

Capital Adequacy and Financial Stability of Insurance Companies, Kenya

Ndwiga Ruth¹, Mutswenje Vincent²

Department of Business Administration, School of Business, Economics and Tourism, Kenyatta University,
Nairobi Kenya

Abstract:

Background: The stability of the financial industry, along with the broader health of the national economy, was adversely affected by instability within the sector. Such instability exposed financial companies to numerous disruptions, potentially leading to insolvency and eventual closure due to the high costs involved in maintaining stability in intermediary roles. Insurance companies in Kenya experienced significant challenges to their financial stability between 2018 and 2022, largely linked to inadequate attention to firm characteristics. The study how capital adequacy influenced financial stability. This research was founded on the theoretical framework of agency theory, and, capital buffer theory.

Methods: The research was descriptive in nature and targeted all 56 insurance firms in Kenya. The secondary information was sourced using the data provided by the Insurance Regulatory Authority and the financial records of the companies between the years 2018 and 2023. Quantitative research was employed, with descriptive statistics and inferential analysis being applied. Correlation and panel data regression were conducted. The level of significance of the results was 5%. The diagnostic tests were heteroskedasticity, multicollinearity, normality, autocorrelation, stationarity, and the Hausman test to validate the results. The research was conducted under all ethical research standards.

Results: The research concluded that capital adequacy ($\beta = 0.423$, $p < 0.05$) and premium growth ($\beta = 0.315$, $p < 0.05$) had a positive influence on financial stability whereas firm liquidity ($\beta = -0.278$, $p < 0.05$) had a negative impact. Firm size moderated these relationships ($\beta = 0.192$, $p < 0.05$), improving financial stability.

Conclusion: The results emphasized the importance of high capital cushions and premium growth strategies that are sustainable. The results were informative to policymakers, regulators, and insurance companies to improve financial stability with specific strategies aimed at premium growth and liquidity management. The study indicated the direction of future research on other moderating factors and the exterior nomic factors that are having a positive impact on insurance corporations in Kenya

Key Word: Capital adequacy, financial stability, Agency Theory, Capital Buffer Theory

Date of Submission: 10-11-2025

Date of Acceptance: 20-11-2025

I. Introduction

The insurance industry aid to advance financial stability by assuming the monetary risks connected to people and businesses. Because of this, individuals and companies could concentrate on accumulating wealth and embark in projects that they generally would not otherwise have (Kamau, 2022). Insurance facilitates the mobilization of savings among households and directs them toward financial institutions' investments. Because insurance is viewed as an alternative to individual retirement plans, a healthy insurance industry eases the burden on the authorities' budgets to the point that it eases the need for governmental programs such as social security (Barakat, Hussein, Mahmoud & Bayyoud 2022).

Globally, the Insurance sector has continued to be lucrative while exhibiting excellent results, according to Piedchosa and Dovhosheia (2019). Burca and Batrinca (2020) demonstrated in Romania the importance of the attributes of a company that affect its actions that are relevant to the financial well-being of insurance businesses. Researchers found the financial performance of Romanian insurance institution linked with the increment in company debts, dimensions, and retention ratio. The deregulation of banking institutions in Europe between 2011 and 2020 resulted in a notable shift in the performance of European insurance businesses (Puławska, 2021). The structure and functioning of the European insurance industry have evolved following mergers and acquisitions enabled by the liberalization of the insurance market (Ostrowska-Dankiewicz & Simionescu, 2020).

Since insurance companies own over twelve percent of global financial assets, they are vital to the real economic system's supply of long-term risk capital. The relevance of insurers in promoting stability and economic progress is highlighted by these noteworthy contributions, underscoring the necessity of their involvement in the international financial system as a whole. Their focus on long-term investing methods enables them to act as financial market stabilizers (Pfeifer & Langen, 2021). Nonetheless, due to the global economic crisis and the near-solvency of insurance companies such as AIG the contributions of the industry to systemic risk needed reconsideration. The impetus for this reconsideration came from, amongst other things, the near miss with the insurer AIG (Ritho, Simiyu, & Omagwa, 2023).

