

INFLUENCE OF THE UNDERWRITING CAPACITY OF ALLIANCE PARTNERS ON PERFORMANCE OF INSURANCE FIRMS IN KENYA

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Abstract

The increasing role of strategic alliances in the modern business landscape cannot be gainsaid. The objective of this paper was to determine the influence of underwriting capacity of alliance partners on the performance of insurance firms in Kenya. The study adopted a cross-sectional descriptive survey research design and the target population was 44 insurance firms. Purposive sampling technique was used to select four respondents from each insurance firm that is General Manager in charge of Technical Operations, Underwriting Manager, Claims Manager and Marketing Manager giving a sample size of 176 respondents. This study adopted self-designed questionnaires. Descriptive statistics conducted were frequencies, percentages, means and standard deviation while inferential statistics consisted of correlation and regression analysis. The findings indicated a strong positive significant linear relationship between underwriting capacity and performance of insurance firms. There is therefore need for a clearly defined strategic plan of action aimed at maximizing on mobilization of transaction volume,

expeditious execution of claims settlement and work plans geared towards maximizing the insurer's firm market share.

Keywords: Underwriting Capacity, Insurance Firms, Performance, Horizontal Alliance, Strategic Alliance

INTRODUCTION

The increasing role of strategic alliances in the modern business landscape cannot be gainsaid. In the USA, Gleason, Mathur and Wiggins (2003) conducted a study that generated evidence on value creation in the financial services industries through the use of joint ventures and strategic alliances. Gleason et al (2003) also observe that while an extensive body of literature has examined mergers, acquisitions, and consolidation activity in the insurance sector, little attention has been paid to examining how these institutions use the cooperative activities of joint ventures and strategic alliances to accomplish their growth objectives. Gleason et al (2003) analyzed the effects of the use of joint ventures and strategic alliances by a sample of firms in the insurance industry. Their results show insurance firms experience significant abnormal returns of 0.66% on average when they announce their participation in a joint venture or strategic alliance. These abnormal returns are significantly positive across the four strategic motives of domestic, international, horizontal, and diversifying cooperative activities.

In Kenya, Karekezi (2014) observes that the last decade has witnessed unprecedented alliance building in the insurance industry in Kenya. For instance, Saham Group of Morocco has invested in Mercantile Insurance Firm (Kenya) Limited, Union Insurance of Mauritius buying shares in Phoenix Assurance of East Africa (Kenya) Limited. This has created market entry opportunities for these foreign firms which they may use as avenues for market penetration in the Kenyan market. Kenyan firms have also invested in foreign markets with the same objective. This phenomenon has dramatically changed the insurance landscape in Kenya, by creating firms that enjoy huge capital bases, and with options in exercising hybrid strategies. In addition to this, there has been increased participation of foreign players in the insurance industry in Kenya, such as Liberty Life Insurance.

Horizontal alliance, however, is not without critics from the marketing perspective. Associating one brand with another involves a risk that should be addressed. The risk arises not only from possible alliance failure; some authors have suggested that brand alliances should be approached strategically for fear of confounding clients and diluting brand equity (Luo et al., 2007). If the consumer evaluation of the alliance outputs is not favorable, it may result in a failed

offering but also original brand associations may suffer. The remedy in circumstances would be for potential partners to assess their individual brand equity before forming alliances so as to put in place appropriate strategies for addressing it in a sustainable manner.

Statement of the Problem

Over the last five years, horizontal alliance has become a common feature of the insurance sector in Kenya. Horizontal alliance in the insurance industry in Kenya has mainly involved local firms and their foreign partners, motivated by market entry as well as among local insurance firms aiming to consolidate market share and promote growth. Examples include the merger between Cannon Assurance (Kenya) Limited and Metropolitan Insurance of South Africa, where the foreign insurer was the investor. Local firms have also been involved in acquisitions such as that of Britam Kenya's investment in Real Insurance Group of East Africa. In foreign markets, UAP Insurance (Kenya) Limited has formed an alliance with Century Insurance Firm of Tanzania (Karekezi, 2014). Factors that motivate insurance firms to engage in horizontal alliance are fairly generic across the globe and they include among others increasing the underwriting capacity and the subsequent effect on insurance firm profitability, market share and underwriting ratios. Firm size has also been proven to exert a moderating effect on the relationship between the independent variables and insurance firm profitability and underwriting ratios. In this regard, older firms have demonstrated declining profitability (Loderer & Waelchli, 2010), while large size insurers have been found to be more technically efficient compared to medium- and small-size insurers (Asghar, Kausar & Talat, 2010). Despite the fact that studies have been done on the influence of underwriting capacity on the performance of insurance firms, very little if any is documented in Kenya. As a result, this study attempts to fill the gap in literature by determining the influence of underwriting capacity of alliance partners on the performance of insurance firms in Kenya.

