

**COMPETITIVE STRATEGIES AND PERFORMANCE OF INSURANCE COMPANIES
IN KENYA**

BY

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DECLARATION

This research project is my original work and has never been presented for any degree in this or any other university.

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This research project has been presented for examination with my approval as the university Supervisor.

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DEDICATION

I dedicate this project to my wife and children who were invaluable in the completion of this program due to their understanding and support.

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ABBREVIATIONS AND ACRONYMS

IRA	Insurance Regulatory Authority
AKI	Association of Kenya Insurers
GDP	Gross Domestic Product
GWP	Gross Written Premium
MIPS	Medical Insurance Providers
SPSS	Statistical package for social science
CVI	Content Validity Index

ABSTRACT

Competitive strategies are designed to enhance organization competitiveness. A competitive strategy comprises of business approaches to retain and gain more customers by satisfying their needs and expectations. The choice of a competitive strategy has a strong bearing on the performance and development of an insurance firm. The Kenya insurance industry comprises of 49 Insurance companies who are competing for a limited market share in a market that has a lower penetration of 2.93% as per Association of Kenya Insurers 2014 statistics which indicates a strong competition that exists between the industry players. Increased foreign investor interest in Kenyan market with recent acquisitions and mergers by foreign insurance companies for example Sanlam insurance group that merged with Pan Africa Life Insurance Company, Metropolitan Life Insurance merged with Cannon Assurance Kenya Limited and Saham Assurance of Libya acquired Mercantile Insurance Company limited shows that global institutions have identified Kenyan market as a strong development frontier in insurance business hence need for companies to develop strong competitive strategies that can support sustainable growth and enhance companies transient advantage in the market. The objectives of the research are to find out the relationship between competitive strategies and performance of insurance companies in Kenya. The questionnaire was the major too of enquiry that collected primary data while secondary data from regulatory authorities was incorporated to supplement the data collected by questionnaires. The research findings were analyzed through regression analysis and it was established that competitive strategies adopted had a large influence on the firm performance as measured by both financial and non financial metrics and it was also established that more companies are adopting strategic alliances and partnerships in order to increase and maintain respective market shares. The research recommends that government through its various agencies should put in place appropriate policies which support the insurance firms as a way of increasing the contribution to the economy. Further research is recommended on establishing the effect of competitive advantage on the survival of insurance companies and how portfolio mix influences the adoption of generic competitive advantage strategies by insurance companies

in

Kenya.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

An organization need to have a strategy which will enhance its competitive advantage over competitors. Due to the ever increasing competition and entry of new firms in the insurance sector this necessitates the design of competitive strategies to guarantee better and enhanced performance and gain a competitive edge. Competitive strategy refers to the creation of a favorable competition position in an industry, the basic platform on which competition takes place with a main objective of identifying and creating a profitable and sustainable position that will work against the determinants of industry competition. Basically competitive strategies are about ways for a firm to increase its competitiveness within an industry (Porter 1985).

Resource based view holds that the differences in the resources and capabilities may persist for a while since some of the resources are not mobile factors hence a company may be able to use the resource based theory to develop its inherent capabilities and derive a superior competitive advantage over other firms (Anne, Marie & Dixon, 2011).Dynamic capabilities theory assumes various positions to the firm overall competitive strategy. The capabilities may include integration functions which incorporated bringing together segments operations to achieve a common goal, creation of new resources to support existing functions in an organization and finally reconfiguring the operation of a firm in order to meet the changing business environment (Ambrosini & Bowman). Firms in most industries have developed strategic units that are mandated to diagnose the sources of competition in the dynamic business environment and create strategies that are compatible with a company's abilities (Kiruthi, 2013).

The Kenya Insurance industry has forty nine (49) Insurance firms serving the entire population with limited diversification of the products offered. However, only a few top players dominate the market share with the top 10 players controlling over 60% of the market share as measured by gross written premiums. (AKI Insurance industry annual report, 2014). Most of the industry players are largely not profitable from their core business. This scenario has seen other players exit the market while others have continued to register impressive growth in market share and profitability. The industry has witnessed a growing number of players competing heads on and increased product innovations thus to remain competitive, firms within the industry have to identify, create and implement strategies that will ensure growth and market share development.

1.1.1 Concept of Competitive Strategy

A competitive strategy refers to an a plan developed by a company in order to outwit competitors in terms of providing information that is more appealing to clients by either discrediting other clients products or offering cost leadership and low cost focus products mostly in a more saturated market where viable alternatives opportunities do exist (Karnani, 2003). In the insurance market the most common model of competitive strategy is to acquire a highly differentiated focus since low cost focus may not be ideal due to regulatory constraints as to pricing of insurance products though companies are able to offer extensive coverage for similar products hence adopting a same cost wide coverage focus strategy which is common in most insurance companies.

Competitive strategies in essence are designed to exploit an organization's competitive advantage. A competitive strategy mainly looks at business and managerial innovation by looking at ways to improve customer satisfaction and fulfilling the client's expectation and rebuff competition challenges in order to maintain a requisite market share for growth. Cook et al. (2011) notes that this is achieved by identifying ways of employing available resources and the strengths of the organization in order to maximize on the potential opportunities in order to wade off competitors. There are different types of strategies that firms use, these are strategic alliances, differentiation, cost focus, market penetration, and diversification. Porter's generic competitive strategies build on the themes of competitive advantage and competitive scope to achieve one of four primary competitive models.

1.1.2 Competitive Strategy

Barney (1991) points out that competitive strategy refers to a set of alternative tactics employed by a firm that guarantees competitive edge over rival companies. Mostly four forms of competitive strategy do exist namely cost leadership; differentiation, low – cost focus and differentiation focus (Kotler, 2012). Cost leadership relates to the development of pricing concepts that are entirely adopted by the other firms. In reference to an insurance company this will refer to the company having updated software in risk pricing that outwits competitors when it comes to rating of various risks. Differentiation and differentiation focus refers to having unique products that have an edge over the competitors in terms of salient features that competitors are unable to meet. Low cost focus refers to adopting strategies that reduce the operational cost by implementing lean methods of management which will reduce the overall cost of business hence increasing the company's profitability.

The main objective of a competitive strategy is to gain competitive advantage. The process of competitive advantage should be a continuous activity which aims at analyzing competitors' position and evaluating current strategies to meet the ever dynamic market. Strategy is mainly a direction that defines the scope of a firm and identifies its long term vision by ensuring resources are channeled with a high degree of appropriateness to meet the need of a market and meet shareholder expectations (Johnson & Scholes, 2002).

1.1.3 Competitive Strategy and Organizational performance

Organizational performance involves measuring the actual output of an organization against its planned goals and objectives. Organizations continuously measure their performance given the unpredictable business environments in which the firms operate in. This enables such firms to identify those factors that could hinder their performance and to take precautions earlier enough in order to meet and exceed the set objectives.

According to Richard, Devinney, Yip and Johnson (2009) organizational performance considers three specific areas of a firm's output: financial performance as measured by profits, return on assets, return on investments; product market performance as measured by sales volumes and market share and lastly shareholder return as measured by economic value added. Organizational performance considers all non-financial and financial results of an organizations and it's not restricted to economic outcomes (Upadhaya, Munir & Blount, 2014).

High organizational performance results when all the organization resources are focused towards specific goals and objectives. The results of organizational performance are measurable in terms of the value addition to customers. The resources are: strategic goals and objectives, organizational framework, business performance indicators, resource allocation and aligned processes, values, culture and guiding principles, and performance and reward structures. Strategic goals and objectives provide the direction in which all organization resources must be focused on.

