

**ASSESSING THE LONG-TERM FINANCIAL RISK PROTECTION
IMPACT OF COVID-19: AN ANALYSIS OF PRIVATE HEALTH
INSURANCE PRACTICES IN KENYA**

MARGARET MWANZIA

138711

**A RESEARCH PROJECT SUBMITTED TO STRATHMORE BUSINESS SCHOOL OF
STRATHMORE UNIVERSITY IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION IN HEALTH CARE MANAGEMENT**

MAY 2024

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

Margaret Ndunge Mwanzia... [Name of Candidate]

.....  [Signature]

.....13 May 2024.....[Date]

Approval

The thesis of Margaret Ndunge Mwanzia was reviewed and approved by the following:

Name of Co-Supervisor: Mr. Eric Tama

Faculty Affiliation

Institution: Strathmore Business School

[Signature] 

[Date].....13 May 2024

Name of Supervisor: Prof. Joseph Onyango

Associate Professor

Strathmore University, Business School

[Signature] 

[Date].....13 May 2024.....

ABSTRACT

The Covid-19 pandemic has profoundly impacted healthcare utilization and spending trends, posing unprecedented challenges for health insurance providers worldwide. In Kenya, private health insurers faced significant financial strains as they navigated the complexities of the pandemic. This study assessed the long-term financial risk protection impact of the Covid-19 pandemic on private health insurance practices in Kenya, with a focus on identifying key challenges, lessons learned and actionable recommendations for enhancing insurance coverage in future pandemic scenarios. Through an exploratory research design, qualitative data were collected from top managers across 12 private insurance companies in Kenya, including financial, marketing and underwriting managers. Using the framework approach analysis method, patterns and relationships in the data were identified. Findings revealed insights into the effectiveness of pandemic response strategies adopted by private insurers, highlighting successful initiatives such as the rapid adoption of telemedicine services and digital platforms to enhance accessibility and continuity of healthcare services during lockdowns and movement restrictions, and areas for improvement that include, enhancing affordability for clients, addressing operational delays stemming from remote work arrangements, and strengthening IT infrastructure to support seamless service delivery.. Recommendations include enhancing communication with policyholders, diversifying coverage options, and investing in digital infrastructure to support remote work and service delivery. These insights provide valuable guidance for policymakers and stakeholders in the private health insurance sector, facilitating informed decision-making and enhancing resilience in future health crises.

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ABBREVIATIONS AND ACRONYMS

- AHAIC:** Africa Health Agenda International Conference
- GKV:** Gesetzliche Krankenversicherung
- IMF:** International Monetary Fund
- KDSH:** Kenya Demographic Health Survey
- NHIS:** National Health Interview Survey
- OECD:** Organisation for Economic Co-operation and Development
- SDG:** Sustainable Development Goals
- UHC:** Universal Health Coverage
- UNMS:** United Nations Member States
- USCB:** United States Census Bureau
- WHO:** World Health Organization

DEFINITION OF TERMS

Financial Risk	It refers to the potential for loss or adverse effects on financial performance due to market conditions, economic factors, or specific events that may impact an individual or organisation's financial assets or investments (Higgins, 2002).
Health System Resilience	It refers to the capacity of a healthcare system to withstand and adapt to shocks, disruptions, or crises while maintaining essential functions and delivering quality healthcare services (Kruk et al., 2017).
Insurance Cover	It is also referred to as insurance policy, it refers to the contractual protection provided by an insurer to an individual or entity against specified risks, offering financial compensation for covered losses (Klein, 2011).
Pandemic	A pandemic is a global outbreak of a contagious disease that affects many people, often spanning multiple countries or continents (World Health Organization, 2010).
Risk	It refers to the potential for loss or harm resulting from uncertainty or the chance of an adverse event occurring (Hull, 2018).
Risk Pooling	Risk pooling is a strategy in which resources, such as funds or risks, are combined from multiple individuals or entities to spread the financial burden and reduce overall uncertainty (Arrow, 1963).
Risk Protection	Risk protection, often offered through insurance policies or other mechanisms, involves providing financial security and compensation against specified risks to individuals or organizations (Pauly, 1994).

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The background of financial risk protection in the medical field stems from the recognition that healthcare costs can significantly burden individuals and households (Murphy et al., 2019). Medical expenses can be exorbitant in many countries, leading to financial hardship and potential impoverishment, especially for those without adequate insurance coverage (Maital & Barzani, 2020). Several factors contribute to the rising expense of healthcare. Higher healthcare costs result from technological development and expanding access to medical procedures and treatments. A further burden on healthcare systems has been added by demographic changes, including ageing populations and the rise of chronic diseases (Matin et al., 2022). Financial risk protection measures have been created in response to difficulties and challenges of affordability and accessibility of quality healthcare services to lessen medical care costs (Erlangga et al., 2019). Health insurance coverage is particularly important in ensuring financial risk protection and access to healthcare treatments. Health insurance benefits individuals and households by pooling risks and distributing the cost of medical bills across a broader population. This lessens the financial burden of healthcare on individuals and contributes to the availability and affordability of essential medical treatments (Farley & Wilensky, 1985).

The COVID-19 pandemic has profoundly impacted long-term financial risk protection, particularly in the realm of health insurance, by exacerbating existing vulnerabilities and introducing new challenges. According to De Vos, Menon and Solé (2021), the pandemic has led to increased healthcare costs, decreased income stability and heightened uncertainty, all of which have strained individuals' and households' ability to manage long-term financial risks effectively. With the emergence of new variants and prolonged disruptions to healthcare services, the risk of unforeseen medical expenses and income loss persists, further undermining financial resilience (Schaller, Stevens & Mathur, 2021). Moreover, as noted by the World Bank (2020), the economic downturn resulting from the pandemic has disproportionately affected vulnerable populations, widening existing disparities in access to healthcare and financial protection. Consequently, the COVID-19 pandemic has underscored the critical importance of robust health insurance mechanisms in mitigating long-term financial risks associated with healthcare expenses,

necessitating a comprehensive analysis of private health insurance practices to ensure adequate protection for individuals and households (World Bank, 2020).

Private health insurance practices in Kenya are crucial in enhancing healthcare access and affordability for individuals and families, particularly in light of the country's fragmented public healthcare system and limited government resources. These practices offer a mechanism for individuals to mitigate the financial burden associated with unexpected medical expenses and ensure timely access to quality healthcare services, thereby promoting financial security and well-being (Maina et al., 2020). Furthermore, private health insurance provides long-term financial risk protection by offering coverage for a wide range of healthcare services, including hospitalisation, surgeries, and chronic disease management, thereby safeguarding individuals and families from very serious illness or injury's potentially catastrophic financial consequences (Oti et al., 2021). However, the COVID-19 pandemic has posed significant challenges to the long-term financial risk protection of private health insurance practices in Kenya. Ouma et al. (2021) highlighted disruptions to healthcare services, increased healthcare costs and reduced income levels among insured individuals, all of which have strained the ability of private health insurance schemes to provide effective financial protection during the crisis.

1.1.1 Global Perspective of the Health Insurance

Different health insurance models exist globally, ranging from publicly funded systems, such as those found in countries with universal healthcare, to private insurance systems prevalent in many developed nations. In some countries, public and private insurance options coexist (Hoffman, 2011). Private insurance systems involve individuals who purchase health insurance coverage from private insurance companies. This model, in most cases, coexists with publicly funded systems which provide additional coverage options (Hoffman, 2011). Countries that have adopted these models include the United States, which has a predominantly private insurance system. Individuals obtain health coverage through employer-sponsored plans or by purchasing individual plans directly from private insurance companies (Achstetter et al., 2022). Other countries in the global context include Germany, which combines public and private elements, the statutory health insurance system referred to as GKV (Gesetzliche Krankenversicherung), financed through social contributions. On the other hand, Netherlands has a mandatory private health insurance where

individuals must purchase coverage from private insurance companies. The government provides income-related subsidies to ensure affordability (Busse et al., 2017).

Publicly funded healthcare systems are typically financed through the government revenue, taxes, or social security contributions. They provide universal healthcare coverage to the population, whereas countries such as Canada use the Medicare United Kingdom through a universal healthcare system called The United Kingdom's National Health Service (NHS). Australia's healthcare system is also under this category, known as Medicare (Sadat, Carter & Golden, 2013). Financial risk protection in the medical field goes beyond insurance coverage alone. It also encompasses other mechanisms such as social health protection programs, government subsidies, and safety nets designed to support vulnerable populations. These initiatives ensure that healthcare remains affordable and accessible, particularly for low-income individuals, marginalized communities, and those facing significant health risks (Erlangga et al., 2019).

1.1.2 Regional Perspective of the Health Insurance

Financial risk protection through healthcare insurance systems in Africa, varies across countries and is influenced by economic development, governance, and healthcare infrastructure (Ly, Bassoum & Faye, 2022). Some countries have made progress in implementing insurance systems to provide coverage and protect individuals from increased healthcare costs, but there are quite significant challenges and disparities. The impact of these systems has been well-tested during the pandemic, exposing the limitations and challenges. Ghana for instance has implemented the National Health Insurance Schemes (NHIS) that provides coverage for a wide range of healthcare services (Yaya et al., 2017). Rwanda on the other hand has established Community-Based Health Insurance (CBHI) that is known as Mutuelles de Sante. Rwanda used this system to provide coverage for Covid-19 testing and treatment. Some African countries including South Africa have systems that cover specific population groups. Private health insurance also exists in some other African countries (Ray & Mash, 2021).