Objective of the Study

The objective of the study was to establish the influence of underwriting capacity of alliance partners on performance of insurance firms in Kenya.

Hypothesis

H_{01} : There is no significant influence of underwriting capacity of alliance partners on performance of insurance firms in Kenya.

LITERATURE REVIEW

Ng, Chong and Ismail (2013) conducted a study in the insurance industry in Malaysia, whose aim was to investigate how insurance firm size was related to underwriting risk taking. Ng et al. (2013) adopted the theoretical model proposed by Lu (2011), in which firm size, defined as the firm's total assets, has a relationship with risk taking. The sample of study was comprised of direct insurance firms and secondary data was collected from audited annual financial statements of the firms and those of other stakeholders such as Government records. Panel regression analysis was used to estimate the link between firm size and risk taking. The findings indicated that underwriting risk, as represented by the loss ratio, was found to be positively related to insurance firm size. This was found to be consistent with Lu (2011) and other findings in the literature to the extent that increased firm size (in terms of total assets), motivates increased risk taking by firms. Thus, it can be inferred that increased underwriting capacity, occasioned by increased total assets, would lead to an undertaking to assume larger risks.

Other studies, in other sectors, have found markedly similar results; Chernobai Jorion & Yu(2009) conducted a study on the determinants of operational losses in US financial institutions. Their findings reveal a positive effect between size and the frequency and severity of operational losses. This was attributed to by a high volume of transactions, which rendered the firms vulnerable to high operational risk. Shih Samadâ-Khan & Medapa (2000) however, point out that the positive relationship between firm size and the level of operational losses is not a consequence of firm size per se, but the fact that large firms are better equipped to manage risk. These include presence of fully fledged risk management divisions that are subjected to stringent regulatory requirements. Smaller firms rarely have this luxury, they are therefore faced with increased risk exposure.

Ng et al. (2013) also observed that increased underwriting capacity, occasioned by increased firm size, was not a guarantee of positive firm performance. Ng et al. (2013) further observes that to ensure requisite firm performance, it was important for proper internal risk management and market discipline enforcement by the regulatory authority. This would guard against the double jeopardy of moral hazard and adverse selection, thus ensuring optimal firm performance for the given level of risk. Those insurance firms that form an alliance can be inferred to increase their ability to underwrite large risks subject to proper risk management to enhance their financial performance.

Hemrit and Ben Arab (2012) conducted a study whose purpose was to investigate the determinants of frequency and severity of operational losses in the Tunisian insurance industry. A questionnaire was used to capture the frequency of operational losses (daily, weekly and so on) in the business line in 2009. An expert panel was also used to evaluate the average

individual financial consequences in 2009 (the severity of operational losses). Secondary data was collected from annual reports published by the Tunisian Federation of Insurance Firms (TUFIC) and annual activity reports of Tunisian insurance firms (public, private and mutual) in 2009. Logistic regression analysis was applied to determine the causal relationship among the study variables.

Among their findings, Hemrit and Ben Arab (2012) observed certain aspects of increased underwriting capacity brought about by alliance formation that had an influence on firm performance. For instance, increased market share, had a statistically significant positive relationship with the level of operational losses. This implied that large firms were highly vulnerable to operational losses than small firms. Additionally, the study found a statistically significant negative effect between human resource workforce and the frequency of operational losses. The implication is that insurers with larger numbers of employees experienced lower levels of operational losses. This was attributed to improved quality of risk management resulting in enhanced firm performance.

Theory of Firm Growth in International Business

The theory of international business, customized to suit horizontal alliance formation, is borrowed from the theory of firm growth as formulated by Penrose (1959). The theory of firm growth emphasizes internal inducements to expand over external factors. More precisely, although Penrose recognizes the role of external factors, such as demand, Penrose also argues that growth primarily stems from managers' perceptions of opportunities to put under-leveraged resources to new use. By focusing on the internal determinants of growth, Penrose has highlighted the heterogeneity of resources among firms.

