Insurance Sub-Sector Report
"Lessons from FinAccess Surveys"

November 2025

ACCESS | USAGE | QUALITY | IMPACT

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INSURANCE

FOREWORD

The insurance sub-sector is a key pillar of Kenya's financial landscape, fostering stability, resilience, and economic growth. It also supports the Government's National Development agenda within the financial services sector by promoting financial inclusion and mitigating risks that could hinder progress.

Building on this foundation, I am pleased to present the 2024 FinAccess Household Insurance Sub-Sector Report, the first comprehensive report of its kind, focusing on insurance inclusion indicators from a demand side perspective. Derived from the 2024 FinAccess Household Survey, this report provides valuable insights into insurance inclusion measurement encompassing access, usage, quality, and impact across diverse demographic groups in Kenya. It also explores the intersection of insurance with emerging issues, including climate investments and Persons With Disabilities, to inform initiatives that enhance public participation in insurance for a more stable and equitable financial ecosystem.

I appreciate the IRA Board of Directors and the Joint Financial Sector Regulators Forum for their guidance and support in undertaking the 2024 FinAccess Household Survey and approving the development of sectoral reports. Special thanks to the Central Bank of Kenya, the Kenya National Bureau of Statistics (KNBS), the Financial Sector Deepening Trust (FSD Kenya), and other financial sector regulators and partners whose collaboration was instrumental in the success of the survey.

I also commend the dedicated team from IRA, CBK, KNBS, and FSD Kenya for their efforts in analyzing the insurance data and developing this report.

This report is available on the IRA, KNBS, CBK, and FSD Kenya websites, with related datasets accessible via the KNBS website. I encourage researchers, analysts and policy makers to explore these resources to advance understanding in addressing critical challenges within the insurance sub-sector.

I hope all stakeholders find this report insightful as we work toward a more inclusive and resilient insurance framework in Kenya.

Godfrey K. Kiptum

Commissioner of Insurance & Chief Executive Officer

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The successful completion of the 2024 FinAccess Household Insurance Sub-Sector Report was made possible through the collaboration and dedication of financial sector regulators and individuals committed to advancing financial inclusion in Kenya.

We extend our sincere gratitude to the Kenya National Bureau of Statistics (KNBS), the Central Bank of Kenya (CBK), and Financial Sector Deepening (FSD) Kenya for their leadership, technical expertise, and support in designing and implementing the 2024 FinAccess Household Survey. Their contributions continue to provide reliable data that informs policy and industry development.

Special appreciation goes to the leadership and management of Insurance Regulatory Authority (IRA) for their support in ensuring the 2024 FinAccess Household Survey was successfully conducted, subsequently making the preparation of the sub-sector report possible. We acknowledge the invaluable guidance of the IRA's Chief Executive Officer and Commissioner of Insurance, Mr. Godfrey Kiptum, whose vision and support were instrumental in shaping the report. Additionally, we are grateful to Mr. Robert Kuloba, Director, Research, Innovation, Policy, and Strategy at IRA, for his strategic leadership and insights throughout the process.

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We also recognize the technical team whose expertise ensured the quality and reliability of the findings, including Ms. Teresa Oino and Mr. Jude Kibet from IRA, Mr. Silvester Maingi and Mr. Felix Kemboi from KNBS, and Dr. Moses Mathu from CBK. Their dedication in analyzing the data and developing this report was instrumental in producing valuable insights.

DEFINITION OF TERMS

Access - captures individuals having insurance in their own name in the last twelve (12) months. Those individuals who have access to insurance services but not in their own name, such as those using another family member's insurance, are not included. A consumer who does not access any financial services or products from any formal or informal category is classified as excluded.

Impact - captures the likely outcomes or welfare gain in the use of financial services and products on the consumers' financial behaviour and welfare.

Livelihood - captures the main source of income.

Primary usage = access - Have insurance in their own name

Quality - measures whether the financial product/ service is appropriate and matches the clients' needs, the range of options available to customers, and clients' awareness and understanding of the product and services and its features.

Secondary insurance usage – Uses insurance in someone else name i.e. these are dependents

Tertiary education - captures all education, after secondary education

Usage - measures the actual use of an insurance in their own name and/or through someone else's name (secondary usage) in the last twelve (12) months.

ABBREVIATIONS

CAPI	Computer Assisted Personal Interviewing
CBK	Central Bank of Kenya
FSD Kenya	Financial Sector Deepening Kenya
IRA	Insurance Regulatory Authority
KNBS	Kenya National Bureau of Statistics
NHIF	National Health Insurance Fund
PWD	Persons With Disabilities
SHI	Social Health Insurance

EXECUTIVE SUMMARY

The 2024 FinAccess Household Survey Insurance Sub-Sector Report is based on data from the 2024 FinAccess Household Survey, a key instrument for analyzing Kenya's financial landscape. Using a cross-sectional design, the survey targeted individuals aged 16 years and older and covered 28,275 households across all 47 counties. However, the final analysis focuses on individuals aged 18 years and above which is the legal age of holding a national identity card which is a key requirement to accessing formal financial services. The methodology enables a robust assessment of financial inclusion indicators, specifically access, usage, quality, and impact.

This FinAccess Survey Insurance Sub-Sector report examines insurance inclusion across diverse population groups while also exploring the intersection of insurance with climate investment and usage among Persons with Disabilities. The findings highlight a slight decrease in insurance access, with the proportion of individuals accessing insurance (excluding NHIF) in their own name decreasing from 6.9 percent in 2021 to 6.3 percent in 2024. Further, overall insurance access (including NHIF) declined from 23.7 percent in 2021 to 22.0 percent in 2024, with rural populations, women, and youth experiencing the most declines. The gender gap in insurance protection has widened, underscoring the need for tailored interventions to bridge disparities.

However, insurance usage trends indicate general growth. The proportion of individuals using insurance (including NHIF) increased from 28.2 percent in 2021 to 29.5 percent in 2024, while the proportion using insurance (excluding NHIF) increased from 11.4 percent in 2021 to 13.7 percent in 2024.

Regarding quality, among policyholders who experienced a problem with their insurance policy, 74.4 percent reported declined, delayed, or underpaid claims, with the main reason being premiums not paid up to date. This highlights the need to educate consumers that insurance service is dependent on premium payment.

The report also highlights disparities in insurance access among vulnerable groups, particularly Persons With Disabilities, where insurance usage remains low. Only 27.6 percent of Persons With Disabilities use insurance (including NHIF) while 14.1 percent use insurance (excluding NHIF). Additionally, findings emphasize the potential of insurance to support climate-related investments, positioning it as a tool for financial resilience.

While Kenya's insurance sub-sector has demonstrated progress, significant gaps remain in expanding insurance protection, particularly among underserved communities. Addressing affordability constraints, improving consumer awareness, and harnessing digital financial solutions will be critical in enhancing accessibility and sustained insurance uptake.

Further research is necessary to deepen insights into insurance demand and behavioral patterns. Understanding behavioral economics in insurance uptake will help explore financial habits and risk perceptions influencing insurance uptake. Additionally, examining the impact of premium rates and drivers of insurance demand will provide valuable insights for developing more inclusive and financially viable insurance solutions.

By leveraging emerging opportunities and addressing key obstacles such as affordability constraints, limited consumer understanding/awareness and accessibility challenges for Persons With Disabilities will be essential in the development of inclusive insurance. Kenya's insurance landscape can evolve toward equitable access, sustained engagement, and meaningful insurance protection for all.


INSURANCE

1. INTRODUCTION

1.1 Context of the 2024 FinAccess Survey Insurance Sub-Sector Report

The insurance sub-sector is a vital component of Kenya's financial ecosystem. Monitoring and supporting the financial sector are crucial for the economy. One key measurement tool is the FinAccess surveys, conducted every two to three years since 2006. The 2024 FinAccess Household survey marks the seventh wave in this series.

According to the World Bank, key financial inclusion indicators include Access, Usage, Quality, and Impact. On the other hand, the Alliance for Financial Inclusion defines these measures as Access, Usage, Quality, and Welfare. The FinAccess surveys utilize Access, Usage, Quality, and Impact/Welfare as financial inclusion measurement indicators, providing demand-side data on financial inclusion among households.

In the FinAccess report, these indicators are defined as follows:

- **Access -** captures individuals having insurance in their own name in the last twelve (12) months. Those individuals who have access to insurance services but not in their own name, such as those using another family member's insurance, are not included. A consumer who does not access any financial services or products from any formal or informal category is classified as excluded.
- **Usage-** measures the actual use of an insurance in their own name and/or through someone else's name (secondary usage) in the last twelve (12) months.
- **Quality -** measures whether the financial product/ service is appropriate and matches the clients' needs, the range of options available to customers, and clients' awareness and understanding of the product and services and its features.
- **Impact /Welfare -** captures the likely outcomes or welfare gain in the use of financial services and products on the consumers' financial behaviour and welfare.

This FinAccess insurance sub-sector report is based on the FinAccess household survey data and therefore the financial inclusion measurement indicators have been adopted and re-aligned to measure insurance inclusion. The definition of the indicators as used in this report is covered under definition of terms.

The 2024 FinAccess Household survey data indicates that access to insurance (including NHIF) declined from 23.7 percent in 2021 to 22 percent in 2024, while access to insurance (excluding NHIF) declined from 6.9 percent in 2021 to 6.3 percent in 2024. However, the data shows that insurance usage is growing. Insurance usage (including NHIF) grew from 28.2 percent in 2021 to 29.5 percent in 2024, while insurance usage (excluding NHIF) grew from 11.4 percent in 2021 to 13.7 percent in 2024. Kenya compares favourably within the East African region. Insurance uptake in Rwanda was 27 percent in 2024, while Tanzania recorded an uptake of 15 percent in 2023 according to the Finscope survey report, 2023 for Tanzania. Uganda's insurance uptake was 2 percent according to the Finscope survey report, 2023 for Uganda.

The Insurance Regulatory Authority (IRA) also measures insurance inclusion from the supply perspective using indicators such as insurance penetration, insurance density, number of lives covered, insurance cover (lives/population), and insurance coverage (total policies/population).

The supply side data shows that Kenya's insurance industry has shown steady growth and was ranked fourth in Africa in terms of insurance premiums (Insurance Regulatory Authority, 2023). In 2023, total industry premiums (excluding NHIF) grew by 17.7 percent (9.3 percent in real terms), reaching KES 360.95 billion. Kenya ranked fourth in Africa in terms of gross premium income, following South Africa, Morocco, and Egypt. The industry's total assets stood at KES 1.06 trillion, with long-term insurers holding a significant share of these assets (IRA Statistics). Insurance penetration rose from 2.29 percent in 2022 to 2.39 percent in 2024 **(Table 1).**

Table 1: Trend in some insurance parameters and the economy

	2018	2019	2020	2021	2022	2023
Gross Direct Premium (KES Billion)	214.9	227.9	233.1	270.5	306.7	361.0
Gross Direct Premium Growth Rate (%)	3.5	6.0	2.3	16.0	13.4	17.7
GDP (Market Prices) KES Billion*	4.7	5.2	5.4	5.6	7.7	15,108.8
GDP (%) growth rate (at market prices)	-1.1	0.8	-3.0	9.9	5.3	13.0
Insurance Penetration ratio (%) (at current prices)	2.43	2.34	2.18	2.25	2.29	2.39
Population (Million)*	46.4	47.6	48.8	49.7	50.6	51.5
Insurance Density (KES)	4.7	5.2	5.4	5.6	7.7	7,009
Lives Covered (Million)	-1.1	0.8	-3.0	9.9	5.3	22.0
Policies (Million)	9.0	24.5	27.5	27.1	34.6	42.7
Insurance cover (Lives/population) - (%)	9.0	24.5	27.5	27.1	34.6	23.9
Insurance Cover (policies/population)- (%)	7.1	8.3		8.2	8.0	46.4
Rate of Inflation (%)*	4.7	5.2	5.4	5.6	7.7	7.7
Real Gross Direct Premium growth (%)	-1.1	0.8	-3.0	9.9	5.3	9.3

Source: 2023 Insurance Industry Annual Report

Insurance plays a crucial role in financial risk management by providing individuals, businesses, and organizations with a safety net against unexpected losses. It strengthens financial stability by helping policyholders manage risks such as illness, accidents, or property damage, and providing financial support when such losses occur. Additionally, insurance encourages savings, supports investments, and helps people and businesses plan with confidence, contributing to overall economic growth. Social insurance also helps redistribute wealth from the rich to the poor, reducing social inequality.

This report details the insurance inclusion landscape in Kenya from the demand side perspective, covering insurance including the National Health Insurance Fund (NHIF) and insurance excluding NHIF.

Notes:

- While NHIF has transitioned to Social Health Insurance (SHI), this report retains the term "NHIF" to reflect the terminology used during data collection, ensuring consistency with respondents' familiarity and alignment with the 2024 FinAccess Household Survey report published in December 2024.
- Insurance industry has been used interchangeably with insurance sub-sector in the report.

1.2 FinAccess Survey Objectives

The main objective of FinAccess Surveys is to monitor developments and progress achieved in financial inclusion, for policy makers and industry players to gain a better understanding of the inclusivity and overall dynamics of Kenya's financial inclusion landscape.

The detailed survey objectives were:

- Tracking trends and progress on financial inclusion.
- Providing information on barriers to financial inclusion.

- Providing information on market conditions and opportunities.
- Providing data for academic research on financial inclusion.

1.3 Survey Design and Methodology

1.3.1 Survey Design

The 2024 FinAccess was a cross-sectional Survey that targeted individuals aged 16 years and above residing in conventional households in Kenya. Data analysis, however, was conducted on individuals aged 18 years and above, as national identity cards, which is a key requirement to accessing formal financial services, is only issued to this age group.

1.3.2 Sample Size and Distribution

The Survey sample was designed to provide estimates at national as well as rural and urban areas, and across all the forty-seven (47) counties. The minimum sample size for the survey was computed for each of the Survey domains, resulting in a total sample size of 28,275 households and 1,885 Enumeration Areas (EAs).

1.3.3 Sample Frame, Selection of Households and Weighting

The sample was drawn from the Kenya Household Master Sample Frame (K-HMSF), which was developed based on the 2019 Kenya Population and Housing Census. The K-HMSF comprises of 10,000 clusters selected using Probability Proportional to Size (PPS) methodology from approximately 128,000 Enumeration Areas (EAs) created during the cartographic mapping of the 2019 Population and Housing Census. The sampling frame is stratified into 92 sampling strata, including urban and rural strata in 45 counties, while Nairobi and Mombasa Counties are entirely urban. For more information, please refer to the 2024 FinAccess headline report (https://finaccess.knbs.or.ke/reports-and-datasets).

The survey targeted one eligible individual per selected household. Interviewer listed all the usual members of the sampled households, and one individual aged 16 years or older was randomly selected using Kish Grid. The Kish Grid random number table was integrated into Survey solutions CAPI software, ensuring that respondent selection was automatic, with no manual intervention by

the enumerator. The Survey data was not self-weighting due to non-proportional allocation of the sample to the sampling strata. The resulting data was, therefore, weighted and adjusted for non-response to ensure the data was representative at the national and county level.

1.3.4 Survey Response Rates

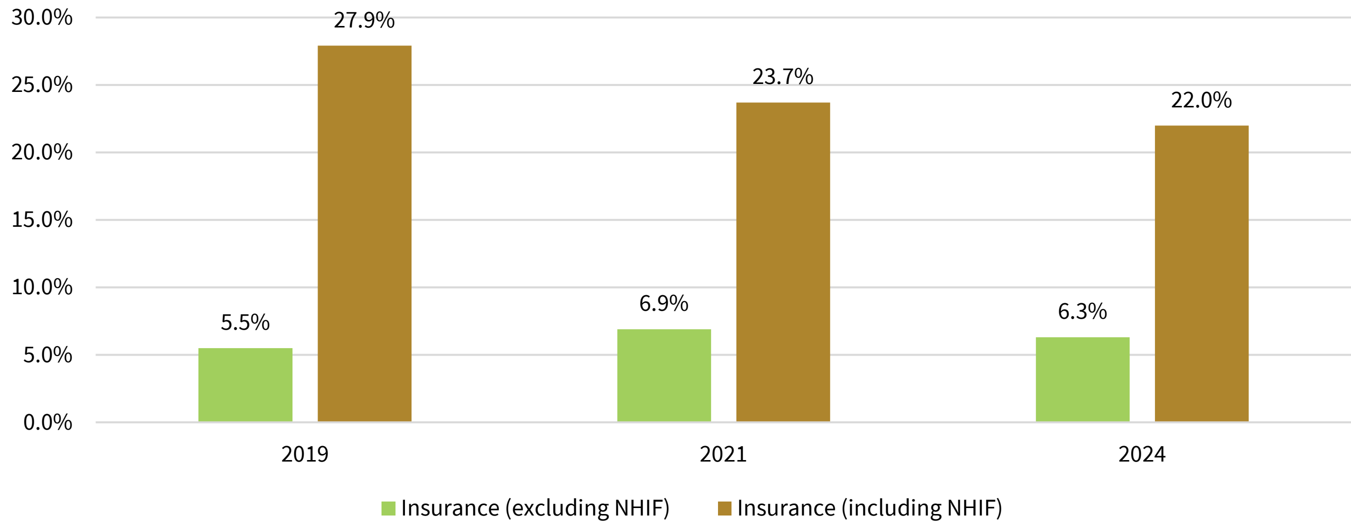
A total of 28,275 households were selected for the Survey at the national level. Among these, 24,684 households were found to be eligible for interviews at the time of data collection, and 20,871 were successfully interviewed resulting in an overall household response rate of 84.6 percent. The rural households' response rate was 87.6 percent compared to 79.4 percent for the urban.

2. ACCESS TO INSURANCE

2.1 Overall Access to Insurance

The population accessing insurance in their own name, meaning they have primary access slightly declined from 6.9 percent in 2021 to 6.3 percent in 2024. The population accessing insurance including NHIF declined from 23.7 percent in 2021 to 22.0 percent in 2024. This is depicted in **(Figure 1).**

Figure 1 : Population accessing insurance in their own name - %



Source: FinAccess Household surveys data

2.2 Access to Insurance by Demographics

2.2.1 Access to Insurance Excluding NHIF by Socio-Demographics

Between 2021 and 2024, insurance access declined across both rural and urban areas, with rural populations remaining disproportionately excluded from insurance services. The gender gap in insurance access excluding NHIF persisted and widened during this period. Youth and older adults also showed lower access levels. Further, the survey revealed that access to insurance excluding NHIF, varied by education level, reinforcing the findings that a lack of understanding contributes to low uptake among those without insurance in their own name.

These disparities underscore the need for targeted consumer education initiatives tailored to diverse socio-demographic groups to improve understanding and uptake of insurance products.

Access to insurance excluding NHIF dropped across nearly all socio-demographic segments between 2021 and 2024, except for males and individuals aged 46–55, who saw slight increases of 0.5 and 1.0 percentage points respectively. The steepest declines were recorded among females (1.7 percentage points), persons aged above 55 (1.9 percentage points), and those with only primary education (1.9 percentage points).