1.1.3 Kenyan Perspective of the Health Insurance

The National Hospital Insurance Fund (NHIF) is a government parastatal established in 1966 under Kenya's NHIF Act as a department under the Ministry of Health. Initially, its primary purpose was to provide mandatory health insurance coverage for formal sector employees. In 1998, it

underwent expansion to encompass informal sector workers as well. NHIF collects contributions from its members and employers, creating a fund to finance healthcare services when required. Kenya has witnessed significant changes in its healthcare system, particularly in the NHIF. The government has approved the scrapping of the NHIF and the establishment of three new funds: The Primary Healthcare Fund, Social Health Insurance Fund, and Chronic Illness and Emergency Fund (Capital News, 2023). This move aims to address the challenges the NHIF faces and pave the way for planned reforms in health financing improving health outcomes and financial protection for families. Additionally, there has been an increase in NHIF contributions for low-income earners, with the monthly contribution set to Ksh 300 to make healthcare more affordable and accessible for the demographic. Furthermore, several related bills have been passed, including the Primary Health Care Bill, Digital Health Bill, Facility Improvement Financing Bill, and Social Health Insurance Bill, to provide a legal and institutional framework for healthcare in Kenya by repealing the current NHIF and establishing the new funds. The Digital Health Bill aims to enable the development of standards for m-health, telemedicine, and e-learning in healthcare, to improve health outcomes and provide financial protection for families. These changes mark a significant shift in Kenya's healthcare landscape, with a focus on enhancing accessibility, affordability, and the overall quality of healthcare services. This approach not only advances the cause of universal health coverage (UHC) but also safeguards individuals and families from experiencing financial strain due to healthcare costs. NHIF's fundamental principle of risk pooling ensures that the financial burden of healthcare expenses is distributed among its members, contributing to a more equitable and accessible healthcare landscape in Kenya. All Kenyan citizens, including those employed in the economy's formal and informal sectors, are intended to have affordable access to healthcare services (Barasa et al., 2018).

NHIF differentiates between formally employed individuals and those in the informal sector in terms of membership and contributions. For formal sector employees, NHIF membership is obligatory, with monthly contributions determined by a percentage of their income and collected through employer-based statutory deductions. Conversely, informal sector individuals can voluntarily enrol in NHIF, making fixed-rate monthly contributions directly to the fund. This distinction ensures that both groups can access healthcare coverage, with formally employed members contributing proportionate to their income, while informal sector members make a standardised contribution to NHIF. The program offers several advantages, such as coverage for

maternity care, surgical operations, and some chronic diseases. It also covers inpatient and outpatient services. The NHIF collaborates with medical facilities to provide direct billing services, facilitating members' access to healthcare without upfront costs (Kairu et al., 2023). The NHIF was essential in providing financial security and coverage for COVID-19-related medical services during the COVID-19 epidemic.

Kenya's healthcare system has several challenges, some worsened because of the Covid-19 outbreak. Significant obstacles include limited accessibility and coverage, which are especially problematic for vulnerable communities and those working in the informal economy. With the ability to collect consistent premiums and guarantee sufficient resources for expanding coverage, funding and financial sustainability remain problems (Denis et al., 2021). The capacity of the healthcare infrastructure to deliver high-quality care is impacted by factors including insufficient staffing and facilities, which was already stretched during the pandemic due to increasing demand for services (Kimalu et al., 2004). Serious questions have also been raised about the management and accountability of NHIF funding due to difficulties with governance and transparency. The COVID-19 pandemic, added strain on the system, demand for more coverage, and the significance of effective resource allocation and management all contributed to its aggravation (Ray & Mash, 2021).

1.2 Statement of the Problem

Health-related Sustainable Development Goals (SDGs) and Universal Health Coverage (UHC) constitute pivotal frameworks to ensure equitable access to healthcare services globally. Within this context, financial risk protection plays a central role in mitigating the economic burden of healthcare expenses on individuals and households. Despite its significance, insurance coverage remains low in many regions, including Kenya, due to various socio-economic factors and varying perceptions of risk and risk appetite among populations (United Nations, 2021; World Health Organization, 2010; Kenya National Bureau of Statistics, 2018). Poverty, unemployment, and informal employment arrangements contribute to low insurance uptake among vulnerable populations, while affordability issues and trust deficits in insurance providers further hinder access to coverage (Mwabu & Wang'ombe, 2019). Addressing these barriers is essential to achieving health-related SDGs and UHC goals by ensuring that financial risk protection mechanisms are accessible and inclusive for all individuals and households.

In Kenya, the health insurance landscape comprises a mix of public and private schemes aimed at providing financial risk protection to individuals and families. The National Hospital Insurance Fund (NHIF) is the largest public insurer, offering coverage to both formal and informal sector employees, while private health insurance schemes cater to those seeking additional coverage beyond NHIF (Mwabu & Wang'ombe, 2019). However, insurance coverage in Kenya remains suboptimal, with significant disparities across socio-economic groups and regions (Kenya National Bureau of Statistics, 2018). Despite efforts to expand coverage, challenges persist, including limited awareness of insurance products, affordability issues, and trust deficits in insurance providers (Mwabu & Wang'ombe, 2019). These barriers contribute to low insurance uptake among vulnerable populations, including the poor, unemployed, and those in the informal sector, highlighting the need for targeted interventions to enhance access to health insurance in Kenya.

In examining the empirical studies, while Kodali (2023) explored challenges for achieving universal health coverage post-pandemic, including weak public care systems and lack of resilient health systems, Lee, Lee, and Kang (2011) investigated the impact of high-performance work systems in the healthcare industry. Habib, Perveen, and Khuwaja (2016) focused on the role of micro health insurance in providing financial risk protection in developing countries, while Kabia, Kazungu, and Barasa (2022) examined the effects of health purchasing reforms on equity, access, quality of care, and financial protection in Kenya. However, despite these studies, a significant gap remains in understanding the effectiveness, accessibility, and affordability of insurance policies specifically during pandemics, such as the COVID-19 pandemic, in the Kenyan context. Previous research may have focused on broader aspects of insurance or specific types of risks, leaving a critical gap in comprehensively understanding the response of insurance policies to the high-pressure environment created by pandemics and their impact on financial risk protection in Kenya. Thus, the current study needs to address these gaps comprehensively, which will focus on assessing the long-term financial risk protection impact of COVID-19 through an analysis of private health insurance practices in Kenya. By examining the response of private health insurance policies to the challenges posed by the COVID-19 pandemic, this study will provide valuable insights to inform evidence-based policies and interventions aimed at strengthening the resilience of health systems and enhancing financial risk protection for all Kenyan citizens.

1.3 Research Objectives

1.3.1 General Research Objective

The overall objective of this study is to examine the long-term financial risk protection impact of COVID-19 by conducting an analysis of private health insurance practices in Kenya.

1.3.2 Specific Research Objectives

- i. To investigate the challenges and experiences encountered by private health insurance companies in Kenya during the COVID-19 pandemic.
- ii. To examine business models and insurance package adjustments in response to pandemic challenges by private health insurance companies.
- iii. To evaluate the effectiveness of private health insurance companies' pandemic response strategies in mitigating financial risks for individuals in Kenya.
- iv. To analyse the impact of long-term implications of the COVID-19 pandemic on financial risk protection in the private health insurance sector in Kenya.

1.4 Research Questions

- i. What challenges and experiences did private health insurance companies in Kenya face during the COVID-19 pandemic?
- ii. How did private health insurance companies adjust their business models and insurance packages in response to pandemic challenges?
- iii. How effective were the pandemic response strategies implemented by private health insurance companies in mitigating financial risks for individuals in Kenya?
- iv. What is the impact of the long-term implications of the COVID-19 pandemic on financial risk protection in the private health insurance sector in Kenya?

1.5 Scope of the Study

The scope of this study encompasses a comprehensive analysis of private health insurance practices in Kenya, focusing on the long-term financial risk protection impact of the COVID-19 pandemic. The specific research objectives guide the investigation into various facets of private health insurance companies' responses to the pandemic. First, the study aims to explore the challenges and experiences encountered by these companies during the COVID-19 crisis, shedding

light on the specific hurdles faced in maintaining financial stability and providing effective coverage amidst unprecedented circumstances. Secondly, it seeks to delve into the adjustments made by private health insurance firms to their business models and insurance packages in response to the challenges posed by the pandemic, examining how these adaptations have influenced their operations and offerings. Thirdly, the study intends to assess the effectiveness of private health insurance companies' pandemic response strategies in mitigating financial risks for individuals in Kenya, focusing on factors such as claims processing efficiency, coverage expansion, and premium affordability. Lastly, it aims to analyse the long-term implications of the COVID-19 pandemic on financial risk protection in the private health insurance sector in Kenya, considering factors such as changes in premium rates, claim ratios, reserve levels, and membership dynamics.

In line with an interpretivist research philosophy, this study adopts an exploratory research design to gain a deeper understanding of the experiences, challenges, and responses of private health insurance companies during the COVID-19 pandemic. The population under study consists of all top management and underwriting managers in the 12 private health insurance firms in Kenya, who will provide insights into their organizations' practices and experiences. Qualitative data will be collected through in-depth interviews using interview guides, allowing for rich and nuanced insights into the subjective experiences and perspectives of key stakeholders. The Framework Approach will be employed for qualitative data analysis, facilitating the systematic organization, coding, and interpretation of interview data to identify key themes, patterns, and relationships relevant to the research objectives. This methodological approach enables a thorough exploration of the research questions and ensures that the study captures the intricacies and context-specific nuances of private health insurance practices in Kenya during and after the COVID-19 pandemic.

