

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Influence of Cultural Factors and Regulatory Policies on Uptake of Life Assurance Products in Kenya

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Abstract:

Life assurance products have been used over the years as both an instrument of protection and a tool for investment. Cultural factors feature prominently among the factors that influence the uptake of Life assurance. This study sought to establish the influence of cultural factors on the uptake of Life assurance products in Kenya, moderated by Regulatory policies. The study was anchored on the Human Life Value Theory. The independent variables in the study were the Cultural factors, the dependent variable was the uptake of Life Assurance products, and the moderating variable was regulatory policies. The study employed a Descriptive survey research design and was quantitative in nature. The sample size of the study was 537 respondents calculated using the Taro Yamane (1970) formula from a study population of 6376 Public Primary school teachers in Kisumu County. The study used primary data, which was collected using a closed-ended questionnaire. The data was analyzed using descriptive statistics, correlation, and regression. The findings indicated that there is a significant relationship between Cultural factors and Life Assurance product uptake among policyholders in Kisumu County, where Cultural factors alone could explain 30.1 percent of the variance in the uptake of Life Assurance products. Equally, there is a strong relationship between Cultural factors, regulatory policies, and uptake of Life Assurance products. The study resolved inconsistencies in theory, policy, and practice, thereby bolstering the argument that insurance companies should consider Cultural factors that increase the use of life assurance products.

Keywords: Life assurance, bequest motive, risk aversion, cultural taboos, beliefs, property ownership

1. Introduction

There is a growing interest in the uptake of Life Assurance products in most nations throughout the world. Life Assurance has been practised since the days of ancient Rome when they created burial clubs among the military troops as early as 100 B.C. so that the funds collected could be used to defray funeral expenses for their members. Several other similar clubs sprung up then since the Romans believed that anyone who was not accorded a decent burial would become an unhappy ghost. Therefore, such clubs were heavily embraced by the government and the military due to the deep conviction that everyone deserved a decent burial regardless of their social standing. The clubs later evolved to also provide some form of stipend to the deceased's dependents to assist them in maintaining their living standards. More than 70% of American adults and more than 90% of married couples had some type of Life Assurance by the middle of the 1970s, thanks in large part to the end of World War II and the economic boom that followed. Subsequent studies after 2010 indicate that the uptake of Life Assurance has been increasing at a decreasing rate (Corey, 2013)

Cultural factors have featured prominently in the reviewed literature as having an influence on the purchase and consumption of Life Assurance products. In most African Countries, the gender factor is held very dear to the hearts of many. For instance, in some African communities, property ownership has remained patriarchal. In this regard, women are not allowed to own property unless through their husbands. This cultural norm has had a negative impact on the general uptake of certain insurance policies, including Life Assurance. The Kenyan Constitution 2010 allows equal access to property irrespective of gender, thereby creating a favourable environment for all and sundry to enjoy property rights. This Kenyan scenario is a great boost to women's opportunities in terms of access to investments and property decisions. Another cultural factor that has had a great impact in the area of insurance uptake has been religion. Certain religious teachings and beliefs have been anti-investments. These have been accelerated by the negative public attitude towards insurance. It has been reported that some people in Kenya view insurance as an elitist kind of thing and beyond the reach of the poor. Some people hold the view that taking a Life Assurance policy is tantamount to signing a death warrant. In as much as this may be so, quite a number of people purchase and consume Life Assurance due to the bequest motive, the need to leave an inheritance or fall back for their dependents in case of their untimely demise (IRA, 2020).

1.1. Statement of the Problem

It is anticipated that people who have a higher level of liberal religious beliefs and modest cultural values will be more responsive in their decision to initiate and own life assurance policies. A high uptake of Life Assurance policies would ensure quality life as envisaged by Kenya's Vision 2030; according to Industries Statistics, insurance penetration (both life and non-life) in Kenya stands at a low of 2.63% compared to other African Countries such as South Africa whose penetration rate stands at 9.94% of GDP. However, insurance penetration in Kenya has remained very low, standing at only 1% of the population having insurance compared to other countries such as Malaysia, with a greater percentage of the population owning some form of Life Assurance (IRA, 2018).

The low insurance penetration in Kenya has led to overstretched support systems. The symptoms of low uptake of Life Assurance policies in Kenya are manifested in members of the Kenyan population resorting to informal ways of risk management, especially in cases of premature deaths of household breadwinners. Evidence in Kenya indicates that religion, cultural values and the language used by insurance sales personnel have a negative effect on the uptake of Life Assurance products. More evidence of the problem is seen through very high and frequent funeral contributions collected on various WhatsApp groups due to death-related cases, sometimes leading to strained family relationships. Despite major strides in the enactment of consumer-friendly government regulations and a favorable economic environment, the penetration rate of Life Assurance in Kenya remains a miserable low of 0.3 per cent compared to about 10 percent in the developed world, thus raising fundamental questions as to why the low penetration rate and what exactly influences the same.

Several local studies have attempted to link demand determinants to the uptake of Life Assurance products (McDonald et al., 2020; Kungu, 2019; Seka & Justus, 2019; Kamau & Weda, 2019; Naibei & Gatere, 2017; Gitau & Sile, 2016; Njuguna & Kimani, 2016). However, these studies were carried out in different geographical contexts as they did not explore how cultural factors influenced the uptake of life assurance products among public primary school teachers in Kisumu County, creating a paucity of literature in the area. In terms of content scope, previous studies gave much attention to the influence of socio-economic factors on the demand for life assurance while ignoring cultural factors. This study, therefore, sought to establish the influence of cultural factors on the uptake of Life Assurance products among Public Primary school teachers in Kisumu County.

2. Literature Review

2.1. Human Life Value Theory

This study was anchored on Human Life Value Theory. The theory was developed in 1942 by S.S. Huebner as a philosophical framework for analyzing the basic economic risks individuals face. Huebner argued that the value of human life has qualitative aspects that give rise to its economic value. Further, human value is prone to loss through premature death, incapacity, retirement, and unemployment. According to the Human Life Value Theory, each circumstance that has an impact on a person's ability to make money also has an equivalent effect on that person's value as a human being. Insofar as it offers a framework for comprehending the economic importance of life insurance and the estimation of insurance value and need, the theory of human life value is indeed pertinent to the subject. According to the hypothesis, those who produce more money than they require to support themselves have a financial worth to those who depend on them. This viewpoint emphasizes the need to take future income, costs, responsibilities and assets into account when estimating the worth of a person's life and the amount of insurance coverage required to safeguard their dependents. By using the Human Life Value concept, individuals can assess the amount of money required to secure the lives of their dependents through term insurance in the event of their untimely demise. This theory emphasizes the immediate and long-term benefits of acting responsibly towards dependents and society, promoting social responsibility and the well-being of individuals.

However, it is important to acknowledge the criticisms of the Human Life Value method. These criticisms include the assumption that non-wage-earning spouses have no economic value and the failure to account for immediate financial obligations that may arise upon the death of a worker, such as loan repayments. These limitations have led to the adoption of alternative approaches, such as the Total Needs approach, which considers both cash needs and income needs to insure lives adequately. In the context of the study, the theory of Human Life Value helps determine the appropriate amount of life assurance needed by public primary school teachers to secure the future of their loved ones in the event of premature death. Understanding the economic value of one's life and the potential financial obligations that may arise allows individuals to make informed choices about the amount of Life Assurance coverage they require. Overall, the theory of Human Life Value provides a valuable perspective on the importance of Life Assurance and the calculation of insurance needs while also recognizing the need for alternative approaches to address the limitations of the method (Akotey, Osei, & Gemagah, 2011).