A breakdown of insurance access excluding NHIF by socio-economic demographics is presented in **(Table 2).**

Table 2: Access to insurance excluding NHIF by socio-demographics - %

Category	2019 (%)	2021 (%)	2024 (%)	Change (2021–2024) (%)
Residence				
Rural	3.2	5.4	4.6	−0.8
Urban	8.7	9.5	8.7	−0.8
Sex				
Male	6.8	8.4	8.9	0.5
Female	4.1	5.5	3.8	−1.7
Age				
18–25	3.2	2.9	2.2	−0.7
26–35	5.4	7.9	7.7	−0.2
36–45	6.2	9.5	8.5	−1.0
46–55	9.7	8	9	1.0
Above 55	4.3	8.6	6.7	−1.9
Education Level				
None	0.9	1.7	1	−0.7
Primary	2.1	4.8	2.9	−1.9
Secondary	5.2	5.5	5.1	−0.4
Tertiary	19.8	20.5	18.9	−1.6

Source: FinAccess Household surveys data

2.2.2 Access to Insurance Excluding NHIF by Socio-Economic Demographics

From 2019 to 2024, access to insurance excluding NHIF fluctuated significantly across livelihood, financial health status, and wealth quintiles. While financially healthy individuals engaged more with insurance excluding NHIF, uptake among higher wealth tiers and self-employed individuals declined notably. These shifts raise critical questions about affordability, service delivery, and trust in Kenya's insurance market beyond NHIF. The data calls for a reexamination of the inclusivity and long-term sustainability of the country's broader insurance ecosystem **(Table 3).**

Table 3: Access to insurance excluding NHIF by socio-economic demographics - %

Category	2019 (%)	2021 (%)	2024 (%)	Change (2021–2024) (%)
Livelihood				
Agriculture	3.6	4.7	5.2	0.5
Employed	15.7	20.4	17.8	−2.6
Casual Worker	1	3.4	1.8	−1.6
Own Business	10	11.3	9.5	−1.8
Dependent	1.9	3.8	3.8	0
Financial Health				
Not Financially Healthy	2.6	4.4	3.2	−1.2
Financially Healthy	16.4	17.6	20	2.4
Wealth Quintile				
Lowest	0.5	1.7	1	−0.7
Second	1.1	4.8	1.9	−2.9
Middle	4.2	5.5	3.4	−2.1
Fourth	8.6	20.5	7.1	−13.4
Highest	15	28	16.9	−11.1

Source: FinAccess Household surveys data

2.2.3 Access to Insurance Including NHIF by Socio- Demographics

From 2019 to 2024, insurance access including NHIF declined among all the all socio-demographics with highest declines among those with tertiary education, females and the older populations between 2021 and 2024. Overall trends show sustained disparities in access by residence, gender, age, and education level. These trends highlight growing inequalities and underline the need for inclusive reforms in Kenya's insurance landscape **(Table 4).**

Table 4: Access to insurance including NHIF by socio-demographics - %

Category	2019 (%)	2021(%)	2024 (%)	Change (2021–2024) (%)
Residence				
Rural	20.7	18.5	16.1	-2.4
Urban	38.4	32.8	30.2	-2.6
Sex				
Male	33.4	27.6	28.2	0.6
Female	22.7	20.1	16.1	-4
Age				
18–25	18.3	12.6	10.6	-2
26–35	30.9	26.4	27.2	0.8
36–45	32.8	29.8	27	-2.8
46–55	33.5	30.7	27.1	-3.6
Above 55	25	27.1	23.4	-3.7
Education Level				
None	10.7	7.9	5.9	-2
Primary	17.4	17.1	13.2	-3.9
Secondary	33.6	24	21.6	-2.4
Tertiary	63.2	54.9	49.7	-5.2

Source: FinAccess Household surveys data

2.2.4 Access to Insurance Including NHIF by Socio-Economic Demographics

Between 2019 and 2024, access to insurance including NHIF generally declined across socio-economic groups, with the most pronounced drop among business owners (5.5 percentage points) between 2021 and 2024. Despite a decrease, employed individuals maintained the highest access levels at 63.2 percent in 2024. Casual workers and dependents continued to face low access levels, while agricultural households saw negligible change between 2021 and 2024. Financially healthy individuals were more likely to be insured (51.7 percent), with an improvement over time, compared to 15.3 percent among the financially unhealthy. Access also increased with wealth, peaking at 41.6 percent in the highest quintile. Notably, the fourth wealth tier was the only group to record a gain in access between 2021 and 2024 **(Table 5).**

Table 5: Access to insurance including NHIF by socio-economic demographics - %

Category	2019 (%)	2021 (%)	2024 (%)	Change (2021–2024) (%)
Livelihood				
Agriculture	21.2	19.7	19.5	-0.2
Employed	72.1	65.1	63.2	-1.9
Casual Worker	15	15	12.5	-2.5
Own Business	34.6	28.8	23.3	-5.5
Dependent	16.1	15.1	11.7	-3.4
Financial Health				
Not Financially Healthy	20.5	18.2	15.3	-2.9
Financially Healthy	56.5	46.9	51.7	4.8
Wealth Quintile				
Lowest	6.3	4.9	5	0.1
Second	16.4	10	10.6	0.6
Middle	28.1	22.3	19.6	-2.7
Fourth	42.4	29.7	30.1	0.4
Highest	53.3	42	41.6	-0.4

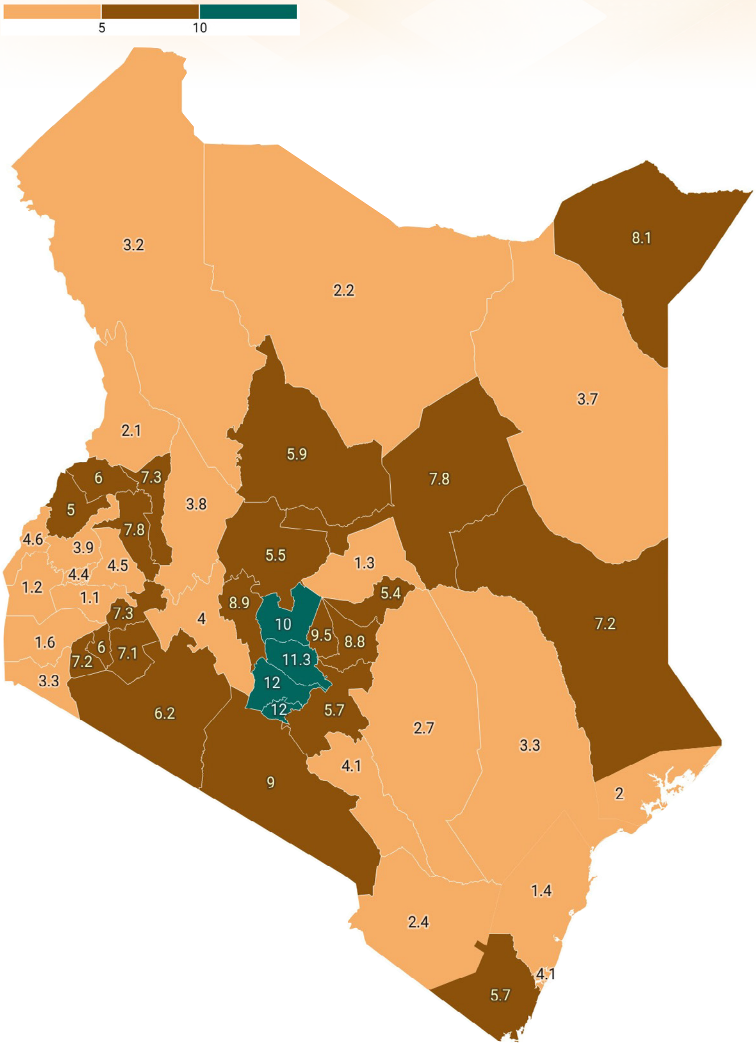
Source: FinAccess Household surveys data

2.3 County Heat Maps

2.3.1 Access to Insurance (Excluding NHIF)

Access to levels vary from one County to another. Nairobi City and Kiambu County report the highest levels of primary access at 12.0 percent, followed closely by Murang'a (11.3 percent), Nyeri (10.0 percent), Kirinyaga (9.5 percent), and Kajiado (9.0 percent). Other counties including Mandera, Isiolo, Uasin Gishu, and Kericho also reflect moderate access levels ranging from 7 percent to 9 percent. On the other end of the spectrum, counties such as Kisumu (1.1 percent), Siaya (1.2 percent), Meru (1.3 percent), and Kilifi (1.4 percent) record the lowest levels of primary access **(Figure 2).**

Figure 2: County heat map - Access to insurance (excluding NHIF) - %



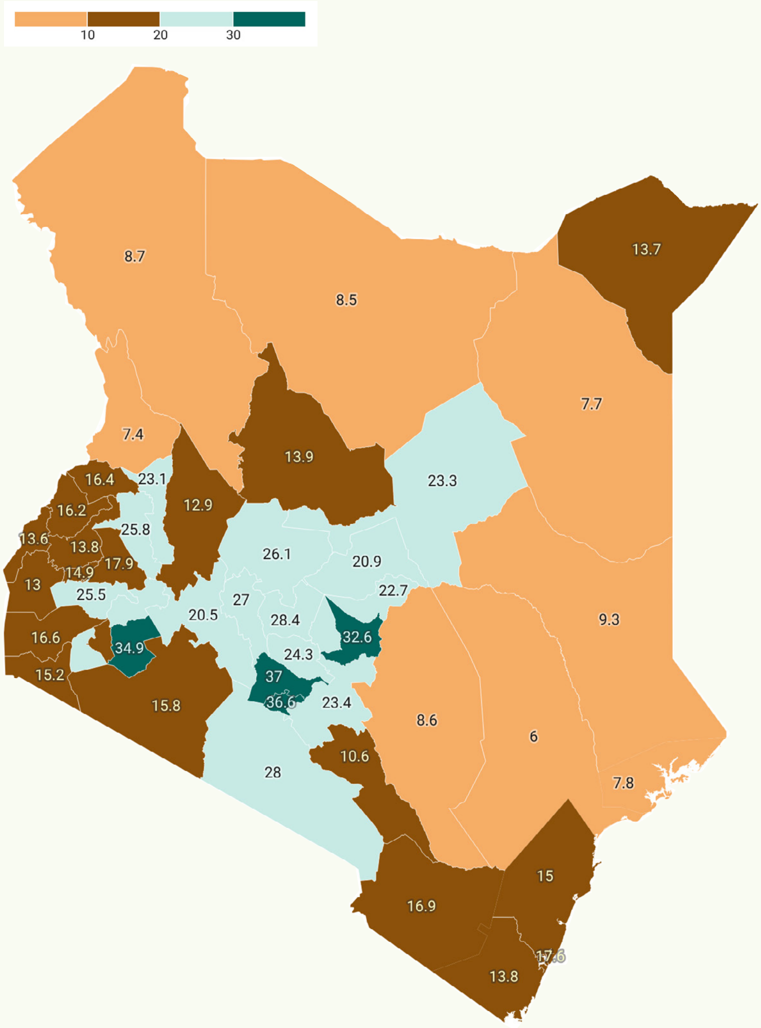
Source: FinAccess Household surveys data

County	Primary Access(Excl. NHIF)
Nairobi City	12.0
Kiambu	12.0
Murang'a	11.3
Nyeri	10.0
Kirinyaga	9.5
Kajiado	9.0
Nyandarua	8.9
Embu	8.8
Mandera	8.1
Isiolo	7.8
Uasin Gishu	7.8
Kericho	7.3
Elgeyo-Marakwet	7.3
Garissa	7.2
Kisii	7.2
Bomet	7.1
Narok	6.2
Trans Nzoia	6.0
Nyamira	6.0
Samburu	5.9
Machakos	5.7
Kwale	5.7
Laikipia	5.5
Tharaka-Nithi	5.4
Bungoma	5.0
Busia	4.6
Nandi	4.5
Vihiga	4.4
Makueni	4.1
Mombasa	4.1
Nakuru	4.0
Kakamega	3.9
Baringo	3.8
Wajir	3.7
Tana River	3.3
Migori	3.3
Turkana	3.2
Kitui	2.7
Taita-Taveta	2.4
Marsabit	2.2
West Pokot	2.1
Lamu	2.0
Homabay	1.6
Kilifi	1.4
Meru	1.3
Siaya	1.2
Kisumu	1.1

2.3.2 Access to Insurance (Including NHIF)

The highest levels of all insurance access are observed in Kiambu (37.0 percent) and Nairobi City (36.6 percent), followed by Bomet (34.9 percent), Embu (32.6 percent), and Kirinyaga (28.9 percent). These counties stand out for having relatively higher proportions of the population reporting access to at least one insurance product in their own name, including NHIF. Counties such as Kisumu (25.5 percent), Kajiado (28.0 percent), Nyeri (28.4 percent), and Uasin Gishu (25.8 percent) also show moderate to strong levels of access. In contrast, counties such as Tana River (6.0 percent), West Pokot (7.4 percent), Wajir (7.7 percent), and Lamu (7.8 percent) reflect lower access levels, indicating regional disparities in insurance access **(Figure 3).**

Figure 3: County heat map - Access to insurance (including NHIF) - %



Source: FinAccess Household surveys data

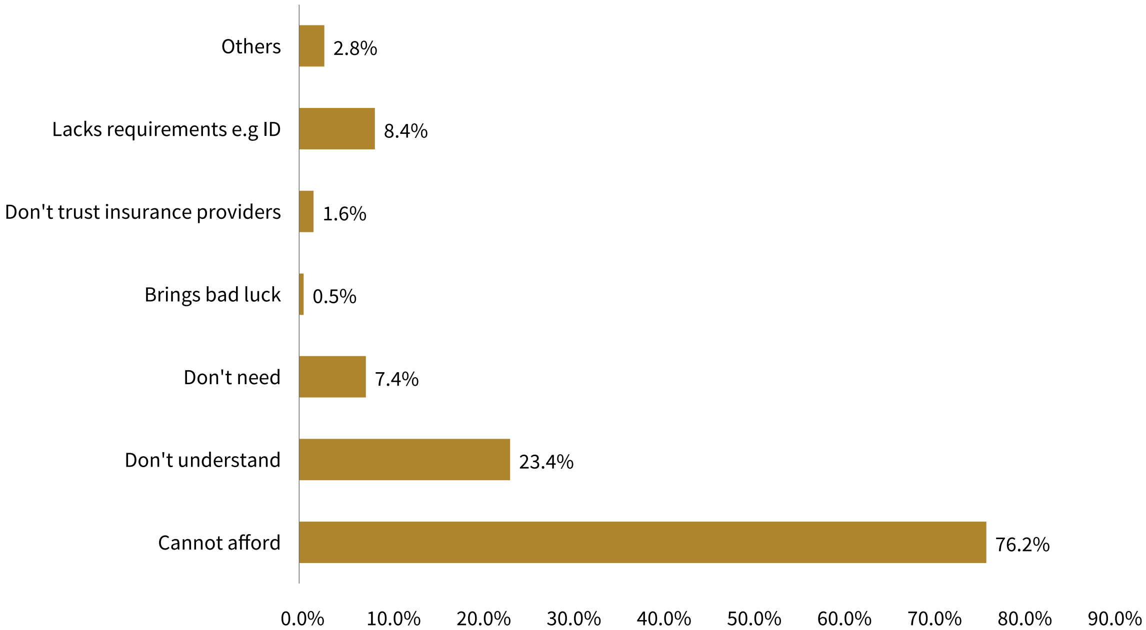
COUNTY	Primary access(Incl. NHIF)
Kiambu	37.0
Nairobi City	36.6
Bomet	34.9
Embu	32.6
Kirinyaga	28.9
Kericho	28.6
Nyeri	28.4
Kajiado	28.0
Nyandarua	27.0
Laikipia	26.1
Uasin Gishu	25.8
Kisumu	25.5
Kisii	24.4
Murang'a	24.3
Machakos	23.4
Isiolo	23.3
Elgeyo-Marakwet	23.1
Tharaka-Nithi	22.7
Meru	20.9
Nakuru	20.5
Nyamira	18.8
Nandi	17.9
Mombasa	17.6
Taita-Taveta	16.9
Homabay	16.6
Trans Nzoia	16.4
Bungoma	16.2
Narok	15.8
Migori	15.2
Kilifi	15.0
Vihiga	14.9
Samburu	13.9
Kakamega	13.8
Kwale	13.8
Mandera	13.7
Busia	13.6
Siaya	13.0
Baringo	12.9
Makueni	10.6
Garissa	9.3
Turkana	8.7
Kitui	8.6
Marsabit	8.5
Lamu	7.8
Wajir	7.7
West Pokot	7.4
Tana River	6.0

2.4 Barriers to Accessing Insurance

2.4.1 Barriers to Accessing Insurance - Overall Population

The survey highlights key barriers preventing individuals from having insurance in their own name. The significant challenge is affordability, with 76.2 percent citing cost as the main reason for not having insurance. Lack of understanding is another major obstacle, affecting 23.4 percent of respondents, indicating a need for more consumer education. Additionally, 7.4 percent believe they do not need insurance, while 1.6 percent lack trust in insurance providers. Cultural perceptions also play a role, with 0.5 percent associating insurance with bad luck. Structural barriers, such as lacking necessary documents like an ID, affect 8.4 percent of respondents, further limiting access **(Figure 4).**

Figure 4: Barriers to accessing insurance - Overall population -%



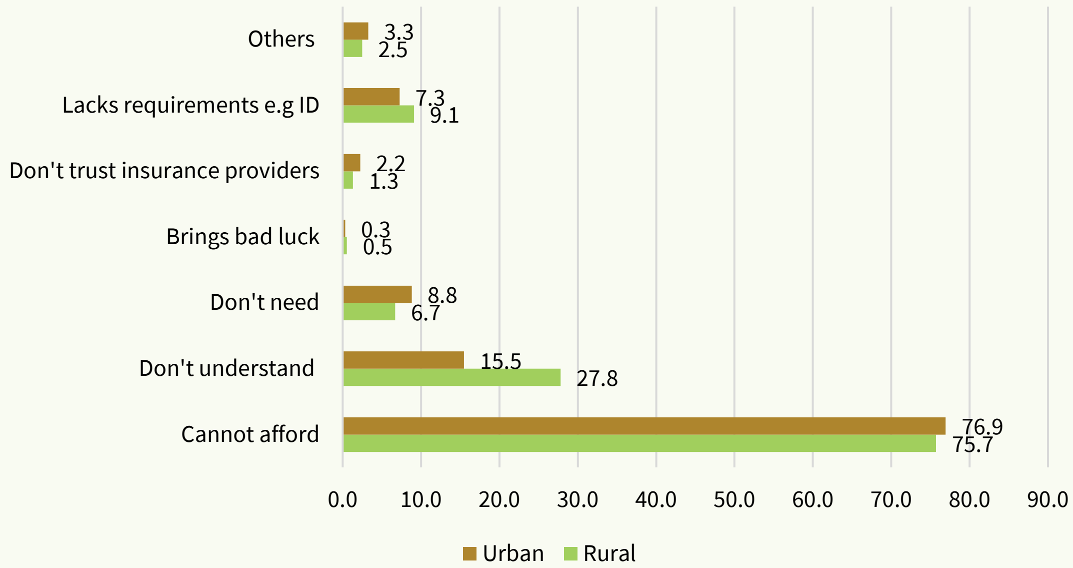
Source: FinAccess Household surveys data

2.4.2 Barriers to Accessing Insurance by Demographics

2.4.2.1 Barriers to Accessing Insurance by Residence

The survey reveals variations between rural and urban residents regarding barriers to insurance. While affordability remains a widespread issue in both areas (75.7 percent rural, 76.9 percent urban), there is a difference in understanding insurance with 27.8 percent of rural respondents not understanding insurance compared to 15.5 percent in urban areas. This suggests that rural communities require more insurance literacy initiatives. More urban respondents (8.8 percent) report that they do not need insurance compared to 6.7 percent in rural areas, possibly reflecting a higher reliance on alternative financial safety nets in cities. Lack of trust in insurance providers is slightly lower in urban areas 1.3 percent compared to rural areas at 2.2 percent. Additionally, rural residents face a higher challenge regarding the lack of identification documents at 9.1 percent compared to urban residents at 7.3 percent **(Figure 5).**

Figure 5: Barriers to accessing insurance by residence - %

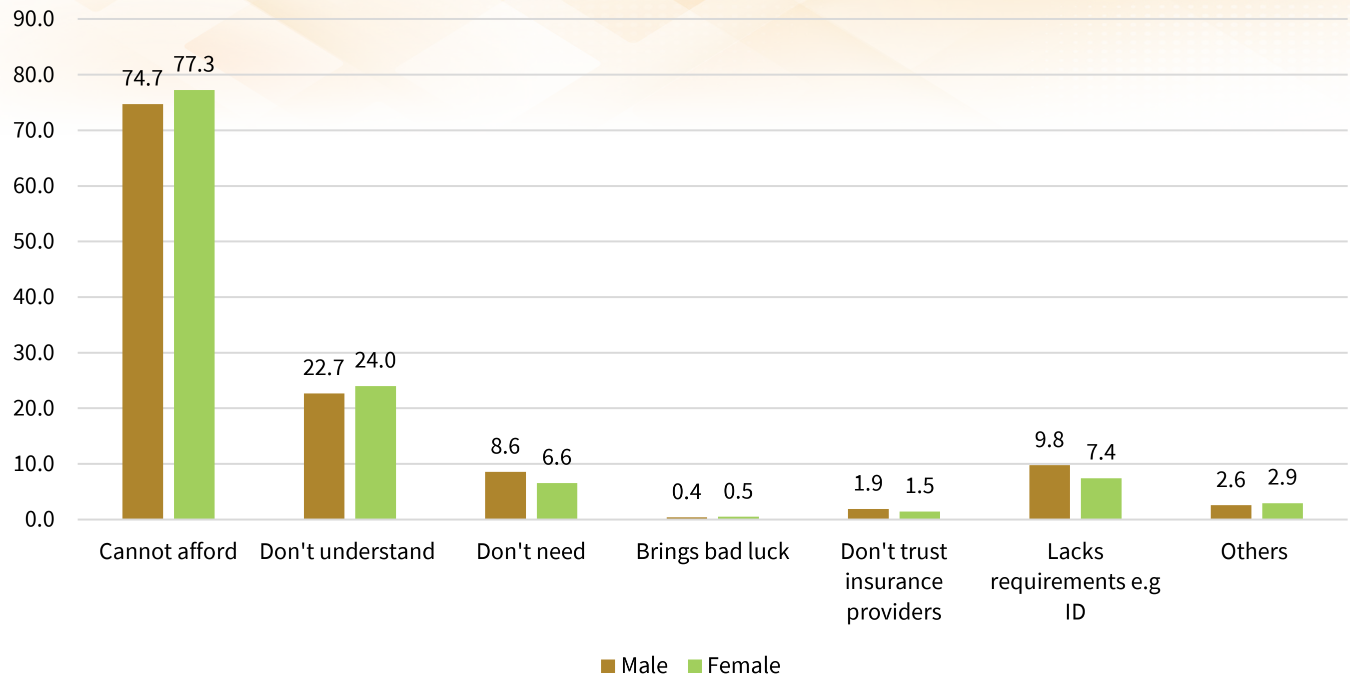


Source: FinAccess Household surveys data

2.4.2.2 Barriers to Accessing Insurance by Sex

The survey findings highlight sex differences in the challenges faced when accessing insurance. Females are more likely than males to cite affordability as a barrier (77.3 percent vs. 74.7 percent) possibly due to income disparities. Similarly, a lack of understanding is slightly more prevalent among females (24.0 percent vs. 22.7 percent), emphasizing the need for targeted awareness programs for female insurance consumers. More males than females believe they do not need insurance (8.6 percent vs. 6.6 percent), suggesting different risk perceptions between genders. Trust in insurance providers is a slightly bigger issue for men compared to women. On the other hand, more men than women struggle with documentation challenges such as lack of ID at 9.8 percent and 7.4 percent respectively **(Figure 6).**