Further, in arguing that such firm heterogeneity leads different firms to pursue different expansion opportunities, Penrose (1959) and Garnsey, Stam, & Heffernan, (2006) suggests that undertaking different activities requires different amounts and types of resources. Penrose (1959) views growth as resulting from firms' decisions to seize expansion opportunities on their own, even if, to do so, they have to purchase additional resources on the factor market or obtain these resources through corporate acquisitions. Thus Penrose implicitly assumes that a firm either carries out an expansion opportunity on its own or forgoes that opportunity altogether.

While adopting this line of thinking, this study mainly borrowed from an extension of this model by Castañer, Garrette and Dussauge (2008). Castañer, et al. (2008) further argue that in today's post-modern world, firms are not necessarily faced with such drastic alternatives and that collaboration through horizontal alliance offer an alternative fallback option through which firms can pool their resources in order to jointly pursue expansion opportunities they are unable

to undertake on their own. This is consistent with the alliance literature which has recognized resource access as a major driver of alliance formation. This theory was useful in this study, since Penrose (1959) observes that growth is an intrinsic process that is embedded in the firm's statement of intent. Thus the firm is assumed to be in a state of permanent flux, driven by the need to maximize value. This then motivates the urge to grow through alliance formation, where the organic growth curve flattens.

RESEARCH METHODOLOGY

This study adopted a cross-sectional descriptive survey research design with mixed approaches. This study is a cross-sectional survey study since it involves the analysis of data that was collected at one specific point in time. The descriptive design was used in this study because of its appropriateness in establishing relationships between variables and facilitating the collection of information for determining the population parameter. The study was also a survey since the basic idea was to measure the influence of selected independent variables on given dependent variables by asking people questions.

The target population is the population in research to which the researchers can apply their conclusions (Pyrzczak, 2010). Target population is a subset of the population at large and is also known as the study or accessible population. It is from the target population that this study drew the sample, which was composed of insurance firm managers. The target population for this study was all the 44 insurance firms in Kenya and classified into three key sub sectors - General business, Life business and in Composite business. Purposive sampling technique was used to select four respondents from each insurance company. The four respondents were General Manager in charge of technical Operations, Underwriting Manager, Claims Manager and Marketing Manager. This was adopted because of the technical nature of information to be derived from the respondents and there were possibilities that those respondents have adequate knowledge about effect of horizontal alliance on firm performance in the insurance industry in Kenya.

Table 1: Sample Size

Management Level	Sample per registered Insurance companies (40)	Sample Size
General Manager Operations	1	44
Underwriting Manager	1	44
Claims Manager	1	44
Marketing Manager	1	44
Total	4	176

This study used a self-designed questionnaire. Primary data was collected using a questionnaire, which Pyrczak (2010) highlights gives respondents' adequate time to give well thought out answers. The questions in the questionnaire were closed-ended questions. Kothari (2008) noted that whereas the open-ended type of questions gives respondents freedom of response, the closed-ended types facilitate consistency of certain data across respondents. The questionnaire is ideal for the survey, it enables quick collection of similar data across a relatively dispersed population. Using a pre-designed questionnaire ensures that information sought is relevant to the objectives of the research, is standard and focuses the research on collecting the information rather than thinking about what information to collect. Data analysis was executed using descriptive and inferential statistics. All quantitative data analysis was done using Statistical Package for the Social Sciences (SPSS) Version 22. Descriptive statistics that were used include mean, standard deviation, frequencies and percentages. According to Babbie (2007), descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics. Inferential analysis included correlation analysis and simple linear regressions which helped the researcher understand the causal relationship between firm performance and the independent variable (Sprinthall, 2011).