Organizational structure defines how various activities within the organization are directed towards the achievement of the set goals and objectives. The structure in place must support the strategy just as the strategy must be aligned to the structure. Thompson et al, (2007) notes that, the success with which a firm's business strategy in place addresses its industry's critical success requirements will determine its strategic performance and competitive positioning; therefore, performance is as a result of strategy specifically sustainable competitive strategies.

Business performance indicators represent the measures by which each area of the organization will be evaluated. No single set of performance measures is universal to all organizations. Performance must be consistently measured to monitor progress towards the set goals and ensure operational success. In order to be adding value to the organization, the measures must be determined in line with the organization's goals and relevant strategies formulated to achieve the set goals. The continuous measurement process directs organizational behavior better than other systems that may be in place.

Organizational information as relates to its performance must be easily obtained and should be timely. This may require the development of management information systems that collect the right data and in an efficient way (Combs, Crook & Shook, 2005).

Measuring the performance of an organization as pointed out by Huber (2004) ensures that strategic activities are aligned to the strategic plan further improving organizations profitability by cutting cost and enhancing productivity. Many organizations have in recent years adopted the balance score card methodology where organizational performance is structured and measured along four key dimensions; financial performance (profitability, market share, shareholder returns), customer service excellence, internal business processes, learning and growth.

1.1.4 The Insurance Sector in Kenya

Historical perspective of the Kenyan Insurance Industry holds that the Kenya Insurance industry was dominated by foreign insurance companies that operated in Kenya to provide insurance for colonial interests and companies in the pre independence era. The industry has continued to flourish and by the year 2014 had 49 insurance companies, 198 insurance brokers, 29 MIPS, 133 investigators, 108 motor assessors and 5155 insurance agents. The Kenya Insurance industry is noted to be the fastest growing in Africa according to Swiss Re annual report of 2014. The overall insurance industry penetration according to the 2014 AKI annual report decreased to 2.93% in 2014 compared to 3.44% in 2013 due to the rebasing of the country's GDP in 2014 (AKI Insurance industry annual report, 2014). Kenyan insurance sector has a consumer penetration rate of 2.93% in comparison to the total gross domestic product which ranks it at position five (5) in Africa, after South Africa, Namibia, Mauritius and Morocco (Swiss Re, 2014).

Insurance industry in Kenya is full of significant opportunities to be exploited while ensuring that the industry challenges are addressed. The industry has in the recent past witnessed increased activities in mergers, acquisitions and increased foreign investor's interest. The total Gross Written Premiums (GWP) during the year 2014 amounted to KES. 157.21 billion representing an industry growth of over 20%. The key drivers of overall growth witnessed in the industry were development of new products, improved regulation, increased public awareness and automation of business processes among others. The industry however, according to IRA annual report 2014 doesn't poses the required capitalization levels to write major and emerging risks such as political violence, Sabotage and terrorism and major infrastructural projects.

Insurance industry in Kenya is governed by the insurance Act, chapter 487 of the laws of Kenya which empowers the Insurance Regulatory Authority (IRA) to regulate and coordinate insurance practice in Kenya. The industry is aided by the Association of Kenya Insurers (AKI) which act as consultancy and advisory agency that aims at promoting the awareness of insurance products and enhances professionalism and prudence in handling insurance business. The industry continues to face some significant challenges including premium rate under cutting, delays in claims settlement, high and fraudulent claims, and delays in premium collection among others,(Wambua,1996).

1.1.5 Insurance companies in Kenya

There were forty nine (49) licensed insurance companies as at December, 2014, Twenty five (25) underwrite non life insurance business, Thirteen (13) write life business while eleven (11) were both underwriting life and general insurance business.(IRA, 2014).

The Insurance companies are grouped in terms of asset size, customers served, and insurance premiums for both life and non life insurance. There are six reinsurance companies with one being a state corporation. The companies include Kenya Reinsurance Corporation, African Reinsurance Corporation, PTA Reinsurance Company, and Continental Reinsurance Company. The reinsurance sector is regulated by the insurance regulatory authority and the Association of Kenya Reinsurers (IRA, 2014).

1.2 Research Problem

Competitive strategy provides an organization with an exclusive position that assures the company success and profitability (Porter, 1980). This concept applies to all set of organizations and helps a firm to focus scarce resources to the benefit of the firm's activities.

The Kenyan Insurance market has a low penetration rate which presents the industry with valuable potential as a significant population does not have insurance cover. The consumption of insurance products in Kenya is mainly dominated by Motor, fire industrial and personal accident covers that are normally offered as riders under group medical insurance schemes. This indicates a poor perception on personal insurance covers (Mbogo, 2010).

In the Kenyan economy, insurance firms have a pivotal responsibility in the growth of the economy mainly by creating employment opportunities and payment of taxes that support the Kenyan economy. The insurance companies' need to be competitive enough to ensure growth and retention of market share in the industry because this would certainly translate to increased sales and profits.

Local studies have been undertaken on the field of competitive strategies and organizational performance on different firms. Oyeila (2011), dwelt on competitive strategies and performance of commercial banks and observed that strategies adopted such as agency banking, mobile banking has led to increased networking and customer base; Adhiambo (2009) studied competitive positioning and performance of commercial banks and observed that firms must repackage their products, be innovative and move with technology for survival in the so dynamic world of business; Obiero (2008) looking at strategies adopted by cement manufacturing firms in Kenya observed that pricing of products , low cost of materials and proximity to customers were among the key competitive strategies adopted. Within the industry, Mwikali (2011) researched on innovative strategies and processes within insurance companies in Kenya. The outcome of the study was that insurance companies have similarities in innovation processes.

All these studies have focused on different areas, other than the correlation between competitive strategy and performance in the Insurance sector particularly the insurance companies. No study has been conducted on the influence of competitive strategies in reference to the insurance sector. A knowledge gap therefore exists and this study sought to bridge this inherent knowledge gap, by addressing the following research question: what influence do competitive strategies adopted have on performance of insurance companies in Kenya?

1.3 Research Objective

The objective of this study is to establish the influence of competitive strategies on performance of insurance companies in Kenya.

1.4 Value of the Study

This study will be useful to management of insurance companies in understanding strategies adopted by other players in response to industry competition in order to ensure they remain competitive by developing focused strategies. The findings of the research will benefit Insurance companies in Kenya and deepen their understanding of the insurance market.

To the management of respective firms, the research will enable these firms to understand their competitive strengths in the market. The study will highlight specific innovative responses which could be adopted to strengthen the firm's ability to capitalize on opportunities in the market.

The study will enable the industry participants, stakeholders, and even clients to understand the influence of environmental and other controllable and non-controllable factors leading to a firm success through innovative approaches. This will enable them undertake elaborate decision making framework to enrich their business and operations.

To the scholars/academicians the study will facilitate further research and development of knowledge, in pursuit of deeper understanding of the general and specific innovative responses which could be incorporated to decision making processes. Further research could lead to extensive publishing of guidelines, and policy papers for the government, stakeholders, and the general industry. The findings of this study will also be significant in policy formulation that will spur industry growth hence increased contribution to the economy.

The study findings can help the management in developing a theoretical background and in understanding how to handle competition in their respective industries. The management will have to rely on the research findings from this study to explore the best strategies to compete and perform effectively.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The section looks at a brief review on secondary publications relating to competitive strategies adopted by various organisations. The central theme of the study is the relevance of strategy in achieving competitive advantage. Strategy is defined according to scholars who have done extensive research in this field. Strategic management process and its components are primed opened in this chapter. Finally, the chapter highlights the concept of competitive advantage as a game changer in attaining organisation success and the various competitive strategies that can help attain competitive advantage.