1.6 Significance of the Study

1.6.1 Policymakers in Kenya

This study is significant for policymakers in Kenya. By assessing the current landscape of insurance coverage in healthcare services after the Covid-19 pandemic, policymakers can gain insights into the strengths and weaknesses of the existing system. They can identify gaps and challenges in insurance coverage and use the findings to develop policies and regulations that enhance accessibility, affordability, and effectiveness of private health insurance. The study's

findings can inform evidence-based decision-making, allowing policymakers to introduce reforms, strengthen the insurance framework, and improve financial risk protection during future pandemics.

1.6.2 Healthcare Practitioners and Insurance Providers

The study also holds practical significance for healthcare practitioners and insurance providers. Understanding how the Covid-19 pandemic has influenced the accessibility and affordability of private health insurance in Kenya can help these stakeholders identify areas for improvement. It will guide insurers in developing strategies to enhance coverage and make it more accessible to individuals and businesses. Healthcare practitioners will also benefit by understanding the challenges and barriers individuals and businesses face in utilizing insurance coverage. This knowledge will inform their practices and enable them to provide more effective support and guidance to patients seeking healthcare services.

1.6.3 Future Researchers and Academicians

The study also holds significance for future researchers and academicians in the field. The findings of this study will contribute to the existing body of knowledge on financial risk protection during pandemics, particularly in the context of private health insurance. It will fill the research gap and provide a foundation for further studies and academic discourse. Future researchers will build upon the findings, delve deeper into specific aspects, and explore innovative solutions to improve insurance coverage and financial risk protection. The study's outcomes will also serve as a reference for future academicians and researchers seeking to understand the dynamics of insurance coverage and its impact on healthcare access and affordability during pandemics.

1.7 Chapter Summary

The chapter serves as an extensive introduction to the concept of financial risk protection in healthcare, focusing on its importance, global perspectives, and specific insights into the Kenyan context. It begins by elucidating the background of financial risk protection, highlighting the challenges posed by rising healthcare costs and the exacerbating effects of the COVID-19 pandemic. The chapter underscores the critical role of health insurance in mitigating financial risks and ensuring access to quality healthcare services. It then delves into the global, regional, and

Kenyan perspectives of health insurance, exploring various models and schemes implemented worldwide and their effectiveness in providing financial risk protection. The chapter further outlines the specific challenges faced by Kenya's healthcare system, particularly in the context of the NHIF, and emphasizes the need for comprehensive analysis and reforms to enhance accessibility and affordability. Lastly, it sets the stage for the study by delineating the research objectives, questions, scope, methodology, and significance, laying a robust foundation for investigating the long-term financial risk protection impact of COVID-19 on private health insurance practices in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter looks at the literature previously brought forth by researchers. It highlights different contributions in the field of financial risk protection in conceptual framework is also undertaken in this the healthcare industry. Therefore, the chapter reviews relevant theories that would form the basis of the study. The chapter also undertakes an empirical review to assess the research gap that the study would address. The conceptual framework of the study is also presented in this chapter.

2.2 Theoretical Review

The study considered various theories including the theory of institutional change, theory of organisational adaptation, the theory of risk pooling and insurance, behavioural economics and decision-making theory, and health system resilience theory to comprehend private health insurance companies' responses to the COVID-19 pandemic in Kenya. While the theory of institutional change and organizational adaptation shed light on how regulatory frameworks and organizational strategies evolve during crises, the theory of risk pooling and insurance, behavioural economics, and decision-making theory, and health system resilience theory offer direct insights into insurance mechanisms, individual decision-making processes, and health system resilience in the face of pandemics.

The study particularly focuses on the theory of risk pooling and insurance, behavioural economics and decision-making theory, and health system resilience theory due to their direct relevance to the study's objectives. These theories provide essential frameworks for understanding how private health insurance companies manage financial risks, address individual decision-making biases, and contribute to overall health system resilience amidst the COVID-19 pandemic. By anchoring on these theories, the study aims to explore the effectiveness of insurance mechanisms, behavioural interventions, and system-level strategies in mitigating the pandemic's impact on financial risk protection and healthcare access in Kenya. This section will examine the proposition of the anchoring theories, their relevance to the study and the criticisms that have been brought out of each theory.

2.2.1 Theory of Risk Pooling and Insurance

The Theory of Risk Pooling and Insurance was first introduced by economist Kenneth Arrow in 1963. This theory posits that by pooling risks across a large and diverse group of individuals or entities, such as insurance policyholders, the overall financial impact of adverse events can be reduced. Essentially, it states that spreading the risk among a larger pool of participants enables individuals to protect themselves from the financial consequences of unpredictable events, thereby enhancing their overall financial security (Arrow, 1963). The theory is based on the idea of spreading and sharing risks among many people or entities in order to lessen the financial impact of uncertain events. The theory places a strong emphasis on sharing resources and dividing risks among a wide range of participants in order to lessen the load of potential losses placed on each person or organization (Cronk & Aktipis, 2021). The concept of risk pooling and insurance can be traced back to ancient civilizations, where traders distributed their goods across multiple ships or caravans to reduce the risk of losing everything in a single event (Arrow, 1963). However, the formalization and development of the modern insurance industry can be attributed to various contributors and historical events, such as the establishment of Lloyd's coffee house in London, which laid the groundwork for marine insurance (Braithwaite, 1978).

The theory of risk pooling and insurance is best suited to anchor the second and fourth objectives. The second objective, "To examine business models and insurance package adjustments in response to pandemic challenges by private health insurance companies," aligns with this theory as it focuses on how private health insurance companies adjust their insurance packages and business models to mitigate risks associated with pandemics like COVID-19, which is central to the concept of risk pooling and insurance. Similarly, the fourth objective, "To analyse the impact of long-term implications of the COVID-19 pandemic on financial risk protection in the private health insurance sector in Kenya," is anchored by this theory because it delves into the long-term implications of pandemics on financial risk protection, which is a core aspect of risk pooling and insurance mechanisms.

The theory states that when individuals or entities face unpredictable risks, they can pool their resources by paying regular premiums into a collective pool managed by an insurer (Arrow, 1963). In exchange, participants gain coverage for specific risks outlined in the insurance policy. The insurer, using principles of actuarial science and probability theory, assesses the risks and sets

premiums at levels that cover expected losses and administrative costs while ensuring a profit margin (Mayers & Smith, 1981).

This theory underpins the fundamental concept of insurance and its role in mitigating financial risks during crises like the Covid-19 pandemic. It therefore anchors this study as it provides for risk pooling factor, that is effective where the party that suffers loss is compensated from the pooled resources. However, during a pandemic, most of the insured may suffer loss, and the health insurance firm, may find it cumbersome to meet their legal obligations of claims payments.

One of the criticisms of insurance and risk pooling theory is the potential for adverse selection and moral hazard. Adverse selection refers to the possibility that individuals with a higher probability of needing insurance benefits might be more likely to purchase insurance, leading to imbalanced risk pools and higher costs for insurers. Moral hazard, on the other hand, suggests that individuals might engage in riskier behaviour or overuse healthcare services when they are covered by insurance, leading to increased costs for insurers.

2.2.2 Behavioural Economics and Decision-Making Theory

Behavioural Economics and Decision-Making Theory was developed by psychologists Daniel Kahneman and Amos Tversky in the 1970s. The theory states that individuals do not always make rational decisions based on utility maximization, but are instead influenced by cognitive biases and heuristics that can lead to systematic errors in judgment and decision-making (Kahneman & Tversky, 1979). Behavioural economics and decision-making theorists are curious about how individuals make decisions when faced with imperfect information, constrained cognitive capacity, and decision biases (Leiser & Azar, 2008). The idea that man is economically reasonable is debunked by empirical results in behavioural economics and judgment and decision making (JDM), which show that people frequently act in economically unfavourable ways. Behavioural economics explores how individuals make decisions under conditions of uncertainty and risk. Prospect Theory, for instance, highlights that people are more averse to losses than they are attracted to gains. This means that during a pandemic, individuals may be more motivated to purchase insurance coverage to protect themselves from potential financial losses related to healthcare expenses (Kahneman & Tversky, 1973).

Behavioural Economics and Decision-Making Theory can best anchor the second objective, "To examine business models and insurance package adjustments in response to pandemic challenges by private health insurance companies," as it offers insights into how individuals and organizations make decisions under conditions of uncertainty and risk, which is particularly relevant for understanding how private health insurance companies adapt their business models and insurance packages in response to the COVID-19 pandemic. Additionally, this theory can also inform the fourth objective, "To analyse the impact of long-term implications of the COVID-19 pandemic on financial risk protection in the private health insurance sector in Kenya," by providing a behavioural lens through which to examine the long-term effects of the pandemic on individuals' financial decision-making and risk perceptions within the private health insurance sector.

This theory is highly relevant to the study on financial risk protection in a pandemic in Kenya. Understanding how individuals perceive risks and make insurance coverage decisions can help providers design more effective and appealing policies during a pandemic. It can also assist policymakers in devising targeted interventions to encourage individuals and businesses to enrol in insurance schemes, enhancing overall financial risk protection during crises (Garoupa, 2003). A major criticism of the theory is that it may need to fully capture the complexity of decision-making, especially in the context of insurance choices. Some argue that people's behavior might be influenced by various external factors and cognitive biases, leading to suboptimal decisions. Critics also highlight the challenge of accurately measuring and quantifying behavioural factors in empirical studies (Garoupa, 2003).

