STRATEGIC PLANNING AND PERFORMANCE RATING OF INSURANCE COMPANIES IN KENYA

MARGARET WANJIRU MAINA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION.

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

OCTOBER, 2014

DECLARATION

This Management Research Project is my original work and has not been presented for a degree or any other academic award in any institution of learning.

Signed………………………………… Date…..................................

Margaret Wanjiru Maina

D61/72641/2012

This Management Research Project has been submitted for examination with my approval as the University Supervisor.

Signed……………………………… Date…………………………

Prof. Martin Ogutu

Department of Strategic Management

School of Business

University of Nairobi

ACKNOWLEDGEMENTS

I am extremely grateful to the Almighty God for His mercies and divine provisions during my entire MBA program.

I would also like to express my heartfelt gratitude to all those whom, in one way or the other contributed to the realization of this project.

My sincere thanks to my supervisor, Prof. Martin Ogutu, whose intellectual guidance and criticism enabled me to weather through the stormy path to the success of the project.

I finally wish to acknowledge the support and encouragement extended to me by my family when it was most needed.

DEDICATION

This project is dedicated to my husband Richard Muturi for the relentless support and never ending encouragement to never give up.

TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

The concept of strategic planning seems unavoidable if any organization is to succeed especially in the insurance industry in Kenya. Strategic planning is a predictive process of what an organization would want its future to be like and among the elements in strategic planning is review; this can be achieved in form of conducting assessments to check on progress thus reference to performance rating. The study was guided by the objective of determining strategic planning and performance rating among insurance companies in Kenya. The study applied cross-sectional survey research design while also on the other hand the study population consisted of registered insurance companies in Kenya which are 49 in total. Data collection was done through the use of a questionnaire while analysis was conducted through the use of SPSS version 20 and data was collated and presented in form of tables and graphs. The study found out that strategic planning is key and fundamental for any insurance company that wants to be successful taking into consideration all the aspects of strategic planning and also the significance of performance rating in the evaluation process of a strategic plan.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A walk in any serious organization and a brief interview with any management staff would unquestionably bring out the concern that competition has become rife and sometimes “violent”, meaning, from a professional perspective, the end justifies the means. There should be a clear notable link between strategic planning and performance rating which according to Kenny (2012), strategic planning is the process that will set up the goal and objectives in any given organization thus giving it direction for a given period of time, while performance rating is the tool that is used to measure whether or not from an individual or organization level, the goals and objectives have been achieved. This link between strategic planning and performance rating provides a solid platform for progress evaluation while at the same time, it can be used in benchmarking and coming up with better strategic plans in case the previous ones tried did not succeed (Kenny, 2012).

Among the theories that explain strategic planning in connection with performance rating includes the theory of change and the theory of competitive advantage. The theory of change in a wider sense applies to strategic planning and can be explained by the fact that the theory shows a clear cut and distinct units from the needs of an organization, to activities to outcomes and then finally the impacts that arise (Savicki, 2007). On the other hand the theory of competitive advantage can be linked to strategic planning by the simple fact that it is a significant theory which explores competitiveness and the implications that come with it (Mukherjee, 2002).

The Kenyan insurance industry in the last five years has been experiencing unprecedented growth while at the same time competition has become rife considering the entry of new players in the market who are all keen on succeeding. The fact that all insurance companies in Kenya want to make profits and grow is of significance, thus warranting the study to look at the link between strategic planning and performance rating among the various insurance companies.

1.1.1 Strategic Planning

Steiner (2010) states that strategic planning had its beginning and application as a modern design in business in the 1950s; at that time, only big companies had strategic plans which were called strategic planning systems but since then, formal strategic planning has gone through maturity and now almost all companies in the world regardless of size, have a strategic system of a kind. The essence and experience of strategic planning needs to be well understood and known by managers at all levels for there to be any attainable success in an organization. Business management cannot do away or assume that strategic planning does not exist, they are completely interwoven since organizations need to take into account internally and externally focused information before they are able to make any decision (Steiner, 2010).

According to Simerson (2011), strategic planning applies to all the individuals in an organization and does not discriminate as long as that person has a responsibility to play in the organization. Planning is considered a fundamental part of our lives while on the other hand; strategy is what is applied in any plan for it to achieve a meaningful outcome. Strategic planning is indeed considered to be a management activity, used as a chart and compass to balance resources with priorities, strengthen operations and finally ensure that stake holders have a common achievable goal (Smith, 2004)

Smith (2004) further states that for the accomplishment of anything, it all begins with a strategic plan. The process of strategic planning looks at all the options that are available then narrows them down to what a company or organization can do best. With a well formulated strategic plan, business organizations have at their discretion the determination on where to spend their time, their human resource and also financial capital.

Simerson (2011) is of the argument that most people consider strategic planning as a very hard process yet, it can be broken down into five simple steps that any organization can find easy to implement. The first step would be to identify where the organization is by conducting an internal and external audit so to get an accurate picture of the business in relation to the market place, the competitive environment and the actual competencies that an organization has and not what is perceived.

The second step is to know what is significant for an organization and the future direction it needs to take; the long term objectives of an organization need to be well laid down by defining the mission and the vision which will give a concept of what the organization would be like in the long run. From the analysis and objective setting, an organization can identify areas that it should give priority and dedicate resources on; this approach also gives the management team a chance and an opportunity to channel their efforts towards a given identified direction. Thirdly, there needs to be a clear and practical definition of what the organization needs to achieve as it addresses the priority issues (Smith, 2004).

Fourthly, there is need also in any organization planning their strategy to clearly state who is accountable and this brings in the element of performance rating in relation to the objectives of the organization. The strategies that have been set, the action plans and budgets are just steps in the process of strategic planning thus communication is required on how all these processes will interact bringing about an achievement of the defined objectives (Kenny, 2012). Lastly, after the launch of the strategy, a review is needed periodically to ensure that things are moving the right direction.

1.1.2 Performance Rating

According to Grote (2005), performance rating is a practice in an organization depending on its unique features and characteristics, coming up with a standard through which it can measure its own performance based on what is considered as good or bad performance. A good example that can be given is one that was designed and implemented by the Microsoft Corporation known as “Stack”: it was a rating system which had a scale of both good and bad performance on a numerical scale. For a performance rating system to work, the scale of measurement has to be measurable, attainable and must also consist of all the other attributes of virtuous goal setting. In many organizations, goal setting and objectives are put in place when the year begins, and then at the end of the year performance rating comes along (Deb, 2009).

Sheilds (2007) is of the argument that performance rating is an initiative of work measurement in which an organization or employee's performance is rated depending on an initially set standard. Performance rating is also looked at as a sound judgment of how good or poorly an organization has performed. Performance rating may be measured using different ways that include a rating scale especially when it comes to individuals while in regards to companies, the performance of their shares in the stock market might be the best way of rating them (Deb, 2009).

Most organizations rely on their intangible assets in the creation of value thus the need to evaluate these assets from time to time; performance rating comes up as a number one choice considering that it can be done from an individual or organizational level states Grote (2005). He adds on further that the employee review process is an elusive concept that companies try to put in the closet but it will never go away. Various industries have their own ways of evaluating performance and this is necessitated by the fact that meeting sales projections as a way of rating performance cannot be compared to the evaluation of creativity in another company.

Performance rating in this current economic climate is perceived by both managers and employees positively while at the same time others look at it as a negative process. Employees who are rated with good performance are motivated and they keep on working hard while those who are rated poorly tend to lose morale and sometimes become unproductive.

1.1.3 Insurance Industry in Kenya

The insurance industry in Kenya has experienced growth since 2012 as reported in the Kenya Insurance Outlook 2013. Though most of the CEOs from the companies (50%) stated that the performance was average depending on their earlier expectations; 41% stated that the industry performance was above average thus the approval of 91% that the industry had performed well. The achievements that have been realized in the Kenyan insurance industry include: business growth, development of products, the management of claims, marketing and good management among others (Mose & Kuloba, 2013).

The industry has also been experiencing a fair claims management through improved claims settlement, claims reduction and the reduction of costs involved in claims management. Fraud detection which is related to claims management has also seen an increase in the strategies to be used in combating it. Considering the competitive climate in the insurance industry, good management is proving an important element in keeping afloat an organization thus functional board of directors, strategic planning, landmark internal control systems and corporate governance are proving worthwhile for the industry players (Mose & Kuloba, 2013).

Among the challenges that are facing the insurance industry in Kenya include: the difficulty that is faced in terms of the volumes of claims and the pressure that comes from claimants and also fraud which leads to increased loss ratio. Staff challenges also exist in the industry which entails: the staff having low morale, talent retention also proves a problem resulting in high turnovers and staff poaching to other sectors of the economy. The distribution channels of the industry are also facing challenges which include low sales agents retention and also poor brokers-agent relationship. Among the other challenges experienced in the industry are: debit management problems manifested by difficult credit control, ICT projects costs, policy lapses and also inflation and high interest rates (Mose & Kuloba, 2013).

1.2 Research Problem

The concept of strategic planning seems unavoidable if any is to succeed especially in the insurance industry in Kenya. Strategic planning is a predictive process of what an organization would want its future to be like and among the elements in strategic planning is review; this can be achieved in form of conducting assessments to check on progress thus reference to performance rating. A well planned strategy should ideally have a system or standard in which it can measure performance as it strives towards achieving the set goals and objectives.

Taking the study into context and perspective, a review of the insurance industry in Kenya portrays a slow surge in growth which has been attributed to various factors among them the low morale of employees, high turnover and also staff poaching. Taking these factors into consideration, a good strategic plan should entail a detailed and well understood process on how performance is to be rated and how best it can accommodate those who have done well together with those whose performance has been deemed poor. Those that perform well can be given incentives like promotions, better pay or any other motivational resource available at the discretion of an organization. Those employees that perform badly should also be given incentives such as more specific training and how best the organization can help them improve on their performance too. From a general perspective, an insurance company can be rated as performing or non-performing depending on the criteria chosen which could range from the products and services being offered, how best they meet the needs of their consumers and whether sales targets have been met in the long run.