2.2 Theoretical Foundation

This section will cover two theoretical frameworks that are used in assessing a firm's strategic management process: resource based view (RBV) and dynamic capabilities framework. The resource based theory forms the comprehensive principle to the study as it focuses on the limited capabilities and resources as a source of competitive advantage.

2.2.1 The Resource Based View

The Resource based theory (RBV) is a strategic management theory that assumes the heterogeneity of firm's resources and abilities (Nicolai, 1998). The theory also hold that the differences in the resources and capabilities may persist for while since some of the resources are not mobile factors hence a company may be able to use the resource based theory to develop its inherent capabilities and derive a superior competitive advantage over other firms.

Resource based theory also extends to a degree of creating products, strategies and functions within an organization that are cannot be copied by competitors (Gimeno, 1999). This refers to a company having unique resources like man power and capital that rival competitors find it difficult to match hence allowing a firm the ability to ground a strong competitive position in the market over a period of time.

2.2.2 Dynamic Capabilities theory

Refers to the ability to create new wealth and customer capture methods by private companies that predominantly operate in a much changing legal, technological and economic environment, (Teece, 2011). The dynamic capabilities theory offers wide comprehensive overview of how a firm will develop its innovation, path dependency and the available assets of knowledge available to a particular firm. The dynamic capabilities theory extends the resource based theory on how valuable a company's resources can be maintained or sustained and redeveloped in the ever changing environment.

Dynamic capabilities theory may assume various positions to the firm overall competitive strategy. The capabilities may include integration functions which incorporated bringing together segments operations to achieve a common goal, creation of new resources to support existing functions in an organization and finally reconfiguring the operation of a firm in order to meet the changing business environment (Ambrosini & Bowman).

2.3 Competitive strategies adopted in the insurance industry

Kaplan and Norton (2008) observed that successful strategy implementation has two basic rules. They understand management cycle and the link between strategy and operations. More importantly, Peng and Littlejohn (2001) posited that managerial knowledge about which tools to apply at each stage of the implementation cycle is equally critical. Strategy implementation encompasses the methodology and criterion used to adopt and execute a strategy. Transforming strategies into action is complex and difficult to achieve (Aaltonen and Ikavako, 2002; Kazmi, 2008). Aaltonen and Ikavalko (2002) study showed that communication is imperative in detail of implementing a strategy and is dependent on process, context and objectives. Strikingly, an organization fails to implement 70 percent of the strategies (Miller, 2002). They can respond through cost leadership strategy, focus strategy and differentiation or a combination of any of them as per the need of the firm and the competitive pressure experienced. Cost leadership involves a firm appealing winning the market share through low cost conscious or price sensitive customers.

Differentiation strategy targets a mass market; it's used to add customer added value, rather than the reduced cost, lower price of a cost leadership strategy. Differentiation can be actual and real or merely perceived by the customer. Real differentiation occurs when the company products or services are different and distractive from others in the market.

Low cost focus is a specialization and meant to achieve maximum sales and benefits of the said markets the firm serves. A market well attended by competitors focus as a strategy is bound to succeed if it centers its efforts in a number of niche markets and serves them well to the exclusion of other broad market segments. According to Capon (2008) porter's three competitive

strategies centre on two issues; the scope of the market to be served and the basis of competition. The scope of the market can be either narrow or broad; on basis criteria it can be cost based or value added based.

Synergy is said to exist where it's more advantageous to combine two or more activities than to undertake them separately. Synergy may be sales & distributions; production and investments. Majority of firms strive to remain competitive through cost effective avenues and through customer satisfaction practices. Competitive and innovative strategies become important in achievement of all the above goals. Failure to be innovative can be disastrous for the firm (Iacovok and dexter 2005) notes, resulting effects range from loss of business to competition, loss of opportunities which could have led to organizational growth and create strong presence in the market place. Management can minimize the impact of these consequences through an elaborative innovation policy guidelines plus a revised strategy approaches to keep pace with the change in the business environment.

2.4 Strategic management process

In its broadest sense, strategic management is about taking "strategic decisions", that is, decisions that answer the questions about where the business is trying to get to in the long-term, which markets to compete in, how the business can perform better than the competition, what resources are required to compete and the environmental orientation that will influence the company's ability to perform and compete and shareholders expectations (Gakumo, 2006).

Strategic analysis is all about the strength of a business' position and understanding the important external factors that may influence that position. The process of strategic analysis can be assisted by a number of tools. PESTEL framework is a technique for understanding the environment in which a business operates. The 'Pestel' framework helps in understanding the current and future political trends, environmental challenges and opportunities, social impediments in the creation of particular products, technological efficiencies and in efficiencies, economic conditions and legal framework of competition. Porter's five forces framework is suitable in identifying the threat of substitutes, the challenges posed by new entrants, understand and analyze the industrial rivalry by looking at the suppliers and buyers power of bargaining. Directional policy matrix is a strategic analysis technique which highlights the specific business segments that a firm will have to invest into and maps the direction a firm will have to adopt, (Carlopio and Harvey, 2012). Competitor analysis refers to an in-depth insight in the rival firm's activities to identify their critical success paths and strategies in order to develop both offensive and defensive strategies'. SWOT analysis is another strategic analysis tool that compares the internal and external position of a company (Harvey, 2012).

2.5 Strategic management and Competitive advantage

Competitive advantage refers to the merits gained over other companies by offering low cost products or offering services and products at a relatively higher price that supports the superiority of the product and the uniqueness of the service provided, (Ohaga, 2010).It affords a company the luxury to outwit its competitors and ensure value maximization of the shareholders net worth. The resilience of a competitive strategy will make it difficult for competitors to imitate hence assuring increased and stable market share to the firm.

According to Barney and Hesterly (2010), competitive advantage refers to the ability of a firm to generate more economic value in comparison with competitors. Carlopio and Harvey, (2012) observed that there are two main types of competitive advantages that is comparative advantage and differential advantage. Comparative advantage normally referred to as cost advantage refers to a firm's ability to create a good or service at a lower cost than its rival firms, this enables a firm to sell its products at a much lower price compared to the competitors.

A differential advantage is when the company's products bear unique characteristics and features that are observed to be better than the packages offered by rival firms. Competitive advantage can be attained if the current strategy is value-creating, and not currently being implemented by present or possible future competitors. However with emerging trends of transient management theories competitive strategies may fail to give long term sustainability hence the need of a firm to constantly review its core competencies to keep up with emerging trends and strategies adopted by similar organizations in the specific industry (Barney, 1991).

2.6 Sustainable Competitive strategies

Sustainability of a competitive strategy refers to the ineptness of competitors to imitate or adopt a distinct strategy that will render the focus companies competitive strategy redundant (Carlopio & Harvey, 2012). This relates to the effectiveness longevity of the strategy in edging out competitors market position. When the imitative actions have come to an end without disrupting the firm's competitive advantage, the firm's strategy can be called sustainable. Porter (2012) pioneered thinking in the field of strategy when he proposed that there were four different 'generic' strategies by which organizations could achieve competitive advantage. These were overall cost leadership, differentiation, differentiation focus and cost focus.

The strategies relate to the extent to which the scope of a business activity are narrow versus broad and the extent to which a business seeks to differentiate its products. The differentiation and cost leadership strategies seek competitive advantage in a broad range of markets or industry segment. By contrast, the differentiation focuses and cost focus strategies are adopted in narrow market or industry.