2.2.3 Health System Resilience Theory

Numerous academicians and researchers such as Fidler 1997 and Davies 2019 in public health and health systems management have discussed and contributed to the theory of health system resilience. It has been built through interdisciplinary contributions rather than having a single proposition of the concept. Other contributors of the health system resilience theory are Margaret E. Kruk, Jay B. Myers, Stephen A. Varpilah, and Bernice Dahn, who defined resilience as "the capacity of health actors, institutions, and populations to prepare for and effectively respond to crises; maintain core functions when a crisis hits; and, informed by lessons learned during the crisis, reorganize if conditions require it" (Kruk et al., 2015). This theory emphasizes the importance of health systems being able to withstand and adapt to shocks, such as pandemics or

natural disasters, by maintaining essential functions, learning from experiences, and adapting strategies accordingly (Kruk et al., 2015). Health system resilience theory focuses on a healthcare system's ability to withstand shocks and maintain essential functions during crises, such as a pandemic (Koeva & Rohova, 2020). A resilient health system can effectively respond to emergencies, provide access to healthcare services, and ensure financial risk protection for its population. It involves strengthening health infrastructure, ensuring effective coordination, and maintaining adequate resources to cope with unexpected events (Kittelsen & Keating, 2019).

This theory anchors the first objective, "To investigate the challenges and experiences encountered by private health insurance companies in Kenya during the COVID-19 pandemic," as it provides a comprehensive framework for understanding how health systems, including private health insurance companies, respond to and recover from crises, such as the COVID-19 pandemic, encompassing both short-term challenges and long-term implications on financial risk protection. Additionally, the theory anchors the third objective, "To evaluate the effectiveness of private health insurance companies' pandemic response strategies in mitigating financial risks for individuals in Kenya," as it focuses on assessing the capacity of health actors and institutions, including private health insurance companies, to prepare for and respond to crises like the COVID-19 pandemic, particularly in terms of their ability to mitigate financial risks for individuals.

The theory of health system resilience, as it relates to financial risk protection during crises like the COVID-19 pandemic, underscores the significance of prepayments and risk pooling mechanisms. Prepayments, involving regular contributions into a collective health financing pool, provide a stable source of funding for the healthcare system (Kruk et al., 2015). In a resilient health system, prepayments ensure predictable resources during emergencies, which can be vital in maintaining essential healthcare services and infrastructure. Simultaneously, risk pooling, the aggregation of resources from a diverse population, spreads the financial burden and acts as a safety net for those in need (WHO, 2019). When woven into the fabric of health system resilience, risk pooling is indispensable for managing the financial impact of a crisis. It ensures resources are available to cope with heightened healthcare demands during pandemics (Lagomarsino et al., 2012). By evaluating the effectiveness of insurance coverage within this framework, the study on financial risk protection in Kenya can better appreciate how these mechanisms enhance the

financial stability of the healthcare system during crises, reducing the financial vulnerability of the population and bolstering the overall resilience of the health system.

The study on financial risk protection during the Covid-19 outbreak in Kenya is particularly pertinent and significant to this study. Understanding Kenya's health system's resilience is essential for evaluating the efficiency of insurance coverage in providing financial protection given how the epidemic has strained healthcare systems worldwide (Forte, Santinha & Carvalho, 2021). The capacity of the health system to guarantee financial risk protection for the public during the pandemic can be impacted by resilience characteristics, such as strong insurance policies, sufficient funding, and efficient resource allocation.

Critics of health system resilience theory argue that it may need to fully account for systemic weaknesses and inequities within the health system. They suggest that focusing solely on resilience might overlook underlying structural issues contributing to disparities in healthcare access and financial risk protection. Additionally, measuring and assessing health system resilience can be challenging due to its multidimensional nature and the lack of standardized metrics (Forsgren et al., 2022).

2.2.4 Significance and Link of the Theoretical Literature

In the pursuit of assessing the long-term financial risk protection impact of COVID-19 on private health insurance practices in Kenya, the three overarching theories, provide a comprehensive framework to analyse and interpret the study objectives. The theory of risk pooling and insurance forms the foundation for understanding the concept of private health insurance coverage in Kenya. This theory emphasizes the importance of spreading the financial risk associated with health-related events across a larger population, promoting financial stability and protection for individuals (Mayers & Smith, 1981). Through an assessment of the current landscape of private health insurance in Kenya, this theory can shed light on the extent to which risk pooling has been effective in managing the financial burdens incurred by individuals during COVID-19-related illnesses. Additionally, when analysing the sufficiency of private health insurance coverage tailored for COVID-19, the theory aids in evaluating the effectiveness of risk pooling in addressing the specific challenges posed by the pandemic (Cronk & Aktipis, 2021).

Behavioural economics and decision-making theory contribute to the study by providing insights into the factors influencing individuals' choices regarding private health insurance coverage during a pandemic (Leiser & Azar, 2008). Understanding how behavioural biases and decision-making processes impact the uptake and utilisation of insurance can help address the objective that focuses on identifying challenges encountered by private health insurance coverage during the COVID-19 pandemic. Examining the psychological aspects of decision-making in the context of health insurance can unveil barriers or motivators that influence individuals' choices, providing valuable information for policymakers and insurance providers (Koeva & Rohova, 2020).

Health system resilience theory complements the study's focus on the long-term impact of private health insurance practices on financial risk protection. This theory emphasizes the adaptive capacity of health systems to absorb shocks and maintain essential functions during crises. Analysing the resilience of the private health insurance system in Kenya during and after the COVID-19 pandemic allows for a broader understanding of its effectiveness in providing sustained financial protection. Moreover, insights gained from this theory can inform strategies to enhance the resilience of private health insurance practices, ensuring their continued efficacy in future public health crises (Koeva & Rohova, 2020).

By integrating these three theories, the study provides a holistic analysis of private health insurance practices in Kenya, comprehensively addressing the study's objectives. The risk pooling and insurance theory lays the groundwork for understanding coverage dynamics, behavioural economics elucidates individual decision-making processes, and health system resilience theory provides a broader perspective on the sustainability of private health insurance practices in the face of a pandemic. Together, these theories contribute to a robust framework for assessing the long-term financial risk protection impact of COVID-19 on private health insurance in Kenya.

2.3 Empirical Review

In this section, the study critically examines relevant empirical studies aligned with its objectives to provide a comprehensive understanding of the challenges and experiences faced by private health insurance companies in Kenya during the COVID-19 pandemic. Through a systematic review of literature, the study investigates the responses of private health insurance companies to the pandemic, including their business model adjustments and insurance package adaptations. By analysing existing research within the study's objectives, the authors aim to identify key insights

and knowledge gaps that contribute to the understanding of private health insurance companies' roles in mitigating financial risks for individuals in Kenya during the pandemic.

Furthermore, reviewing empirical studies enables the evaluation of private health insurance companies' pandemic response strategies and their effectiveness in safeguarding financial risk protection for individuals in Kenya. By synthesizing findings from diverse studies, the authors aim to discern patterns, trends, and discrepancies in the approaches adopted by private health insurance companies, providing valuable insights into the efficacy of their interventions. Additionally, the examination of the long-term implications of the COVID-19 pandemic on financial risk protection in the private health insurance sector in Kenya offers a forward-looking perspective, enriching the discourse on future preparedness and resilience-building strategies within the insurance industry. Through this comprehensive review, the study sets the stage for its own research contributions by identifying gaps in existing literature and framing the research questions within the broader context of the private health insurance landscape in Kenya.

2.3.1 The Challenges and Experiences Encountered by Private Health Insurance Companies during the COVID-19 Pandemic.

A study by Filip et al. (2022) examined the global challenges faced by public health care systems during the COVID-19 pandemic, focusing on the rapid spread of SARS-CoV-2 and its impact on the ability of countries worldwide to manage health care needs. It highlighted shortcomings in medical care infrastructures, emphasizing the need to reorganize medical systems to better prepare for pandemics. The paper discussed various approaches adopted by different countries to address the pandemic, including the reorganization of medical sections to prioritize COVID-19 cases. Furthermore, it emphasized the importance of expanding digital network medicine, such as telemedicine and mobile health apps, to ensure patients receive appropriate care while minimizing exposure to contagions. The study concluded that an overhaul to streamline health care is essential, advocating for greater use of mobile health and telemedicine to control the spread of new variants and future outbreaks.

Care for individuals with chronic illnesses in Germany faced significant challenges during the COVID-19 pandemic, prompting a scoping review conducted by Scheidt-Nave (2020). The study aimed to compile evidence on changes in healthcare service availability and utilization, and their

potential impact on the health of individuals with selected chronic conditions including cancer, cardiovascular diseases, diabetes mellitus, and mental disorders. Findings revealed a notable decline in the utilization of inpatient treatments, particularly in oncology, cardiology, and mental health during March and April 2020. While adjustments to inpatient care capacities did not generally compromise emergency care, outpatient healthcare services witnessed extensive modifications for all disease groups. Despite these observations, limited empirical data were available, underscoring the urgent need for on-going surveillance and evaluation to understand the impact of healthcare service adjustments on population health.

A study by Aregbeshola & Folayan (2022) examined Nigeria's health care financing during the COVID-19 pandemic, analysing the response to the crisis. It found that Nigeria initially projected a need for \$330 million to combat the pandemic but raised over \$560.52 million, mainly from the private sector and donor communities. However, the funds were primarily allocated to temporary public health and clinical care measures, with limited investment in strengthening the overall health system. Challenges included delays in COVID-19 test results, stigma leading individuals to seek alternative care, and significant economic hardships due to out-of-pocket expenses and reduced earning opportunities. The study recommended implementing fiscal policies, including incorporating COVID-19 management into health insurance packages and increasing domestic government health spending to mitigate the financial impact of the pandemic.

David Williams, Yung and Grépin (2021) investigated the impact of COVID-19-induced crises on private health services in low- and middle-income countries (LMICs), with a particular focus on how pre-existing market failures exacerbated by neoliberal policies contributed to three urgent crises within these health systems. Using data compiled from COVID-19 related news items sourced from the Global Database of Events, Language, and Tone, the researchers identified three main crises: a financial and liquidity crisis among private providers, challenges in service provision and pricing, and strained state-provider relations. These crises highlighted the shortcomings of the public-private model in health systems and underscored the need for re-evaluation and reform towards achieving Universal Health Coverage. The findings suggested that the COVID-19 pandemic had unveiled deep-seated issues within LMIC health systems, necessitating a reorientation of national health policies and strategies to address these systemic challenges.

