts by defining research, and then outline the objectives of this study. The research approaches are provided and an explanation given for using the mixed method approach in this study. Afterwards, a research design is explained and the research area identified. Finally, the sample and sampling techniques for this study are offered together with data collection methods and methods of data analysis.

3.1.1 Defining Research

Rubin, Rubin and Piele (2005) define research as a systematic inquiry into a subject. Thus Rubin and Rubiin and Piele point out that the research must be methodical, as opposed to being haphazard. This study mainly seeks to assess the impact of IRA consumer outreach and education activities, and to determine the efficacy of these activities, as well as evaluating their influence regarding public perception towards the insurance industry in Kenya, and indeed their influence on the rate of insurance uptake. In order to achieve its objectives, this study focuses on Kisumu city as being

representative of the whole country.

Thus, study uses a mixed method approach to achieve its objectives. Creswell (2009, p. 203) points out that that mixed method research involves application of both quantitative and qualitative approaches, picking the strengths of each, taking into consideration the interdisciplinary nature of research and this enhances "an expanded understanding of research problems" and drawing of conclusions.

3.2 Choosing a Research Approach

Punch (2005 p.239) notes that, in choosing a research approach, one has to look back to the research questions as there is an interaction between the research questions or objectives and methods employed. Bryman (1988 cited in Punch, 2005) offers a justification as to why a researcher may combine the two approaches. Bryman argues that the two approaches offer their respective strengths, and the weakness of each compensated. However, Bryman adds that particular research situations and practical circumstances determine the choice of a research approach.

3.3 Research Approach in this study

Specifically for this study, a mixed method approach is used that integrates two types of data, i.e. qualitative and quantitative, in analysing the findings to draw conclusions. Punch (2005) notes that qualitative study facilitates quantitative, in that through qualitative approach, background information of the context and the subjects of study is provided, and then the research questions drawn. Further, Punch argues that, in order to provide a holistic picture, the two approaches are used to plug the gaps of the other.

36

3.4 Research Design

Frankfort-Nechmias and Nechimias (1996) define a research design as the 'blue print' that guides a researcher to solve problems at different stages of a research. Punch (2005) agrees with Frankfort-Nechmias and Nichimias that a research design involves all those issues that are taken into consideration in the planning and execution of a research project. This study employs a case study approach, which Frankfort-Nechmias and Nichimias call One-Shot Case Study. This is employed, when the researcher wants to evaluate the target population after some kind of intervention has been carried out to see if it produced a difference, i.e. to determine the effectiveness of an intervention programme. Since this is a comparative evaluative study, the case study approach is most appropriate, as a specific geographical area is selected, targeting a specific segment for changes in knowledge, perceptions and attitudes towards the insurance industry in general and different insurance products in particular.

3.5 Study Area

This study is carried out in Kisumu city, Kisumu County by selecting a section of the population to achieve its objectives. Kisumu is picked for this study because of the perceived cultural issues of the people regarding investments as pointed out in chapter 1. As earlier noted, the people of Kisumu, arguably do not take investments seriously, a fact attributable to cultural factors. Indeed, many communities in Kenya have cultural prejudices and myths, thus the people of Kisumu city cannot be an exception. Thus, as the consumer education and outreach activities have been carried out in Kenya, it is important to try and evaluate the effectiveness of this intervention using a sample from

Kisumu city, as already justified to determine if the cultural barriers have been overcome, and the objectives of the communication interventions are achieving the desired outcomes.

3.6 Sample and Sampling Approach in this study

In research, conclusions can be drawn from large groups by taking a sample. Punch (2005) defines a sample as a segment of the population that is selected for a study to represent the whole population, i.e. the researcher to make comments about the whole targeted population. Punch (2005) thus points out that the sample must be representative for the researcher to accurately estimate the thoughts, attitudes and behaviours of the larger population, and fit into the logic of the research questions. Purposive sampling is therefore used in this study to draw a representative sample from the population. Mugenda and Mugenda (2003) define purposive sampling, as a technique that is suitable to a study when the researcher uses cases that have the required information with respect to the objectives of study.

Mugenda and Mugenda (2003), notes that a criterion for selecting the sample has to be established. Concerning this study, the interest is on the perception of the insurance industry in Kisumu city, therefore the researcher has to go to Kisumu to locate the units of observation with the desirable traits, so as to get information relevant to the research questions of this particular study. Once in the area, Mugenda and Mugenda (2003) notes that a cluster is selected from the area, and then a random sample of cases or subjects drawn for the purposes of the study and then the survey questionnaires are administered to the selected sample.

3.7 Data Collection Methods

This study uses survey questionnaires to collect data relevant to this study. In survey approach, a researcher employs structured survey questionnaires, using a formal list of questions posed to the respondents. In surveys, Punch (2005) observes that the researcher may use a direct approach, asking the respondents questions about behaviours and thoughts. The survey approach is appropriate because it is suitable to use in collecting different kinds of information, compared to other approaches, such as observation and experimental approach, is less costly.

According to Punch (2005), the survey questionnaires seek factual information, backgrounds of the research subjects, knowledge and behavioural information. Survey questionnaires, according to Punch (2005), distinguish responses from the cognitive, affective, and behavioural aspects of the population being studied. However still semistandardided or semistructured interviews of Key informants, purposively sampled and where the researcher asks questions and probes the interviewees is used. In semistructured interview, according to Bryman (2004, p. 321), "a list of specific questions or topics" are prepared for the interviews, but "a great deal of leeway" is given to the interviewee when responding. As a result, information or perceptions, attitudes and motives are obtained.

3.8 Methods of Data Analysis

The research design and generally the type of research determines the methods used in data analysis. Since this study is a mixed methods study, with mixed methods research questions, data analysis methods used are mixed methods. Onwuegbuzie, Leech,

(2006, p. 10) in *Linking Research Questions to Mixed Methods Data Analysis Procedures,* notes that mixed methods research questions "embed both quantitative and qualitative research questions [hence] both quantitative data and qualitative data be collected and analysed either concurrently, sequentially, or iteratively before the question is addressed". This study is a quasi-experimental or comparative study that tries to determine or compare phenomena before I.R.A consumer education and outreach activities, thus in this type of study, Onwuegbuzie, Leech, (2006) observes that the quasi-experiment case employs quantitative methods and case study phase uses qualitative methods. Thus in this study, charts, graphs and tables are used to present, compare and analyse data to draw conclusions. Information from interviews focusing on this study is presented qualitatively.

3.9 Conclusion

In this chapter, the research design employed in this study has been provided and then connected to the research questions or objective of the study. The approach employed in this study has been identified, where integration of both quantitative and qualitative is done, i.e. data is provided in terms of figures and pictures to have a holistic understanding. The study area has also been identified and a justification provided for the choice. Finally, sample, sampling approach, methods of data collection and data analysis has as well been provided.