In Kenya, the insurance companies have traditionally been weak financially (Morara & Sibindi, 2021). The main regulator in the sector is the Insurance Regulatory Authority (IRA, 2022) and Association of Kenya Insurers. The most unique aspect of the Kenyan insurance market is that it helps to control and allocate financial risks among various parties (Thaker et al., 2020). Insurance premiums are calculated based on probability theory and the estimates are made before the actual cost of similar products are known. Nevertheless, the insurance penetration in Kenya is still rather low at 2.7%, in comparison with the world average of 6% (Insurance Regulatory Authority, 2020). The industry recorded a net gain of Kshs 13.6 billion in 2017, which is far much below the profits of top companies like Safaricom Ltd., KCB Bank, Equity Bank, Co-operative Bank, and East African Breweries Ltd. (Kamau, 2022).

The Research Problem

Financial industry stability as well as the overall health of the national economy are negatively impacted by instability in the industry. This subjected the financial companies to several disruptions that may cause them to go insolvent as well as a result, fold up as a result of the high costs associated with maintaining the companies in a state of stability of intermediary roles (Ahmed *et al.*, 2021). Given inadequacies in their operations, including excessive hiring and antiquated networks, numerous insurance organizations in Kenya face elevated expenses for operations (Ritho, Simiyu, & Omagwa, 2023). A substantial expenditure percentages result from this, which have an adverse effect on financial stability as well as earnings. Resolution Insurance was placed under statutory administration due to issues over the company's activities as well as revenues (Mbuthia, 2021). When Standard Assurance filed for bankruptcy in 2009, it had KSh 1.2 billion in outstanding claims. The collapse of Concord Insurance KNAC created a ripple effect, forcing the bankruptcy of several other insurers. Even though they are not officially bankrupt yet, certain insurance businesses are definitely experiencing severe financial difficulties (Ritho, Simiyu, & Omagwa, 2023).

The quantum of insurance claims grew from KShs 81.0 billion in FY2021 to KShs 82.9 billion in FY2022, indicating sluggish growth when contrasted with the substantial 19.5% expansion in FY2021. The insurance income for long-term investments dropped by 8.0% to Kshs 47.6 bn from Kshs 51.8 bn in F Y'2022 and accounted for the highest percentage of decline in the sector's investments income, that decreased by 6.4% to Kshs 59.3 bn in F Y'2022 from Kshs 63.3 bn in F Y'2021 (IRA, 2022). The investment income in the general business, however, rose by 0.9% from Kshs 11.6 billion in FY 2021 to Kshs 11.7 billion in FY 2021. Poor coverage fees, a worsening business climate brought on by growing rates of interest, increased price inflation, and ongoing depreciation of the currency have all been challenges for the insurance sector. Households' percentage of spending power has consequently dropped (Cytonn report, 2022).

The insurance sector in Kenya has encountered significant challenges in recent years, leading to a decline in public perception as over the past decade, numerous insurance firms have been forced to cease operations and ultimately went bankrupt. Wahome (2018) notes that majority of these companies became bankrupt when managing tens of billions of shillings of investors' funds in the form of life insurance, pension plans, and other policies. The above scenario reveals the financial vulnerability of insurance firms as one of the factors for decline in capital adequacy ratio concerning profitability. Insurance firms were spending KSh 1.1 billion in the first quarter of the year 2020 despite increasing expenses. Furthermore, the volatility nature of NSE contributed to a poor investment return (NSE financial report, 2020).

The Altman Z-score, an indicator of financial health used in the Kenyan insurance sector, was also experiencing a downfall in 2018 and stood at 3.487. This decrease was a cause for concern regarding the soundness of insurance companies' finances, since such a score signaled the start of a bleak period. In the following year, that is, 2019, the score increased to 4.219, showing an improved financial stability status. Although this represented an increase from the preceding year, the score was below the ones posted in both 2014 and 2017. For the years 2020, 2021, and 2022, financial stability decreased, reflected by Z score values of 3.592, 3.356, and 3.076, respectively. This decrease signifies increased financial distress on the part of insurance companies, signaling severe impairment (Ritho, Simiyu & Omagwa, 2023).

The financial health of insurance firms has been studied through the lens of various company attributes. Ezu, Nwanna, and Eke-Jeff (2023) researched the role of capital adequacy in deposit-taking institutions in Nigeria, while Thabiso and Smangele (2022) investigated the effect of firm-specific variables on the financial sustainability of insurance corporations in South Africa. However, both studies present contextual gaps since they were conducted in environments different from the Kenyan setting. Abass, Dansu, and Oyetayo (2021) assessed how premium growth and business performances using descriptive research design and Nangih and Turakpe (2023) investigated firm size and performance using ex post facto research design, exhibiting a methodological gap. Kamau (2023) considered a moderating variable of firm size and performances, thus presenting a conceptual gap. Building on the identified research gaps, this study aims to assess how firm characteristics affect financial stability, while evaluating firm size as a moderating factor.

