IMPACT OF ECONOMIC INTEGRATION ON GROWTH OF INSURANCE INDUSTRY: AN EMPIRICAL ANALYSIS OF EAST AFRICAN COMMUNITY

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ABSTRACT

The study examines the impact of economic integration on the growth of the insurance industry. The main objective of the study was to assess the impact of economic integration on the growth of the insurance industry in east African community. The specific objectives were to assess the growth of insurance sector in east African community, to examine the East African regional economic integration and to assess the effect of economic integration on the growth of insurance sector in east African communities.

The population of the study was 1600 employees who were drawn from the employees of EAC through the Ministry of East African Community, Britam insurance company and Madison insurance company. A total sample size of 55 employees was regarded adequate for the study for primary data and a sample of 10 interviewers. Both secondary and primary data was collected. Data was collected using statistical Package for Social Sciences (SPSS). The study found out that economic integration in east African community contributes to the growth of insurance industry in the region.

The study found out that economic integration has contributed to the performance of insurance industry within east African community. It also found out that growth of insurance industry in east Africa community has contributed to the economic development within member countries and east African economic integration has contributed to the growth of insurance sector in member countries. The study found out that uncertainty for investors affects the growth of the insurance in the region as well as presence of trade barriers and high transaction costs. The study found out that insurance industry uses the strategy of expanding product portfolio and heating different brands as per market requirements to develop in the region. The study concluded that economic integration in east African community contributes to the growth of insurance industry in the region.

It concluded that economic integration has contributed to the performance of insurance industry within east African community. The study further concluded that growth of insurance industry in east Africa community has contributed to the economic development within member countries and east African economic integration has contributed to the growth of insurance sector in member countries. The study concluded that uncertainty for investors affects the growth of the insurance on a great extent and presence of trade barriers and high transaction costs affects the growth of the insurance industry in EAC.