A study done by Afi (2014) indicate that the insurance industry has become complex and at the same time the dynamic mutation witnessed with regards to regulatory changes and increasing competition have rendered strategic planning unavoidable. The Kenya Insurance Outlook report 2013 also on the other hand, indicate that there are emerging market in the insurance industry thus a well formulated and accounted for strategy is needed for any success to be witnessed among industry players. A study conducted by the Malaysian Insurance Institute in the years 2005 discovered one of the challenges in the industry is that there is lack of proper planning and use of strategy in all the industry sectors. This led to the study recommending to companies who wanted to succeed to adopt strategic planning as part of their success plans.

A study conducted by MicroStrategy Business Intelligence in the year 2010 discovered that change has become inevitable and that insurance companies are facing challenging market conditions thus their need to change the manner in which they do business; strategies have to be revisited and policy has to be altered in a manner that its effectiveness can be measured which in the long run will ensure optimal use of resources to maximize on profits. A study conducted by the Insurance Journal among insurance companies in the United States discovered that companies that made strategic planning as part of their annual planning process with a measure process were more successful and high performing thus the research is aimed at finding out if this is the case in the Kenyan insurance industry.

Considerable studies have been done in Kenya both academic and economical touching on the significant role played by strategic management in insurance companies but none has candidly looked at the link between strategic management and its implication on the performance of the firms themselves. None has given a comparative analysis on the implementation of strategic plans and the resultant ripple effect on overall performance. A case of Oswani (2010), marketing strategies were compared with effect on the performance of insurance companies and the findings were that product innovation has a positive effect on market strategy and performance. Another study by Wambi (2007) touching on the critical success factors in the Kenyan insurance industry, strategic management ironically was not among the factors that was covered. Karanja (2008) also did a study on the innovation strategies adopted by insurance companies in Kenya and the findings were for informative than comparative of strategy and performance. This study is intended to fill the gap between strategic planning and performance rating thus the research question being what is the impact of strategic planning and performance rating on insurance companies in Kenya?

1.3 Research Objective

The objective of the research was to determine strategic planning and performance rating among insurance companies in Kenya.

1.4 Value of the Study

The study will be an additional source of information contributing to the well established theories like the theory of change which advocates that for an organization to succeed, it must take a well and clear defined approach towards achieving the set strategies and the contributing concept of this study to the theory will be that review (performance rating) should be part and parcel of the strategic planning process from its inception. On the theory of competitive advantage, the study will contribute towards enhancing the significance of performance rating as part of strategic planning in order to realize success both at a corporate and an individual level.

The study is seeking to identify and practically measure through research, the level to which strategic planning has taken into consideration performance rating. To the overall success of an organization, there needs to be an interactive mix between the two which this study intends to show clearly and have conclusions and recommendations thus narrowing the gap that is existing as a disconnect between the two processes under investigation.

As a result of the study, the findings will play a key role in identifying through recommendations from the relevant stake holders on how best strategic planning can be linked with performance rating. The study will unearth performance rating procedures used by insurance companies and how best they meet their needs thus contributing to knowledge in the field of strategy and performance.

With regards to the management, the study will be of significance in a two fold manner: management in organizations are charged with the responsibility of creating policies and practices for the insurance companies which play a key role in influencing insurance regulations in the industry. This implies that the findings will provide a clear picture of the link between strategy and performance and on how best they can be harmonized to meet the intended results. The study will also come up with best practices for strategic planning and performance rating in the insurance industry since a correlation will be established between strategic planning and performance rating of various companies and how well they are doing.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presented the literature that was reviewed in relation to the study offering an in depth analysis of the theoretical review, strategic planning as a concept and its characteristics, performance rating and the relationship of both to the insurance industry.

2.2 Theoretical Foundation

The theory of change as articulated by Burke (2010) are the incentives and strategies that are put in motion resulting in the final achievement of set goals and objectives. The focal point in this theory is change which is brought about through ideas or inventions that result in the change itself. There are outcomes that are anticipated or expected in the process of change thus strategic planning, and they are credited to the strategic interventions that were initially put in place before the actual change occurred. The theory of change goes on further to ascertain the assumptions that an organization used to explain the change process which is considered to be strategic in planning. The assumptions help in the determination of immediate and long term outcomes which can be evaluated for their effectiveness and performance (Winter & Nelson, 2009

The theory of competitive advantage devised by Potter states that a company has its advantages above those of its competitors and this gives it a way mark ahead of them. Competition is considered to have its own implications on any given industry and our case being the insurance industry. There are determinants of competitive advantage which include: factor conditions which are the resources that are at the disposal of a company, demand conditions which are underpinned on market forces that are influenced by the demand of consumers in the same market, related and supporting industries that make the operations of a firm successful. All the factors under the theory of competitive advantage if strategically managed will result in success in any given company (Murmann, 2003).

2.3 Strategic Planning

Senior managers in most companies have come to the realization that business performance can be enhanced by the effective implementation of strategic plans. Globally, the business environment is considered to be very dynamic and is facing a lot of challenges thus strategic planning is regarded as part of the solution to this growing problem. A strategy will only become effective if it is well formulated and implemented otherwise it is just like a book in a shelf (Steiner, 2010).

Strategic planning has been viewed by many as a tool through which an organization can improve its performance and also enhance productivity which in the long run can be evaluated to check its progress through reviews such as performance rating. The main reason why strategic planning has become essential for businesses today is that there has been a transformation within the market segment of insurance and finance leading to a financial service evolution and revolution.

2.3.1 Evolution of Strategic Planning

Strategic planning should be seen from its essence and its key characteristics need to be considered and implemented by companies that want to perform well; formal planning is part of strategic planning and is among the key first steps towards reaping the fruits of a strategic plan. Planning as a business concept is fast gaining development and as captured by Kenny (2012), there has been an evolution of strategic planning in four phases which include: phase one where the focus is on meeting the functional annual budgets and schedules while the second phase focuses on meeting the short term and long term goals through an analysis of the internal and external environment with an aim of determining what the organization can achieve.

Thinking strategically is a value system that was developed and ideally forms the third phase of the evolution of strategic planning while on the other hand, the fourth and final phase entails the full development of the strategic planning systems and processes thus resulting in strategic management orientation. The focus of the fourth phase is the creation of the future as opposed to the anticipation of the future as it is in the third phase (Kenny, 2012).

The evolution of strategic planning was necessitated by its significance for organizations to have a direction for the future, to act as a guide for program development and finally provide a blueprint for resource allocation. The current evolution today is not based on developing a plan then feeling secure for the next five years or so, but is based on a state of thinking strategically and planning continually based on new information becoming available. The information age has made it necessary for companies to keep on updating their strategic plans on a needs basis (Poister, 2004).

2.3.2 Strategic Planning Process

The process of strategic planning is not definite or defined as one but is dynamic and encompasses various models that make it complete. For any business, strategic planning is like what a map is to a rally driver states Moutinho and Southern (2010). Strategic planning is the tool in the hands of an organization that defines the routes that need to be taken for an organization to move from where it is currently, to where the owners want it to be. As a process, strategic planning brings to action the vision and mission of a company. As a general anticipation, compared to the case of a road rally, strategic plans meet obstacles and detours that call for some adjustments and adaptations to be implemented (Steiner, 2010).

As stated earlier, there is no formula or specific pattern for strategic planning; however, there are principles and essential steps that need to be taken so that the value of strategic planning can be realized. The culture of an organization is the key element that determines what principles and steps will be taken by that same organization. A strategic plan can be considered to be the mirror that reflects the value of an organization and also its goals. Among the principles that need to be taken into account in the development of strategic plans include: current situation analysis, segmentation analysis, strength, weakness, opportunities and threats analysis, core competencies analysis, key success factors, business unit strategy or business plan, balanced score card and finally evaluation.

According to Steiner (2010) the inception stage of strategic planning entails building a foundation; its significance is based on the notion that such an analysis will prepare an organization to tackle and review useful strategic options that provides competitive advantage. A clear vision and mission is required at this stage reflecting the values that are dearly held by organizations. This mission and vision should be clearly understood by employees but more so those that are in the management level. With regards to also current situation analysis, it is the collection of baseline data which should be both internal and external that will help in defining the current situation. External data includes market, economic, competitive intelligence, the customer and the supplier information while internal data entails the current liabilities and assets of the company.

Steiner (2010) adds on further that the main aim of segmentation analysis is to match the market potential to the strengths of a company. The products or services sold by a company need to be matched with the potential of the market. This process requires that the products and services of a company need to the aligned with market potential so as to reap the highest benefits of strategic planning activities of the organization through highest volume potential and highest financial returns.

Analysis is a key tool that can be used in the discovery and evaluation stage of strategic planning; it takes the approach of an audit of the organization and its environment both internal and external. SWOT analysis is a management exercise that is dependent on judgment thus input from multiple sources. The analysis will help in the identification of the relative position of an organization to the market, the customer and competition (Smith, 2004).

Core competency analysis is an evaluation of the unique internal skills processes and systems that give an organization a competitive edge over others. A review format can be derived from the analysis that is useful for the improvement of key strategic activities practices and systems. On the other hand, key success factors are functions, business practices and activities defined by the market and from the viewpoint of the customers. When the competencies are aligned with key success factors then values of business relationships grow, deeming it essential for a strategic plan (Steiner, 2010).

The first six steps provided a differentiated and distinctive strategic statement for a business. The next step is the development of strategic statements for various elements of the business which are operating divisions and key functional areas which make up the business units of an organization. The measurement system of any given organization will affect both the behavior of the management as well as employees in the lower levels and also the results that they achieve for the business. In business “score” is the tool that is used to report results, affect behavior and recognize performance. Progress against long term goals of strategic plans is also determined through “scores” (Steiner, 2010).

Evaluation is the final stage in the process of strategic planning; the evaluation process needs to be continuous and ongoing. The process is like a clinical check up on the progress of an organization in relation to the strategic plan laid out. The evaluation process gives a timeframe that determines if results are meaningful and if they have any positive impact on the continuous improvement of the company (Smith, 2004).