Johnson and Scholes (2005) modified Porter's strategies into three generic approaches that is, overall cost leadership, differentiation, and focus. They called them market-facing generic strategies derived from Barney and Hesterly (2010), based on the principle that organizations achieve competitive advantage by providing their customers with what they want or need, better or more effectively than competitors. Differentiation strategy involves selecting one or more criteria used by buyers in a market and then positioning the business uniquely to meet those criteria. It seeks to provide products or services that offer benefits different from those of competitors and that are widely valued by buyers (Sharp and Dawes, 2013).

Firms are always looking for ideas and notions that will enable them to be perceived as unique in connection with the values observed by buyers (Porter, 1985). Barney and Hesterly (2010), define differentiation as an attempt by firms to gain competitive edge by twisting the product perception value to its advantage over the competitors. Porter (1985) goes further to explain that an organization will select a few attributes that are deemed important in the buyers view and develop such attributes and offer the product at a premium price. According to Barney (1996), a firm that chooses a cost leadership strategy aims at gaining advantage in having the best price for its commodities and services where buyers are unable to differentiate between quality differences between the industry products making cost a vital determinant for the consumer's preferences.

In the differentiation focus, a producer aims at subdividing its existing and potential customers into distinct groups and valuating each niche in terms of needs, preferences, common feedback and expectations and creates products and services that meet each targets group requirements (Morris & Morris).

The last strategy is a hybrid strategy which seeks to simultaneously achieve differentiation and a price lower than that of competitors. The success of the strategy depends on the ability to deliver enhanced benefits to customers together with low prices whilst achieving sufficient margins for reinvestment to maintain and develop the bases for differentiation. Miller, (1992) argued that if differentiation can be achieved there should be no need to have a lower price since it should be possible to obtain prices at least equal to competition, if not higher. However, Johnson and Scholes (2007) countered that the hybrid system can be advantageous if much greater volumes can be achieved than competitors then margins may still be better because of a low cost base.

If an organization is clear about the activities on which differentiation can be built (potential core competencies) it may be able to reduce costs on other activities or as an entry strategy in a market with established competitors.

Scholars in the field of strategy have put forth various models that can be applied by companies to achieve competitive advantage. They however agree on one thing, that there is no one cure-it-all strategy that applies to all companies. Various companies use various competitive strategy models to attain competitive advantage depending on various circumstances such as the environment in which they operate and nature of product or service. Strategy is game plan that creates a match between a firms capabilities and the environment.

Strategy guides firms to superior performance through establishing competitive advantage. In this process, companies consider alternative courses of action and choose a set of strategies for their business units, Barney and Hesterly (2010).

Different organizations are likely to emphasize on different aspects of strategy because their contexts and environments differ. For some, according to Johnson and Scholes (2002) it is competitive strategy, for others, it is understanding their competencies while others stress on creating strategic fit. Others talk of innovation. Strategic responses grow out of a firm's assessment of its current situation. Strategic responses are therefore the choices that firms make in an attempt to address the key issues that arise from internal and external analysis of the firm and its business environment. Strategic management also relates to decisions that relate the organization to its environment, guide internal activities and determine organizational long-term performance Barney and Hesterly (2010).

Prime task of strategic management is thinking through the overall mission of business. That is asking the question "What is our business?" This leads to the setting of objectives, development of strategies and making of today's decisions for tomorrow's results. Managers have been faced with the need to adapt increasingly complex organizations to rapidly changing environments. Strategic management helps organizations cope with the turbulence in the environment. Strategic management enables organizations to adapt under conditions of externally imposed stress or crisis because of the changing environment and also helps companies to develop sustainable competitive advantage.

In developing strategy, organizations carry out an analysis of their external and internal environment and see where they can out-perform their competitor and vice-versa. This enables the company to outperform competition. The goal is to help secure a competitive advantage over rivals.

2.7 Empirical Studies and the Research Gap

Yasar (2010) focused on analyzing the competitive strategies and the firm performance of a carpeting sector in Beijing. The researched annulled any relationship between competitive strategy and the firm performance of the carpeting industry. The research found out that competitive strategies are outlived by transient management theory which holds that competitive advantage may not be sustainable in the long run hence not suitable to influence performance on a carpeting industry.

Jonsson & Devonish (2009) did an exploratory study of competitive strategies among hotels in Malaysia. The study identified that firms that correctly applied competitive models of strategy experienced superior performance compared to those that didn't have clear competition models of strategy. The research confirmed existence of a relationship between organizational performance, client satisfaction and improved competitive position of a company's activity.

Arasa and Gathinji (2014) focused on the correlation between competitive strategies and firm performance in Telecommunication industry in Kenya. The study outlines that competition was steep in the mobile telecommunication sector and only firms that developed competitive strategies that focused on cost leadership and differential tactics will survive the steep competition in the sector.

Ilovi (2011) examined how to sustain a competitive advantage in reference to the insurance industry in Kenya. The study recommended that players in the insurance sector should constantly evaluate their strategies with the aim of outdoing competition. In light of the foregoing, the author suggested adoption of cost reduction strategies, focus strategy and investing in resources as some of the measures of addressing issues of competition in the industry.

The above empirical studies present an avenue for this research to fill in an important segment of information regarding the insurance company's strategic methodologies. Strategies Adopted to ensure a competitive position in an industry that is faced with lower penetration, prejudice from potential customers and public perception and internal deterrents like fraud, slow claims processing and limited market opportunities.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology that will be used in the study. It has the following structure; research design, population of study, data collection procedures, instruments and data analysis methods applied in the study.

3.2 Research Design

Research design relates to the strategy adopted in integrating the various components in a logical and coherent flow (Mutua, 2008). The research adopted a descriptive survey that assumed a cross – sectional study since it was a onetime interaction with groups of people (Ngechu, 2008).

Cross sectional survey design is observation in nature and assists researchers to record the information that is present in a population. It is also used to describe characteristics that exist in a population and to make inferences about possible relationships or to gather preliminary data to support further research and experimentation (Kombo and Tromp, 2006)

3.3 Population of the study

The population of the study will be the forty nine (49) insurance companies by the regulator as at December 2014. Given that the population of study is small, a census survey was chosen where all the members of the population will be considered for the research.

The population in this study comprises the forty nine (49) licensed insurance companies in Kenya. A list of the companies studied is shown in appendix II.

3.4 Data collection

The study will employ a direct collection of primary data through questionnaires which will be structured into closed and open ended questions to cover issues of competitive advantage and their influence on organizational performance. The respondents will be the heads of strategic planning in the insurance companies. The Questionnaires will be administered by both email and pick and drop methods. These two methods are chosen so as to maximize on the response rate from respondents.

3.5 Data analysis

After the data was collected it was, organized, coded and analyzed. The main purpose was to obtain meaning from collected data. The questionnaires will be edited for consistency and completeness. Descriptive statistics using SPSS will be used to analyze data in the research study. Section B of the questionnaire will collect data on organization demographics of the different insurance companies in Kenya.

This data will be analysed using percentages. Section C of the questionnaire will collect data on various strategies adopted by insurance companies to gain sustainable advantage. The strategies will be rated on a scale of 1-5. For each strategy, the score given by the individual companies will be multiplied by the rating to give a weighted rating for the insurance companies. Weighted rates will be used to reveal the strategies.

The study will also use Analysis of Variance (ANOVA) to attest the confidence level on the related variables at 95% significant level. Featuring are tables, figures and charts showing relationship of various research variables.