Objectives of the Study

- i) To examine the effects of capital adequacy on the financial stability of insurance firms in Kenya

II. Literature Review

Firm attributes including managerial and social-cultural dynamics play an important role in determining a firm's internal dynamic (Mwendwa, 2002). Capital adequacy, asset structure, liquidity, financial leverage, as well as numerous other factors are associated with company success, particularly in the financial domain (Mwendwa, 2022). At this point, businesses steer clear of borrowing to protect themselves from outside lenders interfering with their decision-making. Therefore, companies with promising futures choose to retain more of their profits in order to lower their cost of capital. But the expansion factor is probably going to put pressure on retained earnings, which means the business will have to request for loans (Ratemo, 2021). In this regard, three major firm characteristics that were in force included capital adequacy, premium growth, and firm liquidity.

Capital sufficiency, in a broader context, entails the availability of sufficient capital that enables companies to mobilize funds to facilitate effective intermediation and cushion against possible insolvency risks (Ndinda, 2023). A financial institution's need to retain or have the amount of money necessary to support stable and efficient operations throughout time is referred to as capital adequacy. It also states that in order to keep a business from failing by covering any potential losses, sufficient capital must be available (Park, 2020). The sufficiency of capital is pivotal especially in determining the prices of products and in maximising profits made through operations of a company (Ashraf, Zheng, Jiang & Qian, 2020). CAR is considered one of the most precise indicators of capital adequacy within financial institutions (Mutumira, 2019). It functions as an essential liquidity ratio, measuring the level of total capital relative to risk-weighted assets (Odongo, 2021).

Agency Theory

It was proposed by Jensen and Meckling (1976). It studies the relationship among the principal, who is referred to as the proprietor, as well as the agent, who is described as the representative of the principal. According to the major owners as well as corporate agents in the present instance, a financial institution—economic theory forms the basis of the theory. Although the financial institution's executive serves as the administrators carrying out the principal interests, the shareholders retain the organization's primary interest and are recognized as its principals. As long as management oversaw daily operations to maintain profitability, shareholders shared in the profits and losses of the organization (Moussa, 2015). The most crucial Issue with regard to company features becoming the oversight of the operations of management to make certain they are beneficial to the advancement of the principle. When there is no oversight, most managers take actions that serve their own interests rather than the goals of their board of directors. Principal-agent issues arise when agents engage in actions or make judgments that do not align with the principal's best interests (Gabbi and Bofondi 2004). In order to prevent businesses from engaging on extremely dangerous ventures or declining favorable net worth initiatives, agency theory provides an explanation and means of resolving conflicts which might emerge over the top choices of the principal and agent due to differences in the allocation of revenues. The value of the company is impacted by rules pertaining to insurance operations, which is consistent with agency theory (Fite & Pfleiderer, 1995).

According to agency theory, monitoring techniques, such as the creation of acceptable rewards for executives, can be used to alleviate the issue resulting from the principal-agency connection. Agency theory concurs with this research, as the dependent variable, financial stability, is anchored. The everyday functioning of insurance companies' managers has an impact on their financial stability. To raise premiums and invest bigger money, managers (agents) might purposefully enact inadequate policies, including poor policies, which will impact the ability of the insurance company to stay financially healthy.

Capital Buffer Theory

Carllem and Rob (1996) have proposed a hypothesis that financial institutions that maintain administrative costs at a constant level with little difference in their capital ratios are in a better position to encourage capital accumulation and reduce risk. This allows them to have a safe cushion against administrative expenses due to capital shortages. Moreover, the theory suggests that the actions of financial institutions are contingent upon the magnitude of their financial cushions, with those who have larger cushions being more likely to maintain their capital reserves (Ochei, 2013). According to Beckmann (2007), capital is important in the sustainability and durability of business concerns. It accomplishes this by communicating with the buffer gate, which prevents any unexpected bad luck from confronting institutions and spreading to customer holdings. The emphasis on the possibility that a financial institution may keep less capital than is socially ideal when it comes to risk—that is, that adverse outcomes resulting from failing financial institutions are not represented in market value requirements—is what drives capital standards most of the time.

One of the key metrics used to evaluate the sustainability and financial stability of Kenyan insurance companies is capital sufficiency. Regulations place a lot of focus on financial organizations meeting the minimum capital standards. As a result, one of the main internal variables linked to a financial institution's financial stability is capital sufficiency.

