

FACTORS DETERMINING THE SLOW GROWTH OF REVENUE OF INSURANCE BROKERAGE FIRMS IN KENYA

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ABSTRACT

Insurance plays an important role in any economy by covering economic and financial risk arising out of certain events. An insurance broker is an intermediary concerned with the placing of insurance business with an insurer or reinsurer for the expectation of payment by way of brokerage fee or commission. Despite various efforts to ensure stability and growth in the insurance industry brokerage firms in Kenya have been reporting slow growth of revenue of insurance for the last five years were by the available statistics shows that The gross growth of revenue of insurance being as low as 30% compared to other industry such banking industry as high as 70% growth in terms of revenue in addition Report from AKI show that over 60% of brokerage firms recorded decline in profit last year. The general objective of this study was to

investigate the factors that determine the slow growth revenue in the insurance brokerage firms in Kenya. The study sheds light to the insurance brokers and makes them understand the factors behind slow growth of the revenue. The study adopted a descriptive research design approach. Quantitative data collected using questionnaires was analyzed by the use of descriptive statistics using Statistical Package for Social Sciences (SPSS). The study targeted 30 insurance brokerage /companies that are operating in Kenya. The study found out that technology competence had no significant impact on revenue growth secondly the study found indicated that the organization and policies on application of technology influenced the slow growth of revenue to great extent. Thirdly respondents agreed that lack of proper schedules for training leads to slow growth of revenue. Finally the study concludes that government policy influenced the slow growth of revenue in the brokerage industry. To great extent the local insurance policies affected the growth of revenue.

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