2.3.3 Strategic Planning in the Insurance Industry

The complexity of insurance driven activities, regulatory framework changes and the ever growing competition resulting from the entry of new players in the market creates the need for strategy which will give organizations the flexibility to adapt to change which takes into account defined principles and objectives. The industry's dynamics require the need to involve all professionals dealing with the value creation activities thus the call for systematic strategic planning (Steiner, 2010).

According to Smith (2004), strategic planning in the insurance industry requires coordination with the planning of other activities especially in the case of insurance subsidiaries of financial institutions and multinational groups. Strategic approaches have been proven to allow insurance companies to anticipate factors affecting sustainability, growth and profitability. The need strategic planning in insurance companies is brought about by the rapid changes in the economic and operational environment, the integration with developing disciplines plus also the practices in related and wider industries states Simerson (2011).

The process of formulating strategies in the insurance industry is influenced by various factors which include both internal and external factors. Among the external factors are: customers, competitors, regulatory and political conditions. Management of insurance companies is to be in the front line in the identification of emerging issues in the external environment as a means of information for strategy formation (Simerson, 2011). Old strategy is to be revised from time to time in an insurance industry with the hope of streamlining internal efficiencies of an insurance company. A study of internal consistencies and resources goes a long way in the determination of how best an insurance company can take advantage of opportunities as well as cushioning against threats (Mukherjee, 2002).

The case of insurance companies provides an opportunity for each unit to have its own charter considering that they usually sell various products. Most head offices are charged with the responsibility of preparing policies while branches or divisions sell the policies. Each branch may ideally have a strategic plan that will increase their market share in their local area and also provide new products to consumers. The various units of an insurance company are charged with the responsibility of preparing a budget as a means through which they can implement their strategic plans; once this is done, the corporate planning departments of the organizations review the budgets and provide approval. (Steiner, 2010).

2.4 Performance Rating and Strategic Planning

Performance rating is among the methods that organizations use as they do performance appraisals for their employees or the organization as a whole as long as there is a standard through which this can be achieved or measured against. Through the process, an employee's effort is either given a reward or penalized while from an organizational point of view, performance rating can be the "score" through which evaluation can be done to the strategic plan to either recommend adjustments or stick to the course being followed thus the standard of measurement in this case being the strategic plan. Through performance rating, whether individual or corporate, the opportunity is created for individuals as well as organizations to know their true value and what role they have played in the enhancement of their strategic plans (Grote, 2005).

2.4.1 Performance Indicators of Insurance Companies

The performance of an organization can be seen as the outcome of activities of both individuals and business units in an organization. Organizations to a large extent can influence or control most of the factors that affect their performance argues Deb (2009). Among the formal means of controlling business units include: structure, operating manuals, standards operating procedures charters and also budgets while for individuals, controls can be put in place through informal means such as communication, work culture and management style. Studies that have been done recently on performance measurement systems have not only focused on financial measurements also on non-financial measurements. The insurance industry is considered to be the immune and repair system of the economy since a successful management of the industry will result in other industries developing in the economy (Mukherjee, 2002).

For insurance companies to have an edge forward in performance, the business divisions and subdivisions must be well managed states Kenny (2012). A good way of ensuring performance in the various units is to delegate profit responsibility to units at the lowest possible level. This delegation also comes with the responsibility of ensuring that managers have information and control over the unit's expenses and revenues. The performance of insurance companies depends on the effectiveness of policies set up by organizations in the financial, marketing and human resource sectors. Polices need to be revised from time to time to ensure that they are effective in enhancing performance. The success of an insurance company is dependent upon some four main important functions which include the identification of markets, the assessment of the risks of the insured and the insurance organization, estimation of losses, penetration and exploitation of markets and finally the grip on the control of investment and operating costs (Schimmer, 2012).

Market Identification can be done through a process of continuous surveys on the risks through which individuals and institutions are exposed to. Trend analysis in the various sectors of life i.e. social, economic and religious can bear fruit in identifying what market to target. An example can be given of companies that are constantly haunted with the fears of either bankruptcy; insolvency or accidental damage; such areas can be a target for insurance companies thus achieving success (Smith, 2004).

Risk and losses assessment is best be managed by having efficient actuaries and assessors of insurance policies in the fixing of premiums and the settlement of claims. The quality of assessment that is done on risks and losses is among the key determinates of good performance of an insurance company argues Smith (2004), who further states that market penetration as an evaluation tool, can indicate performance through growth in number of policies per insurance type, the level of turnover, the market share of a company and also the growth in divisions or branches.

The most basic measures of performance are economic viability and sustainability. This is the stage at which insurance companies if they attain, are able to have long run profitability, expansion and growth, increased market share and finally diversification. It is to be noted that each state requires strategy (Schimmer, 2012). Financial performance in insurance companies is expressed in the net premium earned, profitability from underwriting work, annual turnover and return on both equity and investment thus the general classification of profit performance measures and investment performance measures. Profit performance is performance in form of monetary terms. The difference brought about between revenues and expenses while investment performance is in two forms with the first being the assets employed in the organization apart from cash and secondly the return on investment operations of the surplus of cash at various levels earned on operations (Schimmer, 2012).

Non-financial performance can also be measured among insurance companies and they include both internal and external indicators. Internal indicators include: speed in processing policies, dealing with dropouts, market research, employee morale and also employee and agent training. External non-performance indicators include: growth in the number of policies, market share, and customer satisfaction and also growth in the number of branches (Schimmer, 2012).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter presented the research methodology that the study used in the pursuit of data collection. The chapter was divided into sections which include: Research design, data collection and data analysis.

3.2 Research Design

The study applied cross-sectional survey research design. This kind of design is aimed at assessing thoughts and opinions about a given subject thus making it appropriate for the study. In our case, insurance companies are at the center of the study and what implication or impact has strategic planning and performance rating had on the companies. The case consisted of all registered insurance companies in Kenya which total to 49 according to the Insurance Regulatory Authority 2013.

3.3 Population of the Study

The population consisted of licensed insurance companies in Kenya under the Insurance Regulatory Commission. All the companies formed a sample for the study since they are few and are easily accessible with headquarters being in Nairobi. Some of the companies have registered more that one company under the same umbrella name thus the study endeavored to identify this units within the company and collect data from all the 49 registered insurance companies in Kenya.

3.4 Data Collection

Data collection is the process of gathering information about a phenomenon using data collection instruments. Both primary and secondary sources of data were used to obtain information for the study. Secondary data from research reports, books, journals and internet will be used to provide a wider understanding of the issues under research and to supplement primary data.

Primary data was collected by administering questionnaires to the 49 registered insurance companies in Kenya the focus being on the upper level management since strategy formulation and implementation for the companies is a role they play. The target was one questionnaire per company. The questionnaires had both closed-ended and open-ended questions. The questionnaires were administered to companies within Nairobi City since the insurance industries have their headquarters in the City.

3.5 Data Analysis

After administering the questionnaires, the data was coded and converted into numerical codes for statistical analysis. SPSS Version 20.0 was used for data analysis. Descriptive statistics was computed for all the variables to ensure quality of data. The results of the sample were then be generalized to the study. Descriptive statistics was used to establish the distribution relationships between variables under study, proportions in terms of texts, percentages, charts and tables while as the qualitative data was analysed using content analysis.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter is a presentation of the data that was analyzed in relation to strategic planning and performance rating of insurance companies in Kenya. The data was presented in form of tables, charts and figures. The chapter is divided into sections beginning with the response rate, demographic information, strategic planning, aspects of strategic planning and finally performance rating.

4.2 Response Rate

Table 4. 1 Response Rate

	Frequency	**Percentage %**
Response	34	69.4
Non-response	15	30.6
Total	**49**	**100.0**

Figure 4. 1: Response Rate

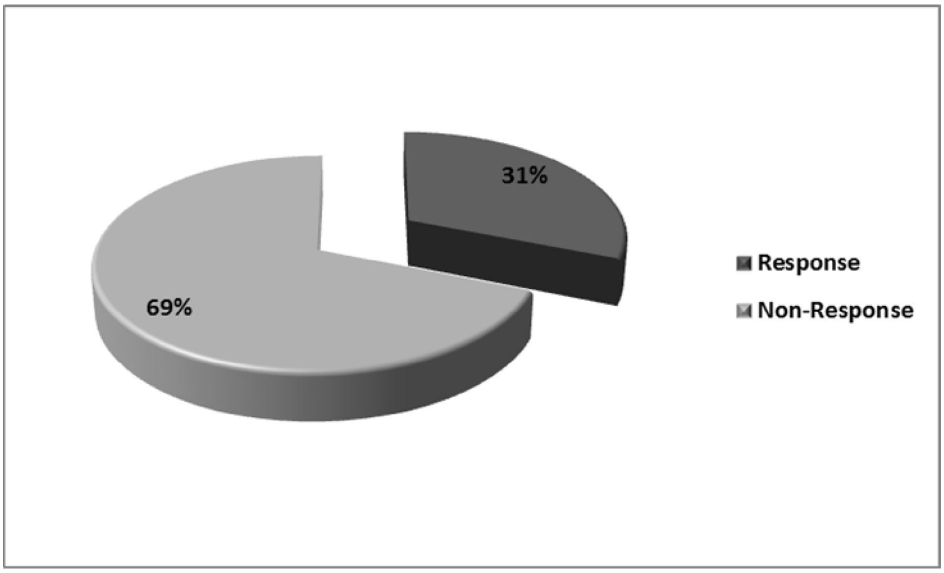


Table 4.1 and Figure 4.1 are presentations of the number of respondents that were targeted by the study specifically the response and the non-response.According to the findings, the response rate was at 69% while the non-response rate was at 31%. According to Mugenda and Mugenda (2008), a response rate of more than 50% is sufficient for scrutiny and analysis. The good response rate can be attributed to the data collection procedure where research assistants were used in the collection of data and it also shows the willingness of the respondents to take part in the study.