Figure 6: Barriers to accessing insurance by sex - %

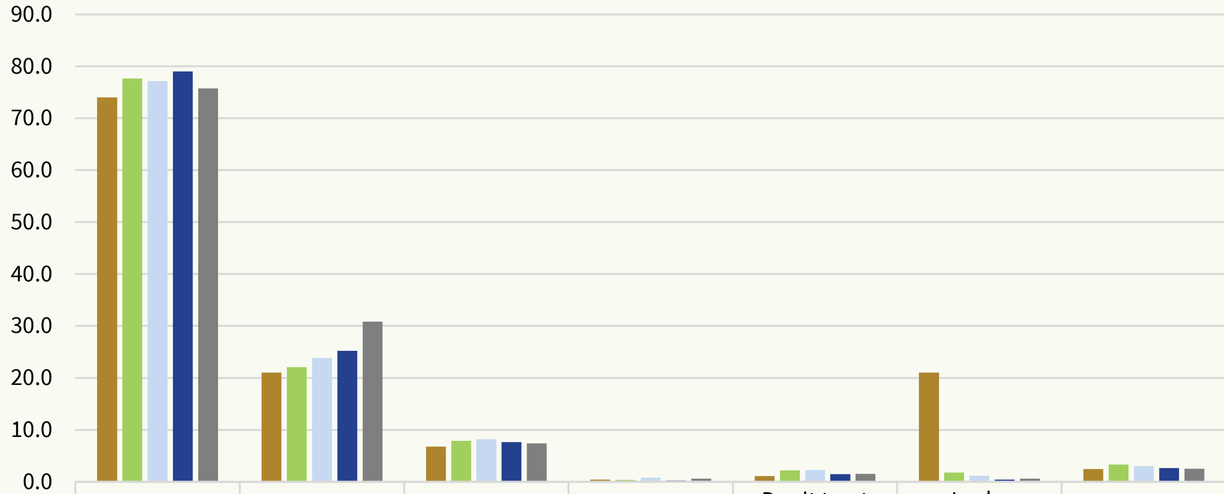


Source: FinAccess Household surveys data

2.4.2.3 Barriers to Accessing Insurance by Age

There is a significant age-related difference in insurance barriers. While affordability remains a concern across all age groups, it is most pronounced among those aged 46-55 years (79.1 percent), likely due to increased financial responsibilities at this life stage and increase in cost of life insurance. Young adults aged 18-25 face the highest challenge related to documentation, with 21.0 percent reporting they lack necessary requirements such as national identification cards, which could prevent them from accessing insurance services. Understanding of insurance is lowest among those above 55 years (30.8 percent), suggesting that older populations require more targeted financial education initiatives. Distrust in insurance providers is most common in the 36-45 age group (2.3 percent). Additionally, cultural beliefs about insurance bringing bad luck are slightly more prevalent among 36-45-year-olds (0.8 percent) indicating the need for insurance awareness campaigns that address such misconceptions **(Figure 7).**

Figure 7: Barriers to accessing insurance by age - %



	Cannot afford	Don't understand	Don't need	Brings bad luck	Don't trust insurance providers	Lacks requirements e.g ID	Others
18-25	74.1	21.0	6.8	0.4	1.1	21.0	2.4
26-35	77.7	22.1	7.9	0.3	2.2	1.8	3.3
36-45	77.2	23.9	8.2	0.8	2.3	1.1	3.0
46-55	79.1	25.2	7.6	0.3	1.5	0.4	2.6
Above 55	75.8	30.8	7.4	0.6	1.5	0.6	2.5

18-25 26-35 36-45 46-55 Above 55

Source: FinAccess Household surveys data

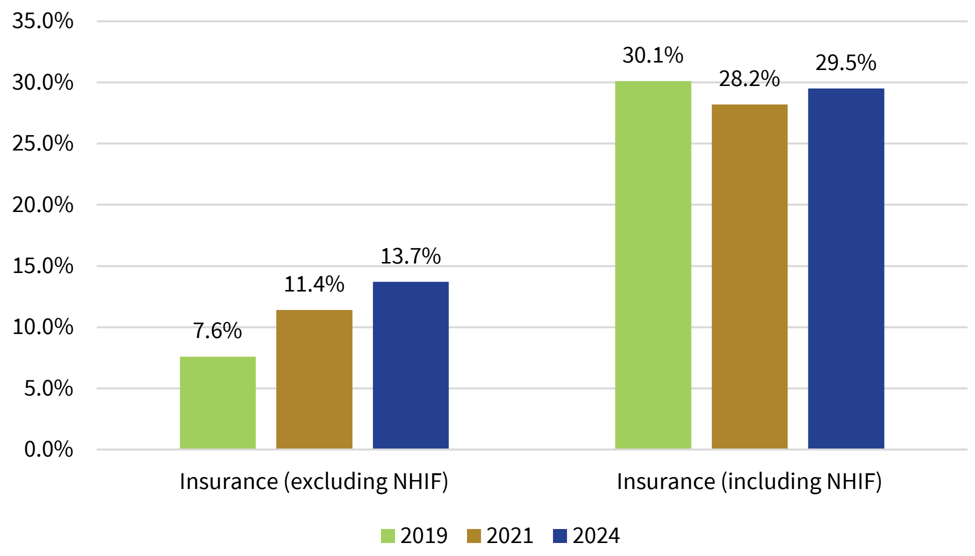
3. USAGE OF INSURANCE

3.1 Overall Insurance Usage

Usage of insurance (excluding NHIF) has been steadily increasing from 11.4 percent in 2021 to 13.7 percent in 2024. This growth can be attributed to efforts by the Insurance Regulatory Authority to educate the public on the importance of insurance, coupled with supportive regulatory and policy frameworks such as the Microinsurance regulatory and policy framework.

In 2024, primary insurance usage (excluding NHIF) stood at 6.3 percent, while secondary insurance usage (excluding NHIF) was 7.4 percent, bringing the total insurance usage (excluding NHIF) to 13.7 percent **(Figure 8).**

Figure 8: Overall insurance usage - %

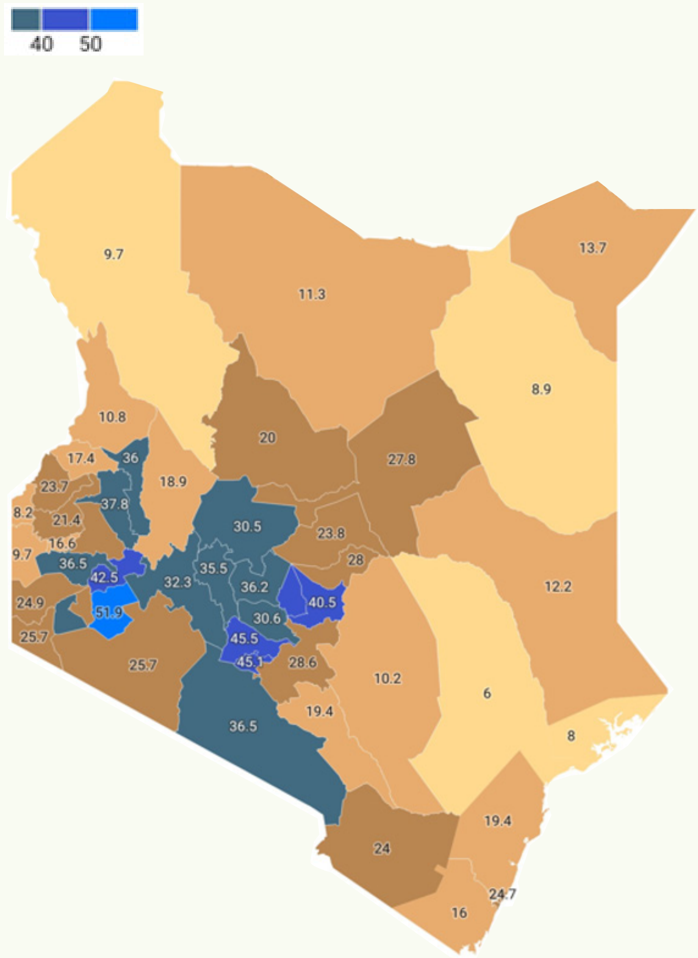


Source: FinAccess Household surveys data

3.2 County Heat Map - Insurance Usage by County

The data shows that Bomet County leads with the highest insurance (including NHIF) usage at 51.9 percent, followed by Kiambu (45.5 percent) and Nairobi City (45.1 percent), highlighting strong insurance presence in these regions. Other counties with significant usage rates include Kericho (42.5 percent), Kirinyaga (40.7 percent), and Embu (40.5 percent), reflecting relatively high levels of inclusion in insurance usage. Counties such as Kajiado (36.5 percent), Kisumu (36.5 percent), Kisii (36.3 percent), and Nyeri (36.2 percent) fall within the mid-to-high usage bracket, suggesting that a sizeable portion of their populations benefit from insurance coverage either directly or through someone else's name. On the lower end of the spectrum, counties such as Tana River (6.0 percent), Lamu (8.0 percent), Wajir (8.9 percent), and Turkana (9.7 percent) report limited overall usage. This means that there are regional disparities in insurance usage with some counties showing high levels of usage while others have low levels of insurance usage **(Figure 9).**

Figure 9: County heat map- Insurance (including NHIF) usage by County - %



Source: FinAccess Household surveys data

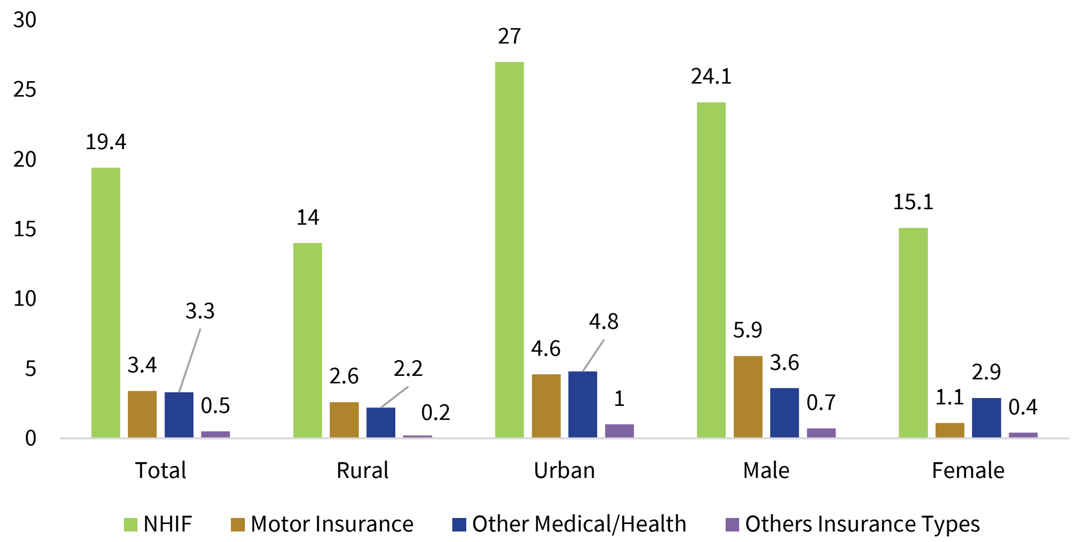
COUNTY	Overall Insurance Usage
Bomet	51.9
Kiambu	45.5
Nairobi City	45.1
Kericho	42.5
Kirinyaga	40.7
Embu	40.5
Uasin Gishu	37.8
Kajiado	36.5
Kisumu	36.5
Kisii	36.3
Nyeri	36.2
Elgeyo-Marakwet	36
Nyandarua	35.5
Nakuru	32.3
Murang'a	30.6
Laikipia	30.5
Machakos	28.6
Tharaka-Nithi	28
Isiolo	27.8
Nandi	27.6
Nyamira	27.5
Narok	25.7
Migori	25.7
Homabay	24.9
Mombasa	24.7
Taita-Taveta	24
Meru	23.8
Bungoma	23.7
Kakamega	21.4
Samburu	20
Siaya	19.7
Kilifi	19.4
Makueni	19.4
Baringo	18.9
Busia	18.2
Trans Nzoia	17.4
Vihiga	16.6
Kwale	16
Mandera	13.7
Garissa	12.2
Marsabit	11.3
West Pokot	10.8
Kitui	10.2
Turkana	9.7
Wajir	8.9
Lamu	8
Tana River	6

3.3 Usage of Insurance Products by Demographics

3.3.1 Usage of Insurance Products by Residence and Sex

NHIF is the most used insurance product. This could be attributed to Government policy aimed at ensuring that most Kenyans have medical cover under NHIF. Other products used are motor and medical insurance. The analysis shows an insurance protection gap between the rural and urban population with females having lower usage compared to males **(Figure 10).**

Figure 10: Usage of insurance products by residence and sex -%

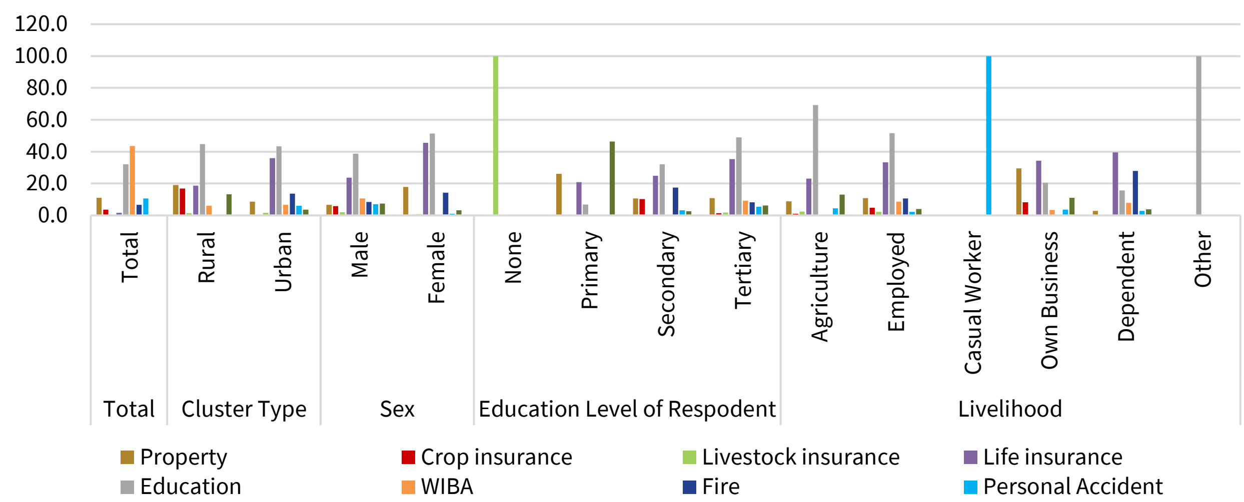


Source: FinAccess Household surveys data

3.3.2 Usage of Insurance Products by Demographics

Analysis of usage of various insurance products shows variation by demographics **(Figure 11).**

Figure 11: Usage of insurance products by demographics - %



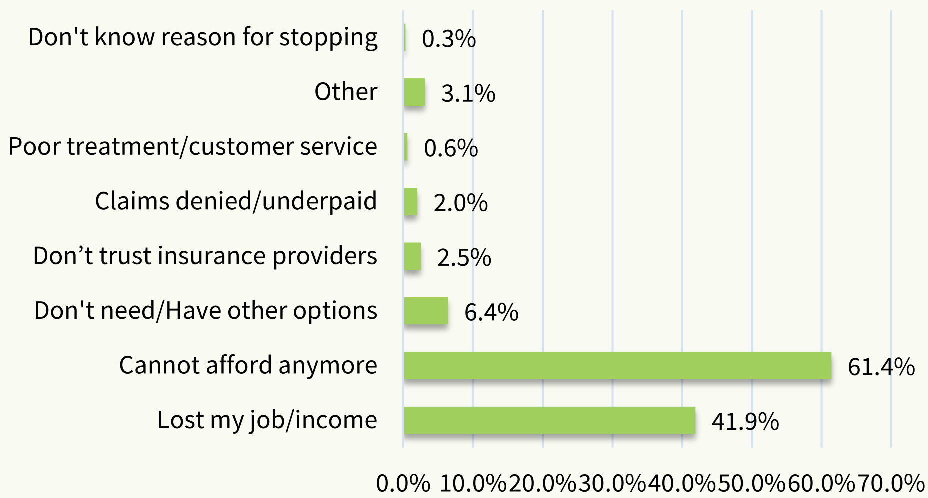
Source: FinAccess Household surveys data

3.4 Reasons Stopped Using Insurance

3.4.1 Reasons stopped Using Insurance - Overall

The survey reveals that financial constraints are the primary reason individuals stopped using insurance in their own name. A significant 61.4 percent stated they could no longer afford it, while 41.9 percent attributed their decision to losing their job or income, highlighting the direct impact of economic instability on insurance retention. Some stopped because they felt they no longer needed insurance or had alternative options at 6.4 percent. Trust and service-related concerns also played a role, with 2.5 percent citing a lack of trust in insurance providers, 2.0 percent experiencing denied or underpaid claims, and 0.6 percent reporting poor customer service. There is a need to develop innovative insurance products and solutions to make insurance affordable **(Figure 12).**

Figure 12: Reasons stopped using insurance - %



Source: FinAccess Household surveys data

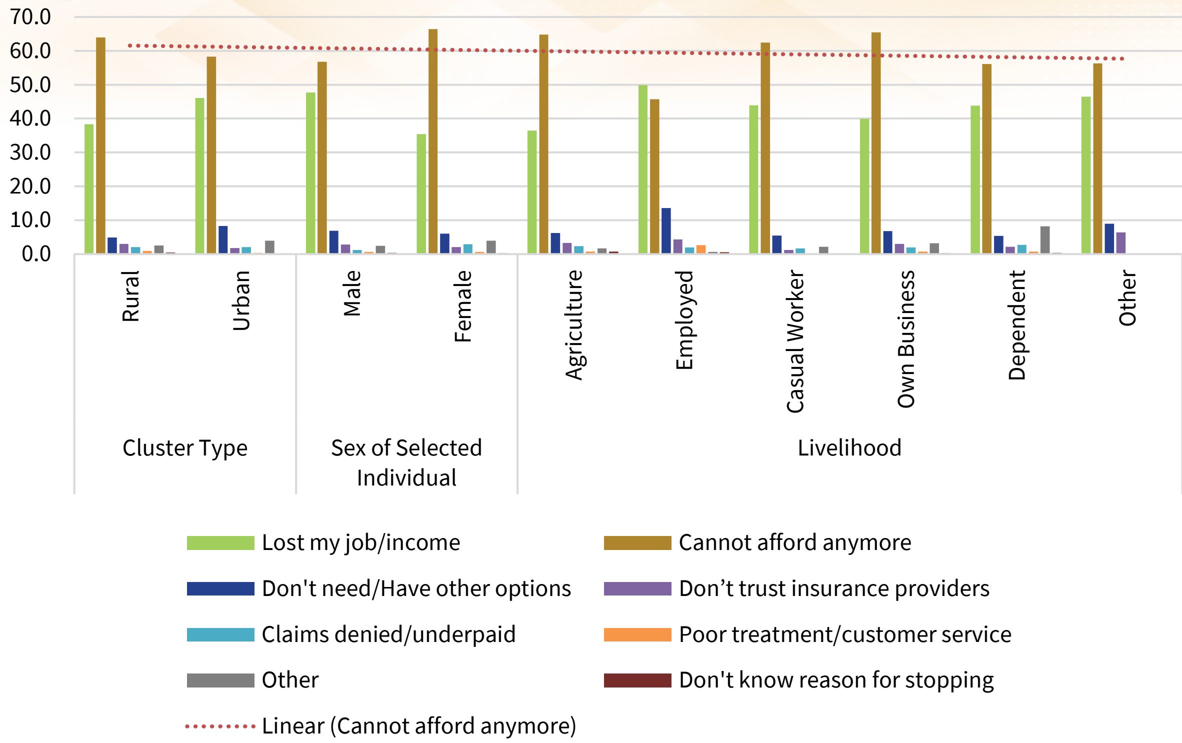
3.4.2 Reasons Stopped Using Insurance by Demographics

The survey highlights that financial difficulties are the primary reasons individuals stopped using insurance. For both rural and urban populations, affordability remains the top reason, with a significant proportion of respondents unable to continue paying premiums. In rural areas, 64.0 percent reported being unable to afford insurance, while 58.3 percent in urban areas gave the same reason. Additionally, the loss of a job or income contributed to 38.4 percent of rural respondents and 46.1 percent of urban respondents ceasing their insurance usage.

When looking at sex, 66.4 percent of females stopped using insurance due to affordability, compared to 56.8 percent of males. Job or income loss affected 47.7 percent of males and 35.4 percent of females. Other reasons include lack of need or having alternatives (6.8 percent males, 6.0 percent females).