Model 1 – Influence of the underwriting capacity of alliance partners on the performance of insurance firms in Kenya.

$$Y = \beta_0 + \beta_1(X_1) + e \dots\dots\dots (i)$$

Where:

Y = Insurance firm performance

X₁ = underwriting capacity

β₀ = Constant

β₁ = The beta coefficient of underwriting capacity

e = Error term of the model

FINDINGS

Reliability

Kothari (2008) emphasizes the role of piloting in ascertaining the validity and reliability of research instruments. Reliability is a statistical measure of the reproducibility of study data. For quantitative data, reliability was assessed by examining the internal consistency of the study questions. In this study, internal consistency was measured by calculating a statistic known as Cronbach's coefficient alpha. Coefficient alpha measures internal consistency among a group of questions combined to form a single scale. It is a statistic that reflects the homogeneity of the

scale. A Cronbach's Alpha coefficient of .70 (70%) or higher was sufficient for the purpose of this evaluation (Kothari, 2008). Results in Table 2 shows that the Cronbach's alpha coefficient was 0.776 and was accepted.

Table 2: Reliability Test Statistic

Variable	Cronbach's Alpha	Number of items	Comment
Underwriting capacity	0.776	4	Accepted

Descriptive Statistics for the influence of underwriting capacity of alliance partners and the performance of insurance firms in Kenya

The study examined the influence of the underwriting capacity of alliance partners on the performance of insurance firms in Kenya as shown in Table 3. In response to whether improved internal risk management, due to increased underwriting capacity in alliances, increases insurance firm underwriting margins, by at least five percent. Results indicated that 46.8% of the respondents strongly agreed, 35.7% agreed, 8.7% disagreed, 4.7% disagreed while 3.9% neither disagreed nor agreed. Improved internal risk management is critical in underwriting capacity as it increases insurance firm underwriting margins as implied by 82.5% of the respondents.

The study sought to find out if increased market share in alliances leads to increased earnings before profits and taxes by at least five percent. Results indicated that 55.5% strongly agreed, 30.9% agreed, 4.7% strongly disagreed, 4.7% neither disagreed nor agreed and 3.9% disagreed. This suggested that increased market share is critical in the enhancing the firms' earnings before profits and taxes since 86.4% of the respondents agreed with the statement.

Regarding whether increased number of experienced technical personnel lowers level of operational losses before profits and taxes by at least five percent, 46.8% of the respondents strongly disagreed, 32.5% agreed, 11.9% neither agreed nor disagreed, 7.1% disagreed and 1.5% strongly disagreed. Majority of the respondents were of the opinion that increased number of experienced technical personnel lowers level of operational losses in the insurance firms

The study sought to find out if increased total volume of transactions in alliance increases earnings before profits and taxes, by at least five percent. Results showed that 46% of the respondents strongly agreed, 37.3% agreed, 7.1% neither agreed nor disagreed, 5.5% agreed and 3.9% strongly disagreed. This is an indication that majority of the respondents strongly agreed that increased total volume of transactions in alliance increases earnings before profits and taxes in the insurance firms.

This study evidenced that underwriting capacity has a positive and significant relationship with insurance firm performance. Unlike, previously suggestion by Ng *et al.*, (2013) that increased underwriting capacity does not really guarantee improved performance of firms; the current study found that with enhanced regulation and proper management of risk positive results in firm's performance are inevitable. This means that insurance firms willing to enhance their performance should consider regulatory measures and current management in place before underwriting large risks.

Table 3: Underwriting Capacity Indicators

Underwriting Capacity Indicators	SD	D	N	A	SA	Mean	SD	Total
	%	%	%	%	%			%
Improved internal risk management, due to increased underwriting capacity in alliances, increases insurance firm underwriting margins, by at least five percent	4.7	8.7	3.9	35.7	46.8	5	1	100
Increased market share in alliances leads to increased earnings before profits and taxes by at least five percent	4.7	3.9	4.7	30.9	55.5	5	1	100
Increased number of experienced technical personnel lowers level of operational losses before profits and taxes by at least five percent	1.5	7.1	11.9	32.5	46.8	5	1	100
Increased total volume of transactions in alliance increases earnings before profits and taxes, by at least five percent	3.9	5.5	7.1	37.3	46	5	1	100

(Strongly Disagree- SD, Disagree- D, Nether Agree nor Disagree- N, Agree- A, Strongly Agree-SA)

Descriptive Statistics for Insurance Firm Performance

The study examined performance issues as measured by investment returns, profitability, market share and expeditious claims settlement in the insurance firms in Kenya and the results are shown in Table 4. Regarding increased number of business lines has led to increased growth of market share, 55% strongly agreed, 29% agreed, 7.1% neither agreed nor disagreed, 5.5% disagreed and 3.9% strongly disagreed. The results suggest that respondents strongly agreed that introducing new insurance products has led to the growth of market size/share of insurance firms.