Mishra et al (2015) addressed the barriers to health services in Nepal. They explored the implementation of a social health security scheme (SHS) to increase access to health services for the poor, marginalized, and hard-to-reach populations. The study highlighted the existing gaps in health facility accessibility, with only 61.8% of Nepalese households having access to health facilities within 30 minutes, showing significant disparities between urban (85.9%) and rural (59%) areas. The Government of Nepal formed the Social Health Security Development Committee to implement the SHS, aimed at providing basic health services free of cost to citizens. However, challenges remained, particularly in financing the scheme. The study recommended learning from earlier community-based health insurance schemes to address low enrolment, retention issues, and pro-rich biases. Mechanisms for monitoring unfair pricing and unaffordable copayments were to be established and the benefit package should include coverage of major health services, including non-communicable diseases. Regulations were also to include accreditation mechanisms for private providers. Health system strengthening, efficiency improvement in hospitals, healthcare worker motivation, and appropriate technology usage were essential to enhance the quality of health services.

Carrin et al. (2007) examined the history of health financing policy changes in Kenya since its independence in 1963 and the recent efforts towards achieving universal health coverage (UHC) through a new Social Health Insurance Law. The study investigated the discussions regarding the proposed law's economic feasibility and political acceptability, with stakeholders expressing concerns about its design features. The researchers proposed a transition period, likely lasting more than a decade, to address economic, social, political, and organisational factors. During this period, important objectives such as improving access to healthcare and preventing impoverishment due to direct healthcare payments should be prioritized, allowing for steady progress towards effective universal coverage. The findings highlighted the need for careful planning and recognition of essential objectives to achieve successful and sustainable universal health coverage in Kenya. The study recommended comprehensive stakeholder engagement, economic assessments, and strong policy implementation strategies to ensure a successful transition towards UHC.

2.3.2 Business Models and Insurance Package Adjustments in Response to Pandemic Challenges by Private Health Insurance Companies.

A study by Schmidt et al. (2022) investigated the initial responses to the COVID-19 pandemic in selected European countries with social health insurance (SHI) systems. Utilizing data collected up to November 2020 from the COVID-19 Health System Response Monitor (HSRM), the analysis focused on eight countries (Austria, Belgium, France, Germany, Luxembourg, the Netherlands, Slovenia, and Switzerland). The findings revealed that SHI funds did not play a significant role in crisis management, with some countries' responsibilities shifting towards central governments. Despite challenges with decentralization leading to coordination costs, coordinated ambulatory care helped prevent hospitals from becoming overburdened. Additionally, there was a notable increase in the use of teleconsultations by healthcare providers, which may become a standard practice. The study recommended active involvement of SHI funds in crisis management to enhance health system resilience.

De Foo et al. (2023) investigated health financing policies during the COVID-19 pandemic and their implications for universal health care (UHC) across 15 countries. Methodologically, the researchers examined national health financing policy responses, employing a case study approach with purposive selection of countries to represent various WHO regions, income levels, UHC index scores, and health system typologies. Data collection involved a systematic literature review and in-depth interviews with health systems and financing experts. Findings revealed that resilient health financing for health emergencies involves two main phases: absorb and recover, followed by sustain. Key financing policies implemented included use of extra-budgetary funds, repurposing existing funds, efficient fund disbursement mechanisms, mobilization of the private sector, and expansion of service coverage. The study underscores the importance of leveraging the pandemic to strengthen health financing policies and politically commit to public financing mechanisms for future emergencies and UHC advancement.

Ajwang (2022) conducted a study that explored the re-evaluation of public health insurance coverage in Kenya following the onset of the COVID-19 pandemic. Over the years, Kenya's National Hospital Insurance Fund (NHIF) primarily focused on providing coverage to formal sector employees, leaving those in the informal sector with limited access to health insurance. The study investigates the role of health insurance in providing social protection during a pandemic,

highlighting challenges faced by both NHIF members and private insurance subscribers. Through qualitative data collection methods such as desktop research and in-depth interviews, the study found that health insurance can serve as a crucial form of social protection and enhance access to healthcare during a pandemic. The findings suggest the need for policy reforms and further research to improve health insurance coverage in Kenya.

A review by Tessema et al. (2021) investigated the preparedness, impact, and response of African healthcare systems to the COVID-19 pandemic. Utilizing a scoping review methodology, the study searched multiple databases for both peer-reviewed articles and grey literature, capturing studies related to preparedness, impacts, or responses associated with COVID-19. A total of 22 eligible studies were included, revealing significant gaps in health system preparedness, such as a lack of essential health services, inadequate resources and equipment, and limited testing capacity. The pandemic led to reduced access to general and essential health services, with common impacts including a decrease in patient flow and missed appointments. Health system responses, although varied, included measures such as telephone consultations, re-purposing of services, and establishment of isolation centres.

2.3.3 The Effectiveness of Private Health Insurance Companies' Pandemic Response Strategies in Mitigating Financial Risks for Individuals in Kenya.

De Bruin et al. (2020) delved into the initial effects of global risk mitigation strategies implemented during the COVID-19 pandemic. The authors conducted an analysis of the various measures adopted by countries worldwide to combat and contain the spread of the SARS-CoV-2 virus, which causes COVID-19. These measures were categorized into clusters using standardized terminology, such as mobility restrictions, physical distancing, and hygienic practices. The study aimed to provide insights into the effectiveness of these measures in preventing the spread of the virus and mitigating its impact. While the quantitative effectiveness of each measure was not fully determined at the time of the study, it was observed that a combination of voluntary and enforceable measures yielded the most promising results. This analysis serves as a valuable resource for policymakers, sectors, and first responders, offering lessons learned and recommendations for enhanced prevention, preparedness, and response to future outbreaks.

Xu (2022) sought to investigate the impact of the COVID-19 pandemic on insurance markets and the subsequent policy responses. The research methodology employed in this study involved analysing the growth trajectory of China's insurance industry over the years, focusing on key metrics such as the scale of premiums, compound annual growth rate, and the proportion of premium income to total GDP. Through a comprehensive examination of these factors, the study aimed to elucidate the evolving dynamics of China's insurance landscape amidst the pandemic. The findings revealed a remarkable growth trajectory in China's insurance industry, with a significant increase in premium income and insurance assets, positioning it as the world's second-largest insurance market. Additionally, the study underscored the vital role of insurance assets in China's capital market and highlighted the resilience of the insurance sector amid the challenges posed by the COVID-19 pandemic.

Richter and Wilson (2020) examined the repercussions of the COVID-19 pandemic on insurer risk management and the feasibility of insuring against pandemic risks. Methodologically, the research employed underwriting policies and scenario analysis to enhance preparedness and devise contingency measures for crises. It compared the actual outcomes of the COVID-19 crisis with a pre-pandemic scenario based on historical epidemics like the 2002 SARS outbreak and the 1918 Spanish influenza pandemic. Findings revealed that while financial market developments largely overshadowed claims losses, the pandemic's unexpected impact on the real economy and property and casualty segment posed challenges to business interruption property triggers and exclusions, potentially affecting the insurability of pandemics and the industry's reputation. Consequently, the study emphasized the importance of upfront resilience in solvency and liquidity, the revision of business interruption wordings, and the reassessment of insurability due to the potential accumulation risk and external moral hazard posed by pandemics.

A study by Naseeb, Diab, and Metwally (2020) explored the impact of the COVID-19 pandemic on pricing and fraud risks in medical and travel insurance within the Gulf Cooperation Council (GCC) region. Data was gathered through archival research and discussions with chief risk officers (CROs), internal auditors, and insurance practitioners. Findings indicated that the pandemic introduced immediate pricing and fraud risks in the GCC insurance industry, challenging traditional risk management models. Insurers resorted to scenario analysis and brainstorming to anticipate costs, while managing fraud risk proved more challenging due to ineffective internal

controls exacerbated by remote work arrangements and digital transformations. Delays in fraud investigations raised concerns about insurers' reputations and prompted negotiations with insured parties. The study recommended policy enhancements to address these challenges and provided practical insights for insurers and risk managers navigating pandemic-related risks in the insurance sector.

2.3.4 The Impact of Long-Term Implications of the COVID-19 Pandemic on Financial Risk Protection in the Private Health Insurance Sector in Kenya.

A study by Castro (2021) investigates the inference of risks associated with future pandemics for health insurance companies, particularly in response to the challenges posed by the COVID-19 pandemic. Using simulation and bootstrap methods, the study estimates the associated costs of medical treatments for future pandemics, focusing on hospital admissions, COVID-19 tests, and Individual Protection Equipment (IPE). The main challenge addressed in the research was estimating the number of hospitalizations the insurer would need to support, considering incidence rates, hospitalization rates, and available bed limits. Through simulation procedures, the study assesses patients' daily occupancy of beds and estimates the company's financial burden. Additionally, stress tests are conducted to evaluate extreme scenarios beyond the characteristics of COVID-19, recognizing the unpredictable nature of future pandemics.

Przybytniowski et al. (2022) aimed to investigate the risk and potential consequences of the COVID-19 pandemic on the business insurance market in the medium- and long-term. The methodology involved presenting theoretical approaches related to the pandemic's nature, outlining COVID-19 measurement rules, and describing its potential effects on the insurance market. Unlike previous reports focusing solely on short- and long-term horizons, this study also examined the medium-term horizon. The findings highlighted potential consequences for both insurance company clients and insurers, including changes in insurance premiums and the emergence of innovative offers. Additionally, the study emphasized the importance of insurer strategy in building resilience to future crises and planning emergency solutions. The study concluded that changes in the business insurance market were dominant in the aftermath of the pandemic, confirming the researchers' hypotheses.