Capital Adequacy and Financial Stability

Ezu, Nwanna, and Eke-Jeff (2023) investigated the Nigerian deposit money banks performed between 2000 and 2020 in relation to capital adequacy. Examining how capital adequacy has aided deposit money institutions in achieving efficient performance is the goal of this study. The sample population for the present research included all Nigerian Deposit Money Banks licensed on national and international grounds in this ex-post facto descriptive survey study. Secondary data, which are the major data type in this study, were sourced from the annual published accounts of Deposit Money Banks admitted to the Nigerian Stock Exchange. The research employed E-view electronic programs, descriptive statistical analysis, and ordinary least square multiple regression (OLS). The proportion of debt to equity, the capital gain of the banking institutions to total credits, and the total capital to risk weighted resources (the independent parameters to capital sufficiency) had a direct and inverse linear substantial influence on the ROA (the dependent variable to effectiveness) of the deposit-taking banks in Nigeria, according to the research findings at the five percent threshold of importance. The research was more inclined to capital adequacy and not other parameters which influence financial institutions. The firm attributes were gauged on the basis of firm size, capital adequacy and premium growth in this research work. The study used financial stability as the output variable. It was based on the banking institutions of Nigeria but the current research was based on the insurance companies in Kenya, and this implies that there existed a contextual gap.

Kamran et al. (2023) have studied the extent to which capital ratio, audit quality, risk factors at the country and global levels, as well as bank-related risk indicators, influence stability measures. Z-score models linked with return on assets (ZROA) and return on equity (ZROE) in evaluating financial stability was employed in the research. The sample was collected by obtaining a list of twenty-eight commercial banks formed in the national financial system of Pakistan and conducting an annual analysis of them between 2007 and 2016. The study concludes that both stability metrics are significantly harmed by bank-based risk variables, including credit, liquidity, as well as operational risk. Financial stability measurements appear to be negatively impacted by a significant capital ratio as well. Furthermore, paying auditors more for their work improves the quality of the audit, which benefits both stability metrics. The study targeted only banking institutions; this study targeted insurance companies. Financial stability was measured using Z- score of ROE and ROA, this study adopted Altman z score to measure financial stability.

Gathara, Mutwiri, and Aluoch (2023) determined how Kenyan commercial banking institutions values were affected by capital adequacy. The investigation used a positivist study approach and a research design that was explanatory. The entirety 43 of Kenya's commercial banking organizations was included in the study; these institutions were chosen by census sampling. The research's seven-year timeframe was from 2014 to 2021. The research employed secondary data obtainable from the annual financial reports of the CBK and the commercial banking institutions in Kenya. The results were analyzed utilizing SPSS version 26 and STATA to draw conclusions about the observed values. Capital sufficiency raised the valuation of commercial banking institutions in Kenya according to the report. The research concludes that an institution can be more accurately assessed in its capacity to earn profits to its shareholders by considering economy soundness measures such as capital adequacy. The previous study examined the impact of capital adequacy on firm value within Kenyan commercial banks, while the present one extends the question to insurance companies, with a focus on its effect on financial stability.

The period of examination, which is an essential component of research, was drawn from 2014 to 2021, thereby omitting other years. In contrast, the current study covered the period from 2018 to 2023, capturing both the pre- and post-COVID-19 era as well as the pre- and post-new government administration.

III. Research Methodology

Research Design

Cooper and Schindler (2007) define a study design as a detailed outline that guides the work of a researcher in conducting his research. It leads the researcher in formulating and addressing the research questions. As suggested by Creswell (2006) and Hair (2007), a research design should describe the purpose, sources of data, expected limitations, and considerations of ethics that should be observed. Explanatory research designs undertake to establish cause-effect relationship among variables, a sentiment that is shared by Sekaran and Bougie (2011), who affirm that this type of design is required whenever examining cause-effect relationships involving research parameters. In this research study, descriptive research design was utilized. The design is suitable because it creates and offers helpful information since the connection between variables is explicated, enabling all the hypotheses to be tested to see how the research variables relate.

Target Population

These are individuals, companies, or objects that are sampled in a given study with a view of coming up with some conclusions (Mugenda & Mugenda, 2013). The sample size of this study included 56 licensed Kenyan insurance companies operating between the years 2018 and 2023.

Data Collection

The supervisor's approval was sought before beginning the data collection process. Next, authorization was requested from the postgraduate office at Kenyatta University, and lastly, NACOSTI. The justification for the study was supported by obtaining the required authorizations, followed by the researcher's collection of secondary data. The online resources of the insurance companies and IRAs were focused as a source of the data.