The study determined whether investment returns occasioned by increased underwriting premiums increases earnings before profits and taxes, by at least five percent. Results indicated

that 41% strongly disagreed, 39% agreed, 11% disagreed, 5.5% strongly disagreed and 3.1% neither agreed nor disagreed. The findings imply that investment returns occasioned by increased underwriting premiums increases earnings before profits and taxes since 80% of the respondents agreed with the statement.

The study sought to find out if ability to manage operational risks and underwriting losses leads to profitability. 44% of the respondents strongly agreed, 37% disagreed, 7.1% neither agreed nor disagreed, 6.3% strongly disagreed and 5.5% disagreed. The result implies that majority of the respondents agreed that ability to manage operational risks and underwriting losses leads to profitability.

In regard to whether expeditious claims settlement enhances performance, 41% strongly agreed, 33% agreed, 10% neither agreed nor disagreed, 7.9% disagreed and 7.1% strongly disagreed. This implies that majority of the respondents agreed that expeditious claims settlement enhances performance in insurance firms.

According to Pauwels et al., (2003), product introductions have positive effects on the firm's top-line and bottom-line financial performance and on the firm value both in the short-run and long-run. Further, there is evidence showing the relevance of prone risk firms in the attainment of results. The achievement of firms' goals is sometimes based on a great deal of uncertainty, thus bold decisions and actions are many times a necessary condition. Eventually, firms that are strategic and are risk takers improve their market share and perform very well compared to them that shun risk taking (Ling et al., 2008).

Table 4: Insurance Firm Performance

Performance Statements	SD %	D %	N %	A %	SA %	Mean	SD	Total %
Increased number of business lines has led to increased growth of market share	3.9	5.5	7.1	29	55	5	1	100
Investment returns occasioned by increased underwriting premiums increases earnings before profits and taxes, by at least five percent	5.5	11	3.1	39	41	5	1	100
Ability to manage operational risks and underwriting losses leads to profitability	6.3	5.5	7.1	37	44	5	1	100
Expeditious claims settlement enhances performance	3.1	6.3	7.9	44	39	5	1	100

(Strongly Disagree- SD, Disagree- D, Nether Agree nor Disagree- N, Agree- A, Strongly Agree-SA)

Model Summary of the Regression Analysis between underwriting capacity and performance
 Results of the regression conducted indicated in Table 5, $R=0.875$ indicating a strong positive relationship between underwriting capacity and performance of insurance firms. $R^2= 0.766$ indicates that 76.6% of the variation in firms performance can be explained by a unit change in underwriting capacity. The remaining 23.4% is explained by other independent variables.

Table 5: Model Summary of the Regression Analysis between underwriting capacity and performance

Model	R	R Square
1	.875 ^a	.766

a. Predictors: (Constant), Underwriting Capacity

b. Dependent Variable: Performance

ANOVA Results for underwriting capacity and performance

H_{01} : There is no significant influence of underwriting capacity of alliance partners on the performance of insurance firms in Kenya.

The results of ANOVA test in Table 6 show that the F value is 406.336 with a significance p value= 0.000 which is less than 0.05, meaning that the null hypothesis is rejected and concludes that there is a significant relationship between underwriting capacity of alliance partners on the performance of insurance firms in Kenya.

Table 6: ANOVA Results for underwriting capacity and Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	346.704	1	346.704	406.336	.000 ^a
	Residual	105.802	124	.853		
	Total	452.506	125			

a. Predictors: (Constant), Underwriting Capacity

b. Dependent Variable: Performance

Coefficients for Regression between Underwriting Capacity and Performance

To test the significance of regression relationship between Underwriting Capacity and the performance of insurance firms, regression coefficients, the intercept and the significance of all the coefficients in the model were subjected the t-test to test the null hypothesis that the

coefficient is zero. The null hypothesis stated that beta (β) =0, meaning there is no significant relationship between underwriting capacity and performance of insurance firms as the slope beta (β) =0 (no relationship between two variables).