4.3 Demographic Information

This section presents the demographic information of the respondents that are relevant to the study ranging from the duration of organizational existence, size and the kind of business conducted.

Figure 4. 2: Duration of Organization Existence

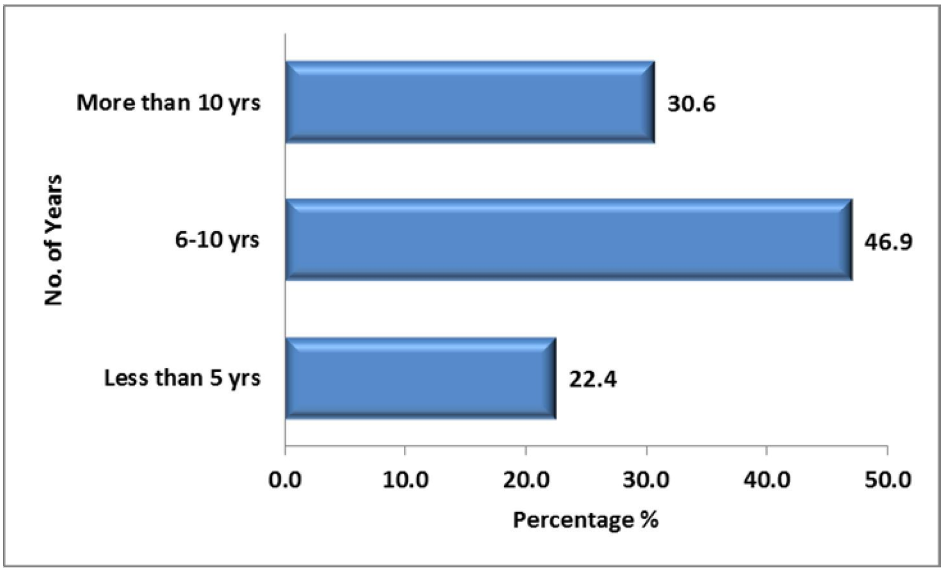


Figure 4.2 above presents the duration of time that the organization of the respondents has existed. Majority of the organizations (46.9%) have existed between 6-10 years followed by those that have existed for more than 10 years (30.6%). Those that have existed for less than 5 years had the least percentage of 22.4. The relevance of the number of years that the organizations have existed was important to the study since as organizations establish themselves and take a market share, their existence and sustainability is dependent upon strategic planning and review of performance over the years.

Figure 4. 3: Number of Organizational Branches

The study was keen to identify how big the organizations were and the first category was based on the number of branches that are in existence and Figure 4.3 is a presentation of the findings. Most of the organizations (46.9%) have 11-15 branches, 6-10 branches (26.5%) while more than 15 branches (20.4%). Less than 5 branches have the least percentage of 6.1.

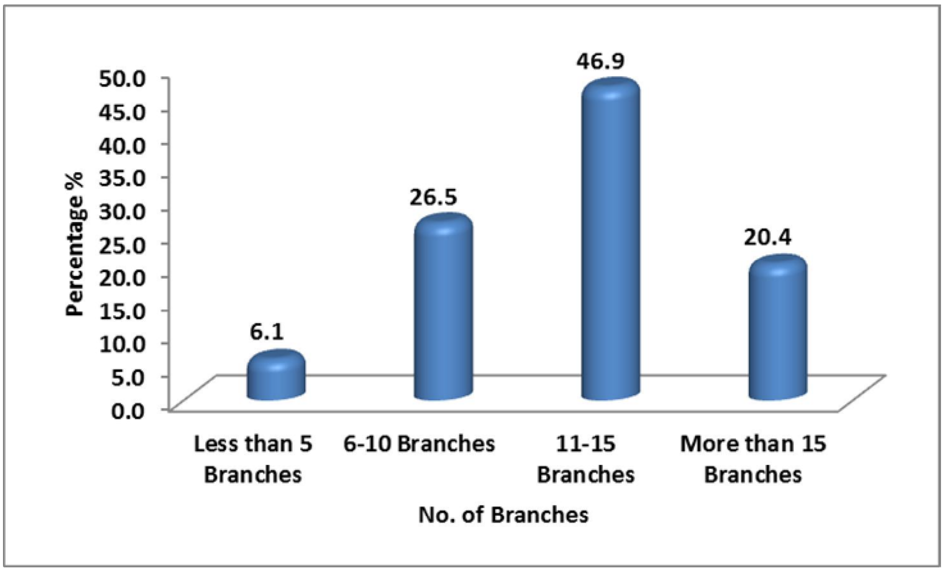


Figure 4. 4: Number of Employees

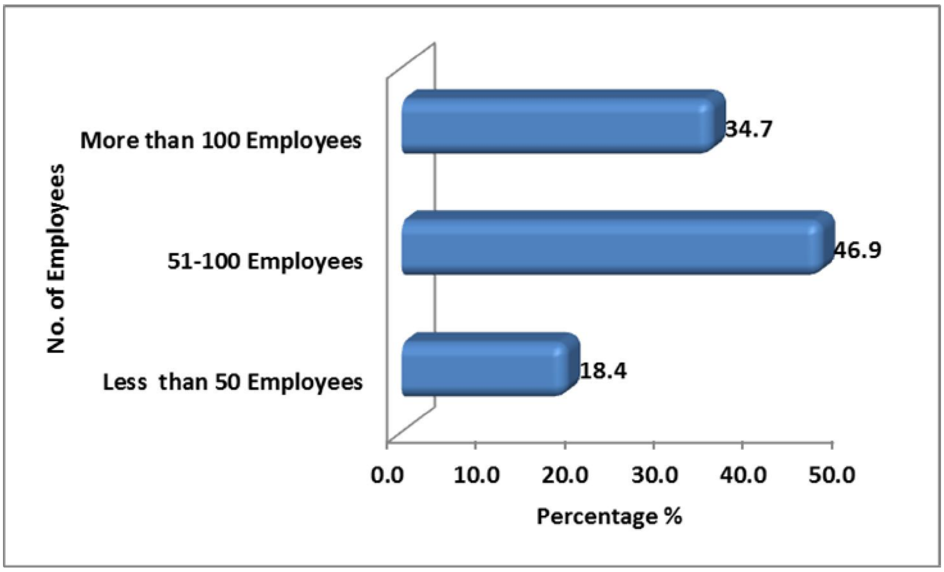


Figure 4.4 above presents the number of employees that the organizations have. Majority of the organizations (46.9%) have between 51-100 employees followed by those that have more than 100 employees were 34.7% while those with less than 50 employees were 18.4%.

Figure 4. 5: Organization Ownership

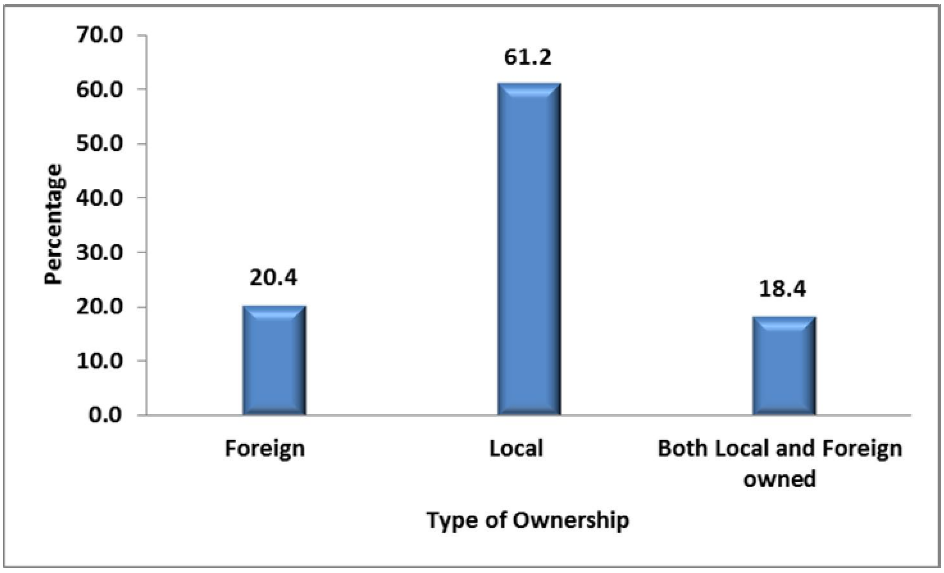
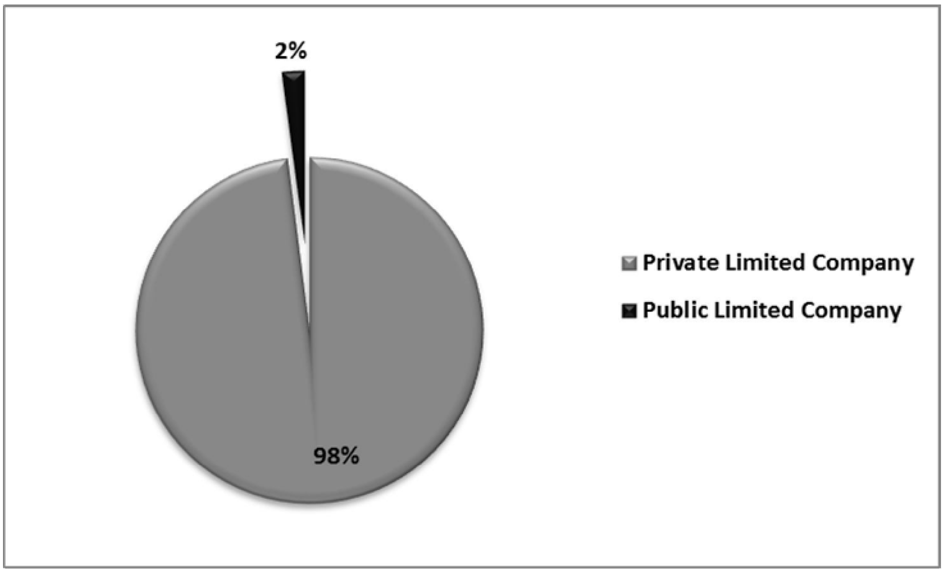


Figure 4.5 above depicts the type of ownership that exists among the organizations; most of the organizations (61.2%) are locally owned, foreign organizations (20.4%) while those that are both locally owned and foreign owned had the least percentage of 18.4%.