A study by Sharpe, Kuszyk and Mossa-Basha (2021) investigated the short- and long-term financial repercussions of the COVID-19 pandemic on private radiology practices. The study aimed to outline the specific challenges faced by radiologists working in various types of private radiology practices during the pandemic's peak. The authors detailed the factors that determined the pandemic's impact on these practices, the difficulties they encountered, the adjustments made to cost levers, and the government subsidies sought. Moreover, the study highlighted the adjustments made by practices to their mid- and long-term strategic plans to pivot for long-term success while navigating the pandemic. Private practices implemented tiered strategies to address the pandemic's impact by modifying service availability, staffing, compensation, benefits, time off, and expenses. They also explored additional revenue sources within their practice boundaries to offset on-going financial losses. Ultimately, the study synthesized the collective experience of private-practice radiologists, providing insights into how these practices are adapting to the evolving landscape shaped by the COVID-19 pandemic.

A study by Verhagen et al. (2020) aimed to understand the immediate and long-term impacts of the COVID-19 pandemic on socio-economic development in sub-Saharan Africa. Researchers utilized a macro-economic lens to analyse the effects of COVID-19 on country-level mortality, GDP growth, and international monetary flows such as trade, aid, FDI, and remittances. Findings indicated that the pandemic significantly reduced economic growth, altered international economic interactions, and increased poverty across various thresholds. Furthermore, the study revealed that the effects of COVID-19 on human development cascaded across three systems: direct impacts on health systems, mitigation through government policies, and changes in international economic systems. These findings suggest that the majority of macro-economic effects may not be temporary and could disproportionately shift long-term development pathways in low- and middle-income countries, potentially offsetting gains made towards SDG achievement in previous decades.

2.4 Summary of the Literature and Research Gaps

The literature review for this study focuses on an empirical review that examines previous research undertaken by various researchers and academicians. It indicates what has currently been assessed, what is not yet assessed, and what has been assessed but not conclusively. The research indicates different research gaps that may include conceptual gaps and contextual gaps. The summary is as shown in Table 2.1.

Table 2. 1: Summary of the Literature and Research Gaps

Study (Title and Citation)	Methodology	Findings	Research Gap
Challenges Faced by Public Health Care Systems During the COVID-19 Pandemic (Filip et al., 2022)	Literature review	Identified global challenges faced by public healthcare systems during COVID-19, emphasized need for medical system reorganization and expansion of digital healthcare.	Focus on public healthcare systems, not private health insurance companies.
Impact of COVID-19 on Healthcare Service Availability and Utilization (Scheidt-Nave, 2020)	Scoping review	Notable decline in utilization of inpatient treatments during COVID-19 pandemic, adjustments made to outpatient healthcare services.	Focus on healthcare service availability and utilization, not specifically private health insurance practices.
Nigeria's Health Care Financing Response to COVID-19 (Aregbeshola & Folayan, 2022)	Review of health care financing policies	Nigeria allocated funds for COVID-19 response, primarily from private sector and donors, limited investment in strengthening overall health system.	Study focused on Nigeria's health care financing, not specific to private health insurance companies.
Impact of COVID-19-induced Crises on Private Health Services in LMICs (David Williams, Yung and Grépin, 2021)	Analysis of COVID-19-induced crises	Financial and liquidity crisis among private providers, challenges in service provision and pricing, strained state-provider relations.	Primarily focused on private health services in LMICs, not specific to private health insurance companies.
Barriers to Health Services in Nepal and Social Health Security Scheme (Mishra et al., 2015)	Study on barriers to health services	Identified gaps in health facility accessibility in Nepal, proposed social health security scheme to increase access to health services.	Focused on Nepal's health services barriers and social health security scheme, not specific to private health insurance companies.
History of Health Financing Policy	Examination of health	Investigated Kenya's health financing policies and transition towards universal	Study focused on health financing policy

Changes in Kenya (Carrin et al., 2007)	financing policy changes	health coverage, highlighted need for comprehensive stakeholder engagement and careful planning.	changes in Kenya, not specific to private health insurance companies.
Initial Responses to COVID-19 Pandemic in European Countries with SHI Systems (Schmidt et al., 2022)	Analysis of COVID-19 responses	Utilized data from COVID-19 Health System Response Monitor to assess responses in selected European countries, emphasized importance of SHI funds in crisis management.	Focus on European countries with social health insurance, not specific to private health insurance companies.
Health Financing Policies during COVID-19 Pandemic Across 15 Countries (De Foo et al., 2023)	Examination of health financing policies	Studied national health financing policy responses and their implications for universal health care, emphasized resilient health financing during health emergencies.	Study spanned across 15 countries, not specific to private health insurance companies in Kenya.
Re-evaluation of Public Health Insurance Coverage in Kenya During COVID-19 (Ajwang, 2022)	Investigation of public health insurance coverage	Explored role of health insurance in providing social protection during pandemic, highlighted challenges faced by NHIF members and private insurance subscribers.	Focused on public health insurance coverage in Kenya, not specific to private health insurance companies.
African Healthcare Systems' Responses to COVID-19 Pandemic (Tessema et al., 2021)	Review of healthcare systems' responses	Identified gaps in health system preparedness, impacts, and responses, emphasized need for enhanced preparedness and response strategies.	Focused on African healthcare systems, not specific to private health insurance companies.
Global Risk Mitigation Strategies during COVID-19 Pandemic (De Bruin et al., 2020)	Analysis of risk mitigation strategies	Investigated effectiveness of measures in preventing spread of virus and mitigating impact, highlighted importance of combination of voluntary and enforceable measures.	Not specific to private health insurance companies. Focused on global risk mitigation strategies.

Impact of COVID-19 Pandemic on Insurance Markets (Xu, 2022)	Examination of insurance market impact	Analysed growth trajectory of China's insurance industry amidst pandemic, highlighted resilience of insurance sector.	Focused on China's insurance market, not specific to private
Repercussions of COVID-19 Pandemic on Insurer Risk Management (Richter and Wilson, 2020)	Study on insurer risk management	Explored impact on insurer risk management and insurability of pandemics, emphasized importance of resilience and business continuity planning.	Not specific to private health insurance companies in Kenya.
Exploration of Pricing and Fraud Risks in Medical and Travel Insurance during COVID-19 (Naseeb, Diab & Metwally, 2020)	Archival research and discussions with industry professionals	Identified immediate pricing and fraud risks in GCC insurance industry during COVID-19, challenges in risk management due to remote work arrangements.	Conceptual: Focused on medical and travel insurance in GCC region, not specific to private health insurance companies in Kenya.
Investigation of Risks Associated with Future Pandemics for Health Insurance Companies (Castro, 2021)	Simulation and bootstrap methods	Estimated costs of medical treatments for future pandemics, assessed financial burden on insurance companies.	Focused on future pandemics and health insurance companies' risk management.
Study on Risk and Consequences of COVID-19 Pandemic on Business Insurance Market (Przybytniowski et al., 2022)	Theoretical analysis and scenario evaluation	Examined risk and potential consequences of COVID-19 pandemic on business insurance market, highlighted changes in insurance premiums and emergence of innovative offers.	Addressed short- and long-term horizons, not specific to private health insurance companies in Kenya.
Investigation of Financial Repercussions of COVID-19 Pandemic on Private Radiology Practices (Sharpe, Kuszyk & Mossa-Basha, 2021)	Case study analysis	Outlined specific challenges faced by private radiology practices during COVID-19 pandemic, adjustments made to strategic plans for long-term success.	Focused on private radiology practices, not specific to private health insurance companies in Kenya.