This study will use the following model of regression

The regression equation ($P = \beta_0 + \beta_1S_1 + \beta_2S_2 + \beta_3S_3 + \beta_4S_4 + \epsilon$):

Whereby P = Performance

ϵ = Constant (Co-efficient of intercept)

$S_1 - S_4$ = Strategies Adopted.

E =Error.

β_1 = Regression coefficient.

CHAPTER FOUR

DATA ANALYSIS RESULTS AND DISCUSSIONS

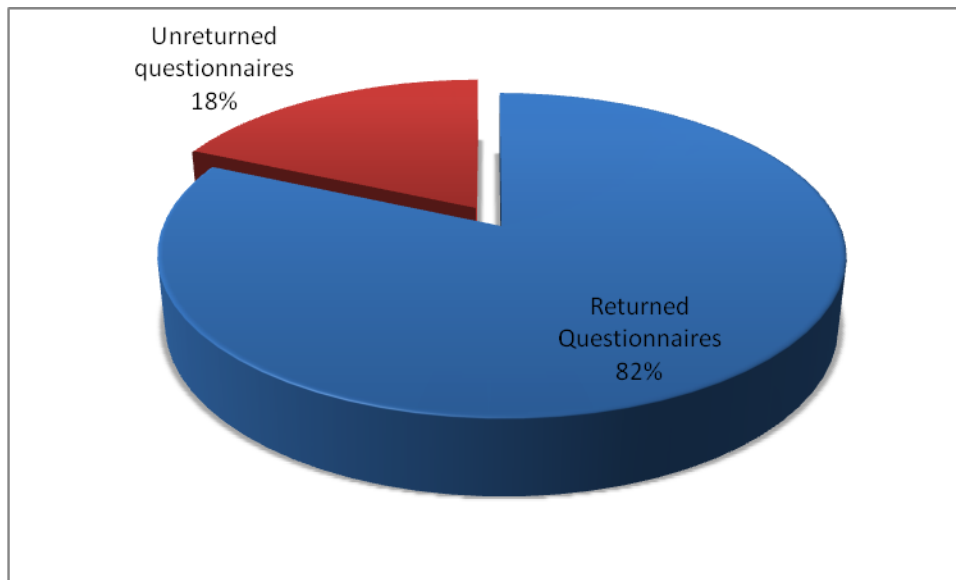
4.1 Introduction

This section covers the analysis and presentation of the results obtained from the field work on the influence of competitive strategies on performance of insurance companies in Kenya. Descriptive statistics incorporating measures of central tendency and variability and inferential statistics have been used to analyze the results of the research.

4.2 Response Rate

All respondents were the strategic unit's heads of the insurance companies. The response ratio was 82% out the total fifty (50) questionnaires that were administered with 18% were not received.

Figure 4.1: Response rate on the administered questionnaires



Source: Author 2016

The research targeted the Forty Nine (49) licensed insurance companies in Kenya. Of the questionnaires issued, 40 firms completed in and submitted the questionnaires recording a feedback rate of 82%. This amount of response was adequate to draw conclusions for the study. Weisberg, Krosnick & Bowen (2006) recommended a response rate of 70%. According to Mugenda & Mugenda (2008), a 50 percent response rate is adequate for analysis and reporting; a 60 percent response rate is good and a response rate of 70 percent and above is excellent. Based on the affirmation, the rate of response obtained was concluded to be excellent.

4.3 Pilot Test

The research was assigned to experts who were experienced in evaluation of data and the correlation of the data to the research objectives. The research validity was generated by the content validity index (CVI). The research generated an index of 0.804 which supports the conclusion of Oso and Onen (2009) that a content validity coefficient of not less than 0.70 is relevant.

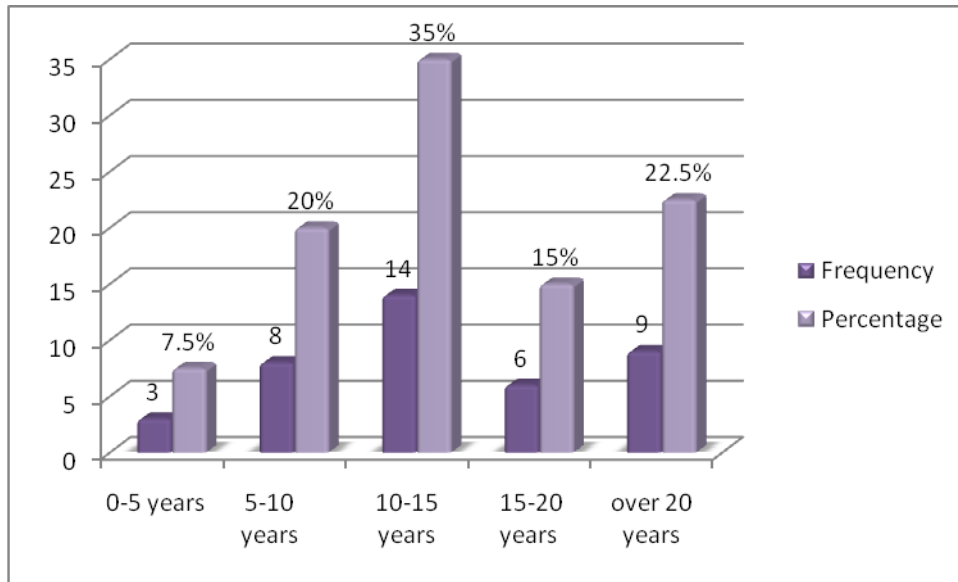
4.4 Profile of the respondents

The research aimed to identify the demographic information from the players in the licensed insurance firms. The demographic information of the respondents included years of operation, target market of the insurance company, Ownership structure of the company and the geographical spread. The findings from the analysis are illustrated in the following subsections.

4.4.1 Years of operation

The research sought to identify the years to which the respondents were in operation in the insurance companies. The results from the analysis are illustrated in the figure below as shown.

Figure 4.1: Years of Operation



Source: Author 2016

A greater percentage of the respondents (35%) recorded that they had worked in the licensed insurance firms for 10-15 years. Closely after were respondents who indicated that they had been operation in the insurance firms for over 20 years. This was calculated from a frequency of 9. 20% of the respondents indicated that they had been operating in the insurance firms for 5-10 years while 15% of the respondents registered that they had been operating for 15-20 years. The least frequency (7) was of respondents who indicated that they had been in operation for 0-5 years. The study thus showed that they had sufficient experience to provide data on the influence of adoption of competitive strategies on performance of insurance firms

4.4.2 Target Market of the insurance Company

The study found it paramount to establish the target market of the insurance Company. The result from the SPSS descriptive is illustrated in the table below as shown.

Table 4.1: Target markets of the insurance companies.