CHAPTER 4

PRESENTATION OF DATA AND ANALYSIS OF FINDINGS

4.1 Introduction

In this chapter, data collected from the field in the area of study by use of questionnaires is presented, and then analysed. This chapter begins by presenting the data using charts and graphs. Thereafter, the data presented is analysed and interpretations drawn in relation to the aim and objectives of this study.

This study took a sample of 49 respondents from the city of Kisumu and questionnaires were administered to get responses from the population regarding their perceptions, knowledge and attitudes towards insurance policies and the insurance industry in Kenya. The findings are presented in tables, charts and graphs so as to provide a clear picture from the data.

4.2 Data Presentation

Table 2: Tabular Presentation of the Sample Size

Gender	Male					Female				
	Age Spread in years				Total	Age Spread in years				Total
Religion	18-25	26-30	31-40	Over 41		18-25	26-30	31-40	Over 41	
Christian	12	12	2	2	**28**	13	5	1	1	**20**
Muslim	1	0	0	0	**1**	0	0	0	0	**0**
Hindu	0	0	0	0	**0**	0	0	0	0	**0**

Occupation										
Students	8	**0**	**0**	**0**	8	9	1	**0**	**0**	10
'Others'	2	4	**0**	**0**	6	1	2	1	**0**	4
Business	1	5	0	0	6	2	1	0	0	3
Lecturers	0	0	2	2	4	0	0	0	1	1
rjrducation										
"primar)^-	**0**	**0**	0	0	0	0	1	0	0	1
"Secondary	2	2	0	0	4	0	**0**	0	0	0
Tertiary	9	9	2	2	22	13	3	1	1	18
Did not Respond	2	1	0	0	3	0	1	0	0	1

Chart 1: Gender Representation of the Sample Size

Gender Representation

42%

58%
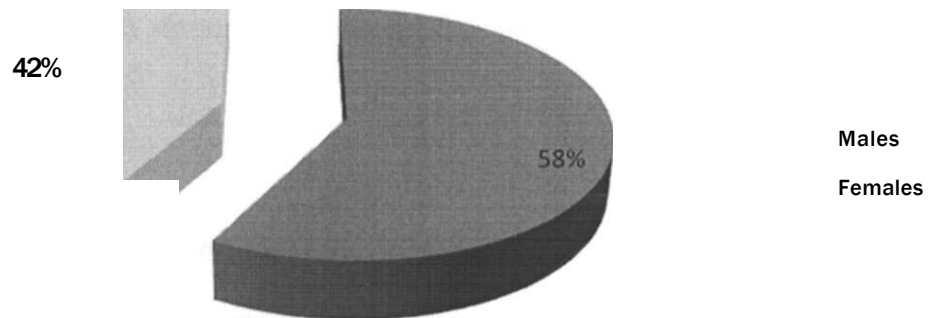
Males

Females
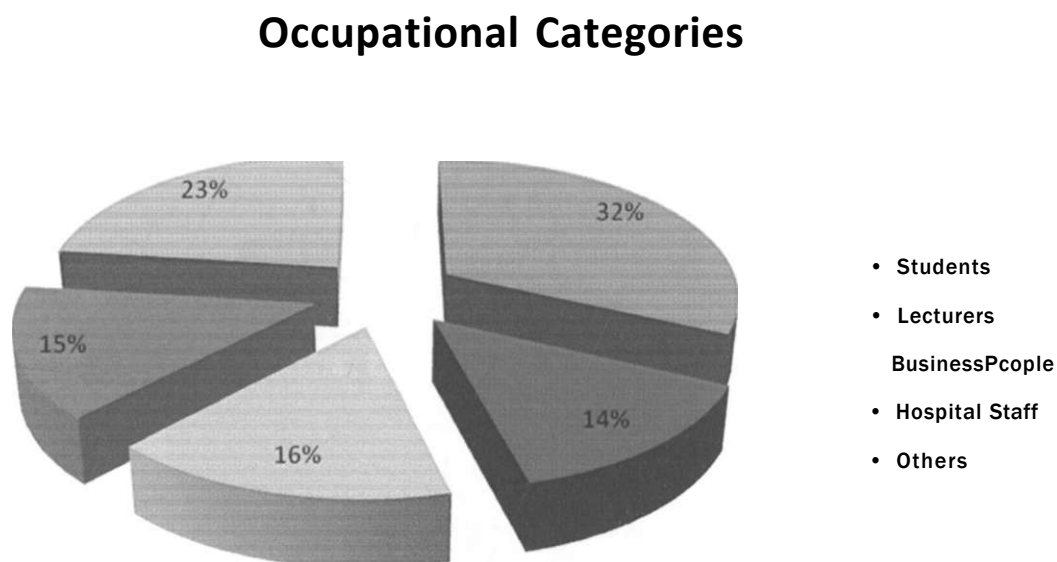
From the 49 respondents, 20 of them were females while the males were 29, representing

a percentage of 42 and 58 respectively, as shown in chart 1 above.

On the occupations of the sampled population, chart 2 below shows the various

categories of occupations of the people.

Chart 2: Occupational Representation

Occupational Categories

In the others category among others, the following categories are included:

- Clerks

- Security officers

In the students segment, the ages between 18 and 25 were the majority at 35

percent of the sampled population. The lecturers were mostly of ages 31 and above and

represented 10 percent of the sample. Christians were the majority when it came to

religion, as they were 98 percent. The only other religion represented was Islam that was 2 percent. On education, the highest level of education from the sampled population was tertiary level and primary level of education was the least. Secondary level of education was also represented. Chart 3 and 4 below shows the graphical summary of the level of education based on gender.

Chart 3: Male Education Level Representation

Level of education (Males)
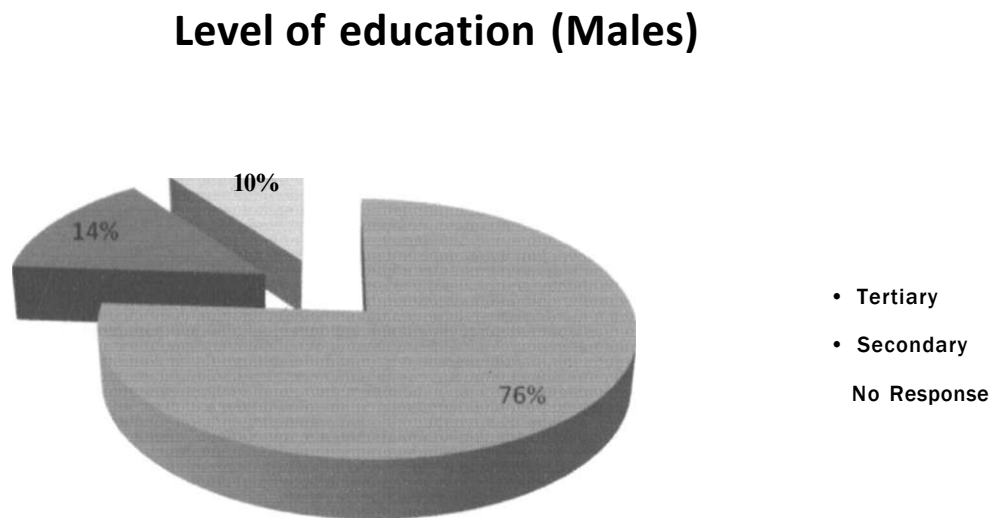
In the male gender category, there were no cases with primary level of education. However, 10 percent of the respondents did not respond to the question on the level of education.