2.2. Cultural Factors and Uptake

Cultural factors play a significant role in shaping the demand for insurance products, and several studies have examined their influence. These factors encompass elements such as bequest motives, religious beliefs, attitudes, values, risk aversion, rules regarding property ownership within communities, taboos, and beliefs. Bequest motives, which refer to the desire to leave an inheritance or financial support to future generations, have been found to impact the uptake of Life Assurance. Various perspectives on the intensity of bequest motives have been offered by empirical studies, with estimates of the proportion of bequests in total private savings ranging from 17 to 46 percent (Derakhshideh & Jalaei, 2014).

According to another study by Zhong done in China, consumers and businesses can purchase non-traditional insurance products that contain investing components or the minimal minimum of insurance required by law and other rules. Savings products compete with insurance for clients, but for certain people, saving may be a good alternative to insurance. Additionally, saving tendencies vary among agents and are impacted by culture and religious beliefs. To match the cultural influence on insurance consumption, the gross savings to GDP ratio is actually included. The hypothesis is that people in towns or urban setup areas value insurance more than people in rural setups, potentially due to having fewer familial ties and a stronger feeling of autonomy. Zhong believed that culture was important in the insurance industry. The cultural influence hypothesis predicts that demand factors will have a higher impact on insurance consumption than supply factors in China because culture has a far greater impact on insurance demand than insurance production. The Chinese way of life encourages financial self-sufficiency above buying insurance. As a result, we believe that saving solutions would appeal to customers more than insurance products. We divide demand-side factors into those related to culture and those related to the economy using the same logic. Demand factors that are affected by culture are more accurate proxies for insurance consumption than those based on the economy. Culture proxies are important in explaining the differences in insurance participation rates between different countries. Chinese customers prioritize family values and social harmony more than Western shoppers do. As a result, the strong need for insurance is constrained by Chinese culture. For insurance regulators, our study of how culture affects insurance usage has real-world applications. When making decisions to enter a developing insurance market, insurance company executives should consider the cultural effects (Zhong, 2015).

According to research, bequest-motivated households tend to save about 25% more than other households (Kopczuk & Lupton, 2007). According to research collected across nations, demand for life insurance is higher in nations with a high dependency ratio, high income per capita, low inflation, and a thriving banking industry (Beck & Webb, 2002). Studies have shown that at the household level, the desire to leave bequests to one's offspring can significantly influence the demand for and consumption of life insurance (Bernheim, 1991). These findings highlight the significance of bequest motives and the desire to transfer wealth to future generations as factors influencing the demand for Life Assurance. Understanding cultural factors and their impact on insurance preferences is crucial for insurers to design products that align with the values and motivations of potential customers (Kopczuk & Lupton, 2007).

Sauter and Winter conducted a study on life insurance demand, tax incentives, and bequest motivations in Germany. The study set out to ascertain the effect of tax incentives and bequest motives on life insurance demand after the projected tax revisions in 2000 reduced the tax exemption ceiling for capital income in Germany by 50%. According to the study, tax incentives and bequest motives both influence demand for whole life insurance, whereas only the bequest motive affects demand for term insurance. The study concentrated mainly on tax incentives and bequest motives as drivers of demand for term and whole life insurance but neglected to account for other significant demand determinants and other factors like Life Assurance products such as endowment and unit-linked Life Assurance contracts (Sauter & Winter, 2010).

Mitra also did a study on Influencers of Life Assurance investment with empirical evidence from Europe. The study sought to analyze the impact of economic, demographic and cultural factors on Life Assurance consumption in 28 European countries. The study was motivated by the post-financial crises of 2009-2014 and considered many emerging Eastern European countries with significant insurance sector reforms. The independent variables were economic, demographic and cultural factors. The economic factors were denoted by GDP per capita, Gross savings, the competitiveness of nations and inflation. The demographic factors were denoted by population and education, while cultural factors were indicated by individualism and long-term orientation. The dependent variable was Life Assurance consumption. The study used data from the Swiss-Re report of 2014. The study revealed that GDP per capita positively influenced Life Assurance consumption, while inflation had a negative effect. The study also showed that while cultural characteristics like individualism and long-term orientation had a favorable influence on demand for life insurance, demographic factors, on the other hand, had both positive and negative effects on insurance consumption. However, the study focused on the macro-level analysis of life insurance demand and did not consider the individual life component of life insurance products such as term-life insurance, whole-life assurance and endowment (Mitra, 2016).

Religion can play a significant role in influencing the behavior and attitudes of individuals, including their perception and uptake of Life Assurance. Historical and cultural factors associated with religious beliefs have shaped attitudes towards Life Assurance in various regions. In the past, some religious beliefs, particularly in Europe and certain Islamic countries, have been associated with a distrust of Life Assurance. The reliance on insurance was sometimes seen as a lack of faith or an indication of a lack of trust in divine protection. This religious antagonism towards Life Assurance led to its condemnation and even prohibition in some regions. Studies have indicated that Life Assurance consumption is lower in predominantly Islamic countries compared to non-Islamic countries. Religious teachings and cultural norms in Islamic societies may discourage or limit the uptake of Life Assurance. This can be attributed to the perception that life assurance involves elements of uncertainty (gharar) and gambling (maysir), which are discouraged by Islamic principles. These religious factors serve as determinants influencing the demand for Life Assurance in certain regions. Understanding the religious backgrounds and cultural context is crucial for insurance providers and policymakers to design appropriate products and strategies that align with the beliefs and values of the target population. It is important to respect and consider religious beliefs when promoting and offering insurance products in different cultural contexts (Akhter, 2017).

Babylatha, (2021). sought to establish the effect of cultural factors on the uptake of insurance in Kenya. The study employed a descriptive research design. Primary data was used in the study and was gathered using a questionnaire. The target population for the study was the existing and potential insurance customers within the Nairobi CBD, and a sample of 100 respondents was chosen. The main sampling technique that was used for this study was convenience sampling. Secondary data were collected from books, journals and the internet. The primary data was first coded and organized into

themes, categories and patterns. The study then analyzed and interpreted the information to draw relevant conclusions. Relevant secondary data were analyzed based on the data collected and guided by the research objectives. The findings from the primary and secondary data were then synthesized to draw relevant conclusions from the study. Based on the findings, the study concluded that religion has a negative effect on the uptake of insurance in Kenya. The findings also indicated that cultural taboos and beliefs have a negative effect on the uptake of insurance in Kenya. Further, based on the findings, it was possible to conclude that cultural attitudes and values have a negative effect on the uptake of insurance in Kenya. The study also concluded that the language used by insurance sales agents has a negative effect on the uptake of insurance in Kenya. Finally, the study also concluded that lack of education has a negative effect on the uptake of insurance in Kenya. The study recommended that the Insurance Regulatory Authority should encourage insurance companies to sensitize the public on the benefits of the different insurance products available in the market on a regular basis.