Target Market of the insurance company	Frequency	Percentage
Retail	4	10%
Corporate	21	52.5%
SMEs	6	15%
Retail and Corporate	9	22.5%
Other	0	0%
Total	40	100.0

Source: Author 2016

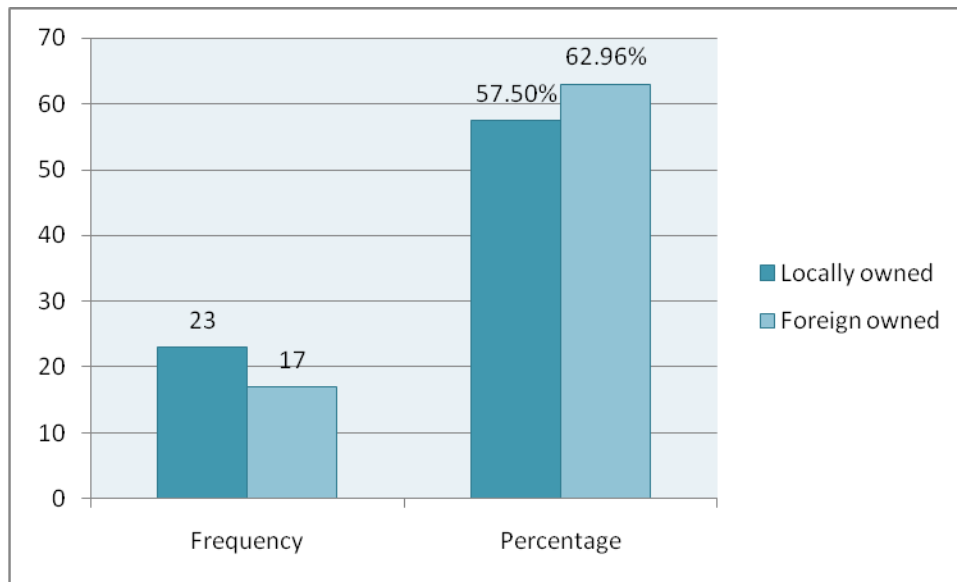
From the research findings, majority of the respondents 21 (52.5%) noted that the target market of their insurance firms was Corporate firms. 9 (22.5%) of the respondents indicated that their insurance firms targeted both retails and corporate sectors. 6 (15%) of the questionnaire participants indicated that their firms targeted SMEs while 4 (10%) of the respondents indicated that their firms targeted the retail sector. None of the respondents indicated that their firms targeted any other sector other than the aforementioned.

4.5.3 Ownership Structure of the Company

The researcher sought to identify the ownership structure of the licensed insurance companies.

The results from the analysis of findings are illustrated in the figure below as shown.

Figure 4.2: Ownership Structure of the company



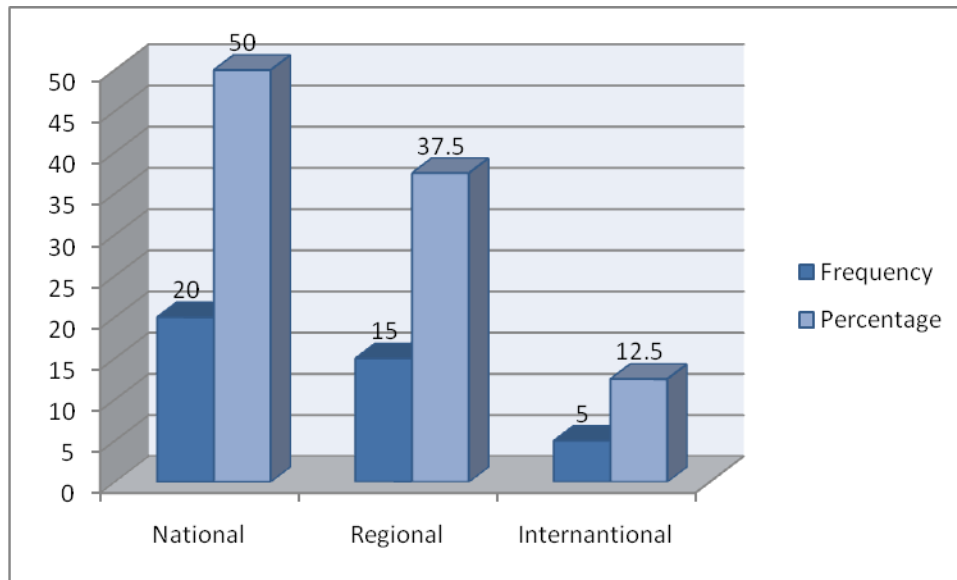
Source: Author 2016

The findings clearly showed that a majority of the respondents (23) 62.96% indicated that their companies were locally owned while (17) 57.5% of the respondents indicated that their firms were foreign owned. The study thus concluded that majority of the firms were locally owned.

4.5.4 Geographical spread of the Insurance Company

The research aimed to find out the geographical distribution of the insurance firms. The results from the analysis are illustrated in the figure 4.4 as shown.

Figure4.4 Geographical Spread of Insurance Companies



Source: Author 2016

From the analysis of findings, a majority of the respondents (50%) recorded that their insurance firms were operating nationally. Closely after were respondents (37.5%) who indicated that the geographical spread of their insurance firms was regional. The least frequency (5) was of respondents who indicated that the geographical spread of their organizations was international.

4.5 Strategies adopted by the insurance companies.

The research aimed at establishing the degree of adoption of various strategies in the Insurance Companies. The results from the analysis of the data collected are presented in table 4.3 as shown below.

Table 4.2: Extent of strategy adoption

	M	SD
Good provider relations	3.8333	0.98527
Effective advertising and marketing campaigns	3.9419	0.44971
Continuing product development and innovation	3.4333	0.97720
Effective sales force	2.8049	1.40122
Efficient, flexible operations adaptable to customers	3.1442	0.44148
Wide range of products and services	3.6744	0.77414
Strategic locations of branches	3.2744	0.97414
Pioneer in the industry	4.6744	0.47414
Customer service and support	3.6190	0.79151
Focus on specific market segments	3.6429	0.84973
Knowledgeable staff	3.5977	0.6777
Strategic alliances and partnerships	4.7863	0.4863
Brand recognition	4.4376	0.1966
Continuous brand development	3.5761	0.4671
Other	4.6812	0.7872

Source: Author 2016

The finding in the above table 4.3 indicates that a greater percentage of the respondents indicated different extents of adoption to the strategies given in the study. The study noted that a larger portion of the respondents indicated that their firms adopted Strategic alliances and partnerships to a very large extent. This was evidenced by a high calculated average of 4.7863 and a small standard variance of 0.4863 which indicated little variance from the mean mark. It was also noted that most of the respondent indicated Pioneering in the industry was a strategy adapted to a large extent; this response was represented by a high computed average of 4.6744 and a mean deviation of 0.47414. Most of the respondents also mentioned Brand recognition was a strategy adopted to a large extent; this strategy was supported by a calculated mean of 4.4376. The small standard deviation calculated indicated uniformity in the responses from the respondents. Additionally the respondents cited that Effective advertising and marketing campaigns was adopted to a large extent, this is exhibited by a calculated average of 3.9419 and a small standard variance of 0.44971 indicating homogeneity in the responses made by the respondent. Further the study also noted that Good provider relations, Continuing product development and innovation, Efficient, flexible operations adaptable to customers and Strategic locations were strategies adopted in the insurance industry to a large extent. This was estimated true by the mean calculated in each case of 3.8333, 3.4333, 3.1442 and 3.2744 respectively. The standard deviation calculated in each case of less than 1.5 indicated uniformity in the responses from the respondents.

4.6 Inferential Statistics

The results of the inferential statistics are presented in this section. To gauge the relationship between the independent variables i.e. the relationship between strategy adoption and performance, correlation analysis was used. Regression analysis established the causal effect of the independent variable on the dependent.

4.6.1 Correlation Analysis

The correlation coefficient, denoted by r is a measure of the strength of a linear association between two variables. The correlation coefficient r , value ranges from +1 to -1. A correlation coefficient of 0 indicates that there is no relationship between the two variables.

A correlation coefficient more than 0 is indicative of a positive relationship which means that as the value of one variable increases, the other variable also increases. A coefficient less than 0 implies a negative relationship which means as the value of one variable increases, the other variable changes but in the opposite direction.

4.6.2 Correlation Coefficient

The below table shows the correlation coefficient of the independent variables.