Among individuals in different livelihood groups, those involved in agriculture (64.8 percent) and casual work (62.4 percent) primarily cited affordability as the main reason for discontinuation. Among the employed, nearly half (49.9 percent) stopped using insurance due to losing their job or income, while 45.7 percent mentioned affordability. Own business owners (65.5 percent) also struggled with affordability, and dependents (56.2 percent) faced similar financial barriers **(Figure 13).**

Figure 13: Reasons stopped using insurance by demographics - %

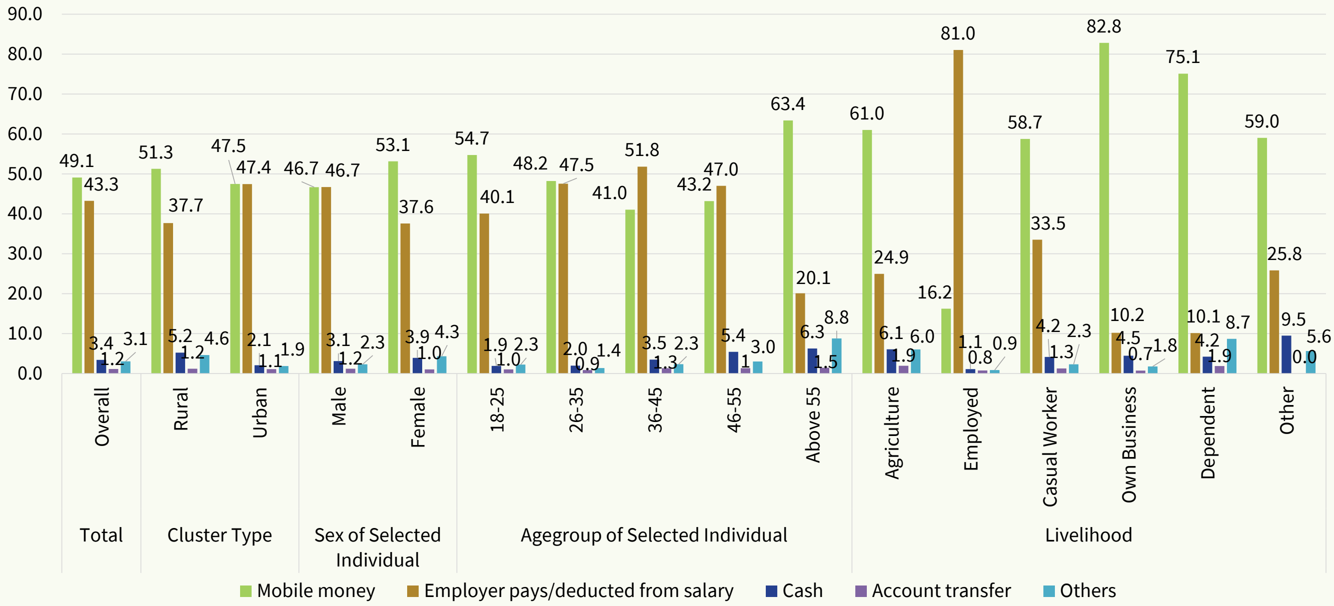


Source: FinAccess Household surveys data

3.5 Channels for paying insurance premiums

The survey shows that mobile money is the most used channel for paying insurance across all the population demographics. Insurance providers could leverage mobile technology to enhance insurance access **(Figure 14).**

Figure 14: Channels for paying insurance premiums -%



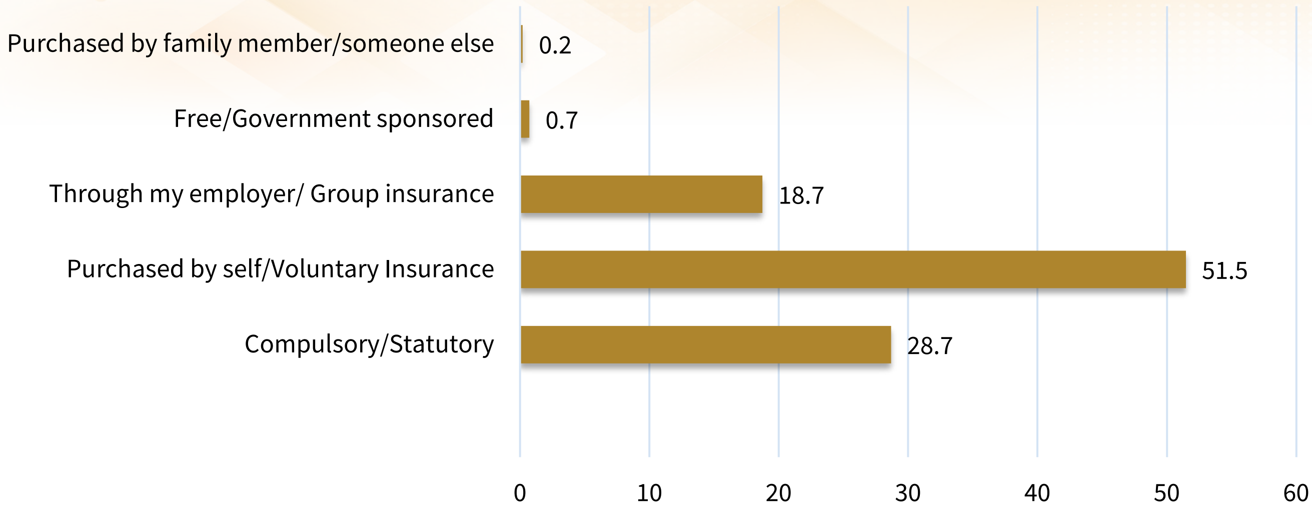
Source: FinAccess Household surveys data

3.6 Ways Acquired Insurance

3.6.1 Ways Acquired Insurance - Overall

In 2024, most insurance policyholders (51.5 percent) acquired their policies by purchasing them voluntarily. About 28.7 percent obtained insurance through compulsory or statutory requirements, while 18.7 percent received coverage through their employer or group schemes. A smaller proportion benefited from free or government-sponsored insurance (0.7 percent), and only 0.2 percent had their insurance purchased by a family member or someone else. This shows the population's appreciation of insurance **(Figure 15).**

Figure 15: Ways acquired insurance -%



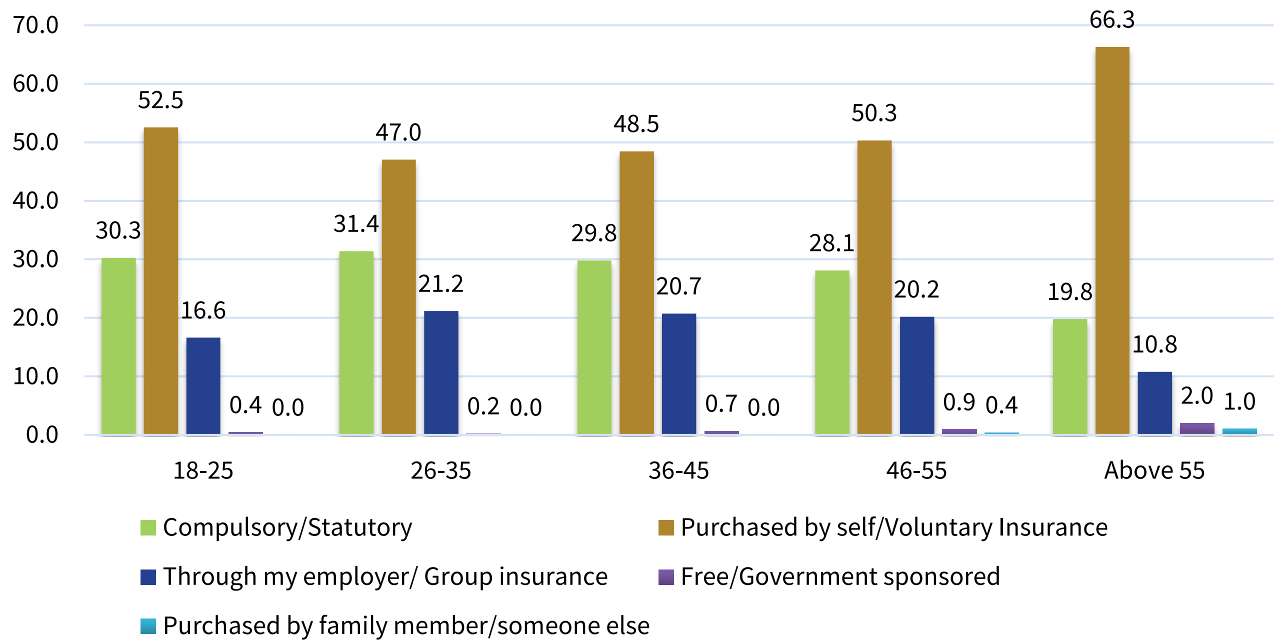
Source: FinAccess Household surveys data

3.6.2 Ways Acquired Insurance by Demographics

3.6.2.1 Ways Acquired Insurance by Age

Across all age groups, most individuals acquire insurance by purchasing it themselves voluntarily. Individuals aged above 55 are the most likely to purchase insurance voluntarily (66.3 percent) but the least likely to have insurance through employers or groups (10.8 percent) or via statutory requirements (19.8 percent). In contrast, younger age groups such as 26–35 years are more likely to be covered through employers or group schemes (21.2 percent) and compulsory means (31.4 percent) **(Figure 16).**

Figure 16: Ways acquired insurance by age -%



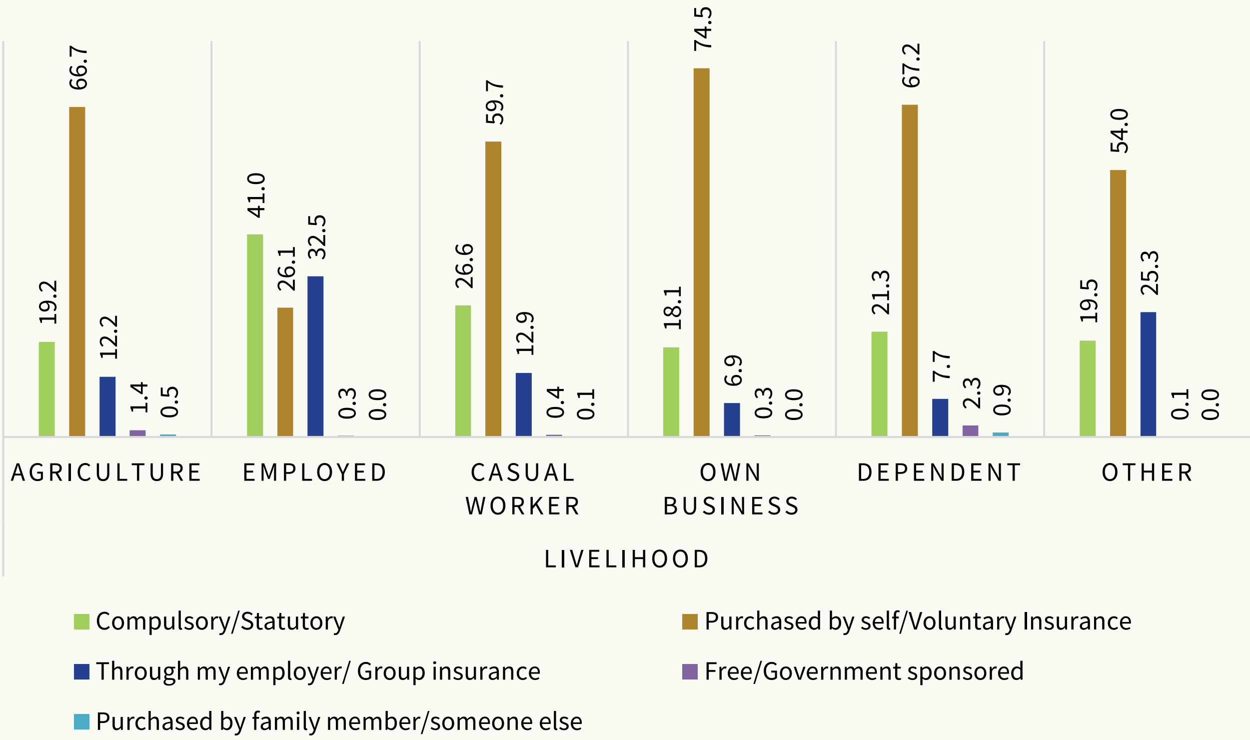
Source: FinAccess Household surveys data

3.6.2.2 Ways Acquired Insurance by Livelihood

The way individuals acquire insurance varies by their source of livelihood. Those in employment are the most likely to be covered through employers or group schemes (32.5 percent) and have the highest uptake through compulsory or statutory means (41.0 percent). On the other hand, people running their own businesses or working in agriculture largely rely on voluntary purchase of insurance, with 74.5 percent and 66.7 percent respectively buying it themselves.

A common pattern across all livelihood types is that voluntary purchase remains the most common way of acquiring insurance **(Figure 17).**

Figure 17: Ways acquired insurance by livelihood -%



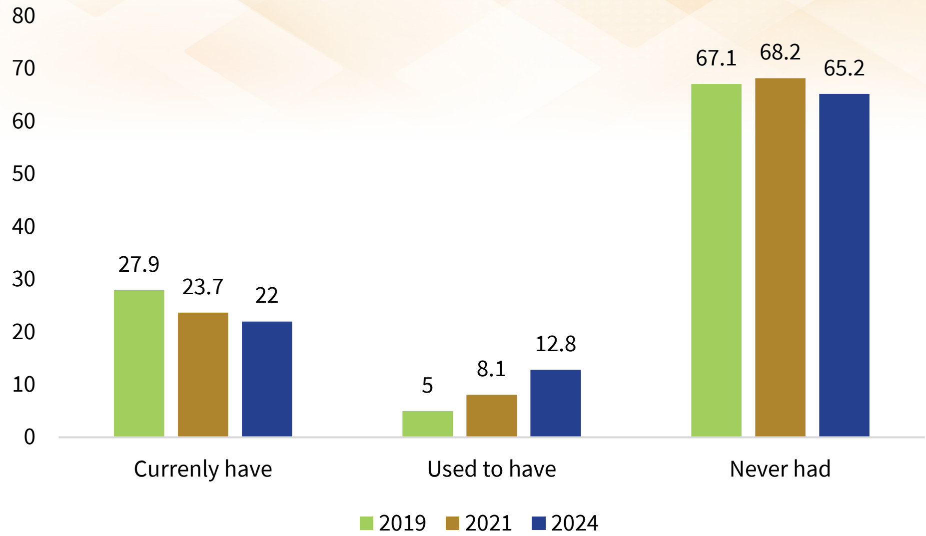
Source: FinAccess Household surveys data

3.7 Usage Patterns

3.7.1 Overall Usage Patterns - Insurance (Including NHIF)

The data highlights a significant shift in insurance coverage patterns within the population. The proportion of individuals who currently have insurance (including NHIF) decreased by 1.7 percent between 2021 and 2024, while the percentage of individuals who have stopped having insurance (including NHIF) rose by 4.7 percent between 2021 and 2024, suggesting a growing number of people losing their coverage, potentially due to economic constraints or other barriers. Interestingly, the proportion of those who have never had insurance (including NHIF) decreased by 3 percent during the same period. However, these gains seem overshadowed by the growing challenges in retaining individuals within the insurance system, highlighting the need to address issues that lead to people discontinuing their coverage **(Figure 18).**

Figure 18: Usage patterns - insurance (including NHIF) - %



Source: FinAccess Household surveys data

3.7.2 Currently Have Insurance (Including NHIF) by Socio- Demographics

Overall, current insurance usage including NHIF declined among all the social-demographic groups. Current usage slightly improved among those aged 26–35 between 2021 and 2024. Urban residents maintained higher current usage than rural counterparts, though both saw minor declines between 2021 and 2024. Educational attainment remained a strong predictor of insurance usage, with tertiary-educated individuals reporting the highest access despite experiencing the steepest decline between 2021 and 2024 **(Table 6).**

Table 6: Currently have insurance including NHIF by socio-demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Sex				
Male	33.4	27.6	28.2	0.6
Female	22.7	20.1	16.1	-4.0
Age				
18-25	18.3	12.6	10.6	-2.0
26-35	30.9	26.4	27.2	0.8
36-45	32.8	29.8	27	-2.8
46-55	33.5	30.7	27.1	-3.6
Above 55	25	27.1	23.4	-3.7
Residence				
Rural	20.7	18.5	16.1	-2.4
Urban	38.4	32.8	30.2	-2.6
Education				
None	10.7	7.9	5.9	-2.0
Primary	17.4	17.1	13.2	-3.9
Secondary	33.6	24	21.6	-2.4
Tertiary	63.2	54.9	49.7	-5.2

Source: FinAccess Household surveys data

3.7.3 Currently Have Insurance (Including NHIF) by Socio-Economic Demographics

Between 2021 and 2024, current insurance usage including NHIF declined across most socio-economic groups. Employed individuals remained the most insured, though there was a slight drop between 2021 and 2024. Business owners saw a higher decline, while agricultural households stayed largely unchanged. Financially healthy individuals were more likely to retain coverage and were the only group to show improvement during this period. Wealthier households had the highest current insurance usage including NHIF though trends were mixed; lower-tier groups recorded small gains **(Table 7).**

Table 7: Currently have insurance including NHIF by socio- economic demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Livelihood				
Agriculture	21.2	19.7	19.5	-0.2
Employed	72.1	65.1	63.2	-1.9
Casual Worker	15	15	12.5	-2.5
Own Business	34.6	28.8	23.3	-5.5
Dependent	16.1	15.1	11.7	-3.4
Other	19.6		8.5	8.5
Financial Health				
Not Financially healthy	20.5	18.2	s15.3	-2.9
Financial healthy	56.5	46.9	51.7	4.8
Wealth Quintile				
Lowest	6.3	4.9	5	0.1
Second	16.4	10	10.6	0.6
Middle	28.1	22.3	19.6	-2.7
Fourth	42.4	29.7	30.1	0.4
Highest	53.3	42	41.6	-0.4

Source: FinAccess Household surveys data

3.7.4 Used to Have Insurance (Including NHIF) by Socio- Demographics

There was a notable rise in the proportion of individuals who stopped using insurance including NHIF, across the various socio-demographic groups. The trend was more pronounced among older adults – the proportion of those above 55 years that stopped insurance including NHIF rose significantly from 9.5 percent in 2021 to 17.4 percent in 2024, a 7.9 percentage point rise. Those aged 46–55 years also recorded an increase of a 6.8 percentage point in the proportion of individuals that stopped using insurance during the same period **(Table 8).**

Table 8: Used to have insurance including NHIF by socio- demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Sex				
Male	6	9.2	13.8	4.6
Female	4.1	7	11.8	4.8
Age				
18-25	1.9	3.8	4.2	0.4
26-35	4.9	8.4	14.2	5.8
36-45	5.4	11.1	16.8	5.7
46-55	5.4	11.2	18	6.8
Above 55	8	9.5	17.4	7.9
Residence				
Rural	5.2	7	11.9	4.9
Urban	4.8	9.8	14	4.2
Education				
None	2.1	4.3	6	1.7
Primary	5.5	8.6	13.3	4.7
Secondary	6.3	8.3	13.6	5.3
Tertiary	3.7	9.2	13.7	4.5

Source: FinAccess Household surveys data

3.7.5 Used to Have Insurance (Including NHIF) by Socio- Economic Demographics

Between 2021 and 2024, more people stopped using insurance (including NHIF) across all socio-economic groups. The biggest increases were among those in agriculture, casual work, and in own business - groups more likely in the informal economy. Middle-income individuals also recorded a significant decline in insurance usage **(Table 9).**

Table 9: Used to have insurance including NHIF by socio-economic demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Livelihood				
Agriculture	6.1	8	15	7
Employed	2	4.2	6.4	2.2
Casual Worker	5.7	9.4	15.2	5.8
Own Business	6.8	11.8	17.4	5.6
Dependent	2.9	6.1	9.4	3.3
Other	6.7		5.4	
Financial Health				
Not Financially Healthy	5.3	8.3	13.1	4.8
Financially Healthy	4	6.8	11.2	4.4
Wealth Quintile				
Lowest	2.2	3.8	7	3.2
Second	5.4	7.2	13.2	6
Middle	6.7	9.3	15.5	6.2
Fourth	6.5	9.8	14.8	5
Highest	4.8	9.2	13.2	4
Tertiary	3.7	9.2	13.7	4.5

Source: FinAccess Household surveys data

3.7.6 Never Had Insurance (Including NHIF) by Socio- Demographics

Generally, between 2021 and 2024, the overall rate of individuals who had never been insured declined, signalling gradual progress in access. The male population showed the most significant improvement, dropping from 63.2 percent to 57.8 percent (a reduction of 5.4 percentage points). By contrast, the youth (18–25) continued to face challenges, with rates rising by only 1.5 percentage points, making them the most uninsured demographic **(Table 10).**

Table 10: Never had insurance including NHIF by socio-demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Sex				
Male	60.6	63.2	57.8	-5.4
Female	73.2	72.9	72.1	-0.8
Age				
18-25	79.8	83.6	85.1	1.5
26-35	64.2	65.1	58.5	-6.6
36-45	61.8	59.2	55.9	-3.3
46-55	61.1	57.9	54.9	-3.0
Above 55	67	63.3	59.1	-4.2
Residence				
Rural	74.1	74.5	71.9	-2.6
Urban	56.9	57.3	55.7	-1.6
Education				
None	87.2	87.8	88.1	0.3
Primary	77.2	74.3	73.4	-0.9
Secondary	60.1	67.6	64.8	-2.8
Tertiary	33.1	35.9	36.5	0.6

Source: FinAccess Household surveys data

3.7.7 Never Had Insurance (Including NHIF) by Socio- Economic Demographics

Overall, the findings demonstrate a consistent association between socio-economic disadvantage and lack of insurance usage. Among livelihood categories, dependents and casual workers reported the highest rates of never having had insurance, at 78.8 percent and 72.1 percent respectively, while formally employed individuals had a significantly lower rate of 30.2 percent, indicating greater insurance access among the employed, in 2024. In terms of financial health, 71.5 percent of financially unhealthy respondents have never had insurance including NHIF, compared to only 37.0 percent among those who were financially healthy. Disparity is also displayed in the wealth quintile with lowest the having the highest proportion (88 percent) of those who have never had insurance compared to 45.1 percent in the highest quintile **(Table 11).**

Table 11: Used to have insurance including NHIF by socio-economic demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Livelihood				
Agriculture	72.7	72.3	65.5	-6.8
Employed	25.9	30.7	30.2	-0.5
Casual Worker	79.4	75.5	72.1	-3.4
Own Business	58.6	59.4	59.2	-0.2
Dependent	81	78.8	78.8	0
Other	73.7	68.2	85.9	
Financial Health				
Not Financially Healthy	74.2	73.4	71.5	-1.9
Financially Healthy	39.6	46.2	37	-9.2
Wealth Quintile				
Lowest	91.5	91.3	88	-3.3
Second	78.2	82.7	76.1	-6.6
Middle	65.2	68.4	64.8	-3.6
Fourth	51.1	60.5	55.1	-5.4
Highest	41.9	48.9	45.1	-3.8
Tertiary	33.1	35.9	36.5	0.6