Education Level (Females)

5%

5%

90%

- Tertiary
- Primary
: No Response
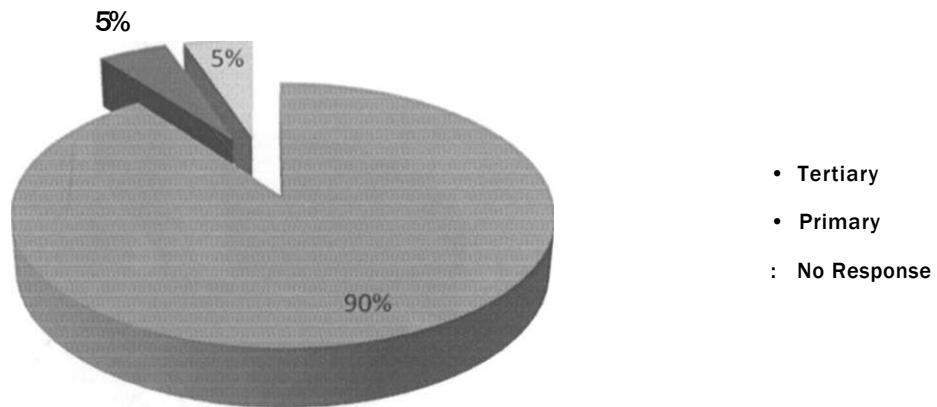
On the level of education, 5 percent did not respond to the question.

4.3 Level of Awareness in Relation to Insurance

Awareness of existence of insurance was at 96%, with 4% not being aware. This demonstrates a general awareness of the insurance among the sampled population.

Chart 5: Sources of Information on Awareness of Insurance

Source of Information about Insurance

- Interpersonal Networks/Media
- Traditional Media

If School

- New Media

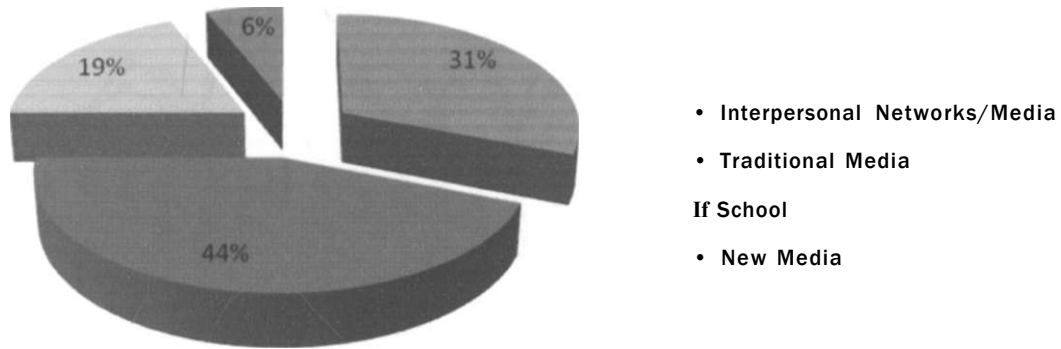When the respondents were asked on their source of information about insurance, a majority of the sampled population, that is 44 percent said that they got information from the traditional media. Among the traditional media formats identified, television and radio were prominent. Interpersonal networks or media followed at 31 percent where, insurance sales agents, colleagues and friends having a role in creating awareness about insurance. Third in line were those who got information about insurance from schools or learning institutions which stood at 19 percent. Finally, new media which includes internet social media was last in creating awareness at 6 percent.

Graph 1:Respondents' Awareness of Insurance Companies
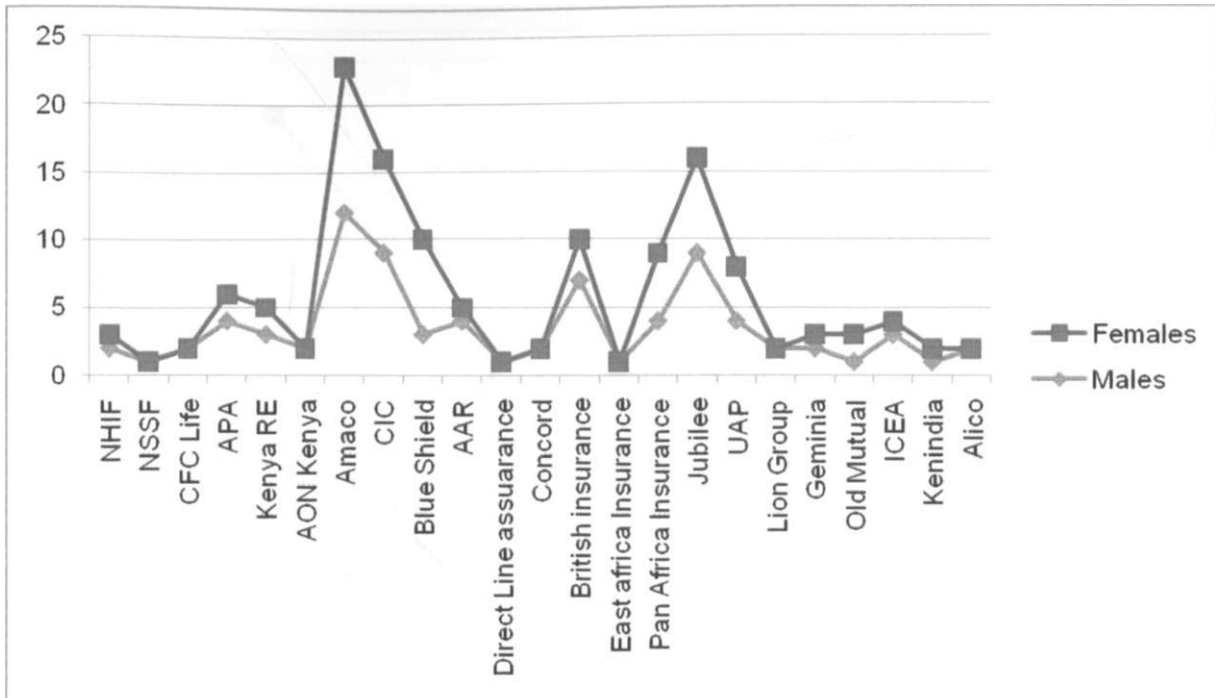
.When the respondents were asked to identify the insurance companies that they know or have heard about, AMACO was the most known company, followed by Jubilee insurance as show in graph 4 above. A number of other insurance companies were identified by the respondents, an indication that there is a general awareness about insurance companies among the sampled population.