Table 4.3: Correlation coefficient

	Strategy Adoption	Organizational performance
Strategy Adoption	1.000	
Financial performance	0.6421 (p=.013)	1.000

Source: Author 2016

The results of the study in table 4.3 show that the independent variable had a positive relationship at a 0.05 significance level and hence incorporated in the analysis. The study established that there was significantly strong, positive relationship between Strategy Adoption and organizational performance (correlation coefficient 0.6421);

4.7 Regression Analysis

Table 4.17: Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.708(a)	0.502	0.491	.52126

Source: Author 2016

From the above table, Coefficients, provides the data on each predictor variable. The coefficient of determination assesses the extent to which changes in the independent variables (Strategy Adoption) explains changes in the dependent variable. (Organizational performance)

The independent variables studied (competitive strategies) explain 50.2% of the changes in financial performance as evidenced by R^2 . Further study should therefore be done to establish the other variables (49.8%) affecting performance in the insurance industry.

Table 4.3: ANOVA^b

Model		Sum of Squares	Df	Mean Square	F Calculated	Sig.
1	Regression	8.553	1	8.553	5.022	.0015 ^a
	Residual	64.714	38	1.703		
	Total	73.247	39			

Source: Author 2016

Table 4.3 above, ANOVA, indicates that the regression model is an acceptable predictor of the dependent variable. The statistical significance of the regression model applied was 0.0015. This value is less than 0.05 which means that the model is statistically significant in predicting how competitive strategies influenced financial performance. The F critical at 5% level of significance was 2.33. Since F calculated is greater than the F critical (value = 5.022), this shows that the overall model was significant.

Table 4.4: Coefficient of Regression

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.324	.301		4.285	.569
	Differential Focus	0.104	.154	.183	.776	.038
	Cost Focus	0.094	.235	.165	.368	.175
	Cost Leadership	0.087	.247	.636	.256	.028
	Differentiation	0.101	.176	.0254	.694	.425

Source: Author 2016

Regression equation obtained from table 4.5 above:

$$Y = 1.324 + 0.104X_1 + 0.094X_2 + 0.087X_3 + 0.101X_4$$

A Coefficient of Regression analysis was conducted so as to find out the impact of competitive strategies on organizational performance of insurance companies in Kenya. According to the Coefficient of Regression, a unit increment in competitive strategies leads to a 0.104 increase in organizational performance. This shows that the strategies used in insurance firms have a significant influence on organizational performance

4.8 Summary of Discussion

The research predicts a sustained organizational performance level through continuous implementation and review of competitive strategies. The competitive methods adopted by the insurance companies conform to the generic strategy types.

Various firms employ different strategies in line with its objectives giving rise to the variability noted in the various strategies adopted. It is evident from the research findings that a company should have more than one strategy given the uncertain business environment in which the firms operate. The firms should however give preference to the particular strategies that gives it an upper hand in the market against its competitors.

The insurance market in Kenya is dominated by many players but the top ten players control over 60% of the market share. The increased ease of doing business in Kenya and a growing economy supported by a growing middle class has continued to attract foreign investors into the insurance market to tap into the existing growth opportunities.

In strategy implementation, a firm should be alive to the various challenges that might hinder the effectiveness of its strategy.

CHAPTER FIVE:

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section summarizes the research data and also presents a conclusion from chapter four. The outcome and recommendations of the study based on the key goal of the research are also incorporated. The key goal of this research was to find out the influence of competitive strategies on performance of insurance companies in Kenya.

5.2 Summary of the Findings

The research targeted a sample size of 49 respondents from the licensed insurance companies in Kenya from which 40 completed in and submitted the questionnaires recording a response estimate of 85.11%. A content validity index (CVI) of 0.804 was computed. Oso and Onen (2009), concludes that a validity coefficient not less than 0.70 is admissible as a valid research hence the acceptance of the research instrument as valid.

The study showed that a greater percentage (35%) of the respondents indicated they had worked in the licensed insurance firms for 10-15 years. Closely after were respondents who indicated that they had been operation in the insurance firms for over 20 years. This was calculated from a frequency of 9. The study thus showed that they had sufficient experience to provide data on the influence of adoption of competitive strategies on performance of insurance firms. From the analysis of the data collected, a large percentage of the respondents 21 (52.5%) noted that the target market of their insurance firms was Corporate firms. 9 (22.5%) of the respondents

indicated that their insurance firms targeted both retails and corporate sectors. From the findings it was also evident that many of the respondents (23) 62.96% indicated that their companies were locally owned while (17) 57.5% of the respondents indicated that their firms were foreign owned.

The study established that majority of the respondents their firms adopted Strategic alliances and partnerships to a very large extent. This was shown by a high calculated average of 4.7863 and a small a mean deviation of 0. 4863 which indicated little variance from the mean mark. It was also noted that most of the respondent indicated Pioneering in the industry was a strategy adapted to a large extent, this responses was represented by a high computed average of 4.6744 and a standard variation of 0.47414. Generally, it was evident that many of the respondents noted that the strategies adopted to a large extent influenced performance.

5.3 Conclusion

The competitive strategies that the insurance companies in Kenya apply are in line with the generic strategies as applied by various organizations across the globe. The Insurance firms in Kenya have adopted different strategies to remain competitive in the face of a market that has a lower penetration with a majority of the population not having embraced the need for insurance. The competitive strategies adopted however provide different levels of variation among the respondents with respect to which strategy each firm applies so as to meet its overall objectives. Firms in the industry are called upon to be flexible in the development and execution of their competitive strategies given the business environment in which they operate.

From the research findings, differentiation strategy is the most prevalent in the Kenyan insurance industry. This has been achieved through continuous product development and innovation, advertising and marketing activities, flexibility in operations and strategic alliances and partnership. This strategy has proved to be sustainable compared to the cost leadership strategy given that most of the industry players are not profitable from their core businesses. The differentiation strategy has enabled the consumers to perceive the insurance firms that have adopted it as offering added value compared to the other competing players.

New entrants in the market have employed the cost leadership strategy as a means to gain market share. However, this strategy has not proved to be sustainable in the face of high claims incurred and high operating costs. The industry regulator also sets the minimum prices for each level of risk. This has necessitated the firms adopting this strategy to revise them so as to remain profitable and in compliance with the regulatory provisions. Overall, an assessment of relationship between the competitive strategies and performance in the insurance industry in Kenya confirms that sustainable competitive strategies are key in the insurance firm's performance.

5.4 Limitations of the study

A rigorous working environment hindered my deep indulgence with the respondents in that i was not able to follow up on some of them who had given partial and unclear responses on some key areas of research. Lack of cooperation from some respondents was witnessed by the researcher. Given the confidentiality of some of the information requested, some respondents were not willing to cooperate in a research that they were unaware of its intentions. The researcher therefore had to explain the details of the study and its overall objective as purely an academic undertaking. The researcher further vowed that information divulged would be held in confidentiality.

The respondents in this research were from one sector of the economy. The conclusions of this study may not be representative and therefore should not be generalized to other industries operating in Kenya.

5.5 Recommendations

From the foregoing findings and conclusions, the following recommendations for policy and practice are suggested.

5.5.1 Recommendations for Policy and Practice

The study recommends that the government through its respective specialty departments should put in place appropriate policies which support the insurance firms as a way of increasing their contribution to the economy. Accordingly, the relevant authorities should also work towards setting policies and standards of ensuring performance in the insurance industry.

This would be in an attempt to cushion them from the adverse effects of the dynamic and competitive operating environment brought about by globalization and rise in technological advancements.