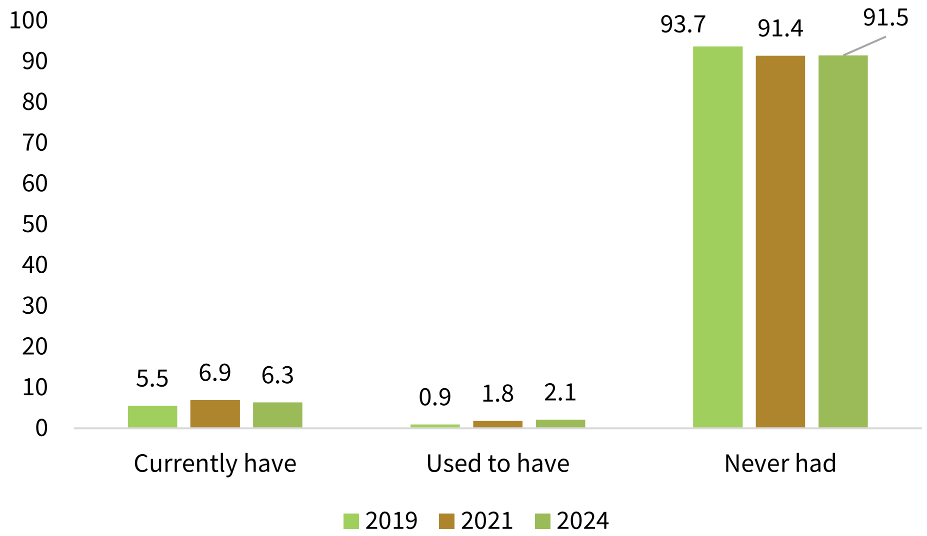
Source: FinAccess Household surveys data

3.8. Usage Patterns - Insurance (Excluding NHIF)

3.8.1 Overall usage patterns - Insurance (Excluding NHIF)

The proportion of individuals using insurance excluding NHIF declined from 6.9 percent in 2021 to 6.3 percent in 2024. Additionally, the proportion of individuals who have never had (insurance excluding NHIF) rose slightly from 91.4 percent in 2021 to 91.5 percent in 2024 91.5 percent **(Figure 19).**

Figure 19: Overall usage patterns - insurance (excluding NHIF) -%



Source: FinAccess Household surveys data

3.8.2 Currently Have Insurance Excluding NHIF by Socio-Demographics

Generally, there was an increase in the proportion of individuals currently using insurance excluding NHIF; however, these proportions declined between 2021 and 2024. The proportion of women declined compared to men who increased slightly by 1.7 percentage points and 0.5 percentage points respectively. There was a notable decline in current usage among those aged 55 years and above, and those with primary level of education and between 2021 and 2024 **(Table 12).**

Table 12: Currently have insurance excluding NHIF by socio- demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Sex				
Male	6.8	8.4	8.9	0.5
Female	4.1	5.5	3.8	-1.7
Age				
18-25	3.2	2.9	2.2	-0.7
26-35	5.4	7.9	7.7	-0.2
36-45	6.2	9.5	8.5	-1.0
46-55	9.7	8	9	1.0
Above 55	4.3	8.6	6.7	-1.9
Residence				
Rural	3.2	5.4	4.6	-0.8
Urban	8.7	9.5	8.7	-0.8
Education				
None	0.9	1.7	1	-0.7
Primary	2.1	4.8	2.9	-1.9
Secondary	5.2	5.5	5.1	-0.4
Tertiary	19.8	20.5	18.9	-1.6

Source: FinAccess Household surveys data

3.8.3 Currently Have Insurance Excluding NHIF by Socio-Economic Demographics

Current insurance excluding NHIF remained highly uneven across socio-economic groups. Formal employment and financial security strongly correlate with current insurance usage, while individuals engaged in agriculture, casual work, or in lower wealth brackets show limited usage. The highest insurance uptake is among those financially healthy (20 percent) and in the wealthiest quintile (16.9 percent) in 2024, suggesting affordability and income stability play a critical role **(Table 13)**

Table 13: Currently have insurance excluding NHIF by socio-economic demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Livelihood				
Agriculture	3.6	4.7	5.2	-2.6
Employed	15.7	20.4	17.8	-1.6
Casual Worker	1	3.4	1.8	-1.8
Own Business	10	11.3	9.5	0
Dependent	1.9	3.8	3.8	2.7
Other	5.2		2.7	
Financial Health				
Not Financially Healthy	2.6	4.4	3.2	-1.2
Financially Healthy	16.4	17.6	20	2.4
Wealth Quintile				
Lowest	0.5	1	1	0
Second	1.1	2.4	1.9	-0.5
Middle	4.2	7.4	3.4	-4
Fourth	8.6	6.8	7.1	0.3
Highest	15	13.4	16.9	3.5

Source: FinAccess Household surveys data

3.8.4 Used to Have Insurance Excluding NHIF by Socio-Demographics

From 2019 to 2024, the percentage of individuals who stopped using insurance (excluding NHIF) varied by socio-demographic group. More men discontinued their use than women, with men rising to 3 percent in 2024 from 2.2 percent in 2021 while women slightly declined in the same period. Older adults, especially those aged 46–55, showed the greatest increase in those who previously had insurance but no longer do, hinting at possible affordability or relevance concerns **(Table 14).**

Table 14: Used to have insurance excluding NHIF by socio-demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Sex				
Male	1.2	2.2	3	0.8
Female	0.6	1.3	1.2	-0.1
Age				
18-25	0.7	1.1	0.9	-0.2
26-35	0.5	1.9	2	0.1
36-45	0.8	2.2	2.8	0.6
46-55	0.8	1.8	3.8	2.0
Above 55	1.7	2.2	2.5	0.3
Residence				
Rural	0.8	1.7	1.9	0.2
Urban	0.9	1.8	2.4	0.6
Education				
None	0.6	1	1	0.0
Primary	0.5	1.5	2	0.5
Secondary	1	1.8	2.2	0.4
Tertiary	2.1	2.9	2.7	-0.2

Source: FinAccess Household surveys data

3.8.5 Used to Have Insurance Excluding NHIF by Socio- Economic Demographics

Generally, more people stopped using insurance (excluding NHIF), especially among casual workers, the financially healthy and those in the highest wealth quintile. However, the overall change across groups is moderate, pointing to limited initial access rather than widespread abandonment **(Table 15).**

Table 15: Used to have insurance excluding NHIF by socio-economic demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Livelihood				
Agriculture	1.2	1.5	2.4	-0.2
Employed	1	2.4	2.2	0.5
Casual Worker	0.2	1.3	1.8	0.6
Own Business	1.3	2.8	3.4	-0.1
Dependent	0.4	1.6	1.5	0.5
Other	4		0.5	
Financial Health				
Not Financially Healthy	0.8	1.6	2	0.4
Financially Healthy	1.1	2.5	2.7	0.2
Wealth Quintile				
Lowest	0.2	0.7	0.7	0
Second	0.5	1.3	1.6	0.3
Middle	0.9	1.9	2.2	0.3
Fourth	2.0	2.2	2.7	0.5
Highest	1.0	2.3	3.1	0.8

Source: FinAccess Household surveys data

3.8.6 Never Had Insurance Excluding NHIF by Socio -Demographics

By 2024, majority of population still reported never having had insurance excluding NHIF, though patterns vary by demographics. Women, the youth (18–25), and those with no or only primary education remain the most excluded. Rural residents are also more excluded from insurance usage excluding NHIF compared to urban residents **(Table 16).**

Table 16: Never had insurance excluding NHIF by socio-economic demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Sex				
Male	92	89.4	87.9	-1.5
Female	95.3	93.2	94.9	1.7
Age				
18-25	96.1	96	96.9	0.9
26-35	94	90.2	90.3	0.1
36-45	93	88.3	88.4	0.1
46-55	89.4	90.2	87.2	-3.0
Above 55	94	89.2	90.7	1.5
Residence				
Rural	96	92.9	93.5	0.6
Urban	90.3	88.6	88.7	0.1
Education				
None	98.5	97.3	98	0.7
Primary	97.4	93.7	95	1.3
Secondary	93.8	92.7	92.6	-0.1
Tertiary	78.1	76.6	78.3	1.7

Source: FinAccess Household surveys data

3.8.7 Never Had Insurance Excluding NHIF by Socio- Economic Demographics

By 2024, exclusion from insurance excluding NHIF remains highest among casual workers, dependents, and agricultural livelihoods, suggesting that informal employment and financial vulnerability limit access. Those employed and business owners show relatively lower rates of exclusion. Those who are not financially healthy and in lower wealth quintiles consistently report high levels of insurance exclusion, while improvements are seen among financially healthier and wealthier individuals. The data underscores a persistent socio-economic divide in usage of insurance services **(Table 17).**

Table 17: Never had insurance excluding NHIF by socio-economic demographics - %

	2019 (%)	2021 (%)	2024 (%)	% Change (2021 to 2024)
Livelihood				
Agriculture	95.2	93.8	92.4	-1.4
Employed	83.2	77.2	79.9	2.7
Casual Worker	98.7	95.3	96.3	1
Own Business	88.7	85.9	86.9	1
Dependent	97.7	94.6	94.6	0
Other	90.8		96.6	96.6
Financial Health				
Not Financially Healthy	96.6	94	94.7	0.7
Financially Healthy	82.5	79.9	77.4	-2.5
Wealth Quintile				
Lowest	99.4	98.3	98.3	0
Second	98.4	96.2	96.4	0.2
Middle	94.9	90.7	94.3	3.6
Fourth	89.5	91	90.2	-0.8
Highest	84	84.3	79.9	-4.4
Tertiary	78.1	76.6	78.3	1.7

Source: FinAccess Household surveys data

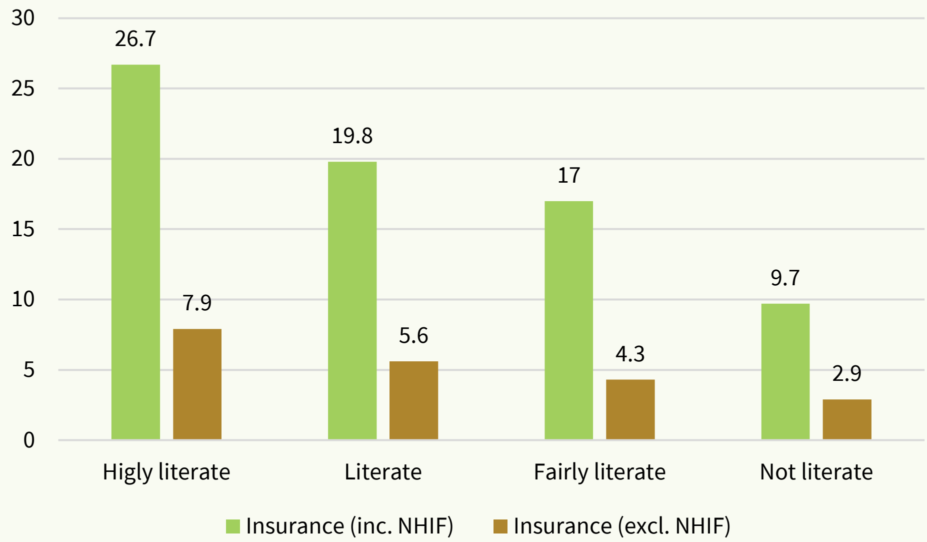
4. QUALITY OF INSURANCE SERVICES

4.1 Financial Literacy

4.1.1 Intersection of Financial Literacy and Insurance Usage

The survey findings reveal that among respondents using insurance (including NHIF), 26.7 percent are highly financially literate, while 9.7 percent are not financially literate as shown in Figure 4.1. In contrast, among respondents using insurance (excluding NHIF) 7.9 percent are highly financially literate, while 29 percent are not financially literate **(Figure 20).**

Figure 20: Intersection financial literacy and insurance usage -%

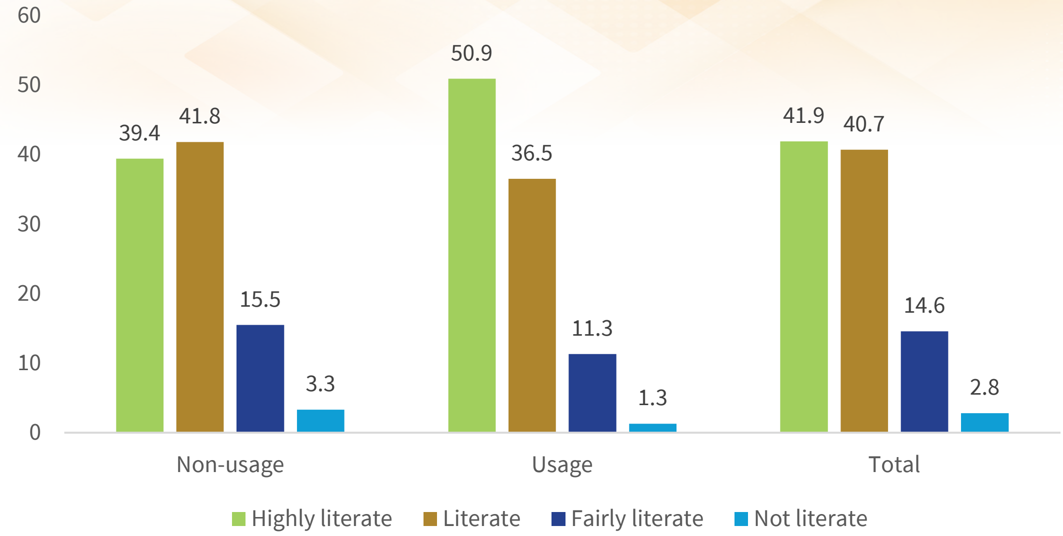


Source: FinAccess Household survey data

4.1.2 Financial Literacy Among Users and Non-Users of Insurance

The analysis reveals that individuals who use insurance tend to have higher literacy levels, with 50.9 percent classified as highly literate, compared to lower literacy rates among non-users **(Figure 21).**

Figure 21: Financial literacy among users and non-users of insurance -%



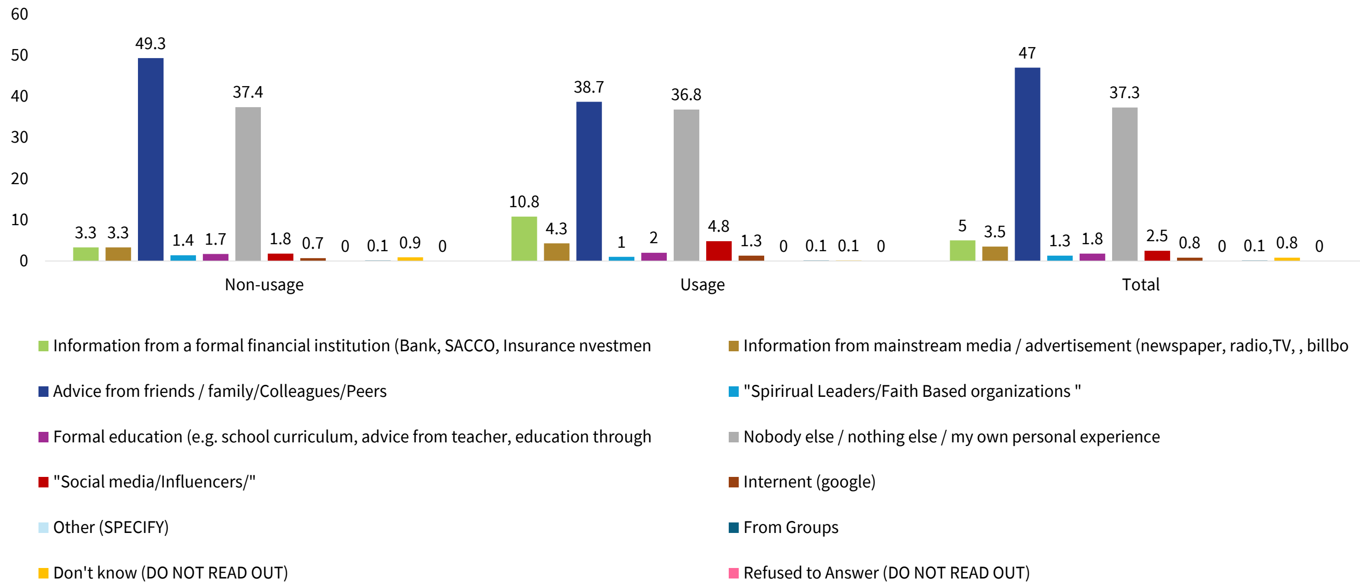
Source: FinAccess Household survey data

4.2 Financial Advice

4.2.1 Sources of Financial Advice Among Users and Non-Users of Insurance

Friends, family and peers are the main source of financial advice at 47 percent, followed by personal experience at 37.3 percent. Insurance users show higher reliance on formal institutions at 10.8 percent and social media at 4.8 percent compared to 3.3 percent for both among non-users **(Figure 22).**

Figure 22: Financial advice among users and non-users of insurance -%



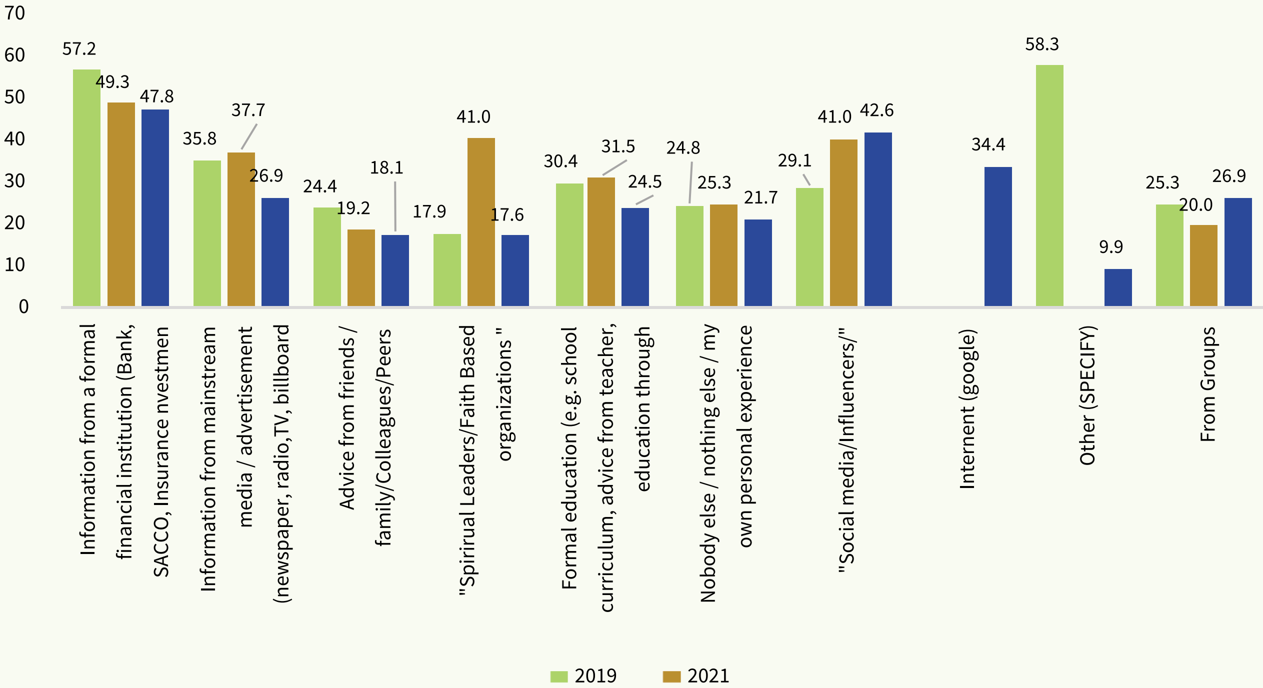
Source: FinAccess Household survey data

4.2.2 Intersection of Sources of Financial Advice and Insurance Usage (Including NHIF)

Insurance usage (including NHIF) was highest among those who got financial advice from formal financial institutions at 47.8 percent, followed by social media and influencers at 42.6 percent and those who used the internet (e.g. Google) at 34.4 percent. For those who got financial advice from mainstream media, their insurance usage level stands low at 26.9 percent, while those who relied on friends and family or faith-based organizations had even lower usage at 18.1 percent and 17.6 percent, respectively.

Overall, people who seek advice from formal and digital sources are more likely to have insurance (Including NHIF) usage compared to those relying on informal or personal networks **(Figure 23).**

Figure 23: Intersection of sources of financial advice and insurance usage (including NHIF)- %



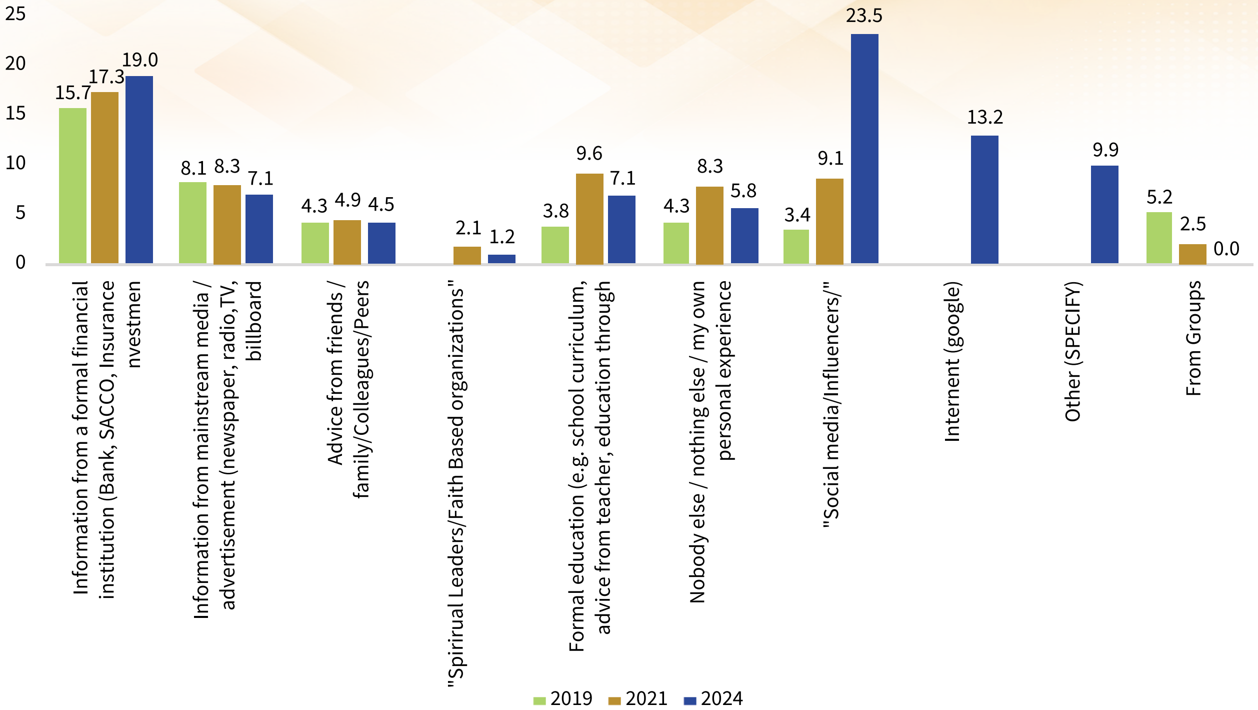
Source: FinAccess Household survey data

4.2.3 Intersection of Sources of Financial Advice and Insurance Usage (Excluding NHIF)

Insurance usage (excluding NHIF) was highest among those who got financial advice from social media and influencers, rising sharply to 23.5 percent, up from just 3.4 percent in 2019. This shows a strong upward trend in the influence of digital platforms. Among those who used internet sources like Google as a source of financial advice recorded notable insurance usage at 13.2 percent in 2024. Those who received financial advice from formal financial institutions showed a gradual increase over the years, from 15.7 percent in 2019 to 19.0 percent in 2024.