About some specific insurance products, the sampled population level of awareness was as shown in graph 5 below.

Graph 2: Representation of Insurance Policies

	Life Insurance	Car Insurance	Education	Health	Fire	Property	Business Insuarance	Agricultural Ins
—•—Female	15	9	5	5	4	7	3	
—•—Males	24	15	3	11	5	8	2	1
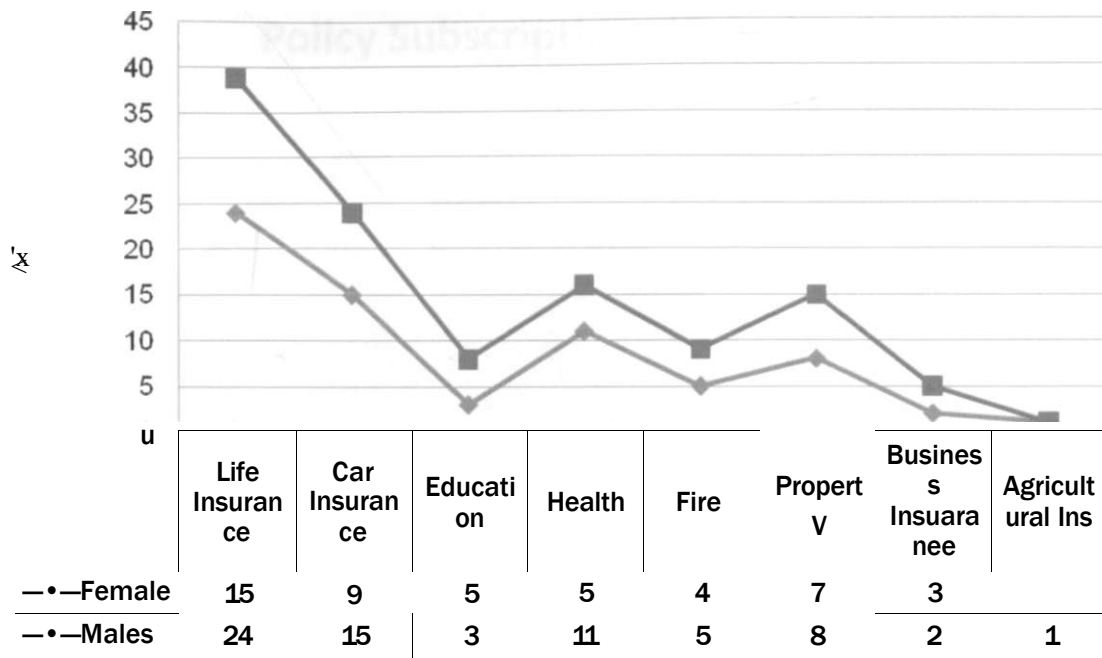
From the above graph 5, Life Insurance was the most known, followed by Motor/Car Insurance. Agricultural insurance products were the least known. In terms of gender and knowledge, there was disparity as shown from the graph.

48

Chart 6: i) Representation of Policy Subscription (Males)

Policy Subscription (Males)

- Without Policy

  With Policy

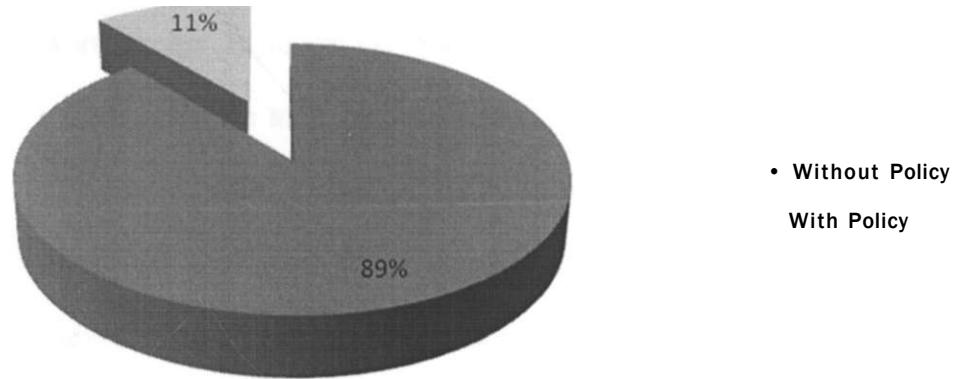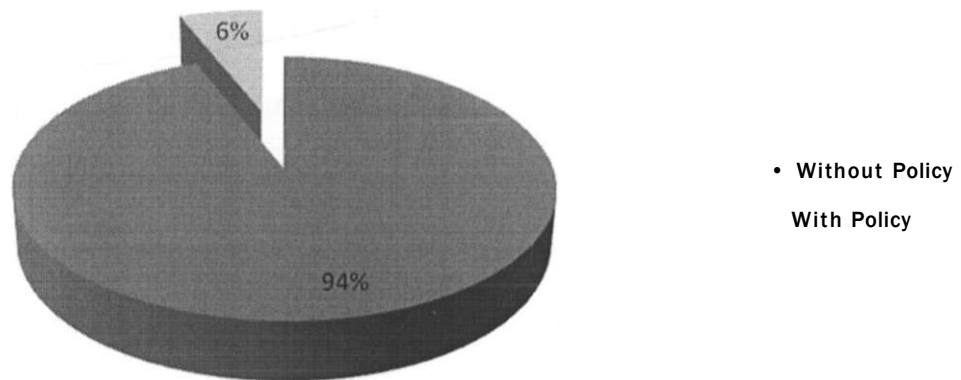**Chart 6:ii) Representation of Policy Subscription (Females)**

Policy Subscription (Females)

- Without Policy

  With Policy

Regarding gender and policy ownership, despite the female gender being generally aware about insurance than males, the larger proportion that actually owned insurance policies of some kind was that of males. Male ownership of insurance was at 11 percent while that of female was at 6 percent.

On age and awareness 18 to 25 age bracket were the ones most aware about insurance, but they were again the majority who responded to not having any insurance policy. Among the females, when contrasted with males, over 41 yrs in terms of percentage the females were less than males on owning an insurance policy of some sort. Among the age bracket of 18-25 years, more males responded to having policy than females of the same age bracket, and similarly males at age 26 to 30yrs, there were more males than females with regard to policy subscription. Among the males, health insurance was high among the 18 to 25 years as compared to the females of the same category. Generally, the main reasons given by those without insurance policy for not owning one were given by the respondents, and are as follows: High insurance premium rates, inadequate information about how insurance operates, specifically, information about policies, and unemployment or not employed hence unable to sustain payment of premiums as well as expensive to maintain insurance cover

Among those respondents who responded as owning an insurance policy of some sort, the following factors were given as the ones that influenced or motivated them into buying a policy: health reasons, identifying the cost of treatment being high hence Insurance Health Cover, future preparedness and retirement preparation, and those who are employed said that it is company requirement to have insurance. Others said that they

have taken policies to get bonus from insurance policy, legal requirement as is the case in owning a vehicle/car, and the high cost of education hence education policy.