Figure 4. 6: Type of Organization



The type of organization was also of keen interest to the study and Figure 4.6 shows the registration type of the organization. Majority of the organiations (98%) were private limted companies while only 2% were public limited company.

Figure 4. 7: Line of Business

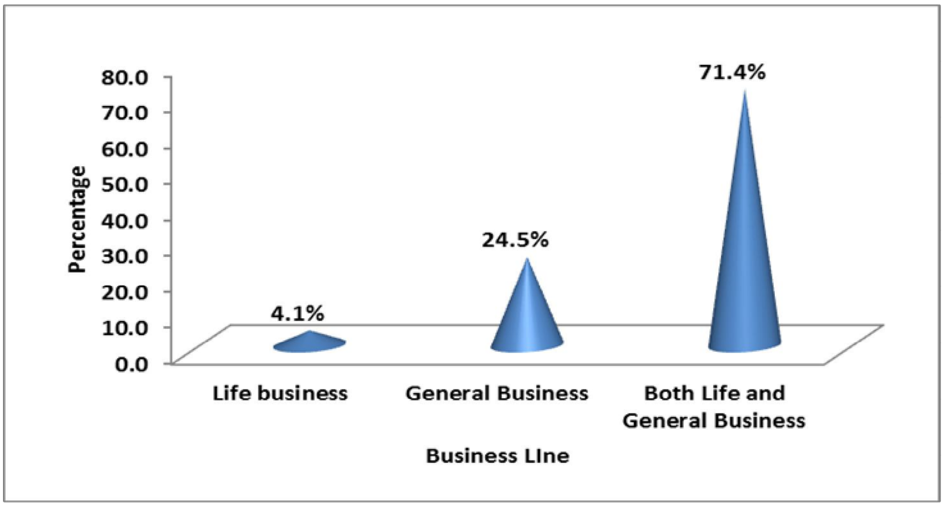


Figure 4.7 shows the line of business that the organizations are involved in; both life and general business had the highest percentage of 71.4% followed by general business which had a percentage of 24.5%. Life business had the least percentage of 4.1%.

4.4 Strategic Planning

Figure 4. 8: Coverage Period for Current Strategic Plan

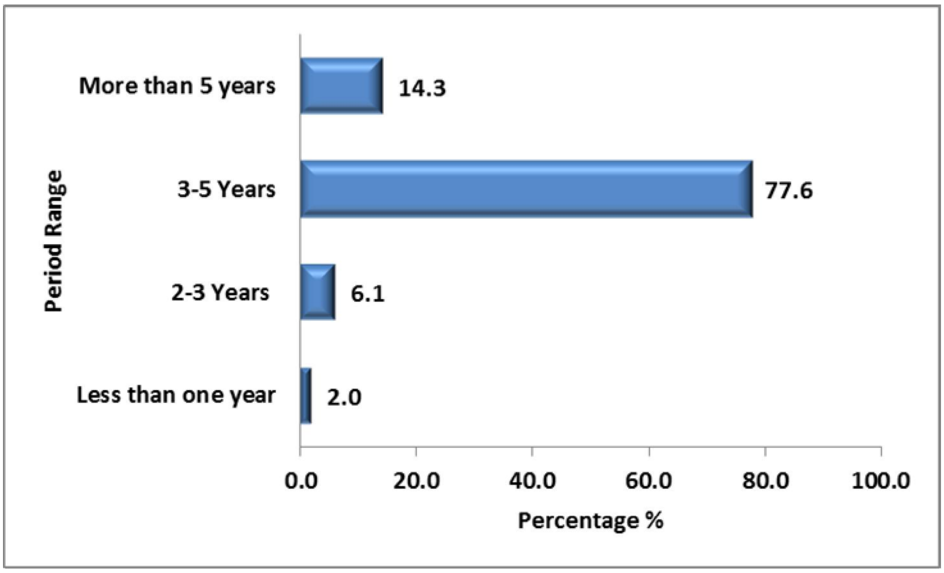
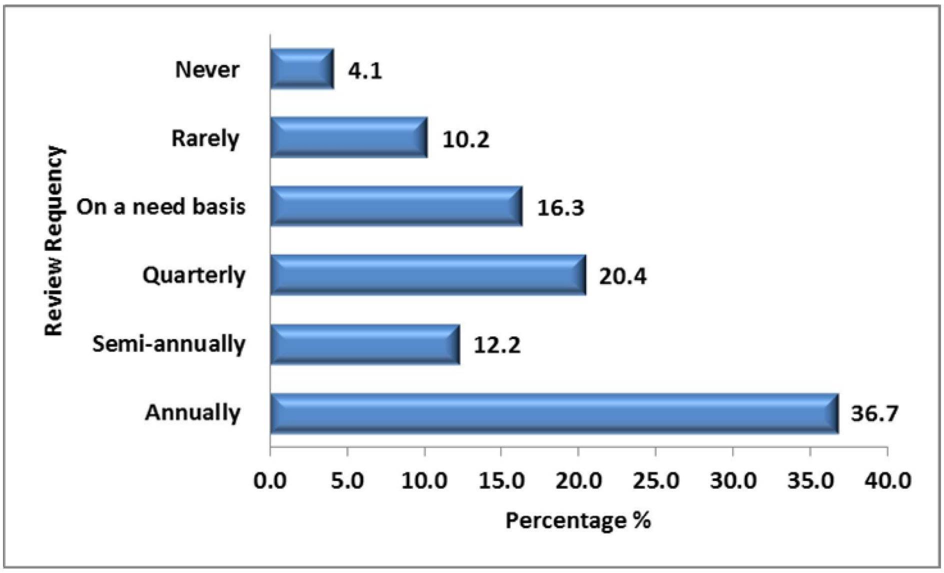


Figure 4.8 is a picture of the current strategic plan coverage period among the organizations under study. Most of the organizations (77.6%) have a coverage period of 3-5 years, more than five years (14.3%), 2-3 years (6.1%) and finally less than one year (2.0%).

Figure 4. 9: Frequency of Strategic Plan Review



The frequency at which the organizations review their strategic plans was covered by the study as shown in Figure 4.9 above, most organizations (36.7%) review their strategic plans annually, quaterly (20.4%), on a need basis (16.3%), semi-anually (12.2%) while rarely had the least percentage of 10.2%.

Figure 4. 10: Importance of Strategic Planning

Figure 4.10 below shows the level of importance at which the respondents suggest the various organizations take strategic planning to be. Important had the highest percentage of 46.9, very important (32.7%), moderately important (20.4%) while less important had 0%.

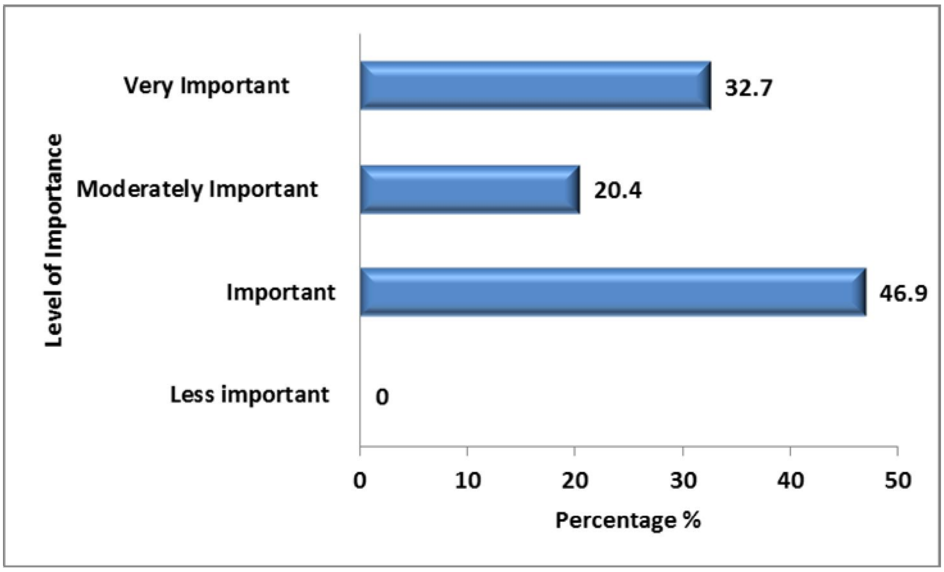


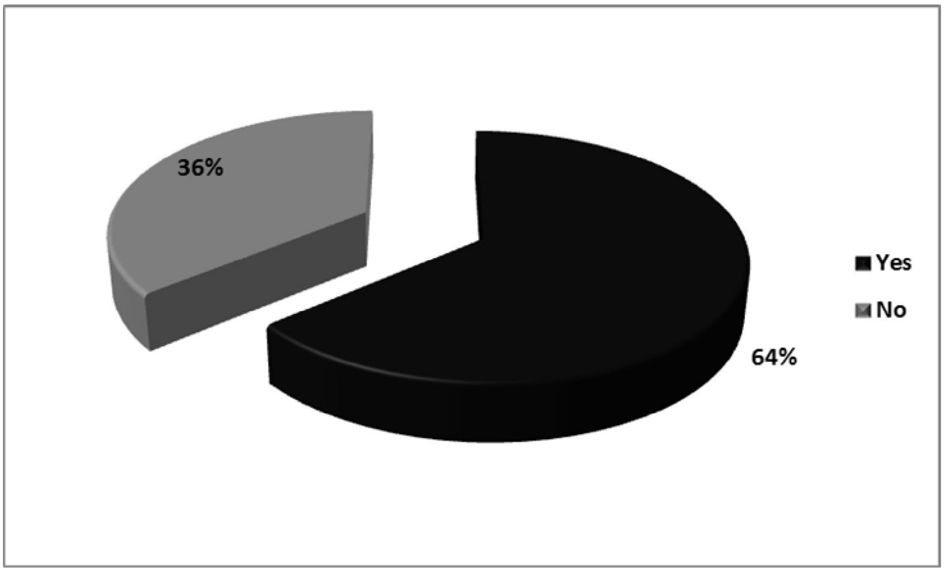
Table 4. 2: Aspect of Strategic Planning