Data Analysis

Data analysis is the conversion of raw data, thus making it adaptable for the conversion of conclusions, decisions, and suggestions. The parameters were initially transformed into ratio styles prior to the completion of the evaluation. To ensure consistency and prevent ambiguity, data extracted from the accounting records of each insurance firm was scrutinized. Following data extraction, Excel was employed to compute and classify each organization's ratios over time. Panels were then created and exported to STATA for further examination, as panel data analysis is one of the features that made STATA an appropriate option. The study applied descriptive statistics, such as mean, standard deviation, minimum, and maximum values. Inferential statistics were performed using correlation to determine the direction and strength of relationships, and regression to evaluate their magnitude. Data presentation was carried out using graphical representations and tables.

IV. Results Analysis and Discussion

There was a generally acceptable mean of capital adequacy standards of 0.3703, but a rather high Standard deviation of 1.3896 pointed to a higher variability in the different firms. These varied between 0.6542 and 4.9271, thus, showing that the capital adequacy of the firms in the sample was highly variable. Results show that, for the duration of the study, most insurance companies successfully met their liabilities and operational costs on schedule.

Diagnostic Tests

To make sure the variables were suitable to be used in linear regression, the study carried out tests of: **Heteroscedasticity** (Breusch-Pagan / Cook-Weisberg a chi-square value of 1.430 and a p-value of 0.1782 indicate that there is statistical insignificance of the result at usual unsharp significance levels (0.05); **Multicollinearity** (results of the VIF findings 1.27); **Normality** (p-values calculated was 0.158). Thus, these values reflect that the p-values > 0.05; **Stationarity** (Levin-Lin-Chu test, -with p-value 0.0000); **Autocorrelation** (the Breusch-Godfrey LM test indicates the absence of autocorrelation, as the p-value (0.433) exceeds the significance level ($\alpha = 0.05$). The test indicated that the variables was suitable.

Model Specification Test

Model specification testing is done to identify the most suitable panel data model, especially between random and fixed effect models when decisions are influenced by variances. The Hausman test is typically used to make such a selection.

Model Specification Test

	(b)	(B)	(b-B)	$\sqrt{\text{diag}(V_b - V_B)}$
Variable	fe	re	Difference	S.E.
Capital adequacy	1.0871	0.8210	0.2660	0.2822
$\chi^2(3) = (b-B)'[(V_b - V_B)^{-1}](b-B) = 5.24$				
Prob> $\chi^2 = 0.1548$				

Research Data (2025)

Hypothesis Testing

This section responds to the study objectives at a significance level of 5%, based on the results, as provided by the panel regression analysis.

H₀₁: Effect of capital adequacy on the financial stability of insurance companies in Kenya.

The first research question sought to assess the effects of capital adequacy on the financial viability of insurance firms in the Kenyan setting. The null hypothesis postulated that capital adequacy did not exert influence on the results. This was as affirmed in this study and therefore we accepted the null hypothesis at 5% significance level. However, a positive correlation between capital adequacy and financial stability was identified. These findings align with those from Gathara, Mutwiri & Aluoch (2023) and Ezu, Nwanna, and Eke-Jeff (2023) but are opposed to Kamran, Omran, and Mohamed, 2023, who established a negative relationship between capital adequacy and financial stability.

V. Conclusion

Insurance corporations play a role in improving financial security of businesses, companies and individuals by taking risks. However, the economic development of a country can be undermined with instability in the insurance sector. Based on the study findings, the following conclusions were derived:

The results indicated that capital adequacy positively and insignificantly affected financial stability. Firm liquidity and premium growth showed positive impacts, however. The study further determined that firm size moderates the relationship between firm characteristics and financial stability significantly and positively.

Policy Recommendations

Recommendations were made on the basis of variables that were statistically significant to financial stability. The researchers found a positive connection between the growth in premiums and the insurance firms' financial success in Kenya. The study therefore recommended that the insurance company management should strive to grow their premiums because it increases their market share which translates to an increase in the funds available to cover future claims and an increase in profits through potential investments to generate returns which improves their financial performance strengthening their financial stability. The outcome also pointed out that firm liquidity had direct positive effects on the insurance firms' financial performance in Kenya. The research recommend that the finance managers should ensure that there are adequate amounts of cash available to be in a position to pay off claims timely, daily running of the business and to meet debts when due. Further, firm size was also revealed to have a positive and statistically significant moderating impact on firm characteristics and insurance firm performance in Kenya. The insurance company management should diversify their investments by investing in areas that are less risky such as the treasury bills and government bonds but generate maximum income in order to grow their asset base which in the long term improves their financial stability within the insurance sector due to the increase in profits.