Regarding interpersonal media or networks and the level to which it has influenced purchase of insurance policies of various kinds, the following interpersonal influences were identified: guarantee of being compensated when risk insured against occurs, family influence led to take up of insurance policy, and investment forums and discussions where insurance became a subject as an investment option as well as benefits from policy, such as peace of mind, hence doing 'risky' business ventures. Further, they gave other reasons as escalation in costs of accessing health care, and education/problem or challenges in raising school fees, sales agents visits where explanations were given on the benefits of insurance, and motivation by risks incurred by others.

On the other side, there are those who have not been influenced by interpersonal networks into insurance and insurance policies. They gave their reasons as follows: insurance issue has never come up in their conversations; they have never been approached by anyone such as agents to try and explain insurance, others sad that despite having talked about it, they could not afford to purchase insurance, while others pointed out that the conversations that they have had about insurance were negative thus they developed a negative attitude towards insurance

4.4 Culture and Insurance

There was a significant influence of culture among the sampled population, and how it impacted on general insurance perception. Among the responses, 35 percent of the respondents replied that culture influences the way they perceive insurance. In terms of gender, male respondents who said that culture were higher compared to female respondents, at 30 and 10 percent respectively.

Generally, the cultural factors identified by the responds are as follows: myths about death influences perceptions on insurance especially Life Insurance Cover, bad luck associated with insurance, that the insured risk will definitely occur hence better not to take any insurance policy or cover, and a tradition that has been thereof of non payment of claims and long and acrimonious compensation process, hence a cultural notion that insurance more often does not pay claims even when risks insured against occurs as well as the issue of property inheritance where females are culturally not allowed to inherit property hence no property to insure against risks

On how to deal with negative cultural influences and perception about insurance, the following responses or suggestions were given from the sampled population: proper explanation about insurance, insurance companies and insurance products or policies be availed to the general public, an exploration of ways to making insurance acceptable in different religious segments of the population

Those who have suffered risks in life, when asked how they dealt with it, the responses were diverse with a very small proportion giving insurance compensation as a

way in which they dealt with the risk. While others did not have responses on this question, those who responded that they borrowed money from friends to mitigate the risks or took a loan from banks.

The respondents were asked if they were aware of compensation mechanisms within the insurance industry, 83 percent were aware, 15 were not aware, while 2 percent did not respond to this question. Sources of information which played key role in creating awareness were as represented in graph 14 below:

Graph 3: Sources of Information on Insurance Compensation

	sales representatives	school	Media	friends	Family	Internet
—•—Females	3	5	6	1	1	0
—•—Males	4	5	4	4	2	1
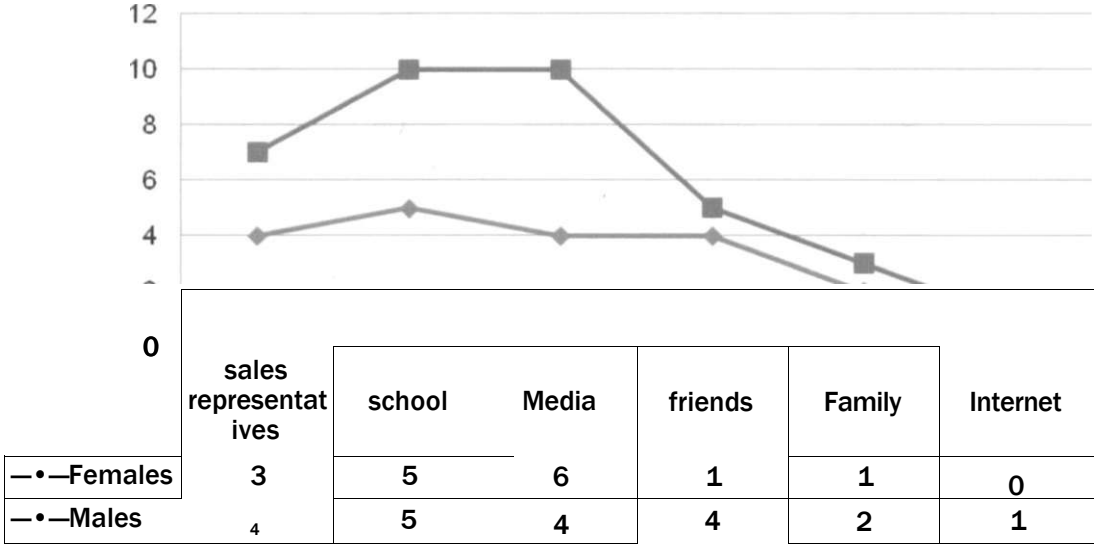
It can be seen from graph 14 above that media is the main source of information, followed by insurance sales representatives. The internet is the least source of information about insurance industry's mechanism for compensation.

4.5 Awareness of I.R.A Existence

Concerning IRA, knowledge of its existence, among the respondents, was at 42 percent among the male respondents and 38 percent among the females. Sources of information of I.R.A awareness to respondents are as represented in graph 15 below:

Graph 4: Sources of Information on I.R.A

	Exhibition	Media	school	Agents	Internet	
Males	0	9	6	4	1	
Females	1	3	7	3	0	
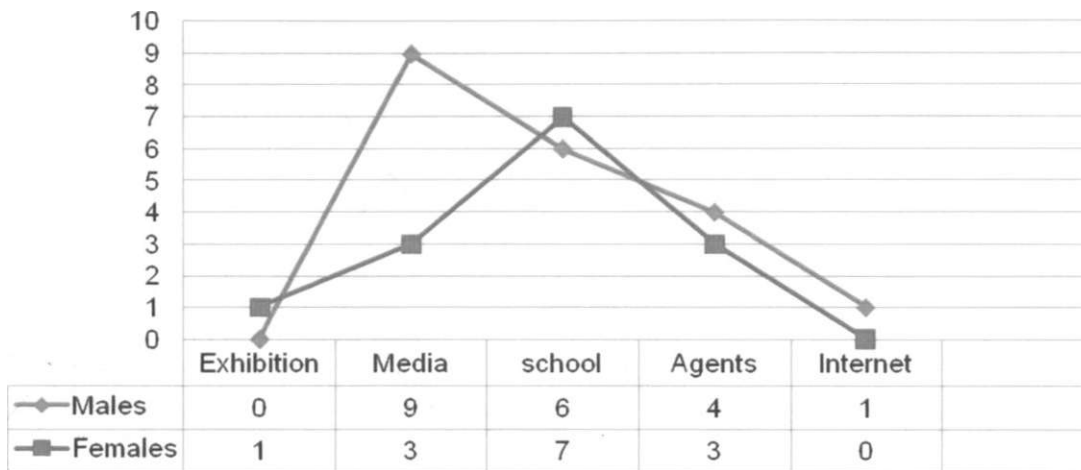
When asked about the roles of I.R.A, 36 percent of the sampled population would identify some of its roles well, and 18 percent of the entire sample was not sure of its roles.