A study by the Insurance Regulatory Authority to determine the enterprise perception of risks and how risks are managed in Kenya found major issues surrounding the insurance sector. The study conducted by the Insurance Regulatory Authority in Kenya shed light on the perception and management of risks by enterprises in the country. The findings showed a number of difficulties that these businesses encountered, with theft, rivalry, expense of doing business, fire, availability of finance, politics, drought, and workplace health and safety being the main issues. The most major dangers associated with doing business were determined to be competition, cost of doing business, theft, and loan availability. These elements describe Kenya's business climate and the challenges that businesses there face. The survey also looked at the places where people learn about insurance products. The primary sources of information were determined to be schools and universities, then insurance agents and brokers. Medical insurance was found to be the insurance product category with the highest level of consumer knowledge. However, there was a lower level of awareness for short-term products such as marine, engineering, aviation, workers' compensation, agricultural insurance, and liability. On the other hand, awareness of long-term products, particularly the education policy, was relatively high. These findings highlight the areas where more attention is needed to increase awareness and understanding of insurance products, particularly in the realm of short-term coverage. It suggests the importance of targeted efforts to enhance awareness and knowledge among businesses and individuals, particularly in sectors with lower awareness levels (IRA, 2012).

Yego conducted a study in Kenya on the impact of customer attitude on teachers in the Uasin Gishu county purchasing life insurance. A descriptive survey approach was utilized in the study, and a sample size of 302 teachers who responded was determined using the Morgan formula from 1978. The respondents were found through stratified random sampling. According to the survey, there is a substantial correlation between customer attitude and the percentage of teachers in Uasin Gishu County who have life insurance. However, the study focused only on one determinant of Life Assurance uptake and did not consider several other relevant variables that affect the uptake of Life Assurance uptake (Yego, Salbei, & Kilonzo, 2014).

Gitau and Sile conducted a study in Kenya in 2016 to ascertain how cultural influences affect people's decision to purchase insurance. The investigation employed this descriptive study methodology to collect data. Structured questionnaires were used to collect the data. In the Nairobi Central Business District, prospective insurance clients were the study's target audience. 100 respondents were selected to take part in the study's sample. The primary sampling method utilized to sample the respondents was convenience sampling. Additionally, secondary data from books, journals, and the internet were used. Conclusions were drawn after synthesizing primary and secondary evidence. According to the findings, religion negatively affects Kenyans' willingness to purchase life insurance. The outcomes further demonstrated that cultural taboos and beliefs had a detrimental impact on Kenyans' willingness to purchase insurance. Based on these results, the study came to the conclusion that cultural attitudes and beliefs significantly hinder Kenyans' ability to purchase insurance (Gitau & Sile, 2016).

2.3. Regulatory Policies and Uptake

That Regulatory policies play an essential role in the regulation of the insurance industry cannot be overstated. Regulatory policies, in this case, refer to the rules, guidelines and procedures governing the Life Assurance industry, both enacted by the government agency, the Insurance Regulatory Authority (IRA), as well as those proposed and implemented by the individual Life Assurance Companies. The Insurance Act (Chapter 487) is the primary legal document governing the insurance and reinsurance sector in Kenya. It establishes the insurance regulating body (Kitaka et al.), whose duties include supervising, checking up on, and granting licenses to Kenyan insurers and reinsurers. In order to be more effective in regulating the industry, the government detached the office of the Commissioner of Insurance from the Ministry of Finance in 2006 and gave it some independence. The Insurance (Amendment) Act of 2006 established the Insurance Regulatory Authority (IRA), a semi-autonomous body tasked with supervising, controlling, and encouraging the expansion of Kenya's insurance industry (Samwel, 2009). The Insurance Act regulates the following but not limited to registration of the insurers and reinsurers, minimum capital, local shareholding, corporate governance and capital adequacy requirements, preparation and submission of the accounts, inspection and control of the insurers, transfer and amalgamation of the insurance business, insurance intermediaries, Insurance Tribunal, which hears appeals against decision of the IRA, policyholders' Compensation Fund, which involves compensations to claimants of insolvent insurers and levies payable by insurers, including the insurance premium levy and the insurance training levy (Samuel, 2009).

Over the years, several studies have been conducted regarding tax incentives and the demand for insurance (Gruber & Porteba, 1994; Jappelli & Pistaferrri, 2001; Stavrunova & Yerokhin, 2014). The study by Gruber & Porteba (1994) assesses the changing pattern of insurance demand introduction of a tax incentive. This study utilized the difference-in-difference method and regression models to evaluate the difference in insurance coverage among the groups. The results obtained revealed that a one percent increase in insurance cost minimizes the probability of a person being insured by 1.8 percent.

Jappelli & Pistaferri (2001) used repeated cross-sectional data from Italy to evaluate tax incentives and the demand for Life Assurance in Italy. In this study, it was established that tax reforms have no effect on the decision to purchase Life Assurance. This was explained by people's reluctance to commit to long-term savings, minimum investment requirements, and insufficient knowledge of tax incentives (Jappelli & Pistaferri, 2001). Stavrunova and Yerokhin (2014) evaluate the effect of insurance mandates on health insurance in the Australian healthcare system. Unlike the two other studies, the results revealed that the tax incentive policy has led to an increase in the demand for insurance by 6.5 percent. This policy has also contributed to the number of insured singles by 7.2 percent (Stavrunova & Yerokhin, 2014).

The studies mentioned highlight the relationship between government controls and performance outcomes in different industries, including manufacturing and insurance. In the manufacturing industry study, the researchers examined the impact of government controls on manufacturing techniques and performance. They found that government directives had a positive influence on cost, quality, and innovation, which in turn affected financial and non-financial performance. This implies that government rules may have a substantial impact on the plans and results of industrial companies. The study of the insurance sector concentrated on how government laws affect the insurance business. The researcher observed that government control varied among different types of insurance companies. Government regulations were found to increase the cost of doing business for insurers by imposing restrictions on underwriting practices and the products and services offered to policyholders. The example of AIG facing different sanctions for credit insurance and health insurance highlights the variation in government control and its impact on insurers. These studies underscore the importance of government regulations and their potential influence on industry performance. Government controls can shape the strategies, operations and outcomes of firms within regulated industries. Understanding the specific regulations and their implications is crucial for businesses to navigate the regulatory environment effectively and achieve their desired performance goals.

A study carried out in Kenya by Wanjiru in 2016 was titled Evaluation of the Role Played by the Kenyan Insurance Regulating Authority in Enhancing Governance of the Insurance Industry. The study, which used a descriptive survey design, has as its target population all 47 of Kenya's insurance companies that are governed by the IRA. Using a stratified random sampling technique, the target population—which was split into the two strata of life and non-life Assurance companies—was sampled. Assessing IRA's contribution to efficient insurance business governance in Kenya was the goal of the study. Roles in capacity development and training, as well as those in monitoring and awareness raising, were independent factors. After quantitative data were analyzed using competitive SPSS, a multiple linear regression model was used to assess the relevance of the impact of the independent factors on the dependent variable. The study found that the governance of the insurance businesses in Kenya was significantly improved by the roles of capacity building and training, supervision, and awareness generation. The study also showed that the insurance sector had difficulties that adversely affected its development and governance. The study, however, focuses on the function that the IRA performs in Kenyan insurance company governance. Nevertheless, the influence of regulatory regulations on the demand for life insurance plans was ignored (Wanjiru & Wambua, 2016).