	Mean	STD Deviation
The culture of the organization i.e. objectives and goals are reflected in the company's strategic plan	4.5	0.0
The mission and vision of the company are clearly stated and can be understood by both employees and clients	4.3	0.01
Liabilities and assets of the company were put into consideration before the drawing up of the current strategic plan	3.9	0.02
The products and services of the company are matched with the potential of the market	3.8	0.01
The strengths, weaknesses, opportunities and threats of the company are well mitigated in the strategic plan of the company	4.0	0.02
Core competencies of the company is a factor that gives the company a competitive edge	4.5	0.01
The company does evaluations as part of strategic planning to improve on productivity	4.3	0.02
The management is committed to the implementation of the strategic plan	4.0	0.01
External market analysis is done by the company to mitigate on competition	3.8	0.02
The strategic plan of the company has ensured sustainability, growth and profitability	4.4	0.03
The strategic plan of the company was provided on how best the needs of the customers can be met	4.1	0.0
The strategic plan of the company has provided mitigation measures to deal with competition	3.5	0.0
The strategic plan has a clear road map on how the company deals with regulatory frameworks that are in place	4.5	0.03
Emerging issues and trends in the market have been well identified and solutions provided in the strategic plan of the company	4.1	0.0
The company does review of its strategic plan to streamline and ensure consistencies in operations	4.2	0.03
The strategic plan allows for each unit which sells different products to have its own charter	4.0	0.01
Budgets are prepared by the management of each unit on the resources they need to ensure they meet set goals	4.0	0.01
Evaluations are consistently done and recommendations approved to ensure smooth running on the company	4.3	0.0

Table 4.2 above shows the various aspects of strategic planning and how far they have been adopted and implemented by the various organizations under study. Among the aspects that had the highest mean included: The culture of the organization i.e. objectives and goals are reflected in the company's strategic plan, Core competencies of the company is a factor that gives the company a competitive edge and the strategic plan has a clear road map on how the company deals with regulatory frameworks that are in place all had means of 4.5. The strategic plan of the company has ensured sustainability, growth and profitability (4.4), the mission and vision of the company are clearly stated and can be understood by both employees and clients, evaluations are consistently done and recommendations approved to ensure smooth running on the company, the company does evaluations as part of strategic planning to improve on productivity all had means of 4.3. Among the aspects that had the least mean included: Liabilities and assets of the company were put into consideration before the drawing up of the current strategic plan (3.9), The products and services of the company are matched with the potential of the market (3.8), The strategic plan of the company has provided mitigation measures to deal with competition (3.5).Considering the mean score, most of the means are on the upper quartile of 75% and over thus an indication of general agreement with the statements.

4.5 Performance Rating

Figure 4. 11: Effectiveness of Net Income Ratio



The study sought to identify whether the net income ratio among the companies under study was effective in the generation of profits. 64% of the organizations stated it to be so while 36% of the respondents stated on the contrary. Among the reasons for ineffectiveness given included stiff competiton while for effectivenss included customer loyalty, quality services and also a stable economy.

Figure 4. 12: Whether Market Share Affects Performance

The market share held by an organization with its implication on productivity was also of keen interest to the study and as shown in Figure 4.12 below, most of the respondents (94%) stated that indeed market share affects performance and among the reasons given included the implication of number of policies sold in relation performance, constant clientele that keeps the business running and also the pricing of services and products in the various organizations

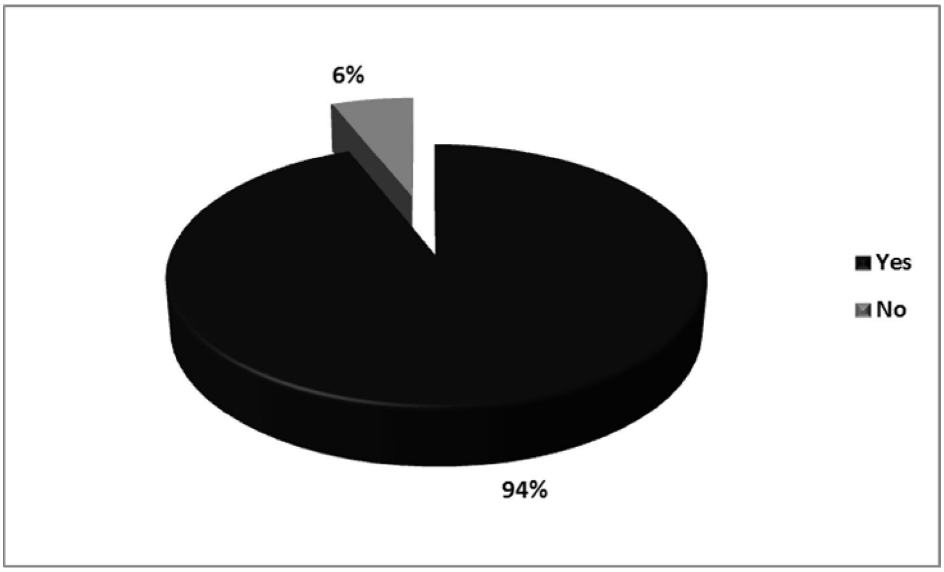


Figure 4. 13 Trend in Policy Sales Growth

The study was further keen to identify the trend at which the sales of policy is growing and as shown in the figure 4.13 below, the trend has been decreasing (59.2%), increasing (32.7%) while stagnant had 8.2%.

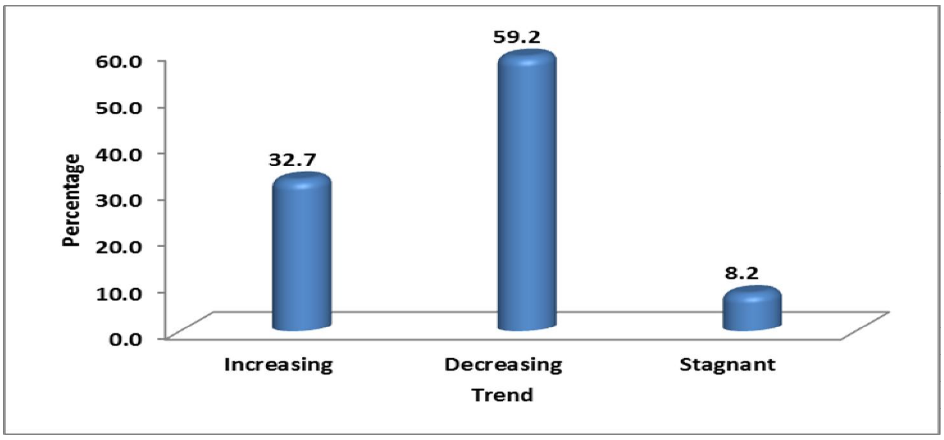


Table 4. 3: Claim Settlement and Performance

Table 4.3 below is depiction on whether the respondents thought that the rate at which claims are settled affects the performance of their various organizations. 96% of the respondents agreed with this stating reason such as the quick settlement of claims provide customer satisfaction thus customer loyalty.

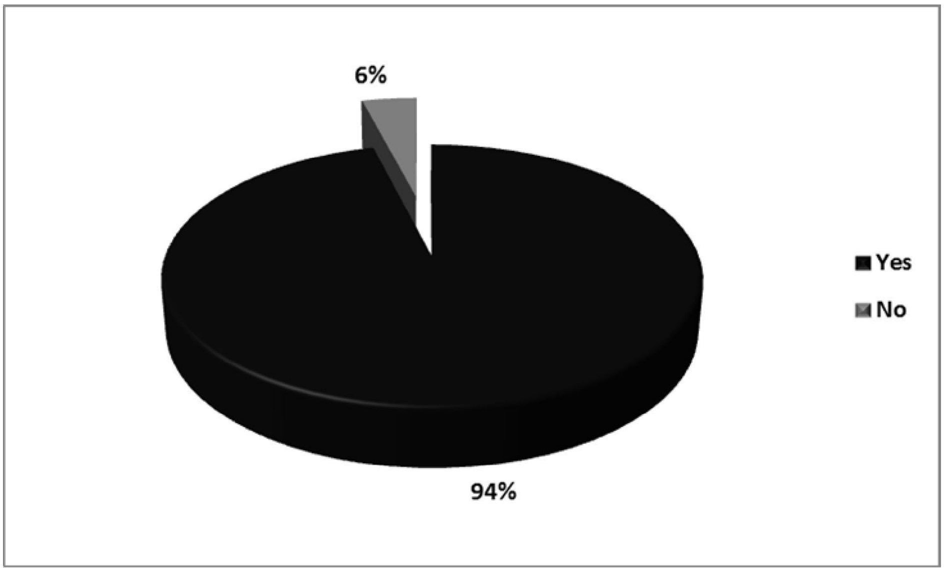
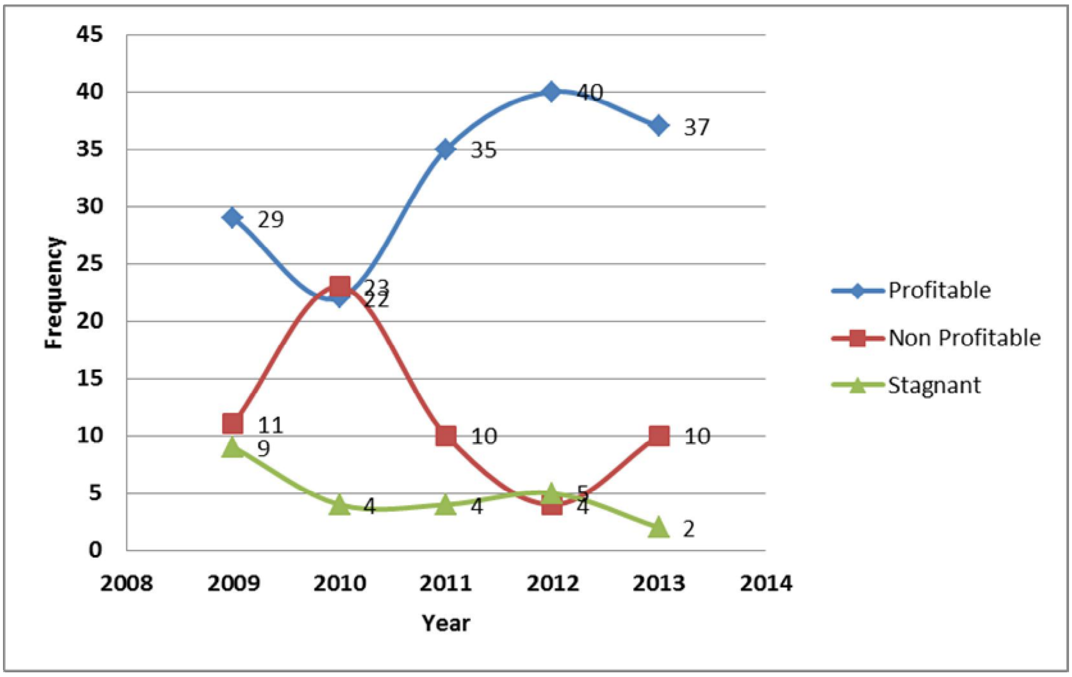