In contrast, insurance usage among those who use mainstream media as a source of financial advice declined slightly to 7.1 percent, while those who use friends and family and faith-based organizations remained low in insurance usage at 4.5 percent and 1.2 percent respectively in 2024 **(Figure 24).**

Figure 24: Intersection of sources of financial advice and insurance usage (excluding NHIF) - %



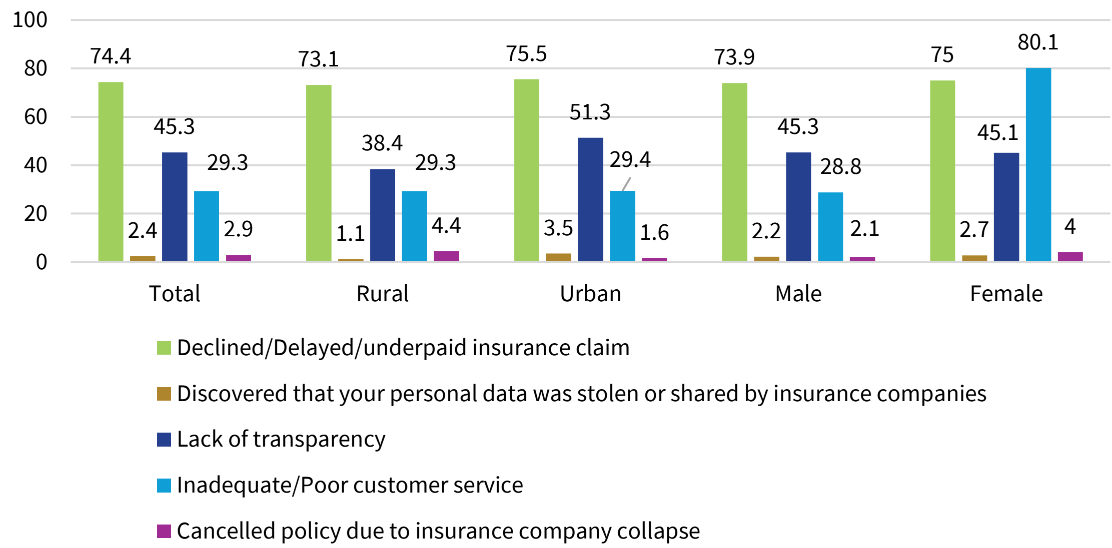
Source: FinAccess Household survey data

4.3 Consumer Protection

4.3.1 Consumer Protection Issues

Among policyholders who experienced a problem with their insurance policy in the past 12 months, 74.4 percent reported declined, delayed, or underpaid claims, while 45.3 percent cited lack of transparency on policy terms **(Figure 25).**

Figure 25: Consumer protection issues - %

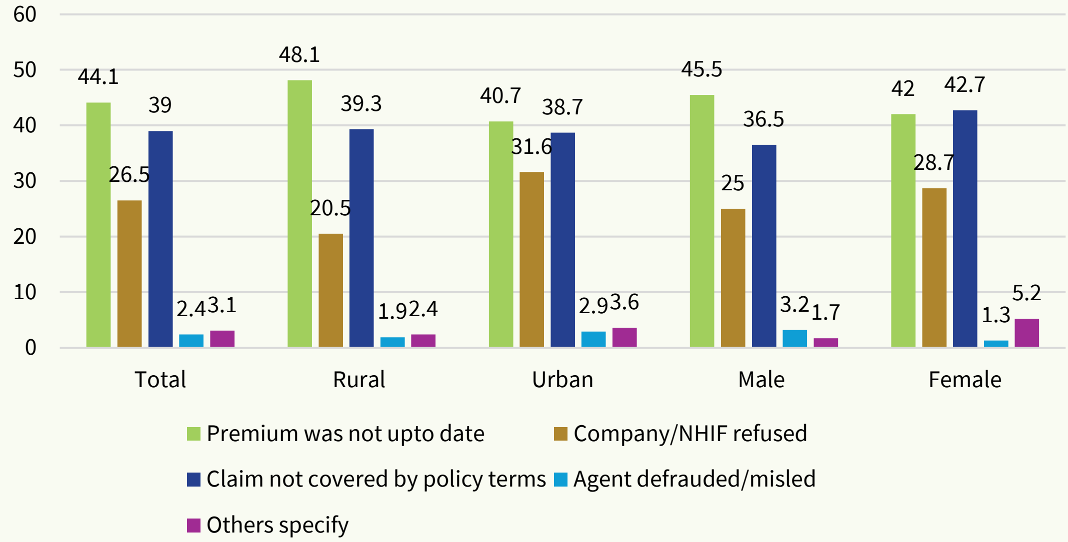


Source: FinAccess Household survey data

4.3.2 Reasons Insurance Claim was Declined

The 2024 findings reveal that 44.1 percent of declined, delayed, or underpaid insurance claims were due to premiums payment not being up to date. This issue also had a significant impact on rural respondents, with 48.1 percent affected, compared to 40.7 percent of their urban counterparts. A higher percentage of female respondents ,42.7 percent had their claims declined due to being outside the policy terms, compared to 36.5 percent of male respondents **(Figure 26).**

Figure 26: Reasons insurance claim was declined-%

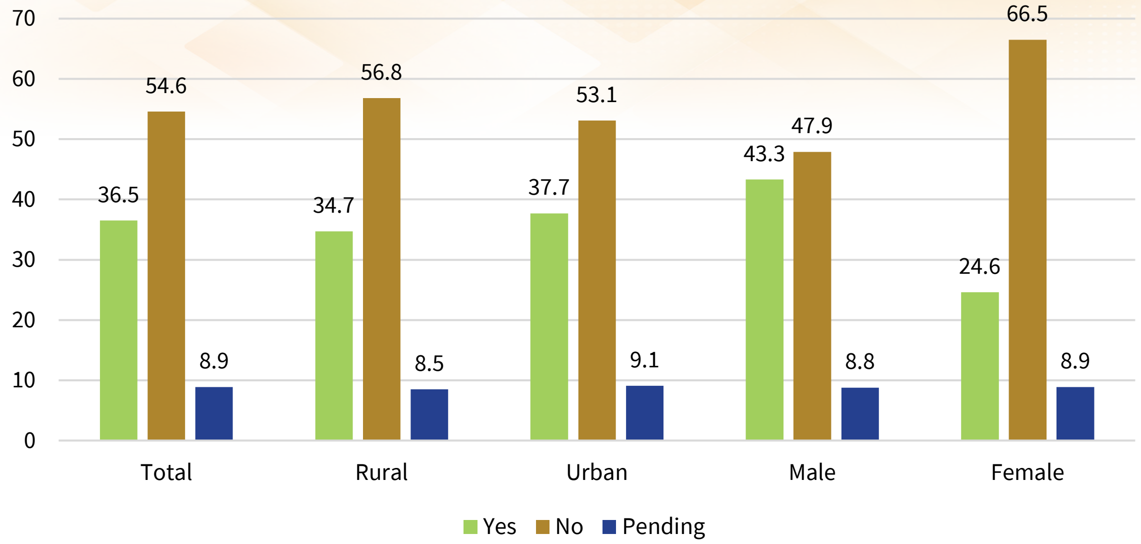


Source: FinAccess Household surveys data

4.3.3 Complaint Resolution

The 2024 FinAccess Survey reveals that 36.5 percent of the complaints raised by respondents were resolved, while a larger proportion, 54.6 percent, were not resolved. Additionally, 8.9 percent of the complaints remain pending. The findings also indicate a significant gender disparity in complaint resolution, with female respondents being more affected, as 66.5 percent of their complaints were not resolved, compared to 47.9 percent of male respondents **(Figure 27).**

Figure 27: Complaint resolution - %

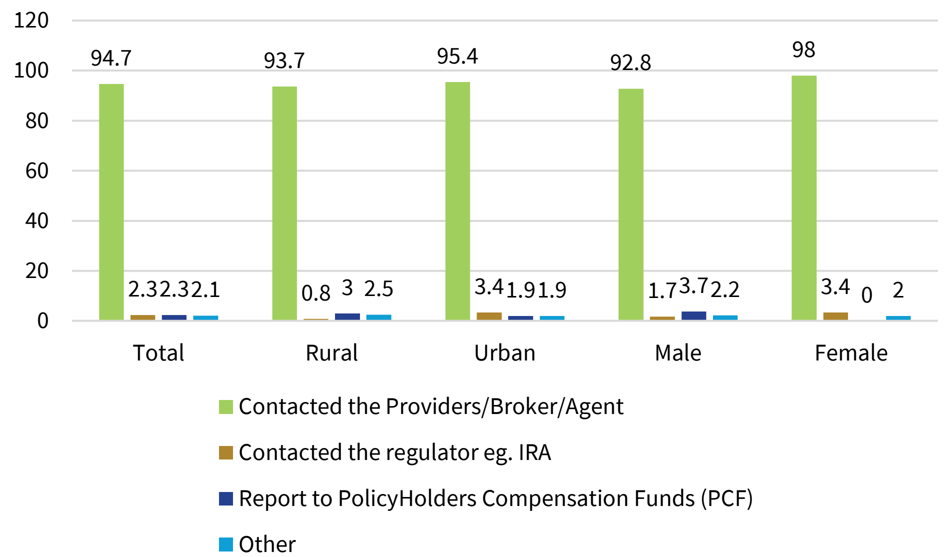


Source: FinAccess Household surveys data

4.3.4 Actions Taken to Resolve Complaints

The common action taken to resolve insurance complaints was contacting the insurance provider, broker or agent, with 94.7 percent of respondents choosing this route. This approach was especially high among urban residents and females, with 95.4 percent and 98 percent respectively. A small proportion contacted the regulator (2.3 percent), with slightly higher rates among females and those in urban areas **(Figure 28).**

Figure 28: Actions taken to resolve complaints - %



Source: FinAccess Household survey data

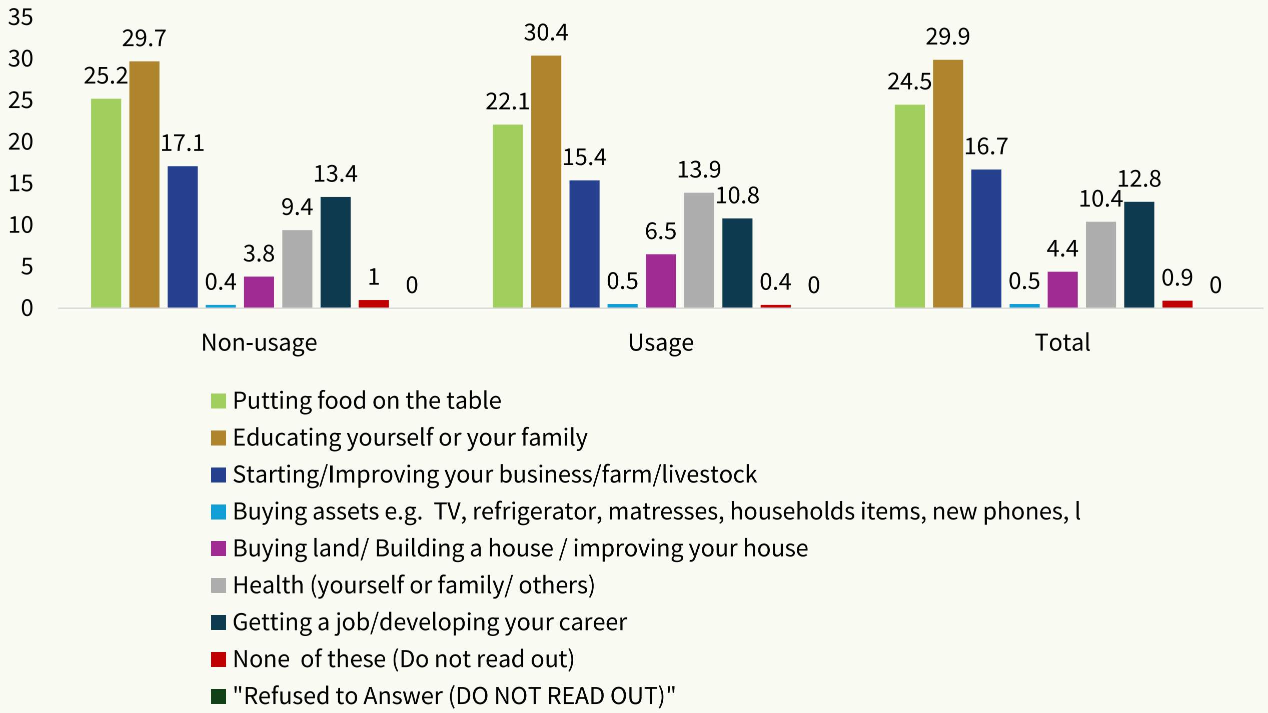
5. IMPACT

5.1 Life priorities

5.1.1 Life Priorities by Users and Non-users of Insurance

Education is the leading life goal for both groups at about 30 percent. However, non-users of insurance prioritise putting food on the table more at 25.2 percent compared to users at 22.1 percent. Users of insurance place slightly more concern with health at 13.9 percent compared to 9.4 percent for non-users **(Figure 29).**

Figure 29: Life Priorities by users and non-users of insurance

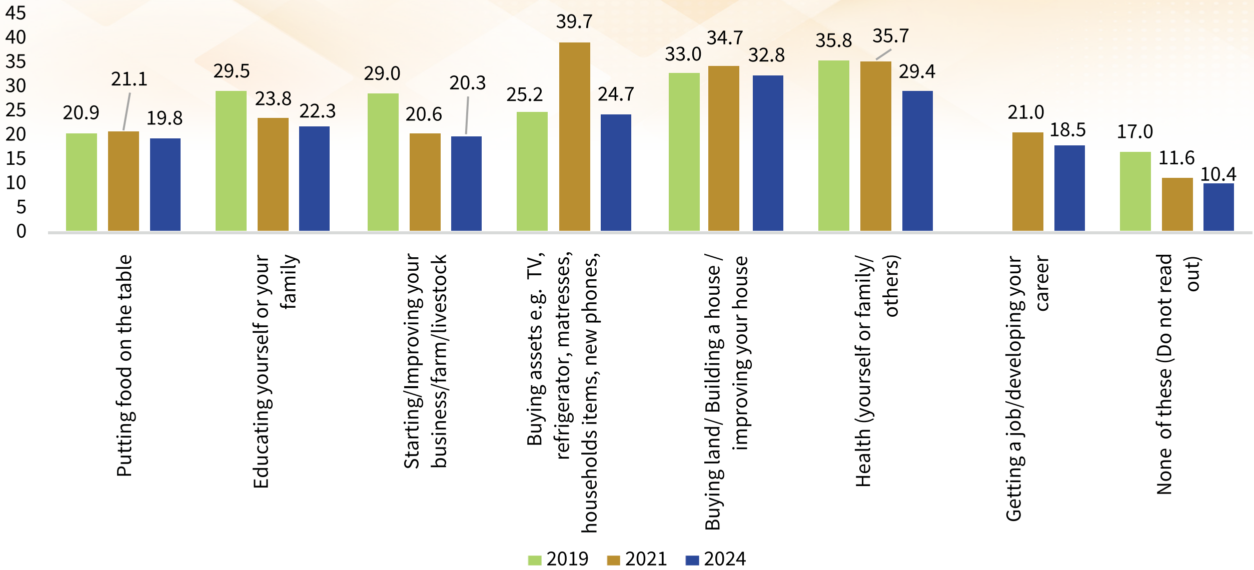


Source: FinAccess Household surveys data

5.1.2 Intersection of Insurance (Including NHIF) and Life Priorities

Insurance usage (Including NHIF) is highest among those prioritizing health, though it dropped from 35.8 percent in 2019 to 29.4 percent in 2024. Those focused on housing maintained high usage (33.0 percent to 32.8 percent). Insurance usage peaked in 2021 among those buying household assets (39.7 percent) but dropped to 24.7 percent in 2024. Insurance use declined among those focused on business (29.0 percent to 20.3 percent) and education (29.5 percent to 22.3 percent). Fewer insured individuals now report having no clear life goal (17.0 percent to 10.4 percent) **(Figure 30).**

Figure 30: Intersection of insurance (including NHIF) and life priorities - %



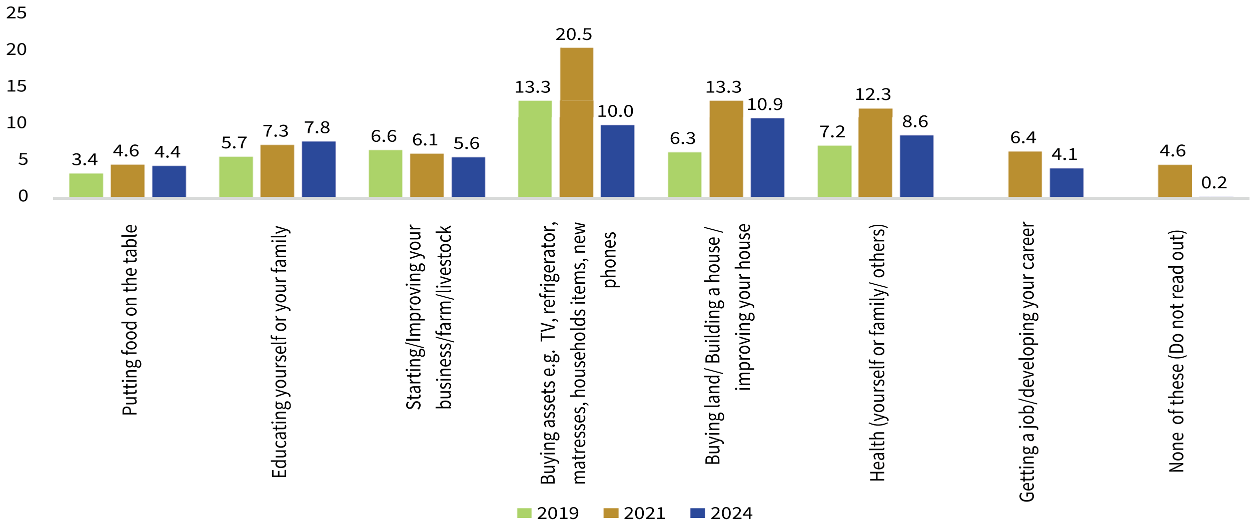
Source: FinAccess Household survey data

5.1.3 Intersection of Insurance (Excluding NHIF) and Life Priorities

Use of insurance (excluding NHIF) is highest among those whose goal is to buy household assets, though it dropped from 20.5 percent in 2021 to 10.0 percent in 2024, after peaking in 2021. Insurance use also decreased among those focused on buying or improving a house, from 13.3 percent to 10.9 percent, and those prioritizing health, from 12.3 percent to 8.6 percent. Fewer people aiming to start or improve a business are using insurance, with usage falling from 6.6 percent in 2019 to 5.6 percent in 2024. Insurance use among people whose goal is putting food on the table stayed low, at around 4.4 percent in 2024.

