The entering of the banking institutions on the insurance market can be seen as an effort of modernizing the sector of financial services, for satisfying the diversifying needs of the consumers. Asserted as a new strategic orientation for financial institutions related to their customers, the concept of banc assurance differs considerably from one country to another, especially regarding the way in which the banks and the insurance companies use each other’s distribution channels. One of the most significant changes in the financial services sector over the past few years has been the appearance and development of banc assurance. Banking institutions and insurance companies have found banc assurance to be an attractive and profitable complement to their existing activities. The Kenyan insurance industry has been relying heavily on agents and brokers to sell insurance products. Since the agent and broker led channels have failed to achieve significant penetration of insurance; there is need for the insurance industry players to adopt new and more efficient channels. Banc assurance has been identified as one of the distribution channels through which insurance penetration can be enhanced. The research design used in this study was cross sectional descriptive survey of a defined population as it involved a study of all the eighteen insurance companies which use banc assurance as a channel of distribution. The data was collected using questionnaires and data collected cleaned, coded and entered Statistical Package for Social Sciences (SPSS). Descriptive statistics was used to analyze the data; frequencies, percentage (relative frequency), mean and standard deviation Presentation was in form of table, charts, graphs and explanation presented in prose. Study findings show that banc assurance has increased insurance uptake by increasing its distribution channels, attracting new customers while retaining the old and winning the customers trust unlike the traditional agents since most customers trust banks and they frequently visit. The insurance companies have also gained a competitive edge through tapping into existing bank customers’ database in the various branches as well as using the well trained staff and innovative marketing channels such as online marketing and e-sales.