The results on the beta coefficient of the resulting model in Table 7 shows that the constant = 1.933 is significantly different from 0, since the p value= 0.000 is less than 0.05. The t value for the constant is 10.471, while the t value for the underwriting capacity is 20.158, which indicates they are significant. This implies that the null hypothesis that (β) =0 is rejected and the alternative hypothesis accepted indicating that the model $Y= 1.933+ 0.569$ (underwriting capacity), is significantly fit. This confirms a positive linear relationship between underwriting capacity and performance. Also, the beta value of 0.569 implies that a unit change in underwriting capacity will lead to 0.569 units change in the firm performance.

Studies carried out on big insurance firms (in terms of assets and number of branches) have indicated that they are able to set aside divisions to deal with risk per se and ensure regulations are followed to the letter. Lee and Lee (2012) analysis of reinsurance and insurance firm performance in Taiwan insurance industry, state categorically that managers have to balance increasing underwriting/ insolvency risk and chance of increasing profit. The two authors further established that underwriting risk and return on investment influence insurance firm performance significantly.

Table 7: Coefficients for Regression between Underwriting Capacity and Performance

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
1	(Constant)	1.993	.190		10.471	.000
	Underwriting Capacity	.569	.028	.875	20.158	.000

a. Dependent Variable: Performance

SUMMARY

The study examined the influence of the underwriting capacity of alliance partners on performance of insurance firms in Kenya. R^2 was 0.766 which indicated that 76.6% of the variation in firms' performance can be explained by a unit change in underwriting capacity. The remaining 23.4% is explained by other independent variables. The significance of all coefficients in the model was subjected to the t test to test the null hypothesis that the coefficient was zero. The results on the beta coefficient of the resulting model showed that the constant was 1.933

which was significantly different from 0, since the p value of 0.000 was less than 0.05. The t value for the constant was 10.471, while the t value for the underwriting capacity was 20.158 thus were significant. The results of ANOVA test showed that the F value was 406.336 with a significance p value of 0.000 which was less than 0.05, meaning that the null hypothesis was rejected and the conclusion was that underwriting capacity of alliance partners significantly influences the performance of insurance firms in Kenya. Correlation results showed that there was a strong positive relationship between underwriting capacity and performance. This relationship was illustrated by correlation coefficient of 0.875 at 0.05 significant levels.

CONCLUSION

The study examined the influence of the underwriting capacity of alliance partners on performance of insurance firms in Kenya. The results of ANOVA test showed that the F value was 406.336 with a significant p value of 0.000 and confirmed that underwriting capacity of alliance partners significantly affects the performance of insurance firms in Kenya. Although this research reached its objectives there were some unavoidable limitations. The questionnaires used were self- designed by the author a certain degree of subjectivity can be found. The study also experienced some limitations where confidential financial information was requested from the insurance firms. Respondents displayed discomfort especially when requested to complete a questionnaire that required disclosure of their firm performance. To mitigate this shortcoming they were assured of confidentiality and ethical handling of the information provided.

RECOMMENDATIONS

The influence of underwriting capacity on insurance firms was significant and positively affected the insurance firm's performance. This implies that insurance firms must ensure implementation of internal risk management process, increase market share in alliances, increase number of experienced technical personnel which lowers level of operational losses and ensure that all insurance firms increase their volume of transactions which results to profitability. Since underwriting capacity is an important variable of horizontal alliance formation, there is need for a clearly defined strategic plan aimed at maximizing on mobilization of transaction volume, expeditious execution of claims settlement and work plans geared towards maximizing the market share. Moreover, if underwriting capacity is effective, insurance firms will improve their performance, and if ineffective inferior performance will be reported. To ensure superior underwriting performance from an alliance partner insurance firms should engage with an alliance partner with a strong underwriting capacity. This study brings out the underlying aim of forming horizontal alliance through collaboration to spread insurance risk among alliance

partners. Reinsurers will benefit from the findings of this study for a better understanding of some of the factors horizontal alliance partners consider in distributing the risks among themselves. The study will help insurers develop product offerings that circumvent any limitations for potential institutional clients. Future researchers may consider study of other variables that influence performance of insurance firms other than the underwriting capacity in horizontal alliance formation. Other studies may be conducted to examine the impact of strategic alliance in the recent mergers and acquisitions of insurance firms in Kenya.

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