Figure 4. 14: Firm Ranking

Figure 4.14 below show the ranking of the various organizations according to research firm Think Business with the key indicators being profitability, non-profitability and stagnation. Over the years there has been a trend of profitability which hit highest in the years in 2013 while non-profitability was highest in the year 2010.



4.6 Discussion of Findings

Most of the respondents have worked for the organization for more than 5 years thus the implication that the information that was given tended to be accurate based on their experience as employees of the various insurance companies under study. The insurance companies under study have various branches distributed country wide which is an indication of expansion as well as an indication of strategic movements towards tapping into new markets. The number of employees in most of the companies is between 51-100 and also more than 100 which is an indication that the insurance companies need a large number of employees to able to meet the growing demand of consumers to their various products and services. The companies under study a large percentage (61.2%) are locally owned indicating a growth in the local insurance market while those that are either strictly foreign or both local and foreign owned have a contribution in the economy through direct foreign investment. Most of the insurance companies under study are private limited companies with the exception of Kenya Reinsurance which is a state owned corporation while their lines of business include: life business only, general business only and also both life and general business together which according to Mukherjee (2002), financial performance can be maximized by venturing into both life and general business. Most companies had the coverage period for their strategic plans for between 3-5 years which is considered among strategic planning experts (Kenny, 2012) as the optimal period that allows for maturity, evaluation and then finally recommendations for other strategies. Strategic plan review in most companies is done on an annual basis while other do it on a quarterly basis, semiannually is also quite common while also on a need basis.

The various aspects of strategic planning in relation to the various insurance companies yielded a conclusion of high level of agreement since all the means were above the upper quartile of 75% which indicates agreement. The net income ratio was also deemed important among the companies in the generation of profits and also the level of market share was suggested to affect the performance of the various companies. The trends witnessed in policy growth sales had a majority of decreasing while claims settlement speed as seen as a factor that would impact the performance of insurance companies. With regards to performance rating, the ranking system adopted by Think Business indicated a drop in profitability from 2011 to 2013 with an increase in non-profitability in the same years this data can be compared to arguments by Schimmer (2012) that insurance companies should explore strategic and proactive options that will ensure that they remain continually profitable.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section provides the summary of findings, conclusions and recommendations from chapter four of the study. It further provides a recommendation on the areas for further studies.

5.2 Summary of Findings

The good response rate of 69% provides the study with a clear and candid picture of how the insurance industry looks like in relation to strategic planning and performance rating. The duration of organization existence spanning from less than five years to more than 10 years indicate that for the organizations to be sustainable and constantly improve performance which ensures that they do not go out of business, then, strategic planning plays a crucial role in achievement of this goal. An organization can be deemed as performing well in relation to the number of branches it has in existence and how far in geographical location they are spread thus the more the number of branches, the better placed a company is while also the number of employees is a key determinants of what an organization requires to meet the needs of its clients; the more the number of employees the broader and more dynamic a strategic plan should be. Organizational ownership with regards to either being foreign or locally owned also is a key indicator of the kind of strategy that will be adopted and also the rating in performance. The stereotype of foreign things being better than local has an implication of the performance of a given organization.

The coverage period of a strategic plan suggest how visionary an organization is and how best it has positioned itself to keep on growing, a review of the same strategic plan affect the manner in which an organization can adapt itself to the market as time goes by. A strategic plan that is reviewed on a needs basis serves an organization right as compared to strategic plans that are reviewed at a set time or period. Strategic planning was considered by the respondents as being very important to the various organizations including all it aspects and among them the key ones included the marching of the objectives and goals of the organization with the day to day activities in the concerned organizations.

With regards to performance rating, the effectiveness of net income ratio is a key determinant in the generation of profits while market share was also suggested to be a key determinant of performance. The trend in policy growth sales was noted to be decreasing (59.2%) while growth was only 32.7%. The speed at which the various organizations settle claims was noted as a factor affecting performance since faster claim settlement results in customer satisfaction and loyalty.

5.3 Conclusion

Strategic planning in key and fundamental for any insurance organization that wants to succeed and maintain its market share. A review of the same strategic plan plays function in determining how best a strategic plan has achieved the goals and objectives of an organization. On the other hand performance rating is a review tool which helps organizations see how best or poor they have achieved the set goals that existed in their strategic plans.

Strategic planning should be one of the fundamental factors taken into consideration by insurance companies before they venture either into any market or the launch of new products or services; through strategic planning, an analysis can be done on both the internal and external factors that will affect management decisions to be adopted by insurance companies.

A review on strategic plans plays a crucial role in the determination of whether a strategic plan is achieving the objectives for which it was intended to achieve and on whether programmes that were set to be accomplished are on track in terms of period and resource allocation. A review period should also be set to the best interest of the organization to ensure that bottle neck problems are mitigated before things get to critical level what cannot be remedied without adverse effect to the companies.

Performance rating on the other had provides a simplistic tool through which companies can strategically examine their position in terms of performance and how best they can work on their setbacks as well as continue improving on what they are doing best.

5.4 Recommendations

The measure of performance of insurance companies should not just be on their profitability but should also include aspects like levels of customer satisfaction, speed of claims settlement and also quality of underwriting services.

Strategic planning is the key and road map to be emulated by any insurance company that wants to succeed in the harsh industry climate; consumers are evolving and have new preferences and options for better products thus an insurance company that wants to remain competitive should be in the business of identifying why consumers would choose one product or service over the other and meet this need.

The speed at which claims are settled as proven to be a corner stone in determining whether companies will retain and get new customer or lose them. Insurance companies should ensure that their underwriting is done promptly and accurately to ensure that consumers get their claims settled on time and in a professional manner.

The net income ratio being a significant indicator of effective profit generation, insurance companies ought to monitor its changes and progress while at the same time the market share being an indicator of performance, insurance companies need to be aware of their current market share, why they stand as they are and what strategies can they adopt to ensure they increase in their market share. The trend at which the sales of policy is growing can also be used by insurance companies to check on their performance and also how best the trend can be kept on an upward scale

5.5 Limitation of the Study

The study being academic in nature was limited by the fact that there is a time duration for the study to be conducted and a report written on time thus follow up queries and information clarification could not be done and adjusted in the report. This challenge was overcome by ensuring that data was collected in good time and any follow ups were done in good time before the data was analyzed and the report written.

The study was also limited by suspicion among the various insurance companies on what the information will be used for but this was overcome by persuasion that the information is for academic purposes and will be treated with the highest form of confidentiality.

5.6 Area for Further Study

On area that the study recommends to be studied further is on the impact of performance rating of strategy on evaluation since there are various ways through which performance rating can be used as a model for measuring the performance of organizations.

REFERENCES

Afi (2014). *Strategic plans for insurance companies*. Retrieved August 11, 2014, from http://www.afi.es/

Aswani, K. (2010). *Effect of marketing strategies on the performance of insurance companies in Kenya*. Unpublished master's thesis. University of Nairobi, Nairobi.

Burke, W. (2010). *Organization Change: Theory and Practice*. Carlifornia: SAGE

Deb, T. (2009). *Performance Appraisal And Management.* New Delhi: Excel Books India.

Grote, R. C. (2005). *Forced Ranking: Making Performance Management Work.* Boston: Harvard Business Press.

Kenny, G. (2012). *Strategic Planning and Performance Management.* Burlington: Routledge.

Karanja, J (2008). *Innovation strategies adopted by insurance companies in Kenya*. unpublished master's thesis. University of Nairobi, Nairobi.

Kothari, C. (2009). *Research Methodology: Methods and Techniques*. New York: New Age International

Mose, V., & Kuloba, R. (2013). *2013 Kenya Insurance Industry Outlook.* Nairobi: Insurance Regulatory Authority.

Mukherjee, S. (2002). *Modern Economic Theory*. New York: New Age International.

Mugenda, O & Mugenda, A (2003). *Research methods quantitative and qualitative Approaches*. Nairobi Press

Murmann, J. P. (2003). *Knowledge and Competitive Advantage*. Madrid: Cambridge University Press.

Moutinho, L., & Southern, G. (2010). *Strategic marketing management: a business* *process approach*. Hampshire, U.K.: Cengage Learning EMEA.

MicroStrategy Business Intelligence (2010). *Solutions for insurance companies*. New York: MicroStrategy Business Intelligence Publishers

Poister, T. (2004). *Strategic Planning and Decision Making in State Departments of Transportation*. New York: Transportation Research Board.

Richard, N., & Winter, S. (2009). *An Evolutionary Theory of Economic Change*. Harvard: Harvard University Press.