When asked about their position regarding insurance as a way of ensuring financial security and indeed a form of investment, 94 percent of the respondents agreed while 6% disagreed.

54

Chart 5: Perceptions to Insurance as a kind of Financial Security and Saving
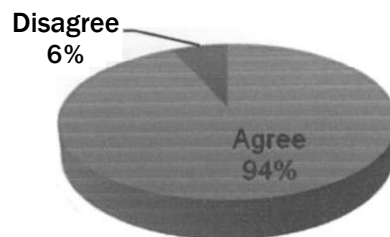
From among those who agreed, they gave the following reasons for agreeing: financial security and independence at old age, spouses benefit and support for each other, and life insurance since death is unpredictable as well as to mitigate or manage emergencies and future problems. Others were for financial security in an event of losing a job and helping to pay school fees

Among those interviewed, males agreed more to the fact that appropriate information is provided when buying insurance and they are also more than females on not agreeing that adequate information is provided when buying insurance. From those who responded that enough information is provided regarding insurance, they identified varied sources of information and are were: brochures, trainings and workshops, the media, friends, work colleagues, through education in school, sales agents and customer service agents, policy documents, company visits and personal research or efforts. Among those who did not agree that enough information is not provided regarding the insurance industry, they proposed that companies should be more accessible, the policy and regulation rules documents should be simple in language, and clients should be given time to evaluate when taking policy, and not made to register immediately as well as

sales representatives should be truthful when sharing information about insurance

From the sampled population, 53 percent of the respondents said that insurance products currently in the market meet their needs, while 35 percent saying that insurance products currently in the market do not meet their needs. 12 percent did not know if insurance products meet their needs or does not.

Chart 6: Appropriateness of Insurance Products in the Market

Appropriateness of Insurance Products in the Market
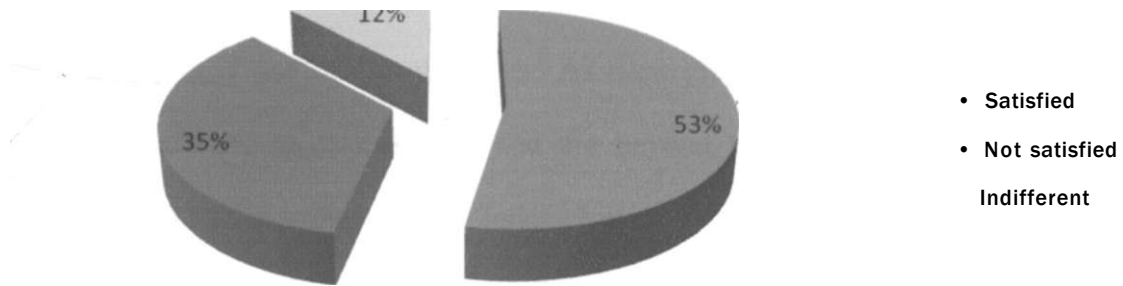
Among those who did not agree on the products in the market, they gave their reasons as follows: being not aware of their products, insurance favours the rich, and companies are out to profit without regard to welfare of customers as well as companies not being reliable when it comes to compensations or payment of claims.

4.6 Analysis of Findings

Data presented above indicates that there is a general awareness of insurance among the insurable population from the sampled population. The data shows that there is a 96 per cent awareness of the insurance industry from the sampled population. From those who responded as being aware of insurance, as indicated above, the majority were males. All the sampled population responded that the media was the dominant source of information on insurance, at 41 per cent, followed by interpersonal networks at 31 percent. Others said that school and new media was their source of information at 19 and 6 per cent respectively. It comes out that generally the population is already aware of insurance in Kenya.

However, when looking at the I.R.A communication strategy, public awareness of insurance in Kenya is one of the objectives. As these empirical findings indicate, the people are already aware of insurance and are beyond that phase of awareness in designing a communication intervention. Indeed from the data, the people are sufficiently aware of the specific insurance companies. It is instructive here to appreciate the fact that I.R.A uses diverse approaches, including the use of media[1], thus this situation may be due to a nexus of factors, as it cannot be attributed to one factor. From the data, AMACO and Jubilee insurance companies come up as the most known insurance companies.

From the data, despite Life Insurance being the most known insurance policy, Ndegwa[2] notes that it is less popular among the public. Ndegwa attributes this situation to culture. As the policy involves talking about death, culture among the populations does

[1] Personal interview with Titus Osero of I.R.A, Nairobi, 8 August 2012

[2] Ndegwa is a staff at I.R.A, Nairobi

not allow them to freely talk about it, as it is a taboo subject. From the data, a section of the responded that culture, in one way or another influence how they perceive the insurance industry in general. The cultural beliefs are varied, and they range from witchcraft, religion, e.g. those who said to be Muslims, respondent that religion does not allow them to take any form of insurance, among others. The issue among the Luo about property ownership, as offered in chapter 1, where a man's property away from home is not valued by the community may have an impact on levels of insurance hence levels of insurance products uptake. Osero adds that culture has been a major hindrance in the insurance penetration in Kenya.[3]

A significant percentage of the respondents said that they do not actually trust the insurance companies. They said that the insurance companies are out to make money, not meeting their needs. The respondents argued that it takes a lot of time and a long process of claiming compensation when the risks occur. When Ndegwa confirmed, in an interview that some insurance companies do not actually pay claims in an event of the insured risk occurring. Further, Ndegwa noted that this situation is worsened when insurance companies have been going under or put in statutory management in the recent past. However Ndegwa pointed out that the Insurance Compensation Fund has been put in place to address these challenges, at the same time measures have been put to ensure that no company goes under, adding that I.R.A has put sanctions against those companies who do not pay claims.

On the insurance documents, the respondents said that the forms carry too many questions. This coupled with complicated language of the documents, makes it difficult

' Personal interview, Narobi, 8 August 2012

58

for the customers to properly understand some of the policies, as a result they repulse. When this was put to Ndegwa, he actually added that this has been a significant challenge. Indeed, customers do not ready to see the insurance policy they are taking what it excludes. This poses problems to them when making claims hence mistrusting the insurance industry further. In the specific way that I.R.A is addressing this situation, Ndegwa notes that efforts have been made to standardise and approving insurance policies and simplifying the language used in an effort to make insurance friendly to the consumer. Ndegwa observes that to sensitise the public on these developments, they use drama especially on television and giving out I.E.C materials to the general public. I.R.A also uses exhibitions during Agricultural Shows and organsing seminars targeting Universities and Teachers.[4]

Further, the motor insurance documents that have been too long, and complex in terms of language, they have as well been simplified (see Appendix   ). Concepts and terms have been made simpler, and how premiums are calculated has been clearly outlined. And upon occurrence of an accident, the procedure of making claims has as well been outlined.