However, usage slightly increased among those focused on education, rising from 5.7 percent to 7.8 percent **(Figure 31).**

Figure 31: Users of insurance (excluding NHIF) and life priorities - %



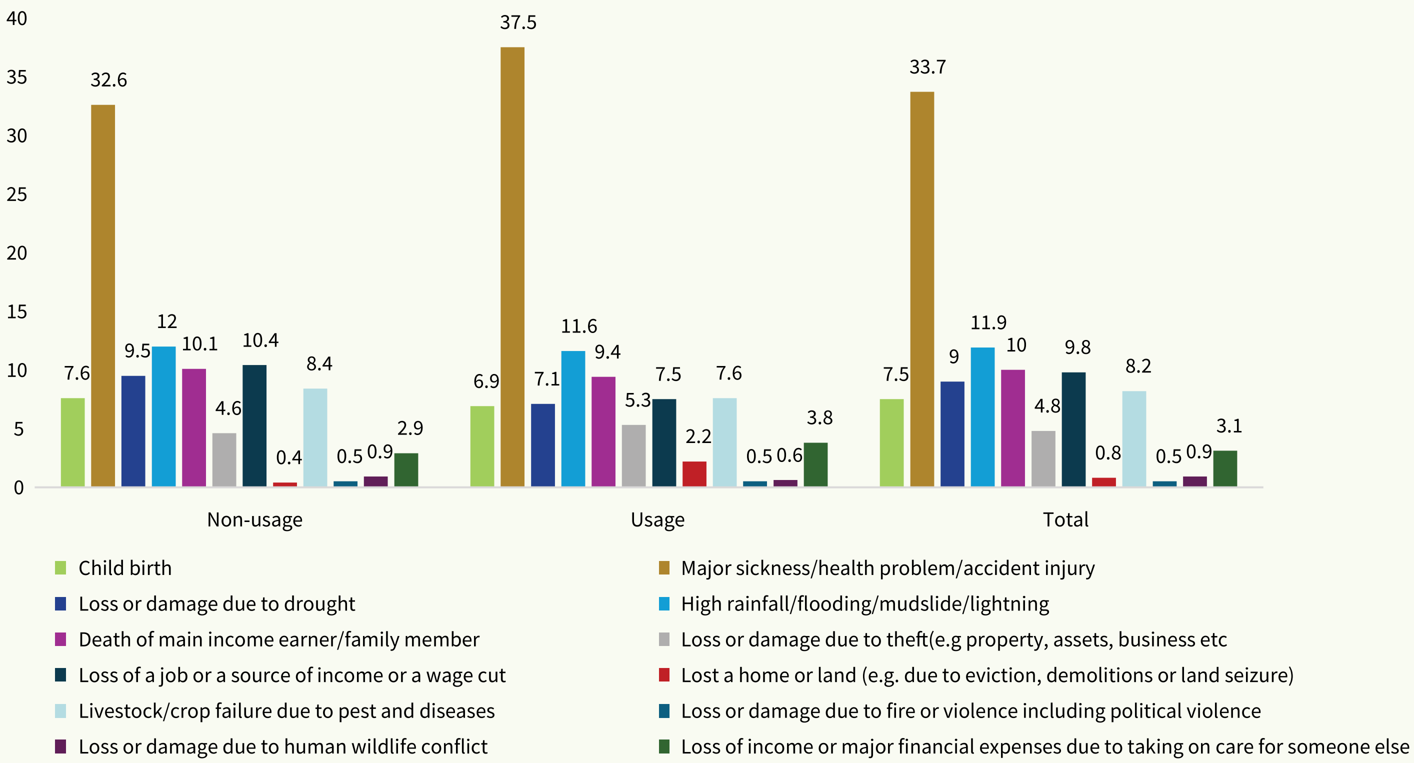
Source: FinAccess Household survey data

5.2 Shocks Experienced

5.2.1 Shocks Experienced by Users and Non-Users of Insurance

There are no significant differences in the shocks faced by users and non-users and users of insurance **(Figure 32).**

Figure 32: Shocks experienced by users and non-users of insurance -%



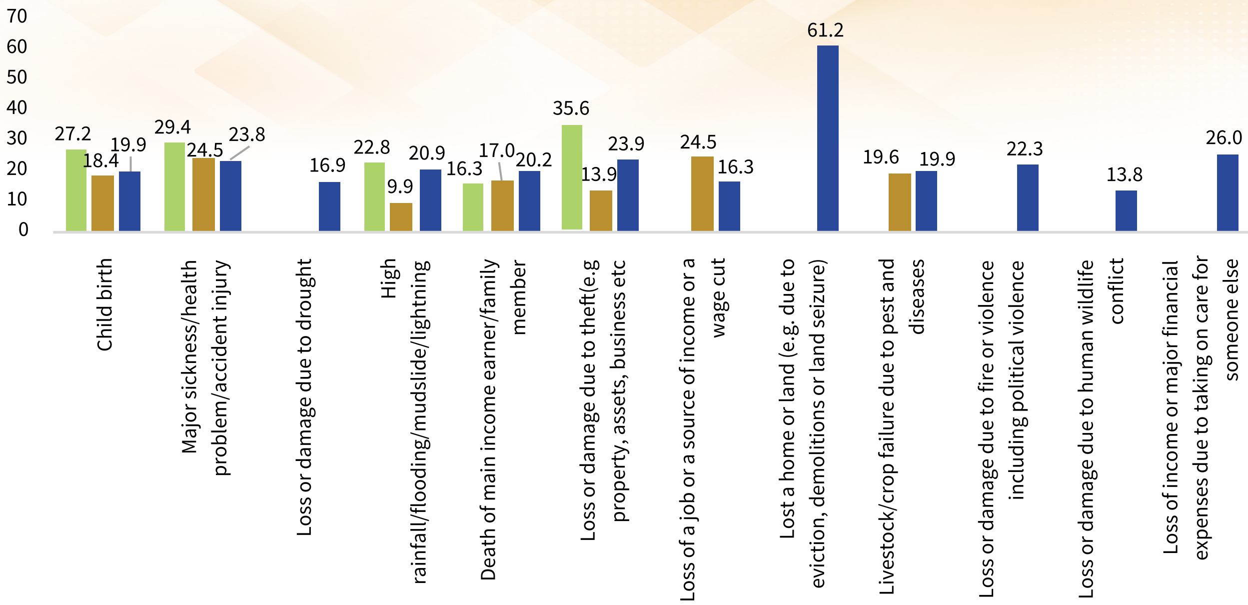
Source: FinAccess Household survey data

5.2.2 Shocks Experienced by those who have Insurance Including NHIF

In 2024, those who reported losing a home or land as the main shock had the highest level of insurance usage (including NHIF) at 61.2 percent. This was followed by those who faced caregiving responsibilities at 26.0 percent, loss due to theft at 23.9 percent, and major sickness or injury at 23.8 percent. Insurance usage (including NHIF) was also notable among those who experienced loss from fire or violence (22.3 percent), flooding (20.9 percent), death of a family member (20.2 percent), childbirth and crop or livestock failure (both at 19.9 percent). Lower levels of insurance usage (including NHIF) were seen among those who reported their main shocks experienced as drought (16.9 percent), job loss or income cut (16.3 percent) and human-wildlife conflict (13.8 percent).

Overall, the trend shows that insurance usage (including NHIF) is more common among those facing direct personal or health-related shocks, while usage is still limited for those who reported climate, economic, or environmental related shocks **(Figure 33).**

Figure 33: Shocks experienced by those who have insurance (including NHIF) - %



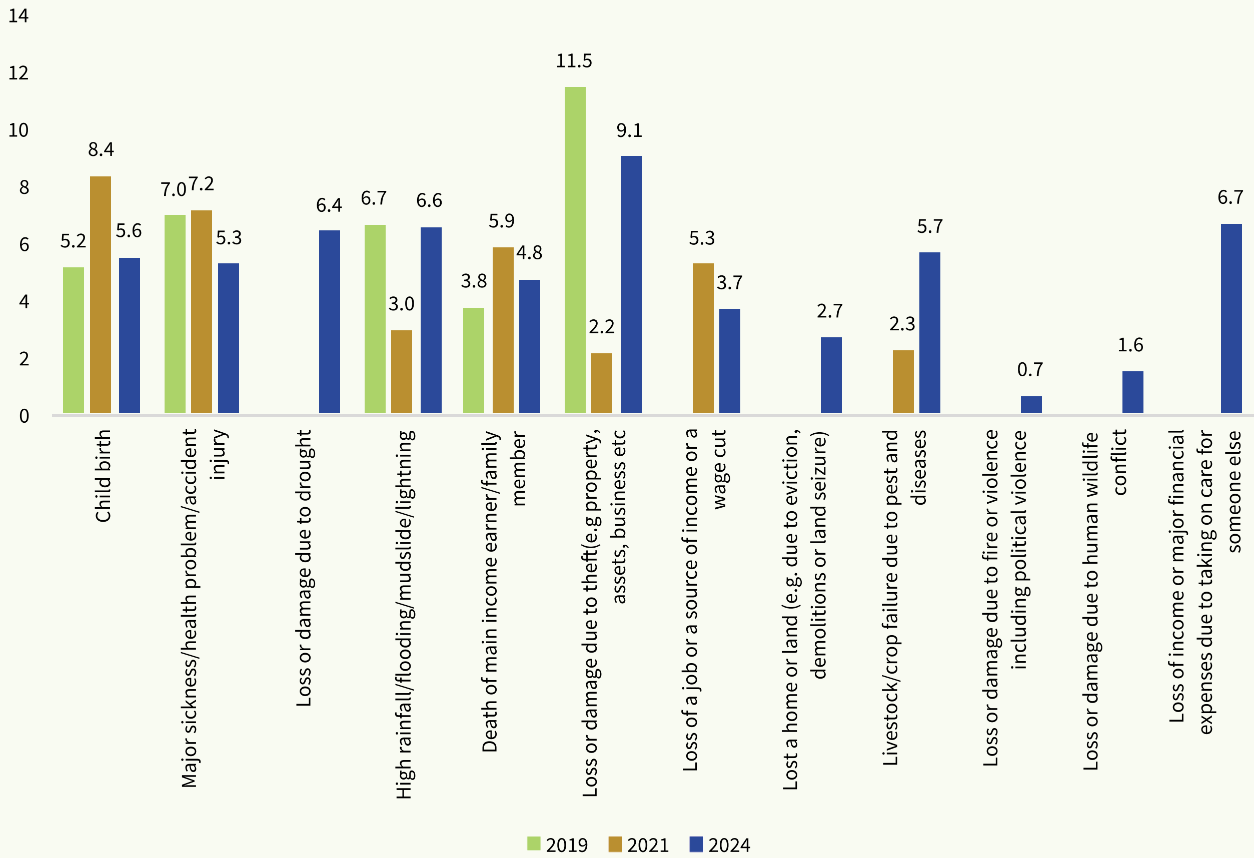
Source: FinAccess Household survey data

5.2.3 Shocks Experienced by those who have Insurance Excluding NHIF

Those who reported loss due to theft as the main shock had the highest level of insurance usage (excluding NHIF) at 9.1 percent. This was followed by those who experienced flooding or heavy rainfall at 6.6 percent, caregiving responsibilities at 6.7 percent, drought at 6.4 percent, and livestock or crop failure at 5.7 percent. Those who reported childbirth (5.6 percent), major sickness or injury (5.3 percent), and the death of a family member (4.8 percent) also showed some level of insurance usage. Lower usage was seen among those who experienced job loss or income cut (3.7 percent), loss of home or land (2.7 percent), human-wildlife conflict (1.6 percent), and fire or violence (0.7 percent).

Overall, the trend shows that usage of insurance (excluding NHIF) remains relatively low across most shocks, though it tends to be slightly higher among those affected by property loss, weather events, and caregiving responsibilities **(Figure 34).**

Figure 34: Shocks experienced by those who have insurance excluding NHIF - %



Source: FinAccess Household survey data

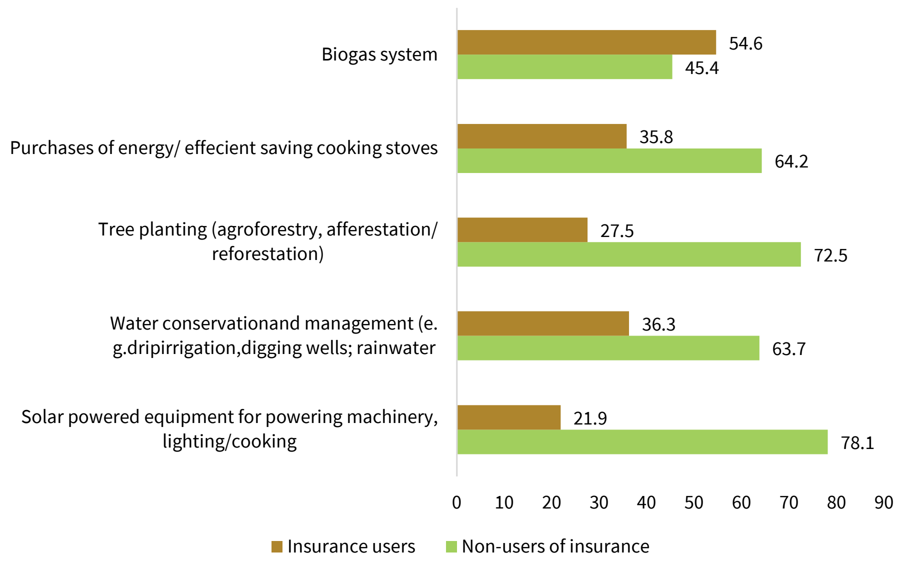
6. EMERGING ISSUES

6.1 Climate Investments

6.1.1 Green Finance Investments Among Users and Non-Users of Insurance

A higher proportion of non-users of insurance has invested in green investments compared to users of insurance **(Figure 35).**

Figure 35: Investment in green finance -%



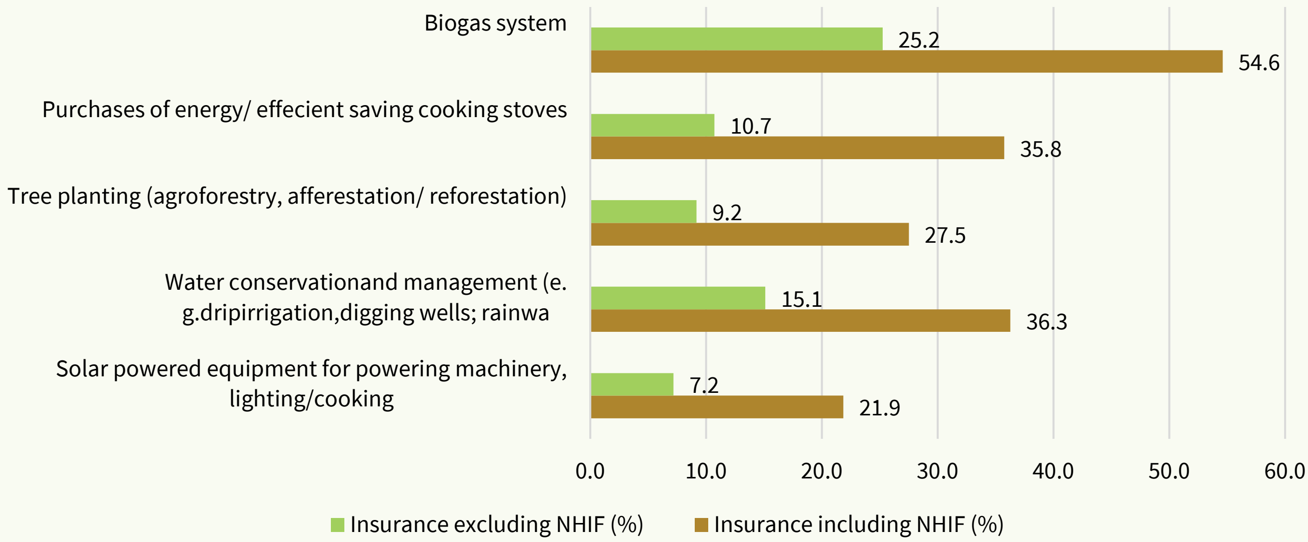
Source: FinAccess Household survey data

6.1.2 Intersection in Green Finance Investments and Insurance

Among individuals who have invested in solar-powered equipment for powering machinery, lighting, or cooking, 7.2 percent use insurance (excluding NHIF), while 21.9 percent are those who use insurance (including NHIF). Of those who have invested in water conservation and management practices such as drip irrigation, digging wells, and rainwater harvesting, 15.1 percent of them use insurance (excluding NHIF) and 36.3 percent of them use insurance (including NHIF). Regarding tree planting activities (including agroforestry, afforestation, and reforestation), 9.2 percent of individuals who have invested in this category use insurance (excluding NHIF) and 27.5 percent of them use insurance (including NHIF). Among those who purchased Energy-efficient cooking stoves, 10.7 percent use insurance (excluding NHIF) while 35.8 percent use insurance (including NHIF). Of those who have invested in biogas systems ,25.2 percent report using insurance (excluding NHIF), while a notably higher 54.6 percent of those who have invested in biogas, use insurance (including NHIF).

Insurance provides the stability needed to take on such investments, as it helps reduce financial risk and provides access to additional resources or advice. This underscores the potential role of insurance in promoting sustainability by fostering the conditions necessary for individuals to engage in environmentally responsible practices and contribute to climate resilience **(Figure 36).**

Figure 36: Intersection in green finance investments and insurance -%



Source: FinAccess Household survey data

6.2 Financing Climate Investments by Insurance User Type

The survey examined how individuals who invested in climate-friendly solutions and reported insurance usage financed their investments in areas such as solar energy systems, water conservation equipment, energy-efficient cooking and lighting, biogas installations, and tree planting activities. Among those with insurance (Including NHIF), savings and income from other sources were the most cited methods of financing. For example, 26.5 percent used savings to acquire solar equipment, while 55.7 percent financed water conservation investments through savings. Loans also played a significant role, particularly for biogas installations, where 96.5 percent of respondents using insurance (including NHIF) and insurance (excluding NHIF) reported using loans/credit. Similarly, 44.9 percent of insurance (including NHIF) users used loans to finance tree planting activities. Support from NGOs and government programs was more frequently reported among insurance (including NHIF) users, especially in investments related to water conservation, energy-efficient technologies, and tree planting. Notably, 29.8 percent of those with insurance (including NHIF) received NGO support for energy-efficient cooking and lighting.

Overall, the survey findings suggest that individuals who invested in climate-friendly technologies and reported using insurance (including NHIF) had greater access to diverse financing sources, while those using insurance (excluding NHIF) leaned more on limited or external support mechanisms **(Figure 37).**

Figure 37: Financing of climate investments by insurance user type-%

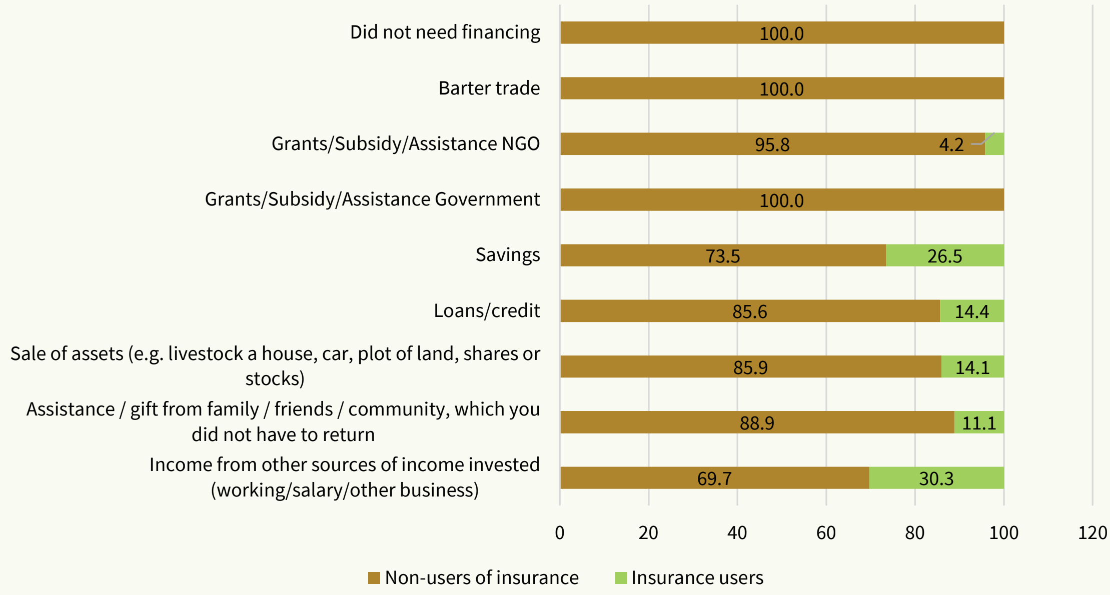
Source: FinAccess Household survey data

6.3 Financing Climate Investments by Users and Non-Users of Insurance

6.3.1 Solar Equipment

The analysis shows that insurance solutions were not used in financing acquisition of solar equipment **(Figure 38).**

Figure 38: Financing acquisition/purchase of solar equipment -%

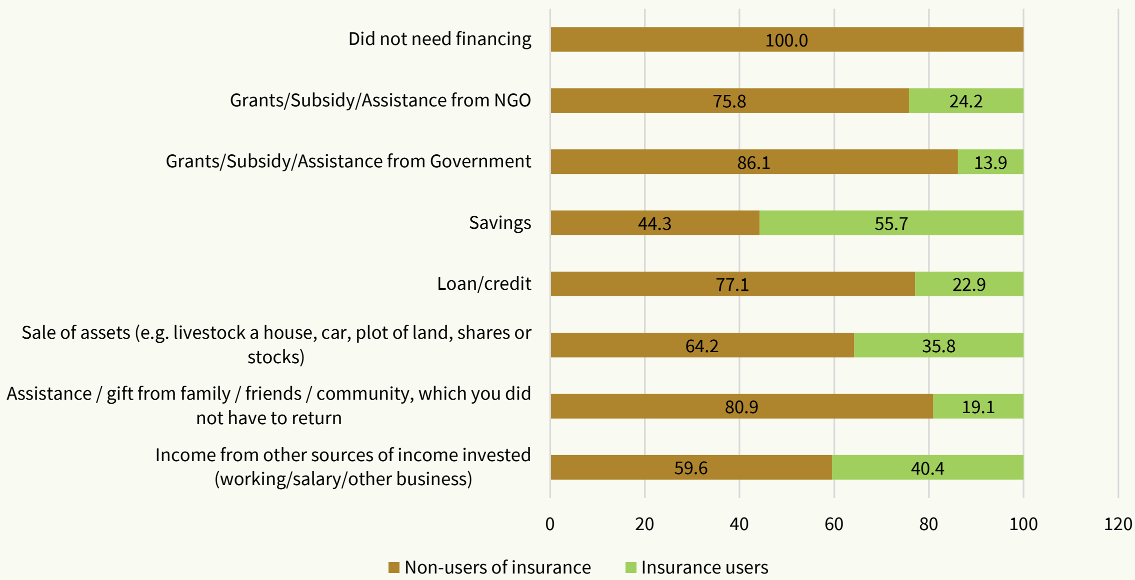


Source: FinAccess Household survey data

6.3.2 Water Conservation and Management Equipment

Non-users of insurance primarily rely on community support, government assistance, and asset sales to finance water conservation efforts, while insurance users tend to utilize personal savings and have less reliance on external aid **(Figure 39).**