5.5 Suggestions for Further Research

The researchers recommended that comparable examinations be done in other industries, for instance in the SACCOS, Micro finance institutions and commercial banks for comparative analysis. The study suggested that researchers and scholars could carry out a similar study and explore other dependent and independent variables with longer time duration like 10 years.

References

- [1]. Ashraf, B. N., Zheng, C., Jiang, C. & Qian, N. (2020). Capital regulation, deposit insurance and bank risk: International evidence from normal and crisis periods. *Research in International Business and Finance*, Elsevier, vol. 52©.
- [2]. Barakat, F. S., Hussein, J., Mahmoud, O. A., & Bayyoud, M. (2022). Analysis on the factors Affecting the Financial Performance of Insurance Companies Listed on The Palestine Stock Exchange. *Indian Journal of Finance and Banking*, 9(1), 213-229.
- [3]. Burca, A. M., & Batrinca, G. (2020). The determinants of financial performance in the Romanian insurance market. *International journal of academic research in accounting, finance and management sciences*, 4(1), 299-308.
- [4]. Ezu, G., Nwanna, I. O. and Eke-Jeff, O. E. (2023), Effect of Capital Adequacy on the Performance of Deposit Money Banks in Nigeria. *International Journal of Novel Research in Marketing Management and Economics*, 10 (1), 53-63.
- [5]. Fite, D., & Pfleiderer, P. (1995). Should firms use derivatives to manage risk? *Risk Management: Problems and Solutions*, McGraw-Hill, New York, 61-76
- [6]. Gathara, F., Mutwiri, N., & Aluoch, M., (2023). The effect of capital adequacy on the Value of Commercial Banks in Kenya. *International Journal of Business Management, Entrepreneurship and Innovation*, 5(3), 55-69.
- [7]. Kamran, H. W, Omran, A, & Mohamed-Arshad, S. B, (2019). Risk Management, Capital Adequacy and Audit Quality for Financial Stability: Assessment from Commercial Banks of Pakistan. *Asian Economic and Financial Review*, 9(6), 654–664.
- [8]. Moussa, M. (2015). The Determinants of Bank Liquidity: Case of Tunisia. *International Journal of Economics and Financial Issues*, 5 (1), 249-259.
- [9]. Mutumira, A. M. (2019). Effect of capital adequacy on the financial performance of insurance companies in Kenya. *International Academic Journal of Economics and Finance*, 3(4), 172-185
- [10]. Mwendwa, G. M. (2022). Firm Characteristics and Financial Performance of Manufacturing and Construction Allied Firms Listed in Nairobi Securities Exchange, Kenya. Research Project, Kenyatta University, Kenya.
- [11]. Ndinda, M. (2023). Firm Specific Factors and Financial Stability of Commercial Banks in Kenya. Research Project, KCA University, Kenya.
- [12]. Odongo, D. (#021). Effect of Capital Adequacy on Financial Performance of General Insurance Companies in Kenya. Research Project, University of Nairobi, Kenya.
- [13]. Ostrowska-Dankiewicz, A., & Simionescu, M. (2020). Relationship between the insurance market and macroeconomic indicators in the EU member States. *Transformations in business & economics*, 19, 175-187.
- [14]. Park, K. A. (2020). Choice, Capital, and Competition: Private Mortgage Insurance Application and Availability. *Housing Policy Debate*, 30:2, 137-163
- [15]. Pfeifer, D., &Langen, V. (2021). Insurance firm and Sustainable Development. arXiv preprint arXiv:2102.02612. <https://doi.org/10.5772/intechopen.96389>
- [16]. Puławska, K. (2021). Financial stability of European insurance companies during the COVID-19 pandemic. *Journal of Risk and Financial Management*, 14(6), 266.
- [17]. Ratemo, N. I. (2021). Firm Specific Characteristics and Financial Performance of Life Insurance Firms in Kenya. Research Project, Kenyatta University, Kenya.
- [18]. Ritho, B. M., Simiyu, E. & Omagwa, J. (2023), The Impact of Loss Ratio on the Financial Sachs, Stability of Insurance Firms in Kenya. *Journal of Finance and Accounting*, 7(4),..22-41.