The Insurance Regulatory Authority publications in Kenya bring out the difficulty with managing insurance policies and claims procedures, and considering that the insurance industry is extremely technical, this creates information asymmetry problems. First, some of the technical language used in policy documents could be difficult to comprehend. The Authority has made progress toward making the policy papers simpler. The policy texts need to be further simplified, and there is a need for public education and awareness raising. Second, delayed claim payment is the subject of more than 70% of consumer complaints about insurance services. At least 90 days are required by law for claims payment. In other markets, the duration is often 30 days. Compared to the 30-day period, the 90-day term is fairly long. One of the main causes of claim settlement delays is an ineffective claims process. Another is a lack of experts to execute loss adjustments in fields requiring specific knowledge, such as calculating agents and crop cutters in the agricultural industry. Thus, it is well-known that the insurance sector is vulnerable due to elements like contract complexity and conditions, distribution networks, and payment systems. Although both life and non-life assurance can be used to launder money, life assurance is thought to be more alluring to money launderers, which can harm the industry's reputation (AKI, 2020a).

The reasons for government regulation of insurance are generally for policyholder protection and to ensure the availability of insurance services (AKI, 2020a). Regulatory policies also involve tax incentives through the Kenya Revenue Authority (KRA). Life assurance policyholders enjoy some tax relief based on the currency of their life policies. With 51 insurance businesses that were registered with the Insurance Regulatory Authority, research concerning governmental regulation and the viability of Kenya's insurance companies was conducted (Kitaka et al., 2019). The sample for the study included 30 companies in total — 10 from Life Assurance, 15 from general and 5 from composite companies. Data were acquired using structured questionnaires. The findings indicated that government regulation has a moderating effect on the elements that go into making insurance businesses in Kenya sustainable. The impact of regulatory policies on risk sensitivity, management capability, and capital adequacy was also shown to be positive and significant. Government regulation, however, had no moderating impact on the quality of the assets because the management of the other variables—management quality, capital adequacy, and risk sensitivity—would address the capital's quality (Kitaka et al., 2019). The Finance Act 2021 was enacted on the 29th of June 2021 and thereafter gazette on the 1st of July 2021 (Alert), 2021. This introduced some policy changes and rules that gave the insurance industry the added advantage of getting more consumers into consuming their products and services. Of note is the Personal Income Tax, where insurance relief was introduced to National Health Insurance Fund contributors (NHIF). According to the proposed legislation, people who contribute to the National Health Insurance Fund are entitled to an insurance relief amount equal to 15% of the premiums paid, up to a maximum of KES 5,000 each month. However, this expansion may have been hampered by worries about rising employment costs and burdening already overworked workers. (AKI, Annual Report, 2021).

The Insurance Regulatory Authority has a duty to safeguard policyholders. The Authority takes complaints from consumers seriously and has established a department to particularly accept and process them. Complaints provide the Authority with data regarding the products and services offered by participants in the insurance industry (Insurance Regulatory Authority, 2022). The IRA has a whole department with a staff that is committed to resolving submitted complaints in a fair and expedient manner. Receiving a complaint allows the IRA to evaluate the impact of certain products and services on the market. Additionally, the department receives and answers inquiries on registered members and the products and services offered by industry participants. Customers have the right to lodge complaints regarding the items and/or services they have purchased and to have those complaints handled professionally. The procedure for handling and resolving complaints is accessible to anyone, and information is freely available regarding its specifics. The complainants are helped to formulate and file their complaints. IRA has no fees or costs charged for the processing of a complaint (Insurance Regulatory Authority, 2022).

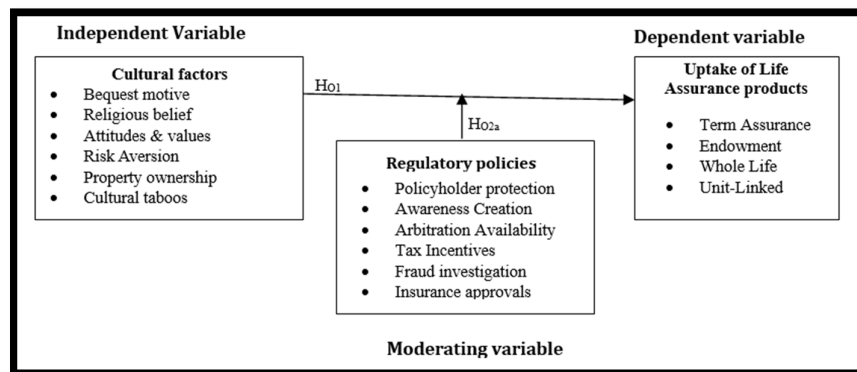


Figure 1: Conceptual Framework

3. Research Methodology

3.1. Research Design

For this investigation, a descriptive survey research design was adopted. The goal of a descriptive survey research design is to characterize the characteristics or actions of a particular group or subject. The descriptive survey research approach was appropriate for this study since it allowed for sample selection and population examination to evaluate and describe the features of the population. Since it generates quantitative and numerical descriptions of a section of the population, this design was necessary for in-depth examination. In the field of insurance research, the design was appropriate for this study; first, in describing the relationship between cultural factors and uptake of Life Assurance products. Similar studies adopted descriptive research design, with respondents of similar characteristics. Langat, Naibei, and Getere (2017) used the design to focus on factors influencing the acceptance of insurance in poor nations using data from the Kenyan branch of CIC insurance in Kericho. Gitau and Sile (2016) used the design to examine the cultural factors impacting insurance adoption in Nairobi's central business district. Naserian and Tari (2019) used a descriptive survey approach to examine the effect of Life Bancassurance on the Traditional Distribution Channels of Insurance Companies in Kenya. The referenced studies' use of a descriptive survey approach produced findings that were pertinent to the study's problem. Policies on the adoption of life insurance products in the Kenyan market were implemented by soliciting feedback from a sample of policyholders in Kisumu County.

3.2. Target Population

A population is a sizable group of people or things that are the subject of a scientific inquiry. Research is carried out for the benefit of the general public (Arroyo-Morales et al., 2009). A complete group of people, things, or events that have a common trait are also referred to as a population. The study's target population consisted of all of the primary school teachers in Kisumu County. Teachers were chosen for this study because they worked in a field where the study population would be uniform. Additionally, teachers form a significant number of low and middle-income earners. Low-income earners make less than Kenya shillings 23,677, and moderate-income earners make between Kenya shillings 26,065 and 135,946, according to the Kenya National Bureau of 2018/2019 (KNBS 2018) report. Teachers of public primary schools fall into this category, and most insurance firms now favor low earnings when providing microinsurance, as illustrated in table 1 below.