Ndegwa and Osero concur that despite the various interventions by I.R.A, the insurance penetration remains low as it is growing at a very slow rate. In fact, compared to two years ago penetration was at 2.5 per cent, and now 3.0 per cent (see table 1), a paltry 0.5 growth. Ndegwa and Osero, attribute this to the consumer education and outreach activities.^ Over what has been offered above, Ndegwa points out that the I.R.A

toll free line is opening up communication with generall public, as he observes there has been a number of people seeking clarification on issues about the insurance industry, a situation that was no there before. Additionally, points out Ndegwa, insurance consumers are able to conveniently report those insurance companies that do not honour payment of claims. Regarding the affordability of insurance premiums, a significant percentage of those who responded as the insurance policies being expensive, Osero noted that the concept of micro insurance that has been successfully introduced in South Africa and improved insurance penetration, is being considered by I.R.A, "to look at the bottom of the informal sector". In fact, Osero noted that a Steering Committee has already constituted on micro insurance by I.R.A and the draft micro insurance policy is currently being reviewed for eventual roll out.

In addressing fraud that has been rampant as pointed out in chapter 1, anti-fraud unit which is collaboration between the police and I.R.A has been launched to address the issue of fraudsters targeting the insurance industry to save billions that are lost. According to statistics, in 2011 alone, of the "total claims made against the insurance firms from accident cases totalled Sh. 1.5 billion...only Sh. 728 million has so far been paid...fraudsters could have pocketed already 40 per cent of this amount already paid out.[6] This issue of fraud in the insurance industry has contributed too many insurance companies collapsing, impinging on the image of the entire industry. Further, there have been requirements set by I.R.A that all insurance brokers and insurance agents must fulfil, in an effort to eliminate conmen from the sector (see Appendix   ). There are also requirements for service providers (see Appendix   ).

" Simmy Makove in a newspaper interview (see Standard on Saturday of 8 September 2012)

At the corporate level, Osero says that I.R.A has entered into partnerships with other corporates, where they get involved in sponsorships, e.g. the COG award is sponsored by I.R.A on corporate governance, ICPSK award on ethics among others. I.R.A is also involved in CSR activities where they try to give back to society, e.g. visiting children's homes and offering support.[7]

CHAPTER 5

PUBLIC RELATION PRACTICE PARADIGM SHIFT IN INSURANCE

INDUSTRY CONCLUSIONS AND RECOMMENDATIONS

"If a business is not based on ethical grounds, it is of no benefit to the society, and will, like all other unethical combinations, pass into oblivion."" - C. Max Killian, Amercan Lawyer (cited in AKI's Journal, *The Kenyan Insurer* of June 2011 Vol. 7 No. 4)

5.1 Introduction

This chapter provides conclusions and recommendations from the findings of data, presented from the previous chapter 4. The discussions and recommendations drawn from the findings are based on the aim and objectives of this study. As it has been observed from earlier chapters, there needs to be a paradigm shift in the practice of public relation practice in any business or corporate environment, i.e. from one-way communication model to two-way model of communication. Thus, despite the literature in the practice of public relations being largely asymmetrical, as opposed to symmetrical, there needs to be an attitude change regarding the whole conceptualisation, thinking, and practice of public relations in the contemporary world.

The two-way dialogic model should be characterised by corporate entities, or sectors in general, opening up and responding appropriately to the environmental needs, by scanning the environment in which they operate and respond appropriately to not only remain viable, but also competitive and adding value to society. This will not only ensure the survival of the respective businesses, but also make a significant contribution to society in general. In the new. paradigm or approach to public relations, trust,

transparency and high regard to ethical standards is paramount, and thus must be emphasised continuously.

This chapter begins by outlining the aim and objectives that were set out to be achieved in this study. Then findings in chapter 4 are discussed against what has been reviewed previously. In a general way, the findings are discussed in the context of public relations practice, since I.R.A consumer education and outreach activities are a form of public relations exercise by the insurance sector in Kenya. Perspectives from interviews that were carried out among the I.R.A staff are also offered, in an effort to provide a holistic picture on the approach that is being employed to reverse the negative perception that has characterised the insurance sector in Kenya for a long time and as such, their efficacy. Recommendations are thereafter offered, and finally conclusions drawn.

This study sought to examine I.R.A consumer education and outreach activities, assessing their impact on the public perception of insurance industry in Kenya. At the same time, the study determines the efficacy of the interventions, and the effect it has had on insurance uptake were the specific objectives of this study. As earlier pointed out, this study was focused on Kisumu city, with an aim of generalising the findings to the universe or whole population, i.e. Kenya.

Liendeman (2005 citing Cutlip and Center, 1952) argues that in the practice of public relations, before implementing a communication strategy, it is important to plan for the communication intervention and clear mechanism for evaluating, assessing and monitoring the effectiveness of the communication programme. Macnamara (2006) on his part argues for Key Performance Indicators and Key Result Areas using score cards.

Further, Broomer and Dozier (1990) notes that corporate organisations get legitimised when public relations measures attitudes and perceptions and thus integral to organisational success.

Despite the level of awareness been generally high, especially among females, uptake of insurance is marginally low compared to that of the males. This fact is attributable to culture, as earlier pointed out in the previous chapters that the females have no properties rights and do not inherit property, thus do not have property to insure against risks. Thus, in designing messages for attitude changes, the messages designed must be geared towards addressing culture barriers, not only on rights to property, but also those cultural worldviews that contributes to negative perception of insurance companies, and indeed the insurance industry.

Generally thus since this study finds out that there is sufficient levels of awareness, I.R.A should move from creating awareness and focus on changing attitudes which in turn affects the way people perceive insurance in Kenya. Thus, in as much there has been arguably some impact by the consumer education and outreach activities, especially by opening up the insurance sector and ensuring information flow in both ways, i.e. a two-way model of communication has opposed to the closed one-way model used hitherto. Though this is a significant step, now there needs to be a clear communication strategy that outlines how to target specific messages by way of segmenting publics or populations and identifies the best communication strategies and media that is not only accessible but that which will have a meaningful impact on favourably changing attitudes of the populations. This will require, first and foremost,

I.R.A doing countrywide needs assessment and categorising the population into segments, identifying their communication needs and media platforms appropriates to each segmented population. Specific media tactics also must be identified. For example, farmers who may need specific information on Agricultural insurance products should be targeted by being provided with relevant information. A critical look at I.R.A Communication Strategy does not provide for this, thus the strategy ought to elaborate how this can be achieved, and appropriately inform management for decision making.

Importantly, there has to be a clarification, when customers are taking insurance products, what that particular product excludes for the customers to have a clear understanding on the risks specific products protect the customers. This will ensure that chances for mistrust of insurance when people are not compensated for not understanding that which is excluded from each policy taken. Efforts against fraud must also be gotten out, and information on how I.R.A is trying to reform should be well disseminated. To some degree thus, I.R.A consumer education and outreach activities have been effective, since looking at statistics offered in table, 1 chapter 1 despite generally high level of awareness, the rate of insurance intake has not significantly improved.

