

Abstract

The aim of the study was to investigate the influence of premium deposits on financial performance of insurance companies listed at Nairobi securities exchange. Theory underpinning this study was Arbitrage Pricing Theory. The study adopted descriptive research design. Target population of the study included 6 insurance companies listed in Nairobi Stock Exchange. The target respondents were finance officers, internal auditors, credit managers, operations managers, valuers and underwriters. Thus the total target population was 36 respondents from the six insurance companies listed in Nairobi stock exchange. The study used questionnaires to collect data. Questionnaires were tested for validity and reliability. The collected data was analyzed using statistical package for social sciences. Data was analyzed using descriptive statistics and inferential statistics and was presented in tables and relevant discussions. Findings indicated that premium deposits had a significant relationship with financial performance. Further, regression analysis indicated that premium deposits have a significant influence on financial performance of insurance companies. Hence the study concluded that premium deposits are crucial in determining the financial performance of insurance firms listed in NSE. The study recommended that insurance firms should work towards maximizing their insurance deposits to maximize on their financial performance.