Sub County	Target Population
Kadibo	366
Kisumu East	671
Seme	793
Muhoroni	1094
Kisumu West	791
Nyakach	1327
Nyando	495
Kisumu Central	839
Total	6376

Table 1: Target Population
Source: Kisumu County Staffing Office

3.3. Sample and Sampling Design

The process of choosing units from a large population for research measures, whose findings can be fairly generalized within the population, is known as sampling design. Kothari (2004) asserts that stratified sampling is practical when a sample is taken from a diverse population. As a result, the population was divided into groups according to Kisumu County's 8 sub-counties. A sample that represents 30% of the entire population is sufficient, according to Miles and Hubermann (1994). However, this applies to smaller populations of below 1,000, but for relatively larger populations up to 10,000, a sample of 10% of the total is needed to be equally accurate. This study adopted the sample size formula developed by Taro Yamane (1970) to calculate the actual sample size from the total population of 6376 Public Primary school teachers in Kisumu County at a confidence level of 95% and a precision or error of 5% where sample size = $N/1+N_e^2$

3.3.1. Sample Size

A research sample refers to a group of respondents and population objects used to represent the entire group to form the target population and is an important feature of any empirical study which aims at making inferences about a given population from a sample. The sample size of this study was determined using the Taro Yamane (1967) formula on a study population of 6376, as indicated below:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n: sample population

N: The total population (number of Life Assurance policyholders from the 8 sub-counties)

e: The error term indicates the level of accuracy, which is + 5%.

$$n = \frac{6376}{1 + 6376(0.05)^2} = 376$$

The formula yields 376 respondents for a 95% confidence level with $\pm 5\%$ precision ($p = 0.5$). However, Israel (1992) recommends a 30% sample increase to cater for the non-response of the respondents. Hence, the actual study sample size will be as calculated below:

$$\begin{aligned} \text{Tabulated sample size (Yamane)} &= 376 \\ \text{Actual sample size with 30\% non-response} &= \frac{376}{0.7} = 537 \end{aligned}$$

Thus, the study sample size was 537 respondents. The study deemed the sample size adequate since it was large enough to reduce the sampling error and it conformed to the absolute size of the sample selected relative to the complexity of the population that was sampled (Taherdoost, 2017). This formula was also successfully used by Chaokromthong and Sintao (2021) as well as Akintokunbo (2018) to calculate the sample size in their studies.

3.3.2. Sampling Frame

The sampling frame requires the population to embrace a number of distinct characteristics. The sampling frame provides a method of selecting particular individuals to constitute the target population from whom data can be collected since accessing information from the entire population would be long and tedious. The Sampling frame was 6376 Public Primary school teachers distributed across the 8 sub-counties in Kisumu County.

3.3.3. Sampling Procedure

For the purpose of choosing participants from among the 8 sub-counties in Kisumu County, the study used a stratified random selection technique. Groups that fall under different population subcategories have a chance of being included in the study because of stratified random sampling. Simple random selection was used to choose respondents within each stratum after stratification since it is thought to be successful in achieving high representation and eliminating bias. Kisumu County public primary school teachers who have life insurance policies were the study's unit of analysis. The calculation of the sample size is shown in table 2:

Sub County	Target Population	Sample Size
Kadibo	366	30
Kisumu East	671	56
Seme	793	67
Muhoroni	1094	92
Kisumu West	791	67
Nyakach	1327	112
Nyando	495	42
Kisumu Central	839	71
Total	6376	537

Table 2: Name of Sub-County and Their Respective Sample Size
Source: Researcher, 2023

3.4. Data Collection

Primary data were gathered in order to accomplish the study's goals. The primary data entailed responses on all study variables: cultural factors, regulatory policies and uptake of Life Assurance products. To collect the primary data, a closed-ended questionnaire was used for the purposes of quantitative data analysis.

3.4.1. Instrumentation

Primary data were collected using a questionnaire. The questionnaire was efficient since it allowed respondents adequate time to respond to research questions diligently. The questions in the questionnaire were close-ended. Hoholm and Olsen (2012) noted that forced response questions ensure consistency in responding to research questions. The questionnaire was ideal for the descriptive survey study, as it enabled quick collection of consistent data from a diverse population. The predesigned questionnaire ensured that the data collected was ideal in responding to the research objectives of the study (Bryman, 2011).

3.4.2. Validity

Validity testing ensures that the data being collected is relevant to the research being done or that it measures what was intended to be measured (Heale & Twycross, 2016). Validity in terms of both content and construct were examined. To determine if the instrument measures the study concept's content, content validity was established. For each study item, the Lawshe technique was utilized to determine the content validity index (CVI) (Taherdoost, 2016). The research instrument's construct validity verified that it measured the study's concepts and theories. Principal component analysis (PCA) was used to verify the construct validity, and the results required a loading value of at least 0.40 to be considered acceptable (Bolarinwa, 2015). The results from the tests guided the refining of the questions and data analysis methods.

3.4.3. Reliability

Reliability entails the extent to which a research instrument measures a phenomenon, indicating results which are stable and consistent in repeated analysis (Heale & Twycross, 2016). The reliability test estimates the consistency of measurements in the questionnaire (Taherdoost, 2016). The study adopted a test-retest reliability, in which the questionnaire was pre-tested on a sample similar to the study population sample. With the assistance of Research Assistants, pilot research was carried out among Life Assurance policyholders from 6 Public Primary school teachers, namely: Kakamega primary, Amalemba primary, Kakamega Muslim primary, Mukumu girl's primary, St. Augustine Mukumu boys boarding primary and Rosterman primary in Kakamega County for the purpose of a reliability pre-test. 54 respondents, or 10% of the sample size, participated in the pre-testing of the study instrument. According to Bryman and Bell (2015), an efficient pilot study should use a sample size that ranges from 1% to 10% of the entire sample size. A sample that was pertinent to the study was used to choose the respondents. The split-half method of the Cronbach alpha test was used to analyze the data from the pilot project and compute the correlations between the questions that were part of the same construct (Olsen, 2012). The test produced a Cronbach alpha coefficient equal to or higher than 0.7, according to Bolarinwa (2015), in order for the questionnaire to be validated as having acceptable reliability. The findings were used to refine the questionnaire to meet the minimum standards. The study gives the reliability results from the pilot findings.

3.4.4. Data Collection Procedures

The researcher requested a study authorization letter from Kisii University's School of Post-Graduate Studies, which was then submitted to NACOSTI to enable the issue of a research letter and permit. The two documents were then given to the heads of the sampled Public Primary schools in Kisumu County, who gave the researcher permission to speak with and gather data from the instructors after receiving the two documents. Data were collected by delivering the questionnaires to the respondents and then picking the filled questionnaires after two weeks. The period of two weeks was deemed appropriate in giving the respondents time to fill out the questionnaires.

3.5. Data Analysis

The collected data were coded, screened and analyzed using statistical computer software (SPSS V22). Data analysis was influenced by the goals and objectives of the research and the measurement of the data collected to identify the patterns found in the data collected about the chosen variables. For Likert scale variables in the questionnaire, the researcher employed descriptive statistics during data analysis, including measures of central tendency, particularly the mean. In order to investigate the underlying characteristics of the data on teachers of the Public Primary schools in Kisumu County, measures of dispersion, particularly standard deviation, were used. All response factors and the respondents' demographic details were covered by descriptive statistics.

A correlation analysis was carried out to ascertain how the study variables were related to one another. Correlation measures the degree of dependency between two variables that are linearly related. If two variables are connected, a change in one will be followed by a proportional change in the other. The correlation coefficient (R) is a measurement of the relationship between two variables. For independent variables, $r = 0$; for dependent variables, $r = 1$. If R is near 1, there is a significant connection between the variables. If the value of R is close to zero, the link is weak. Specifically, Pearson's product-moment correlation coefficient (r) will be used to analyze the direction and degree of correlations between the variables. Prior to conducting further analysis, it is essential to evaluate the type of correlations between the variables that already exist.

To investigate the linear correlations between the different research variables, a multiple linear regression model was used. According to Faraway (2002), multiple linear regressions are utilized when there are several independent variables. It is also helpful to use regression analysis to measure the impact of several concurrent factors on a single dependent variable. Data were sorted, coded and entered into the Statistical Program for Social Sciences (SPSS) to produce graphs and tables. To determine how the independent variable influences the uptake of Life Assurance products among policyholders in Kisumu County, Kenya, the study regressed the transformed variable on uptake of Life Assurance products as given in the following equation for cultural factors using a single regression equation.