5.2 Recommendations

There is need for I.R.A public relation effort to move beyond the level of awareness and seek to make particular clarifications on issues that are complex to the public, as from the findings, there is enough awareness, thus there is a need to take the outreach a notch higher by explaining intricate issues that are gotten from the public through feedback. More specifically, efforts must towards addressing issues of mistrust

about insurance among the public, since the public's awareness is based on ignorance.

I.R.A should in a meaningful, engage all the insurance companies, and indeed, try to educate the respective management on ethics and fraud in the insurance industry. This should be considered in order to streamline and stabilise the sector. This way, quacks will eventually be removed, at the same time improving transparency and high standards of ethical behaviour. Despite the large percent of respondents being aware of insurance, a number of them said that policies are expensive for them thus arguing that insurance is for the rich. Micro insurance as observed above, therefore as is being conceptualised by I.R.A will no doubt improve insurance penetration in Kenya. However, information about this development must be target to the appropriate segments, with tailor made messages.

5.3 Conclusion

Jefkins (1998, p. 54) points out that public relations is a necessity, not a luxury and if public relation efforts do not achieve the desired outcomes, it "is in danger of [it] being closed or fired". Jefkins, giving an example, he points out that Rentokil Group, from Britain depended on public relation techniques to survive recession, and rated well in community responsibility and environment protection.

Additionally Jefkins (1998) argues that it is important that public relations is regularly assessed, using diverse approaches. However, Osero points out in Kenya, [o] decisions taken by the insurance industry as "they do not research". Thus to have a meaning public relations must be based on empirical research done from time to time, responding appropriately to the environmental factors and changes in the environment.

[x] **Personal interview, Nairobi**   66

As such any public relations should be founded on sound social science research so as to have strategies in place that will produce the desired results, and the strategies should be reviewed from time to time, due to changing dynamics in the environment. In short, all corporate and business organisations must be open systems in order to achieve the goals they were set out to achieve through constantly scanning their environments.

Generally thus it can be concluded that, even though a significantly small impact has been created by I.R.A consumer education and outreach activities, the effort if well done and based on a regular evaluation, based on social science research will achieve better results. Therefore, the activities as currently conceptualised and implemented must be reviewed in order to make the intervention more effective in improving the corporate image of the insurance industry. As such, the activities are in some way positively influencing on how the public perceives the insurance industry in general.

In as much there have been marginal achievements by I.R.A there is need to increase higher degree of transparency in the ways insurance companies market their products, moving from that model where the aspirations of the customers are not being sought and catered for. This must encompass outreach and educational activities, targeting various publics, opening up the industry in the modern practices of business as those organisations that remain closed against the changing environment will sooner or later atrophy.

However, it is important to note that culture may not be changed overnight as it must involve continues education, as there always hedging and wedging before changing along held attitude, notion or perception.   Thus, there has to be more effort and not

only intensification of the campaigns, but also designing communication strategies creatively. These strategies have arguably demystified the industry, but there are some issues that remain to be attended to - going down to the grassroots and simplifying insurance concepts further. Importantly however, it will take time for effects to be felt, and ambitious public campaigns approach, bringing on board all the relevant stakeholders.

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SURVEY QUESTIONNAIRE (Insurance Perception Survey, Kisumu City)

This survey questionnaire is to evaluate the perception, knowledge and attitudes of Kisumu City residents on insurance policies and the insurance industry in general. Information collected shall be used for academic purposes only.

SECTION A (Fill or tick where appropriate)

1. Name (Optional)

2. Gender   Female [ ] Male [ ]

3. Age   18-25yrs [ ] 26-30yrs I] 31-40yrs [ ] Over 41yrs [ ]

4. Religion   Christian [ ] Muslim [ ] Hindu [ ] other (Specify).

5. Occupation

6. Education level   Primary [ ]   Secondary [ ]   Tertiary [ ]

7. Mobile phone number (Optional)

SECTION B (Fill or tick where appropriate)

8. a) Have you ever heard of insurance? Yes [ ]   No   [ ]

   b) If yes, where did you hear of it?

9. Which insurance companies are you aware of? Kindly list them

10. Which insurance products/policies do you know? Kindly list them

11. a) Do you have any insurance policy or policies? Yes [ ]   No [ ]

    b) If Yes, which one(s)? Kindly list

    c) If No, why?

12. a) If your answer to question 11 a) above is yes:

i) Where did you get information regarding the existence of the policy or policies that you have?

ii) What influenced you to buy the insurance policy or policies/products that you have listed in number 11 a) above?

12. Have you ever discussed insurance with anyone (family, friends, colleagues, community members etc)? Yes [   ]   No [   ]

a) If yes, what prompted the discussion?

b) If No, why?

13. a) Where you come from, are there any cultural factors that influence how people perceive or see insurance as an investment? Yes [   ]   No [   ]

 b)

i) If yes, which are the cultural factors?

ii) How can the cultural factors identified in 13 b) i) above may be overcome?

14. a) Has an unfortunate circumstance or risk faced you or your business?

Yes [ ] No [ ]

b) If yes, how did you deal with the unfortunate circumstance or risk?

15. a) Are you aware that insurance companies compensates the people who have cover with them when an unfortunate circumstance or risk occurs? Yes [ ] No [   ]

a) If yes, where did you get to know about that?

16. i) Have you ever heard of Insurance Regulatory Authority (I.R.A)? Yes [   ] No [ ]

ii) If yes, where did you hear about it?

17. i) Do you know the functions or roles of Insurance Regulatory Authority (I.R.A)?

Yes [ ] No [ ]

ii) If yes, briefly outline some of the functions of I.R.A that you know?

18. a) People say savings in life is important. Do you agree? Yes [ ]   No [   ]

b) If yes, in your opinion, why?

19. a) In your opinion, are insurance customers provided with appropriate information when buying insurance? Yes   [   ]   No   [   ]

b) If yes, how do they get this information?

c) If No, what do you think should be done to ensure they get the right information about insurance?

20. a) In your opinion, are the insurance products/policies that are currently in the market meeting your needs? Yes [ ]   No   [   ]

b) If No, why?

21.   Generally, in your area/where you come from, what may you say about the people's awareness about insurance compared to 12 months ago?

APPENDIX II

INTERVIEW GUIDE FOR I.R.A STAFF

1. What prompted **I**.R.A to design the consumer education and outreach activities?

2. Compared with previous years, how may you comment on the impact of the consumer outreach and education activities with regard to insurance penetration in Kenya?

3. What are the main factors that affect or influence the insurance penetration in Kenya?

4. With regard to Kisumu County, how may you say concerning the factors that influence insurance uptake?

5. How is culture influencing insurance products uptake in Kisumu County?

6. How may you compare, with reasons, insurance uptake in Kisumu and Nairobi?

7. Has there been an improvement in terms of insurance penetration as a result of insurance consumer outreach and education activities

8. What are the ways in which the consumer education and activities may be enhanced?