Figure 39: Financing acquisition/purchase of water conservation and management equipment -%

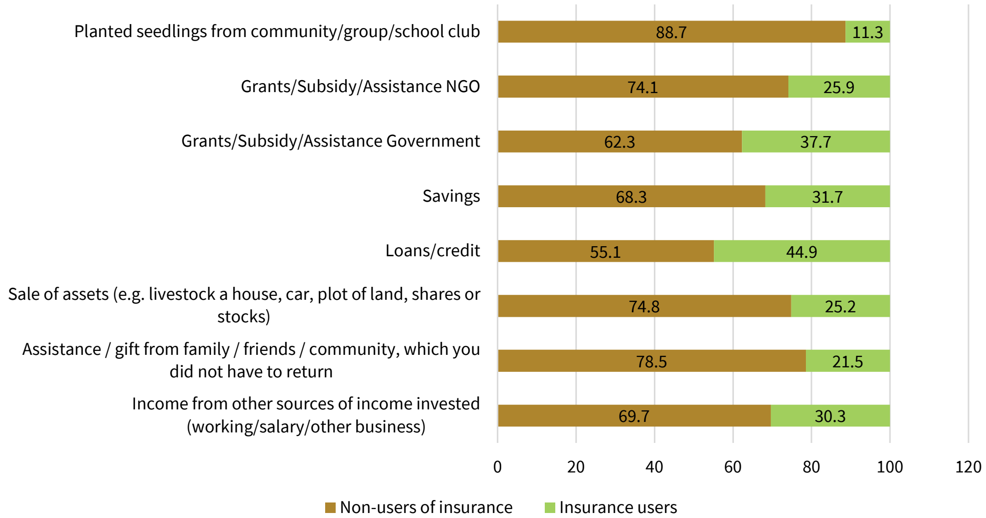


Source: FinAccess Household survey data

6.3.3 Tree Planting Activities

Non-users of insurance rely heavily on community support, asset sales, and government assistance for financing tree planting activities, whereas insurance users have a lower dependency on these resources, indicating different financial strategies and community engagement levels **(Figure 40).**

Figure 40: Financing of tree planting activities -%

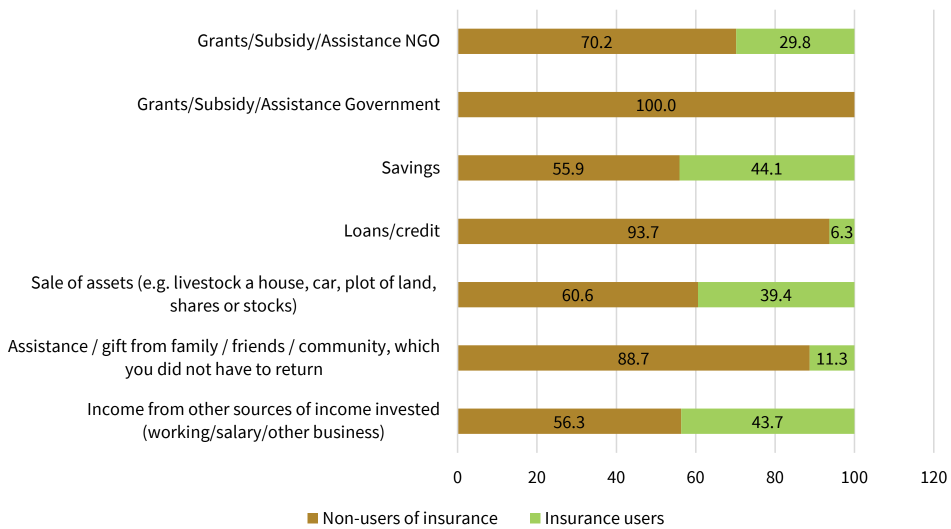


Source: FinAccess Household survey data

6.3.4 Energy Efficient Cooking/Lighting

Non-users of insurance heavily rely on community support, government assistance, and loans for acquiring energy-efficient cooking and lighting, while insurance users demonstrate significantly lower dependence on these resources, indicating different financial strategies and community engagement **(Figure 41).**

Figure 41: Acquisition/purchase of energy efficient cooking/lighting - %

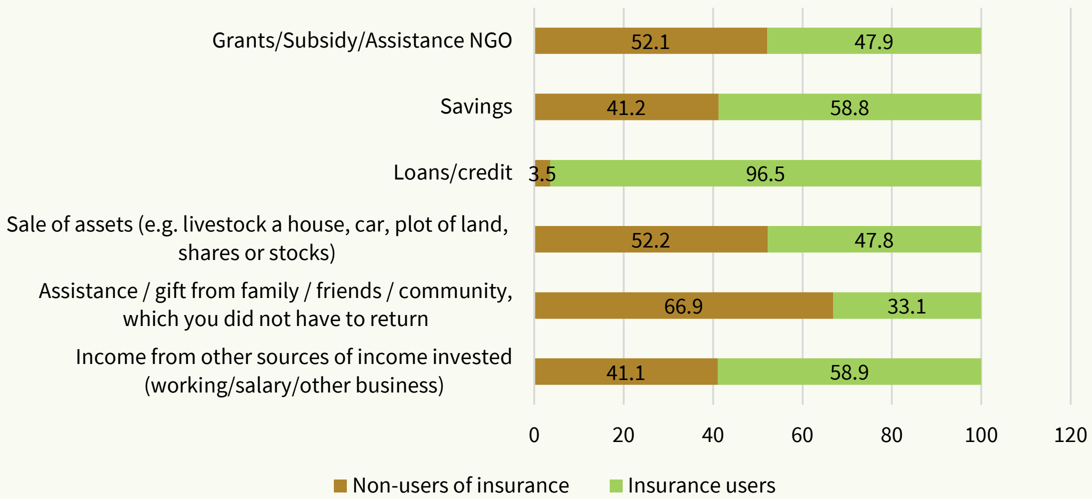


Source: FinAccess Household survey data

6.3.5 Acquisition/Purchase of Biogas Equipment

Insurance users rely more on income sources, loans, and savings for acquiring biogas equipment, while non-users depend heavily on community support and assistance, highlighting differing financial strategies and resource utilization between the two groups **(Figure 42).**

Figure 42: Financing acquisition/purchase of biogas equipment -%



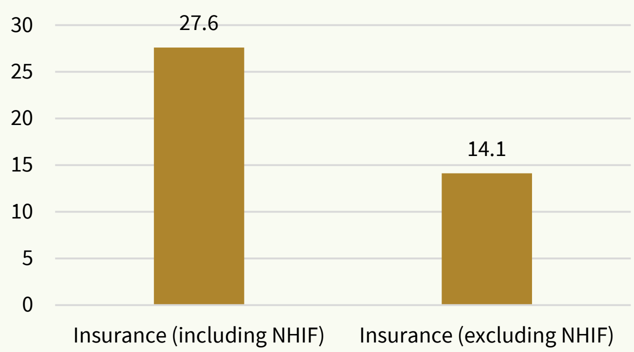
Source: FinAccess Household survey data

6.4 Persons With Disabilities

6.4.1 Insurance usage by Persons With Disabilities

The survey highlights insights into insurance usage among Persons With Disabilities (PWD), showing a noticeable difference between insurance (including NHIF) usage and insurance (excluding NHIF) usage. In the category of usage of insurance (including NHIF), 27.6 percent of PWD reported using insurance. In the case of insurance (excluding NHIF) usage of insurance, only 14.1 percent of PWD reported using insurance **(Figure 43).**

Figure 43: Insurance usage by PWD - %

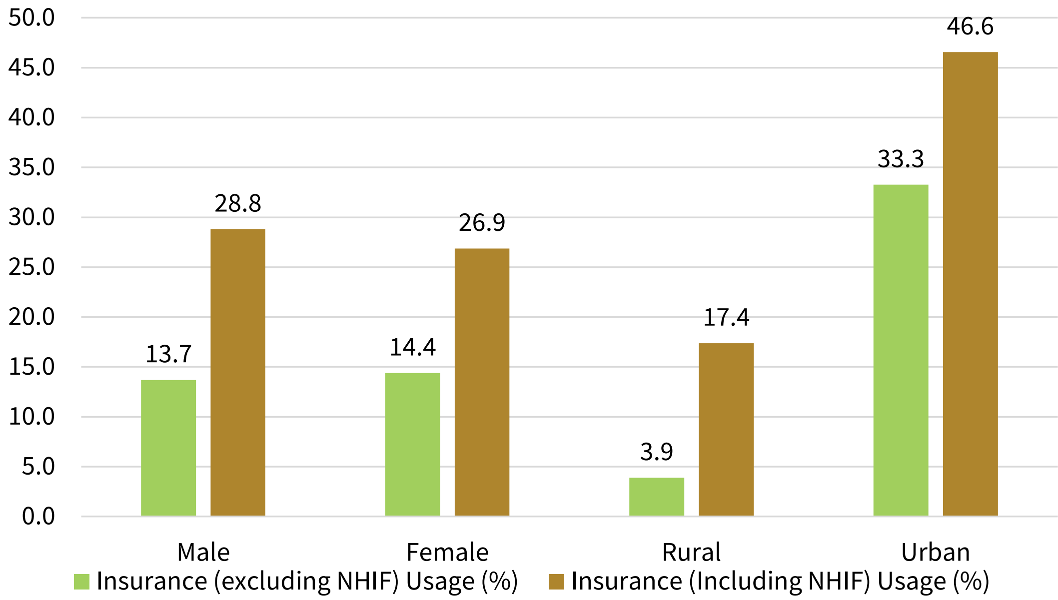


Source: FinAccess Household survey data

6.4.2 Insurance Usage by Persons With Disabilities by Sex and Residence

The survey highlights trends in insurance usage among Persons with Disabilities (PWD) based on sex and area of residence. Insurance usage stands at 13.7 percent for males and 14.4 percent for females for insurance (including NHIF) usage. There are relatively similar levels of insurance usage across sexes. However, insurance usage by area of residence shows a more distinct pattern. Insurance usage among PWD living in urban areas is significantly higher at 33.3 percent, compared to just 3.9 percent among those in rural areas **(Figure 44).**

Figure 44: Insurance usage among PWDs by sex and residence - %



Source: FinAccess Household survey data

7. CONCLUSIONS

The 2024 FinAccess Household Survey examines insurance inclusion in Kenya, assessing access, usage, quality, and impact. While progress has been made, challenges remain in expanding insurance protection for households. Coverage varies significantly based on age, gender, education level, residence, wealth, and livelihoods, highlighting areas for further development.

Access to insurance has seen modest growth, with the proportion of the population having insurance (excluding NHIF) in their own name decreased from 6.9 percent in 2021 to 6.3 percent in 2024 while the proportion of the population having insurance (including NHIF) in their own name declined from 23.7 percent in 2021 to 22.0 percent in 2024. This trend highlights ongoing barriers, particularly for rural populations, females and youth, who have experienced notable declines in access with a widening gender gap in insurance protection. Barriers to insurance access include affordability, lack of awareness, and inadequate documentation. A significant proportion of the respondents (76.2 percent) cited cost as a major obstacle, while 23.4 percent indicated a lack of understanding of insurance products.

Insurance usage patterns reveal growth in the population using insurance. The proportion of the population using insurance services (including NHIF) increased from 28.2 percent in 2021 to 29.5 percent in 2024. Additionally, the proportion of the population using insurance excluding NHIF grew from 11.4 percent in 2021 to 13.7 percent in 2024. Overall, the proportion of the population stopping to use insurance grew with the majority (61.4 percent) citing affordability as a key constraint.

Regarding quality, among policyholders who experienced a problem with their insurance policy, 74.4 percent reported declined, delayed, or underpaid claims, with the main reason being premiums not paid up to date. This highlights the need to educate consumers that insurance service is dependent on premium payment.

Meanwhile, increased reliance on mobile money for premium payments indicates a shift toward digital transactions, presenting a valuable opportunity for insurers to leverage mobile financial solutions to enhance accessibility to insurance services.

The impact of insurance on households is essential for fostering financial resilience. However, disparities persist across demographics, with individuals from lower wealth quintiles and those with disabilities facing greater obstacles. The survey highlights that only 27.6 percent of Persons With Disabilities utilize insurance (including NHIF), compared to 14.1 percent for insurance excluding NHIF, revealing a critical gap in coverage for vulnerable populations.

These findings highlight the ongoing development of Kenya's insurance sub-sector, reflecting both improvements and areas that require further attention to enhance insurance protection for households. IRA remains committed to developing the insurance industry by strengthening the regulatory framework, enhancing consumer protection, and promoting financial literacy to advance insurance inclusion. Through collaboration with policymakers and financial sector players, IRA seeks to foster a more inclusive framework that ensures equitable access, sustained usage, and meaningful impact across all demographics. Leveraging digital financial solutions and addressing existing gaps will be instrumental in expanding coverage and enhancing household financial security.

8. RECOMMENDATIONS AND AREAS FOR FURTHER RESEARCH

8.1 Recommendations

The findings from the 2024 FinAccess Household Survey on insurance indicate progress, challenges, and significant opportunities for advancing inclusive insurance protection. To address these gaps and strategically leverage emerging opportunities for enhancing inclusive insurance, the following recommendations are proposed.

8.1.1 Short-Term Recommendations (1–3 Years)

1. **Leverage Digital Financial Solutions**

- Support utilization of technology-driven platforms to expand access to insurance services, particularly in remote regions.
- Promote mobile-based insurance solutions to facilitate premium payments and claims processing, enhancing consumer experience and convenience.

2. **Strengthen Financial Literacy Initiatives**

- Develop comprehensive consumer education programs to improve awareness and understanding of insurance products.
- Conduct targeted outreach programs focusing on women, youth, and rural communities to enhance engagement.
- Integrate insurance education into financial literacy campaigns at national and grassroots levels.

3. **Encourage Innovative Product Development**

- Promote microinsurance models with flexible premium payments tailored to low-income households.
- Introduce government-backed subsidies or incentives to facilitate broader access for vulnerable populations.

4. **Strengthen Regulatory Frameworks and Consumer Protection**

- Enforce greater transparency in policy terms and claims settlement processes.
- Improve grievance redressal mechanisms to ensure fair treatment of policyholders and mitigate disputes.

5. **Advance Embedded Insurance Solutions**

- Develop policy frameworks that support the integration of embedded insurance services into everyday financial transactions. This will ensure that insurance seamlessly integrates into consumers' lives, boosting uptake and accessibility.

6. **Enhancing Private-Public Collaboration**

- Strengthen partnerships among insurers, fintech firms, and government agencies to foster innovation and improve insurance reach.

8.1.2 Long-Term Recommendations (Beyond 3 Years)

7. **Support Inclusive Insurance for Persons with Disabilities**

- Mandate disability-inclusive policies within insurance regulations to guarantee equitable access.

Establish accessibility standards across insurance services, ensuring comprehensive coverage for medical, assistive, and financial needs.

8. **Leverage Open Insurance and Emerging Technologies**

- Implement regulatory frameworks to facilitate Open Insurance, fostering cost reductions and enabling personalized insurance solutions.

- Encourage InsurTech adoption to drive efficiency and enhance consumer engagement.

9. **Sustain Innovation and Policy Reform**

- Continuously evaluate and refine insurance regulations and policy frameworks to align with evolving market demands and technological advancements.

- Strengthen innovation hubs like the IRA Bima Labs to accelerate the development of inclusive insurance solutions for underserved populations.

8.2 Areas for Further Research

10. **Insurance FinAccess Tracker Survey and Deep Dive study**

- Triangulate with supply side data to inform enhancing granularity of supply side data.

11. **Behavioral Economics of Insurance Uptake**

- Analyzing behavioral factors influencing insurance decisions, including risk perception and financial habits.

- Exploring interventions that drive behavioral shifts toward sustained insurance adoption.

12. **Impact of Premium Rates on Insurance Uptake**

- Evaluating how premium affordability influences insurance penetration across different income groups.

- Assessing pricing strategies that enhance inclusivity while maintaining insurer profitability.

13. **Drivers of Insurance Demand in Kenya**

- Examining socio-economic, cultural, and psychological factors shaping insurance adoption.

- Identifying key motivators and barriers to developing targeted policy interventions.

Annex 1: Wealth Index Computation

The employment of a relative index of economic status such as the wealth index depends on the intended use of the index. There are two principal uses for a measure of economic status with regard to financial access programs: the ability to access financial products and services and the distribution of financial products and services among the poor.

Wealth index is a composite measure of a household's cumulative living standard. It is calculated using easy-to-collect data from households. For example variables collected in the surveys: characteristic of the main dwelling unit, number of habitable room of the dwelling units, materials used for housing construction (roof, walls and floor), main source of cooking fuel, types of water access and sanitation facilities, main mode of human waste disposal (whether shared or not), ownership of selected assets, such as televisions and bicycles and type of livestock that are currently owned. The wealth index is particularly valuable in countries and surveys that that do not collect comprehensive data on income and expenditures, which are the traditional indicators used to measure household economic status.

The wealth index places individual households on a continuous scale of relative wealth. It separates all interviewed individuals into five wealth quintiles (based on characteristics of their household) to compare the influence of wealth status on access to financial products and services. The wealth index is used in the 2024 FinAccess reports and survey datasets.

Methodology

Wealth Index uses the statistical procedure known as Principal Components Analysis (PCA). The variables used for PCA are based on data collected from the household miscellaneous demographics, housing conditions module of the questionnaire. Each household asset for which information is collected is assigned a weight or factor score generated through PCA. The resulting asset scores are standardized in relation to a standard normal distribution with a mean of zero and a standard deviation of one. Each household is assigned a standardized score for each asset and where the score differs depending on whether the household owned that asset. The scores are summed by household and individuals are ranked according to the total score of the household in which they reside. The sample is then divided into population quintiles five groups with the same number of individuals in each. The quintiles are then used in the tabulation.

Principal Components Analysis

With p original variables: Linear transformation of the original variables X

$$
\begin{aligned}
Y_1 &= \ell_{11}X_1 + \ell_{12}X_2 + \cdots + \ell_{1p}X_p,\\
Y_2 &= \ell_{21}X_1 + \ell_{22}X_2 + \cdots + \ell_{2p}X_p,\\
&\vdots\\
Y_p &= \ell_{p1}X_1 + \ell_{p2}X_2 + \cdots + \ell_{pp}X_p.
\end{aligned}
$$

Requirements:

Y_j are uncorrelated

Y_j has maximal variance

l_j has unit length

Y_1 = 0.3PIPED_WATER + 0.01FLUSH_TOILET + ……… - 0.005MOBILE PHONE

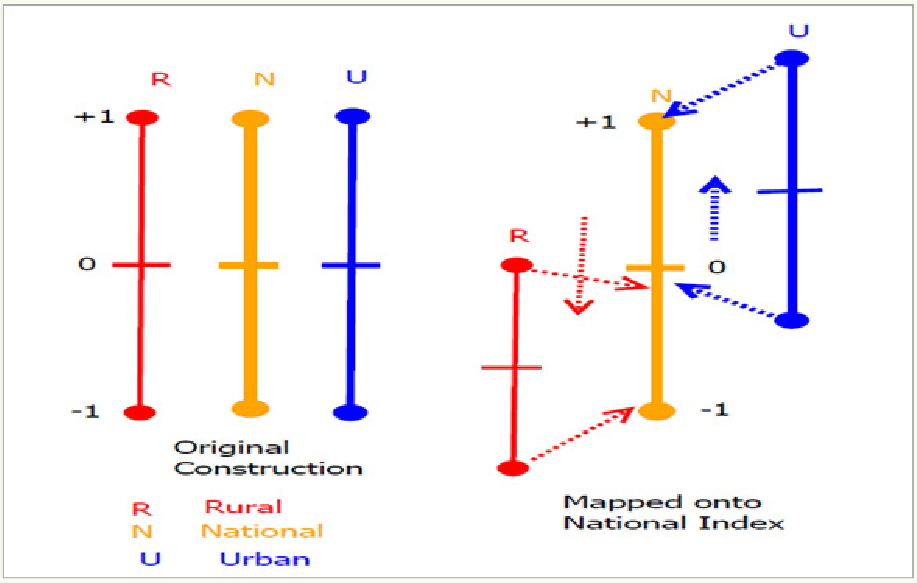
Wealth Index Calculation

The Principal Components Analysis (PCA) is employed by separately running for urban and then for rural households. Standardizes indicator variables (using Z-score) and then calculate the coefficients. Standardized Household indicator values are multiplied by the coefficients and summed to arrive at HH index value

A single composite national index is created by combining the Urban Index and Rural index. The national index is created using common variables to both urban and rural. Reflect the same direction in relation to wealth. Perform PCA and Calculate the coefficients and household index value. Regress urban and then rural index on common index. Use regression constant and coefficient to adjust urban and rural index respectively to create a composite national wealth index.

In some cases, the wealth index poses a problem where the index is too much urban in its construction and not able to distinguish the poorest of the poor from other poor households. In the case of 2024 FinAccess, three (3) PCAs were performed namely National, Urban and Rural. The National index with common variables was calculated then both Urban and Rural index scores separately based on common variables and other additional variables that shift the direction of wealth depending on the residence (whether urban or rural). An adjustment to the National index was made by regressing the area-specific index scores (Urban/Rural) on the National index score. The regression constant and coefficient were used to adjust urban and rural index respectively to create a composite national wealth index **(Figure 45).**

Figure 45: Illustration on adjustment of scores



CONTACT **US**

Insurance
Regulatory
Authority
Bima Bora kwa Taifa
IRA

commins@ira.go.ke
www.ira.go.ke
Zep- Re Place Longonot Road - Upper Hill, Nairobi
P.O. Box 43505 - 00100, Nairobi, Kenya
Tel/ fax: +254 (20) 4996000