To determine the influence of Cultural factors on the uptake of Life Assurance products among policyholders in Kisumu County.

$$Y = \beta_0 + \beta_1 CLF + e \dots \dots \dots \text{equation (1(i))}$$

Where:

Y = uptake of Life Assurance products

β_0 = coefficient of the constant

β_1 = regression coefficient or change induced in CLF

CLF = independent variable (cultural)

e = is the error term

In a study that looked at the connection between CEO salary and business performance in the Kenyan banking sector, Aduda (2011) employed regression analysis of data. Regression analysis was also employed by Ngugi (2001) in a study that looked at the empirical analysis of Kenyan interest rate spread. Regression analysis was utilized by Khawaja and Din (2007) to identify the variables affecting Pakistan's interest rate spread. Before running the multiple linear regression models for all the research variables, univariate regressions were used to assess the effects of each predictor variable on the dependent variable:

4. Data Analysis, Presentation and Discussion

4.1. Response Rate

A total of 537 respondents were chosen at random from each of Kisumu County's 8 sub-counties for the study. 484 respondents provided the field data. Using SPSS descriptive statistics and visual examination by the researcher, the data set was then checked for code violations and missing data. The response rate is indicated in table 3.

Sample Size	Number	Percent
Questionnaires Given out	537	100
Total questionnaires Returned	484	90.1
Non usable questionnaire	21	3.9
Usable questionnaire	463	86.2

Table 3: Response Rate

Source: Field Data, 2022

As a consequence, 21 questionnaires were eliminated since they were incomplete, resulting in an actual response rate of 86.2% (463). Nachmias & Nachmias (2004) have noted that survey researchers have a challenge of a low response rate that seldom climbs above 50%, despite the fact that the majority of scholars do not appear to agree on the acceptable level of response rate to serve as the basis for data analysis. In light of this, they contend that a response rate of at least 50% is satisfactory and provides a solid foundation for data analysis. This high response rate and proper representation of the population can, therefore, be attributed to special requests made to the head teachers of the specific Public Primary schools that were picked for the study, which allowed access to the institutions. Besides, the use of research five research assistants who specialized in insurance in their training to help in dropping and picking the questionnaires also improved

the response rate. This was supplemented with frequent reminders via short messages and telephone calls to the contact persons from the institutions.

4.2. Descriptive Statistics for the Various Variables under Investigation

4.2.1. Uptake of Life Assurance among Public Primary School Teachers in Kisumu County

The study's dependent variable is the uptake of Life Assurance products among Public Primary school teachers in Kisumu County, Kenya. Using a five-point Likert scale, the research attempted to understand the level of agreement between participants on different statements related to the uptake of Life Assurance products. Table 4 highlights the findings.

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis		
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
G1: I would sign up for another Term Life Assurance for its inexpensive premiums and to improve my savings	463	1	5	4.17	1.049	-1.469	.113	1.804	.226
G2: I would sign up for another Endowment Life Assurance policy for its ability to fulfil the dual need of life cover and savings under the same plan to boost my retirement package	463	1	5	3.92	.972	-.928	.113	.740	.226
G3: I would sign up for another Whole Life Assurance to give my dependents financial support in the event of my untimely demise	463	1	5	4.09	.955	-1.271	.113	1.592	.226
G4: I would sign up for an additional Unit-linked Life Assurance for flexibility and protected investment returns	463	1	5	3.71	1.169	-.899	.113	.059	.226
Average Mean				3.97	1.04	-1.14		1.18	

Table 4: Descriptive Statistics on the Uptake of Life Assurance Products
Source: Field Data, 2023

Results presented in table 4 indicated that the majority of the respondents (Mean= 4.17; SD= 1.049) agreed with the statement that they would sign up for another term, Life Assurance, for its inexpensive premiums and to improve their savings. Also, respondents would sign up for another endowment Life Assurance policy for its ability to fulfil the dual need of life cover and savings under the same plan to boost their retirement package (Mean= 3.92; SD= 0.972). Further, respondents agreed that they would sign up for another Whole Life Assurance to give their dependents financial support in the event of their untimely demise (Mean= 4.09; SD= 0.955). Furthermore, they agreed to the statement that they would sign up for an additional Unit-linked Life Assurance for flexibility and protected investment returns Mean= 3.71; SD= 1.169). Overall, the items on uptake of Life Assurance products among policyholders summed up to a mean of 3.97, standard deviation of 1.04, implicating that demand determinants could be key in influencing the uptake of Life Assurance products among Public Primary school teachers in Kisumu County, Kenya moderated by Regulatory policies. The findings further revealed that the distribution of data was negatively skewed (-1.14) (a large number of data-pushed on the left-hand side), while kurtosis was platykurtic (1.18) (data-pushed towards the left side).

4.2.2. Cultural Factors

These are factors influencing the uptake of Life Assurance products, and they include Bequest motive, religious beliefs, attitudes and values, Risk Aversion, Property ownership and cultural taboos. The study, therefore, deemed it important to establish the influence of cultural factors on the uptake of Life Assurance products among Public Primary school teachers in Kisumu County, Kenya, as shown in table 5.

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
E1: I will not purchase a Life Assurance policy to protect my dependents because I do not believe in premature death	463	1	5	3.90	1.476	-.951	.113	-.687	.226
E2: I will not sign up for a Life Assurance policy because I believe in God	463	1	5	3.37	1.347	-.491	.113	-1.005	.226
E3: I will not sign up for Life Assurance because it is not in line with my attitude and values	463	1	5	3.30	1.394	-.446	.113	-1.159	.226
E4: I will not sign up for Life Assurance due to my risk aversion to nature	463	1	5	3.26	1.399	-.380	.113	-1.201	.226
E5: I will not sign up for Life Assurance due to restrictions on property ownership in my community	463	1	5	3.35	1.501	-.395	.113	-1.329	.226
E6: I will not sign up for Life Assurance because it is not in line with my taboos and beliefs	463	1	5	3.36	1.491	-.425	.113	-1.290	.226
Average Mean				3.42	1.44	-0.52		-0.92	

Table 5: Descriptive Statistics on Cultural Factors

Source: Field Data, 2023

As evidenced in table 5, the majority of respondents were of the opinion that they will not purchase a Life Assurance policy to protect their dependents because they don't believe in premature death (Mean= 3.90; SD= 1.476). This affirms a study by the Insurance Regulatory Authority (IRA-Kenya, 2011) carried out in Kisii County on Public Primary school teachers attending an education forum, which showed a higher preference for Education policy (38%) to Life policy (31%) among male Public Primary school teachers. However, respondents were neutral with regard to the statement of not signing up for a Life Assurance policy because they believe in God (Mean= 3.37; SD= 1.347). Further, respondents were indifferent with regard to the statement; they will not sign up for Life Assurance because it is not in line with their attitude and values (Mean= 3.30; SD= 1.394). Besides, they will not sign up for Life Assurance due to my risk aversion nature (Mean= 3.26; SD= 1.399). Most respondents were neutral to the statement that they would not sign up for Life Assurance due to restrictions in property ownership in my community (Mean= 3.35; SD= 1.501). Respondents also had divergent opinions that they would not sign up for Life Assurance because it is not in line with their taboos and beliefs (Mean= 3.36; SD= 1.491).

