

**EFFECTS OF INSURANCE MIX ON MICROFINANCE CLIENTS LOYALTY: ACASE
STUDY OF MICROFINANCE INSTITUTIONS IN MAKUENI COUNTY**

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ABSTRACT

Kenya's financial sector has remarkably grown over the past five years. With the emphasis on financial inclusion to the poor Microfinance sector has been on the raise. In the recent past, microfinance as a tool of poverty alleviation has been accepted and appreciated around the world; however the industry is now on the spotlight over the issues of full financial inclusion where by the poor can assess more financial services other than savings and credit, the public has begun to question the effectiveness of microfinance in alleviating poverty citing consumer protection policy issues.

A survey research strategy was used in collection of data through use of questionnaires.

Questionnaires were distributed to a large number of people, increasing the odds for a greater number of respondents and thus increase reliability of the findings.

The study established that Insurance has been proved to be a tool to help the microfinance industry meet its main objective of poverty eradication by mitigating the risks that the poor eminently meet on their day to day activities the study clearly shows that microfinance clients have drawn positive effects from the insurance cover procured.

The study recommends more and aggressive marketing strategies should be employed to capture more clients as well as tailoring premium payments to suite client's income cycles.