Savicki, K. L. (2007). *Working Alliance, Readiness for Change, and Theory of Change as Predictors of Treatment Success Among Incarcerated Adolescents*. Ann Arbor: ProQuest.

Sheilds, J. (2007). *Managing Employee Performance and Reward: Concepts, Practices, Strategies*. London: Cambridge University Press.

Steiner, G. A. (2010). *Strategic Planning*. New York: Simon and Schuster.

Simerson, B. K. (2011). *Strategic Planning: A Practical Guide to Strategy Formulation and Execution*. ABC-CLIO: Santa Barbara.

Smith, R. D. (2004). *Strategic Planning for Public Relations*. New Jersey: Taylor & Francis

Schimmer, M. (2012). *Competitive dynamics in the global insurance industry strategic groups, competitive moves, and firm performance*. Wiesbaden: Springer Gabler

Wambi, K. (2007). *Critical success factors in the insurance in Kenya*. Unpublished master's thesis. University of Nairobi, Nairobi.

Zabid, M. (2005). Strategic planning in Malaysian Insurance Industry. *The Geneva papers on risk and insurance*. (pp. 488).

APPENDICES

APPENDIX 1: INTRODUCTORY LETTER

APPENDIX 2: QUESTIONNAIRE

INTRODUCTION

This questionnaire seeks information on the influence of strategic planning and performance rating on insurance companies in Kenya. All the information you give will be treated confidentially and used for academic purposes only and nothing else what so ever. Kindly complete each of the sections in the questionnaire as instructed. Do not indicate your name as the information given is confidential.

SECTION A: DEMOGRAPHIC INFORMATION

Please tick and answer appropriately.

1. What is the name of your organization? …………………………………………..
2. For how long has the Organization been in existence? ……………………………
3. What is the size of your Organization in terms of;
   a) Number of branches………………………………………………………..
   b) Number of employees………………………………………………………
4. Is your organization a foreign or a locally owned company:(Tick one)
   a) Foreign [ ]
   b) Local [ ]
   c) Both Local and Foreign owned [ ]
5. Is your organization a Private Limited Company or a Public Limited company?
   a) Private Limited Company [ ]
   b) Public Limited Company [ ]
   c) Other (Specify)……………………………………………………………
   ………………………………………………………………………………
6. What is the line of business that your organization conducts?
   a) Life business [ ]
   b) General Business [ ]

c) Both Life and General Business(Composite) [ ]

SECTION B: STRATEGIC PLANNING

7. What is the coverage period of the current strategic plan?

Less than one year [ ] 2-3 Years [ ]

3-5 Years [ ] More than 5 years [ ]

8. How frequently are your strategic plans reviewed?

Annually [ ] Semi-annually [ ]

Quarterly [ ] On a need basis [ ]

Rarely [ ] Never [ ]

9. What level of importance do you consider strategic planning to be in your organization?

Less important [ ] Important [ ]

Moderately Important [ ] Very Important [ ]

10. To what extent is your strategic planning characterized by each of the following features? Rate on a five point scale where **1=Not at all**, **2=Little Extent, 3=Moderate Extent, 4=Great Extent and 5=Very Great Extent**

ASPECT OF STRATEGIC PLANNING	**1**	**2**	**3**	**4**	**5**
The culture of the organization i.e. objectives and goals are reflected in the company's strategic plan					
The mission and vision of the company are clearly stated and can be understood by both employees and clients					
Liabilities and assets of the company were put into consideration before the drawing up of the current strategic plan					
The products and services of the company are matched with the potential of the market					
The strengths, weaknesses, opportunities and threats of the company are well mitigated in the strategic plan of the company					
Core competencies of the company is a factor that gives the					

company a competitive edge					
The company does evaluations as part of strategic planning to improve on productivity					
The management is committed to the implementation of the strategic plan					
External market analysis is done by the company to mitigate on competition					
The strategic plan of the company has ensured sustainability, growth and profitability					
The strategic plan of the company was provided on how best the needs of the customers can be met					
The strategic plan of the company has provided mitigation measures to deal with competition					
The strategic plan has a clear road map on how the company deals with regulatory frameworks that are in place					
Emerging issues and trends in the market have been well identified and solutions provided in the strategic plan of the company					
The company does review of its strategic plan to streamline and ensure consistencies in operations					
The strategic plan allows for each unit which sells different products to have its own charter					
Budgets are prepared by the management of each unit on the resources they need to ensure they meet set goals					
Evaluations are consistently done and recommendations approved to ensure smooth running on the company					

SECTION C: PERFORMANCE RATING

11. Is the net income ratio of your company products effective in generating profits?

    Yes [ ] No [ ]

    Explain answer above…………………………………………………………………....

    ………………………………………………………………………………………………

12. What is the current market share of your company? ....

13. Does the market share affect performance? Yes [ ] No [ ]

    Explain your answer above………………………………………………………....

14. What has been the trend in you policy sales growth?

    Increasing [ ] Decreasing [ ] Stagnant [ ]

15. Do you think the speed at which claims are settled affects performance

    Yes [ ] No [ ]

    Explain answer above………………………………………………………………

    ………………………………………………………………………………………………

16. How has your firm been ranked in the Industry's Annual Rating for the last five years according to Think Business (Scale: Profitable, Non Profitable, Stagnant)

    2009………………………………………………………………………………..

    2010………………………………………………………………………………..

    2011………………………………………………………………………………..

    2012………………………………………………………………………………..

    2013………………………………………………………………………………..

APPENDIX 3: LIST OF INSURANCE COMPANIES

No.	Company	Address
1	AAR Insurance Kenya Limited	P.O Box 41766 – 00100, NAIROBI
2	A P A Insurance Limited	P.O Box 30065 – 00100, NAIROBI
3	Africa Merchant Assurance Company	P.O Box 61599 – 00200, NAIROBI
4	Apollo Life Assurance Limited	P.O Box 30389 – 00100, NAIROBI
5	AIG Kenya Insurance Company	P.O. Box 49460 – 00100, NAIROBI
6	British-American Insurance Company	P.O Box 30375 – 00100, NAIROBI
7	Cannon Assurance Limited	P. O. Box 30216-00100,NAIROBI
8	Capex Life Assurance Company	P. O. Box 12043 – 00400, NAIROBI
9	CFC Life Assurance Limited	P.O. Box 30364 – 00100, NAIROBI
10	CIC General Insurance Limited	P.O. Box 59485 – 00200, NAIROBI
11	CIC Life Assurance Limited	P.O. Box 59485 – 00200, NAIROBI
12	Continental Reinsurance Limited	P.O. Box 76326-00508, NAIROBI
13	Corporate Insurance Company Limited	P.O. Box 34172 – 00100, NAIROBI
14	Directline Assurance Company Limited	P.O. Box 40863 – 00100, NAIROBI
15	East Africa Reinsurance Company	P.O. Box 20196 – 00200, NAIROBI
16	Fidelity Shield Insurance Company	P. O. Box 47435 – 00100, NAIROBI
17	First Assurance Company Limited	P.O. Box 30064 – 00100, NAIROBI
18	G A Insurance Limited,	P.O. Box 42166 – 00100, NAIROBI
19	Gateway Insurance Company Limited	P.O. Box 60656 – 00200, NAIROBI
20	Geminia Insurance Company Limited	P.O. Box 61316 – 00200, NAIROBI
21	ICEA LION General Insurance	P.O. Box 30190 – 00100, NAIROBI
22	ICEA LION Life Assurance Company	P.O. Box 46143 – 00100, NAIROBI
23	Intra Africa Assurance Company	P.O. Box 43241 – 00100, NAIROBI
24	Invesco Assurance Company Limited	P.O. Box 52964-00200, NAIROBI
25	Kenindia Assurance Company Limited	P.O. Box 44372 – 00100, NAIROBI
26	Kenya Orient Insurance Limited	P.O. Box 34530-00100, NAIROBI
27	Kenya Reinsurance Corporation Limited	P.O. Box 30271 – 00100, NAIROBI
28	Madison Insurance Company Kenya	P.O. Box 47382 - 00100, NAIROBI
29	Mayfair Insurance Company Limited	P.O. Box 45161 – 00100, NAIROBI
30	Mercantile Insurance Company Limited	P.O. Box 20680 – 00200, NAIROBI
31	Metropolitan Life Insurance Kenya	P.O. Box 46783 – 00100, NAIROBI
32	Occidental Insurance Company Limited	P.O. Box 39459 – 00623, NAIROBI
33	Old Mutual Life Assurance Company	P.O. Box 30059 – 00100, NAIROBI
34	Pacis Insurance Company Limited	P.O. Box 1870 – 00200, NAIROBI
35	Pan Africa Life Assurance Limited	P.O. Box 44041 – 00100, NAIROBI
36	Phoenix of East Africa Assurance	P.O. Box 30129 – 00100, NAIROBI
37	Pioneer Assurance Company Limited	P.O. Box 20333 - 00200, NAIROBI

38	Real Insurance Company Limited	P.O. Box 40001 - 00100, NAIROBI
39	Resolution Insurance Company Limited	P.O Box 4469 – 00100, NAIROBI
40	Shield Assurance Company Limited	P.O. Box 25093-00100, NAIROBI
41	Takaful Insurance of Africa Limited	P.O Box 1811 – 00100, NAIROBI
42	Tausi Assurance Company Limited	P.O. Box 28889-00200, NAIROBI
43	The Heritage Insurance Company	P. O. Box 30390 - 00100, NAIROBI.
44	The Jubilee Insurance Company of	P.O. Box 30376-00100, NAIROBI
45	The Monarch Insurance Company	P.O. Box 44003 – 00100, NAIROBI
46	Trident Insurance Company Limited	P.O. Box 55651 – 00200, NAIROBI
47	UAP Insurance Company Limited	P.O. Box43013 - 00100, NAIROBI
48	UAP Life Assurance Limited	P.O. Box 23842 – 00100, NAIROBI
49	Xplico Insurance Company Limited	P.O Box 38106 – 00623, NAIROBI

Source: Insurance Regulatory Authority (2013)