Overall, the items on cultural factors summed up to a mean of 3.42 and a standard deviation of 1.44. The findings suggest that there exist several gaps in cultural factors with regard to the uptake of Life Assurance products among Public Primary school teachers in Kisumu County, Kenya. Particularly, there are gaps in the attitude, values, and property ownership in my community, as well as taboos and beliefs that are heavily impacting the uptake of Life Assurance

products. The findings further show that the distribution of data is negatively skewed (-0.52) (a large number of data-pushed on the left-hand side), while kurtosis was a platykurtic (-0.92) (data-pushed towards the left side). These findings agree with that of Gitau and Sile (2016) that cultural taboos and beliefs had a detrimental impact on willingness to purchase insurance. Based on these results, the study came to the conclusion that cultural attitudes and beliefs significantly hinder the ability to purchase insurance. According to (IRA, 2012), more attention is needed to increase awareness and understanding of insurance products, particularly in the realm of short-term coverage. It suggests the importance of targeted efforts to enhance awareness and knowledge among businesses and individuals, particularly in sectors with lower awareness levels. For insurance companies, Understanding cultural factors and their impact on insurance preferences is crucial for insurers to design products that align with the values and motivations of potential customers (Kopczuk & Lupton, 2007).

4.2.3. Regulatory Policies

The study's objective was to determine the moderating effect of regulatory policies on the relationship between demand determinants and the uptake of Life Assurance products among public primary school teachers in Kisumu County, Kenya. Using a five-point Likert scale, the research attempted to understand the amount of agreement between participants on different regulatory policy statements in table 6.

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
F1: The consumer protection provided by the Insurance Regulation Authority encouraged me to sign up for a life assurance product	463	1	5	4.32	.966	-1.651	.113	2.470	.226
F2: The awareness creation provided by the Insurance Regulation Authority encouraged me to sign up for a Life Assurance product	463	1	5	4.06	.916	-1.033	.113	1.053	.226
F3: The Insurance Regulatory Authority's arbitration role between insurance companies and policyholders encouraged me to purchase Life Assurance products	463	1	5	3.99	1.051	-1.189	.113	.992	.226
F4: The tax incentives and subsidies provided through the Kenya Revenue Authority encouraged me to purchase Life Assurance products	463	1	5	3.88	1.123	-1.128	.113	.654	.226
F5: Establishment of the insurance fraud investigation unit encouraged me to purchase Life Assurance products	463	1	5	3.84	1.152	-.989	.114	.274	.227
F6: Approval of insurance products by the government assures me of their viability	463	1	5	3.94	1.116	-1.160	.114	.718	.227
Average Mean				4.01	1.05		-1.19	1.03	

Table 6: Descriptive Statistics on the Regulatory Policies

Source: Field Data, 2023

Evidently, the consumer protection provided by the Insurance Regulation Authority encouraged respondents to sign up for a Life Assurance product (Mean= 4.32; SD= 0.966). Moreover, the awareness created by the Insurance Regulation Authority encouraged them to sign up for a life insurance product (Mean= 4.06; SD= 0.916). As well, the Insurance Regulatory Authority's arbitration role between insurance companies and policyholders encouraged them to purchase Life Assurance products (Mean= 3.99; SD= 1.051). Most respondents were also in agreement that the tax incentives and subsidies provided through the Kenya Revenue Authority encouraged them to purchase Life Assurance products (Mean= 3.88; SD= 1.123). Similarly, the establishment of an insurance fraud investigation unit encouraged them to purchase Life Assurance products (Mean= 3.84; SD= 1.152). In addition, approval of insurance products by the government assures me of their viability (Mean= 3.94; SD= 1.116). The regulatory policies-related items had a mean of 4.01 and a standard deviation of 1.054 when taken as a whole. These results suggest that regulatory rules play a significant role in influencing Kisumu County Public Primary School teachers' adoption of life insurance products. The laws may have an impact on the relationship between demand factors and the adoption of life insurance by public primary school teachers in the insurance sector. The management of insurance companies should consider updating their regulatory guidelines. The results also demonstrate that the data are negatively skewed (-1.19), with a substantial amount of data pushed to the left, and that the kurtosis is platykurtic (1.03), with data pushed to the left.

The study's findings are consistent with those of Wanjiru and Wambua (2016), whose research showed that the roles of capacity building and training, supervision, and awareness creation had a substantial positive impact on the governance of insurance businesses in Kenya. The AKI report(2020a), which highlighted that regulatory measures had positive and significant effects on capital sufficiency, management capability, and sensitivity to risk, provides more support for these conclusions. The results concur with those of Cheng & Wang (2012), who came to the conclusion that government rules significantly improve cost, quality, and innovation. Additionally, they discovered that innovation and cost had a substantial beneficial impact on non-financial success, whereas quality and cost had a big positive impact on financial performance.

4.2.4. Correlations Analysis

In order to establish whether a relationship between variables exists, the researcher ran a correlation matrix using Pearson product-moment correlation coefficient (r).

		Cultural Factors	Uptake of Life Assurance Products
Cultural Factors	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	463	
Uptake of Life Assurance Products	Pearson Correlation	.548**	1
	Sig. (2-tailed)	.000	
	N	463	463

Table 7: Correlation Matrix
 **. Correlation Is Significant at the 0.01 Level (2-Tailed)
 Source: Field Data, 2023

Results in table 7 indicate a moderate, positive and significant relationship was established between cultural factors and uptake of Life Assurance products (r=0.548, p=0.000, p<0.05).

4.2.5. Regression Analysis

4.3. Cultural Factors and Uptake of Life Assurance among Public Primary School Teachers in Kisumu County

The first objective sought to establish the effect of cultural factors on the uptake of Life Assurance products among Public Primary school teachers in Kisumu County. Hypotheses H04, stated:

H04: Cultural factors do not have a statistically significant influence on the uptake of Life Assurance products among Public Primary school teachers in Kisumu County

The model was formulated as:

$$Y = \beta_0 + \beta_4 X + e \dots \dots \dots (i)$$

Where:

Y= uptake of Life Assurance products

β_0 = coefficient of the constant

β_4 = regression coefficient or change induced in CLF.

CLF = independent variable (Cultural factors)

e = is the error term

The model summary findings are presented in table 8.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.548 ^a	.301	.299	.63034

a. Predictors: (Constant), Cultural Factors
 Table 8: Model Summary for Cultural Factors
 Source: Field Data, 2023

As depicted in table 8, 30.1% of the total differences in the uptake of Life Assurance products among Public Primary school teachers in Kisumu County are explained by cultural factors. This was indicated by an R square of 0.301.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.764	1	78.764	198.231	.000 ^b
	Residual	183.171	461	.397		
	Total	261.935	462			

a. Dependent Variable: Uptake of Life Assurance Products
 b. Predictors: (Constant), Cultural Factors
 Table 9: ANOVA^a for Cultural Factors
 Source: Field Data, 2023

Table 9 shows the outcomes of the variance analysis (ANOVA). The findings suggested a statistically significant general model. This was indicated by the 198.231 F calculated, which was higher than the 2.71 F critical value. Further supporting the outcomes was a p-value of 0.000, which was lower than the standard probability of 0.05. The findings suggest that the distribution channel is statistically significant and therefore H04 rejected.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.461	.111		22.197	.000
	Cultural Factors	.415	.029	.548	14.079	.000

a. Dependent Variable: Uptake of Life Assurance Products
 Table 10: Coefficients^a for Cultural Factors
 Source: Field Data, 2023

The results in table 10 showed that there is a direct and significant relationship between cultural factors and the uptake of Life Assurance products among Public Primary school teachers in Kisumu County, supported by a p-value of 0.000 and a beta coefficient of 0.548. This means that a one-unit improvement in the distribution channel would boost Life Assurance product uptake by 0.548 units. The findings gave a t-test value of 14.079, implying that cultural factors are 14 times relative to their standard error. Therefore, the new regression equation was generated as follows:

$$Y = 2.461 + 0.415CLF$$

These findings are in agreement with those of Yego, Salbei and Kilonzo (2014), who found that there was a significant relationship between customer attitude and the level of Life Assurance uptake among the teachers in Uasin Gishu County. Similarly, a study by Mitra (2016) revealed that cultural factors such as individualism and long-term orientation had a positive influence on demand for Life Assurance. The researcher is also in agreement with a study by Zhong (2015) that when making decisions to enter a developing insurance market, insurance company executives should consider the cultural effects.