Study on Long-Term Implications of COVID-19 Pandemic on Socio-Economic Development in Sub-Saharan Africa (Verhagen et al., 2020)	Macroeconomic analysis	Revealed significant reduction in economic growth, altered international economic interactions, and increased poverty in sub-Saharan Africa due to COVID-19 pandemic.	Focused on sub-Saharan Africa's socio-economic development, not specific to private health insurance companies in Kenya.
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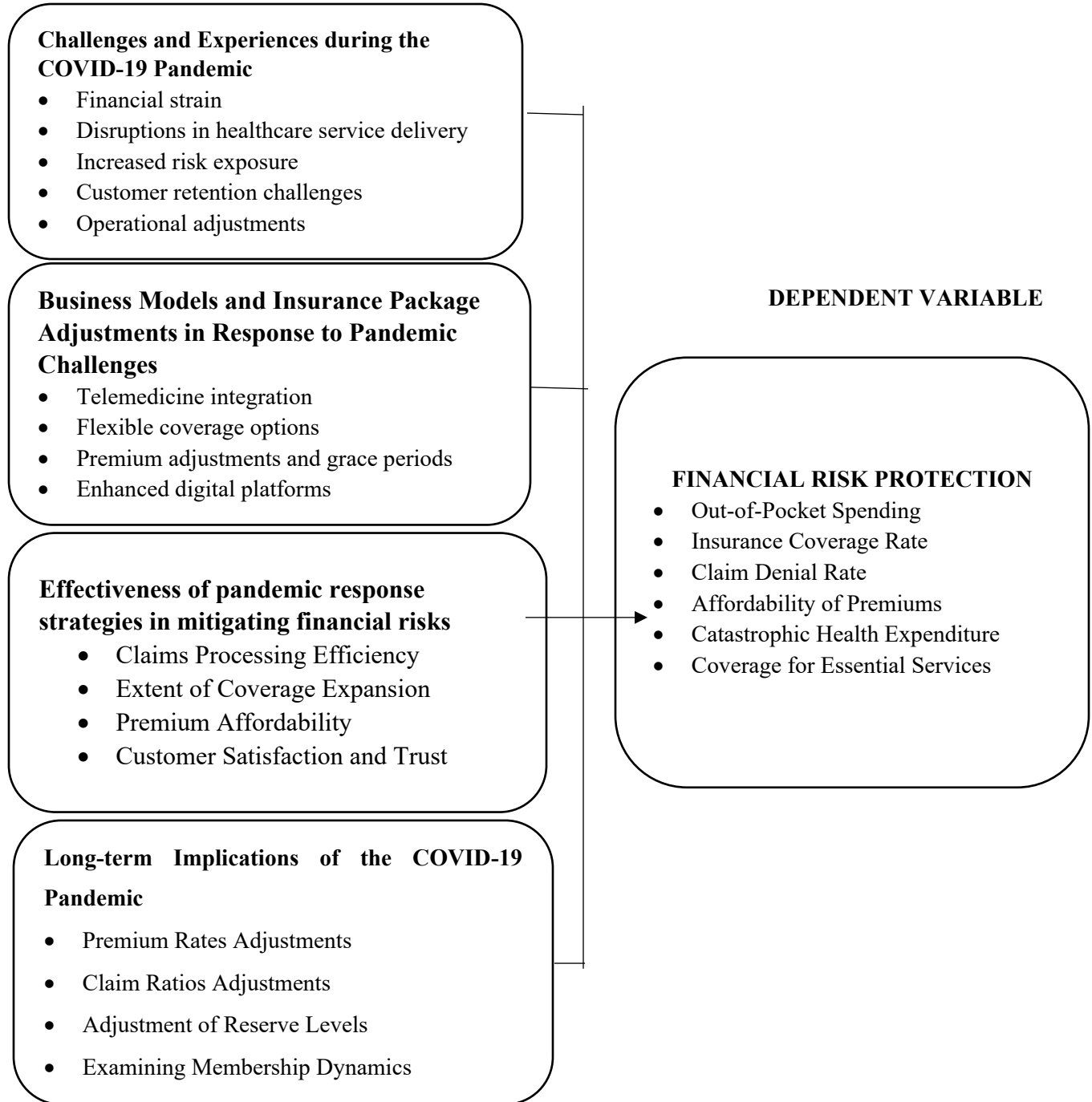
Source: Researcher (2024)

2.5 Conceptual Framework

A conceptual framework is a theoretical model that outlines the key concepts and relationships that exist between these concepts. It provides a structure for understanding and analysing a specific phenomenon or research topic. It serves as the foundation for conducting research, guiding the formulation of research questions, hypotheses, and data analysis (Leshem & Trafford, 2007).

Figure 2. 1: Conceptual Framework

INDEPENDENT VARIABLES



Source: Researcher (2024)

During the COVID-19 pandemic, private health insurance companies faced various challenges and experiences that influenced their operations. Financial strain was a significant issue, as insurers grappled with increased claims and reduced revenues due to economic downturns. Disruptions in

healthcare service delivery, caused by lockdowns and overwhelmed healthcare systems, posed challenges in providing timely and quality care to policyholders. Moreover, insurers faced increased risk exposure, particularly with uncertainties surrounding the pandemic's duration and severity. Customer retention became a challenge as policyholders reconsidered their insurance needs amid financial uncertainties. To adapt, insurers made operational adjustments, such as remote work arrangements and digitalization initiatives, to maintain business continuity and address evolving customer needs.

In response to pandemic challenges, private health insurance companies adjusted their business models and insurance packages. They integrated telemedicine services to facilitate remote consultations and medical advice, ensuring continuity of care while minimizing exposure to the virus. Flexible coverage options were introduced to accommodate changing healthcare needs and financial circumstances of policyholders. Insurers also made premium adjustments and offered grace periods to alleviate financial burdens on policyholders facing economic hardships. Furthermore, they enhanced their digital platforms to streamline processes and improve customer experience, enabling online claims processing and policy management.

The effectiveness of pandemic response strategies employed by private health insurance companies in mitigating financial risks is crucial. Insurers focused on enhancing claims processing efficiency to expedite reimbursements and support policyholders during times of need. They expanded coverage to include COVID-19-related treatments and preventive measures, ensuring comprehensive protection for policyholders. Premium affordability was prioritized through rate adjustments and financial assistance programs to support policyholders facing financial constraints. Customer satisfaction and trust were key metrics monitored to gauge the success of response strategies, ensuring that policyholders felt supported and valued by their insurers.

The long-term implications of the COVID-19 pandemic on private health insurance practices necessitate careful examination. Insurers may adjust premium rates to reflect changes in healthcare costs and risk profiles post-pandemic. Claim ratios could be adjusted to maintain financial stability and ensure fair treatment of policyholders. Moreover, insurers may need to review reserve levels to withstand future shocks and uncertainties. Examining membership dynamics is essential to understand how policyholder demographics and behaviours have evolved in response to the pandemic, informing future strategic decisions and product offerings.

Financial risk protection, as the dependent variable, encompasses various indicators that reflect the extent to which private health insurance practices mitigate financial risks for policyholders. This includes reducing out-of-pocket spending by providing comprehensive coverage, increasing the insurance coverage rate to ensure broader population protection, minimizing claim denial rates to facilitate timely access to benefits, and ensuring affordability of premiums to prevent financial strain on policyholders. Additionally, insurers aim to prevent catastrophic health expenditure by offering adequate coverage for essential services, safeguarding policyholders from excessive financial burdens associated with healthcare costs.

Table 2. 2: Operationalization of Study Variables

Variable	Type of Variable	Operationalization	Measurement	Sources
Financial Risk Protection	Dependent Variable	<ul style="list-style-type: none"> - Out-of-pocket spending - Insurance coverage rate - Claim denial rate - Affordability of premiums - Catastrophic health expenditure - Coverage for essential services 	Qualitative	Saksena, Hu & Evans, (2014)
Challenges and Experiences during the COVID-19 Pandemic	Independent Variable	<ul style="list-style-type: none"> - Financial strain - Disruptions in healthcare service delivery - Increased risk exposure - Customer retention challenges - Operational adjustments 	Qualitative	Evans, Hsu & Boerma (2013)
Business Models and Insurance package Adjustments in Response to Pandemic Challenges	Independent Variable	<ul style="list-style-type: none"> - Telemedicine integration - Flexible coverage options - Premium adjustments and grace periods - Enhanced digital platforms 	Qualitative	Evans, Hsu & Boerma (2013)
Effectiveness of pandemic response strategies in mitigating financial risks	Independent Variable	<ul style="list-style-type: none"> - Claims Processing Efficiency - Extent of Coverage Expansion - Premium Affordability - Customer Satisfaction and Trust 	Qualitative	Saksena, Hu & Evans, (2014)

Long-term Implications of the COVID-19 Pandemic	Independent Variable	<ul style="list-style-type: none"> - Premium rates adjustments - Claim ratios adjustments - Adjustment of reserve levels - Examining membership Dynamics 	Qualitative	Saksena, Hu & Evans, (2014)
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Source: Researcher (2024)

2.6 Chapter Summary

The theoretical review section examines key theories shaping the study's investigation into how private health insurance companies in Kenya respond to the COVID-19 pandemic. Focusing on risk pooling and insurance, behavioural economics, and health system resilience theories, the study aims to understand how these companies manage financial risks and adapt to the crisis. Risk pooling emphasizes spreading risks for enhanced financial security, behavioural economics delves into decision-making processes influencing insurance coverage, and health system resilience highlights the ability to maintain essential functions during crises. By integrating these theories, the study provides a comprehensive framework for assessing the pandemic's impact on private health insurance practices and financial risk protection in Kenya.

The empirical review section assesses various studies related to private health insurance companies in Kenya during the COVID-19 pandemic, aiming to understand their challenges and experiences. It examines responses, business model adjustments, and insurance package adaptations of these companies. However, while the reviewed studies shed light on important aspects such as public health care systems' challenges, health financing policies, and the impact on various sectors, there is a notable gap in research specifically focused on the responses and effectiveness of private health insurance companies in Kenya during the pandemic. This gap highlights the need for further research to comprehensively understand the role of private health insurance in mitigating financial risks for individuals in Kenya during health crises like the COVID-19 pandemic.

The study's conceptual framework provides a structured model for examining how private health insurance companies respond to the challenges of the COVID-19 pandemic. It identifies key factors influencing the effectiveness of pandemic response strategies and long-term sustainability, operationalizing them through qualitative indicators. This approach aids in formulating research

questions, hypotheses, and conducting data analysis, facilitating a deeper understanding of the role of private health insurance in managing financial risks during health crises.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter focused on the methodology that was adopted in undertaking the research, and which helped in meeting the research objectives. Therefore, the research methodology focused on the research philosophy adopted, research design, population and sampling, data collection method, data analysis, research quality and ethical issues in research.

3.2 Research Philosophy

Research philosophy is also known as research paradigm, and it refers to the set of beliefs, assumptions, and perspectives that guide the researcher's approach conducting research and the way in which they interpret and understand the world (Crossan, 2003). Research philosophy serves as the foundation upon which a researcher builds their research design, methodology and data collection methods.

Interpretivism research philosophy is adopted in this study because it emphasises understanding social phenomena through the subjective interpretations of individuals involved (Smith, 2023). Given the exploratory nature of the investigation into the long-term financial risk protection impact of COVID-19 on private health insurance practices in Kenya, interpretivism aligns well to explore and interpret the experiences, perspectives and behaviours of stakeholders within the context of the pandemic. This approach allows the study to delve deeply into the intricate interactions and dynamics shaping private health insurance practices in Kenya amidst the unprecedented challenges posed by the pandemic, facilitating a nuanced understanding of the phenomenon (Brown, 2021).