The findings of the research made it clear that in formulating its competitive strategies, an organization will be required to assess the dynamic of each strategy so as to be able to respond quickly to environmental changes. This involves building and retaining the resources and capabilities required to successfully compete and succeed. A competing firm will be required to analyse and discover the functional area within the organization which has the greatest contribution in sustaining a firm's competitive advantage.

5.5.2 Recommendations for Further Research

Further research is recommended on establishing the effect of competitive advantage on the survival of insurance companies and how portfolio mix influences the adoption of generic competitive advantage strategies by insurance companies in Kenya. It would also be important to establish the other factors that have an influence on organizational performance in the insurance industry in Kenya since this particular research established that the independent variables studied (competitive strategies) explained 50.2% of the changes in financial performance as evidenced by R^2

The research employed a census survey and recorded a response rate of 82%. A case study would help in bringing to light the specific research findings in the insurance firms so as to avoid generalizations. This would enable complete capture of data as relates to all the players in the industry.

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APPENDICES

Appendix I: Letter to respondents

Martin Omondi-Ouma

P.O BOX 18463 00100

Nairobi

Tel +254 723 988 622

Dear Respondent,

RE: Request for Participation in Research work

I am a post graduate student pursuing a Master of Business Administration (MBA) degree at the University of Nairobi, school of business. As part of the requirements for the award of the degree, a student is expected to carry out and submit a management research project.

I am currently conducting a research on competitive strategies and performance of Insurance companies in Kenya. I therefore request you to kindly facilitate the collection of the required data by answering the questions herein. This exercise is purely for academic purposes and the data collected will be treated with utmost confidentiality.

Your assistance and cooperation will be highly appreciated. Thank you in advance.

Yours faithfully,

Martin Omondi-Ouma

MBA Student

Appendix II: Research Questionnaire

Section A. Company Data

Name of the Insurance Company (Optional)

Designation of staff in the company

Section B. Demographic Data

1. Years of operation of company in Kenya (Tick as appropriate)

0-5 years	<input type="checkbox"/>	5-10 years	<input type="checkbox"/>	10-15 years	<input type="checkbox"/>
15-20 years	<input type="checkbox"/>	over 20 years	<input type="checkbox"/>		

2. Target market of Insurance company

Retail	<input type="checkbox"/>	Corporate	<input type="checkbox"/>	SMEs	<input type="checkbox"/>
Retail and Corporate	<input type="checkbox"/>	other	<input type="checkbox"/>		

3. Ownership structure of the company

Locally owned but with government participation	<input type="checkbox"/>
Locally owned	<input type="checkbox"/>
Foreign owned	<input type="checkbox"/>

4. Geographical spread of the Insurance company

National Regional (Within Africa only) International

Section C : Strategies adopted by the insurance companies.

The following are some of the strategies adopted by insurance companies. Using a scale of 1 to 5, where 1= not at all, 2= very little, 3= to some extent, 4= to a great extent and 5=to a very large extent, please indicate how these strategies have contributed to the company’s financial performance.

	1	2	3	4	5
Good provider relations					
Effective advertising and marketing campaigns					
Continuing product development and innovation					
Effective sales force					
Efficient, flexible operations adaptable to customers					
Wide range of products and services					
Strategic locations of branches					
Pioneer in the industry					
Customer service and support					

Focus on specific market segments					
Knowledgeable staff					
Strategic alliances and partnerships					
Brand recognition					
Continuous brand development					
Other					

What are the major challenges in the insurance market in Kenya;

.....

.....

.....

How has IRA aided in solving these challenges;

.....

.....

Insurance penetration in Kenya is low, what could be the main reason to this;

.....

.....

.....

What can be done to improve the situations mentioned above?

.....

Section D: Performance of the insurance firms. Please provide your organization sales turnover for the last three years:

Year	2012	2013	2014	2015
Turnover in KES(million)				

Please provide the average Return on Investment by your organization in the last three years

Year	2012	2013	2014	2015
%				

Please provide your organization's Net Income after Tax in KES for the last three years by ticking appropriately

Year	2012	2013	2014	2015
Less than Zero				
0-150 Million				
150-300 Million				
300-450 Million				
Over 450 million				

Please provide the reduction in cost achieved by your organization (%) for the last three years by ticking appropriately

Year	2012	2013	2014	2015
Less than Zero (%)				
0-5%				
5-10%				
Above 10%				

Section D II: Non financial measure of Organizational Performance

Organization performance can be measured along various indicators; to what extent has your Organization achieved improvement along the below terms; Key: (5) Very large extent (4) large extent (3) moderate extent (2) less extent (1) not at all.

	1	2	3	4	5
Improvement of internal processes for increased efficiency					
The employee turnover has reduced due to competitive strategies					
Improvement of professionalism due to sustained competitive strategies					
Improvement in customer loyalty due to sustained competitive advantage					
Improved public image of the company due to its position in the market					

THANK YOU!!

Appendix III: Insurance companies in Kenya

1	AAR INSURANCE KENYA
2	AFRICAN MERCHANT ASSURANCE
3	AIG INSURANCE COMPANY
4	ALLIANZ INSURANCE COMPANY
5	APA INSURANCE COMPANY
6	BARCLAYS LIFE ASSURANCE
7	BRITISH AMERICAN INSURANCE
8	CANNON ASSURANCE COMPANY
9	CONCORD INSURANCE COMPANY
10	CAPEX LIFE ASSURANCE COMPANY
11	CIC GENERAL INSURANCE COMPANY
12	CIC LIFE ASSURANCE COMPANY LIMITED
13	CORPORATE INSURANCE COMPANY
14	DIRECTLINE ASSURANCE COMPANY
15	FIDELITY SHIELD INSURANCE
16	FIRST ASSURANCE COMPANY
17	GA INSURANCE COMPANY
18	GATEWAY INSURANCE COMPANY
19	GEMINIA INSURANCE COMPANY
20	HERITAGE INSURANCE COMPANY
21	ICEA LION INSURANCE
22	INTRA-AFRICA INSURANCE COMPANY LIMITED
23	INVESCO ASSURANCE COMPANY
24	JUBILEE INSURANCE COMPANY
25	KENINDIA ASSURANCE COMPANY
26	KENYA ORIENT INSURANCE
27	LIBERTY LIFE ASSURANCE KENYA
28	MADISON INSURANCE COMPANY
29	MAYFAIR INSURANCE COMPANY
30	METROPOLITAN LIFE ASSURANCE
31	MERCANTILE INSURANCE COMPNAY
32	OCCIDENTAL INSURANCE COMPANY
33	OLD MUTUAL ASSURANCE COMPANY
34	PACIS INSURANCE COMPANY
35	PAN AFRICA INSURANCE COMPANY
36	PHOENIX OF EAST AFRICA
37	PIONEER ASSURANCE COMPANY
38	PRUDENTIAL LIFE ASSURANCE KENYA

39	REAL INSURANCE
40	RESOLUTION HEALTH INSURANCE
41	SAHAM INSURANCE COMPANY
42	TAKAFUL INSURANCE OF AFRICA
43	TAUSI ASSURANCE COMPANY
44	THE KENYAN ALLIANCE INSURANCE
45	THE MONARCH INSURANCE COMPANY
46	TRIDENT INSURANCE COMPANY
47	UAP LIFE ASSURANCE COMPANY LIMITED
48	UAP INSURANCE COMPANY
49	XPLICO INSURANCE COMPANY

Source: Insurance Regulatory Authority Website (5th Aug, 2016)