4.4. Role of Regulatory Policies in the Influence of Cultural Factors on Uptake of Life Assurance among Public Primary School Teachers in Kisumu County

The second sub-objective assessed the moderating role of regulatory policies on the relationship between cultural factors and the uptake of Life Assurance products. The hypothesis is stated as:

H_{05d} Regulatory policies do not have a statistically significant moderating effect on the relationship between cultural factors and uptake of Life Assurance products among Public Primary school teachers in Kisumu County

The regression model was expressed as follows:

$$Y = \beta_0 + \beta_4CLF*RP + e \dots\dots\dots iv (a)$$

Where:

Y = Uptake of Life Assurance products,

β_0 = coefficient of the constant

β_4 = regression coefficient or change induced in CLF*RP

RP = Regulatory policies
 CLF*RP = Interaction between cultural factors and Regulatory policies
 e = the error term

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.548 ^a	.301	.299	.63034	.301	198.231	1	461	.000
2	.692 ^b	.479	.477	.54468	.178	157.412	1	460	.000
a. Predictors: (Constant), Cultural Factors									
b. Predictors: (Constant), Cultural Factors, CLF*RP									

Table 11: Model Summary for Cultural Factors, Regulatory Policies and Uptake of Life Assurance Products
 Source: Field Data, 2023

The results in table 11 show that model 1, 30.1% (R20.301) of uptake of Life Assurance products was explained by cultural factors. With the moderating effect of regulatory policies and cultural factors (CLF*RP), model (2) contributed to 47.9% of the total differences in the uptake of Life Assurance products among policyholders in Kisumu County. Therefore, regulatory policies accounted for 17.8 % of the changes.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.764	1	78.764	198.231	.000 ^b
	Residual	183.171	461	.397		
	Total	261.935	462			
2	Regression	125.464	2	62.732	211.450	.000 ^c
	Residual	136.471	460	.297		
	Total	261.935	462			
a. Dependent Variable: Uptake_of_Life_Assurance_Products						
b. Predictors: (Constant), Cultural Factors						
c. Predictors: (Constant), Cultural Factors, CLF*RP						

Table 12: ANOVA^a for Cultural Factors, Regulatory Policies and Uptake of Life Assurance Products
 Source: Field Data, 2023

Table 12 shows that the calculated f 211.450 was higher than the critical value of 1.55 at a significance level of 5%. The null hypothesis was, thus, rejected and therefore, the model was fit to predict the moderation of regulatory policies between cultural factors and uptake of Life Assurance products.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.461	.111		22.197	.000
	Cultural Factors	.415	.029	.548	14.079	.000
2	(Constant)	3.048	.107		28.588	.000
	Cultural Factors	.351	.066	.464	5.305	.000
	CLF*RP	.147	.012	1.097	12.546	.000
a. Dependent Variable: Uptake of Life Assurance Products						

Table 13: Coefficients^a for Cultural Factors, Regulatory Policies and Uptake of Life Assurance Products
 Source: Field Data, 2023

Table 13 shows that the interaction term regulatory policies and cultural factors (CLF*RP) is positive and significant = 1.097 (p-value 0.000, p < 0.05). Therefore, a unit increase in cultural factors enhances Life Assurance product uptake by 1.097 units. The findings show a t-test value = 12.546, which indicated that the effect of cultural factors * regulatory policies (CLF*RP) was over 12 times that of the error associated with it. The new equation would, therefore, be: $Y = 3.048 + 0.147 \text{ CLF*RP}$

5. Summary of Findings, Conclusions and Recommendations

5.1. Summary of Findings

5.1.1. Cultural Factors and the Uptake of Life Assurance Products

The fourth objective of the study was to determine the effect of Cultural factors on the uptake of Life Assurance products among policyholders in Kisumu County. The findings indicated that clients are not willing to purchase a Life Assurance policy to protect their dependents because they do not believe in premature death. However, respondents were indifferent with regard to attitudes and values, property ownership, cultural taboos and risk aversion. Analysis of the association revealed a positive and substantial relationship between cultural characteristics and the acceptance of life insurance products. A regression study also revealed that cultural factors have a favourable and significant impact on Kisumu County Public Primary School teachers' adoption of life insurance products. According to the hypothesis's findings, cultural variables and the adoption of life insurance products have a good impact and a big role to play.

5.1.2. Moderating Role of Regulatory Policies on the Relationship between Demand Determinants on Uptake of Life Assurance Products

The second objective of the study sought to establish the moderating influence of regulatory policies on the relationship between demand determinants and uptake of Life Assurance products among Public Primary school teachers in Kisumu County. Four sub-hypotheses were derived from this objective. It was anticipated that regulatory policies would not have a statistically significant moderating effect on the relationship between demand determinants and uptake of Life Assurance products among public primary school teachers in Kisumu County. It has been found that variances in the adoption of life insurance products among public primary school teachers in Kisumu County can be attributed to regulatory policies and demand-determinant factors in the amount of 57.9%. These findings corroborate Wanjiru's (2016) study, which discovered that the functions of capacity building and training, supervision, and awareness-raising greatly enhanced the governance of the insurance enterprises in Kenya. Additionally, this study is in favour of the existence of an insurance regulatory body with responsibility for protecting policyholders. The IRA assesses the effects of certain insurance services on the market after receiving a complaint.

6. Conclusions

Insurance firms need to put more effort with regard to cultural factors that are hindering the uptake of Life Assurance products. This study found varied responses with regard to their religious beliefs, cultural taboos and property ownership. According to the findings of univariate regression, cultural factors in Kisumu County, Kenya, had a favourable and substantial impact on the acceptance of life insurance products among public primary school teachers. The null hypothesis that cultural influences have no appreciable impact on the adoption of life insurance products by Public Primary school teachers in Kisumu County was disproved as a consequence of the regression results.

7. Recommendations

The current study not only advances academic knowledge in a variety of ways but also has a number of practical consequences on issues connected to the usage of demand drivers that will result in varying degrees of success in increasing the uptake of Life Assurance products. The study has demonstrated how business managers should evaluate the results of their firms' investments in demand determinants and regulatory regulations. The following recommendations are addressed in detail:

- The results of this study will give managers knowledge about the regulatory policies to take into account in the relationship between demand factors and the adoption of life insurance products;
- The empirical results can help managers recognize the need for demand determinants, which should be aligned with the overall business strategy to uptake Life Assurance products.

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