3.3 Research Design

The study used an exploratory research design. Exploratory research design is a form of research strategy that tries to investigate a phenomena or research problem in an open-ended, unstructured manner. Gaining a greater grasp of the subject, generating new ideas, and identifying viable study questions or hypotheses are the main goals of exploratory research. This type of design frequently uses qualitative techniques including content analysis, focus groups, interviews, and observations. When little is known about the topic of interest or the researcher wants to look into complex and multifaceted topics, exploratory research is especially helpful. It aids in improving knowledge of

the study problem, creation of a conceptual framework, and improvement of the research questions for follow-up studies (Crossan, 2003).

Due to its capacity to unearth insights in a context with little prior research, explore the complexities of the financial challenges, and adapt to the dynamic post-pandemic environment, an exploratory research design would be suitable for a study on financial risk protection after the Covid-19 pandemic in Kenya. This approach provided useful information for policymakers, financial institutions, and other stakeholders to establish focused initiatives for increasing financial resilience in the wake of the pandemic through qualitative methodologies.

3.4 Population and Sampling

Population is the total collection of people, things, or occasions that satisfy certain requirements and have similar properties. The population is the study's more general target audience and the group to which the researcher plans to apply the findings. Determining and identifying the demographic is a crucial phase in the research process since it ensures that the findings are applicable and relevant to the target audience (Kothari, 2004).

The population of this study was comprised of private insurance firms that offer health insurance coverage in Kenya. The study specifically targeted all the top management and underwriting managers in these insurance firms or their representatives, who shared their underwriting experiences, before, during and after COVID-19 pandemics. There are a total of 12 private health insurance firms in Kenya as indicated in Appendix 3 (Insurance Regulatory Authority, 2022). Therefore, the study targeted all the top management and underwriting managers in these health insurance firms.

Sampling is selecting a subset of individuals, elements, or events from a larger population to represent and draw inferences about that population in research (Kothari, 2004). The study used purposive sampling, where the researcher selected the financial managers, marketing managers and underwriting managers who were able and willing to provide information required to determine the financial risk protection during a pandemic – The insurance health coverage for the COVID-19 pandemic in Kenya.

3.5 Data Collection Methods

The study utilised a cross-sectional approach, employing primary data collection methods. Qualitative data was gathered through in-depth interviews using interview guides. The interviews were conducted with selected financial managers, marketing managers, and underwriting managers from private health insurance companies in Kenya. These key stakeholders provided insights and information regarding the independent variables identified in the study, including financial strain, disruptions in healthcare service delivery, increased risk exposure, customer retention challenges, operational adjustments, and their impact on financial risk protection during the COVID-19 pandemic in Kenya.

The chosen method of in-depth interviews proved to be appropriate for this study because it allowed for a deep exploration of participants' perspectives and experiences, providing rich and detailed qualitative data. It facilitated the collection of retrospective information about the challenges faced and responses undertaken during the pandemic, enabling a comprehensive understanding of the situation. The interactive nature of interviews allows for clarification of responses and probing for further details, enhancing the depth of data collected. Furthermore, interviews offer flexibility in tailoring questions to each participant's specific roles and experiences, ensuring relevance and comprehensiveness in data collection.

3.6 Data Analysis

The section outlined how the collected data was processed, organised and interpreted to address the research questions. This section is a critical part of the research process, as it helps researchers derive meaningful insights from the gathered data. The data collected was reviewed and analysed by utilizing the framework approach.

The Framework Approach is a structured and systematic method for conducting qualitative data analysis in research. This study employed this approach since as it was valuable when dealing with large volumes of qualitative data and when a rigorous and organized approach to data analysis was required. First a theoretical framework as identified using the study variables was used to guide the analysis. The data was indexed, where segments were systematically coded according to the framework. After indexing, the data was entered into tables, with rows representing cases and

columns corresponding to codes or themes. This structured format facilitated the comparison of data across cases and helped identify patterns and relationships.

3.7 Research Quality

The section evaluated the reliability, validity, as well as the overall rigor of the research. It was meant to ensure that the study findings could be trusted and are relevant to the research questions and objectives. The study therefore ensured that the interview guide was generated in a way that ensured that each study objective was well addressed. The interviews that were conducted were recorded to ensure that the researcher was able to grasp or capture the entire discussion and able to capture tone variation of the respondent, and as such able to make critical findings from the data collected.

3.8 Ethical Issues in Research

Ethical issues in research refer to the moral considerations and principles that guide the conduct of studies involving human subjects or sensitive data. These issues are crucial to ensure the protection, dignity, and well-being of the participants and maintain the research process's integrity and credibility. Some common ethical issues in research include informed consent, confidentiality, privacy, beneficence, and non-maleficence. The researcher ensured that these issues were adequately addressed, where informed consent was sought from the respondents, and confidentiality and privacy of the data was guaranteed.

Information gathered from in-depth interviews was acquired through digital voice recorders, field notes and checklists for documentation. These recordings underwent transcription, and the resultant transcriptions and audio files were securely stored on password-protected computer systems, with backup copies maintained. Meanwhile, interview notes and questionnaires were diligently safeguarded in locked cabinets, with access limited solely to the research team. Quantitative data was collected using standardised templates before inputting it into a database, ensuring consistency and error checks. When extracting data from document reviews, we employed standardized templates. Electronic documents were stored on password-protected computers, with redundant backup copies in place, while hard copies were preserved in secure, access-restricted lockable cabinets. It is important to note that all collected data was subjected to

anonymisation and coding procedures to eliminate personal identifiers from audio recordings, transcripts, typed notes, document review notes, and software files.

3.9 Chapter Summary

The chapter delved into the methodological framework underpinning the study, aiming to elucidate the approach and tools essential for achieving the research objectives effectively. The chapter began by outlining the significance of research methodology in meeting the research objectives and proceeds to discuss the research philosophy, which encompassed the beliefs and perspectives guiding the researcher's approach. Adopting an interpretivist research philosophy that aligned with the study's focus on understanding the subjective interpretations of stakeholders involved in private health insurance practices amidst the COVID-19 pandemic in Kenya. The research design, identified as exploratory, further supported the study's aim of exploring and interpreting complex phenomena, employing qualitative techniques such as in-depth interviews to gather rich and nuanced insights. Additionally, the chapter addressed population and sampling considerations, emphasizing the importance of defining the study's target audience and employing purposive sampling to select key stakeholders capable of providing relevant information.

Moreover, the chapter elaborated on data collection methods, emphasizing the use of in-depth interviews to delve deeply into participants' perspectives and experiences regarding financial risk protection during the pandemic. This approach facilitated the collection of retrospective information and allowed for flexibility in tailoring questions to participants' roles and experiences. Subsequently, the data analysis section outlined the systematic process of organizing and interpreting collected data using the Framework Approach, ensuring rigor and consistency in analysing qualitative data. Additionally, the chapter addressed research quality and ethical considerations, underscoring the importance of reliability, validity, and ethical conduct throughout the research process. Measures such as seeking informed consent, ensuring confidentiality, and securely storing data were highlighted to uphold the integrity and credibility of the study.

CHAPTER FOUR: FINDINGS

4.1 Introduction

This chapter presented the outcomes of the study, including the findings derived from data analysis and results of the interviews as undertaken during data collection stage. These results enabled the researcher to make conclusions as well as recommendations on assessing the long-term financial risk protection after Covid-19 and the learning on medical covers by private health insurers.

4.2 Response Rate

This study targeted 12 participants and only 10 were successfully interviewed, the response rate for this study was 83.33%. While there is no universally agreed-upon threshold, response rates above 60% are often considered satisfactory in many fields (Cook et al., 2000). Nonetheless, lower response rates may yield valuable insights, especially if efforts are made to mitigate non-response bias through careful sampling techniques and data analysis methods (Groves & Peytcheva, 2008). The respondents comprised of high-level management that were comprised of CEO, Head of Medical, Claims managers, medical claims managers and underwriting managers. A total of ten insurance companies were assessed and the following insights as it pertains to the long-term financial risk mitigative measures were obtained.

4.3 Challenges and Experiences during the COVID-19 Pandemic

The respondents were asked about the challenges faced by their institutions during the pandemic. The challenges as faced by these underwriting institutions proved to be multifaceted as different experiences shaped different courses of actions. It was established that insurance firms did not have much of financial challenges given the circumstances, as they were able to maintain their financial foundation without having to make budget cuts as evidenced by the response from respondent F;

Respondent F: None. The number of insureds who were visiting the hospitals reduced significantly due to the risk that was associated with COVID-19.

As such it was established that despite the dire situation of the pandemic most of the firms were able to weather the storm financially and avail services to their customers. However, the concerns of client affordability became an issue as respondent C indicated in their response.

Respondent C: “There was concern that the incidence and volume of insured claims would exceed the funds available in the statutory fund and the company reserves particularly with no reinsurance support available.”

As such the novel nature of the pandemic necessitated innovations and new services that enabled these organisations not to suffer due to financial downturns of clients affected by the pandemic. Additionally, operational delays stemming from remote work impacted service delivery. Another perspective by which to gauge the challenges as they affected private health insurance firms was the manner with which services were delivered. The disruptions that resulted from lockdown measures affected service delivery in a multifaceted manner ranging from manageable and conversely service delivery disruptions as posited by the following respondent.

Respondent I: “We had to make arrangements for staff to telework in order to balance the demands of service continuity with staff safety, which meant allocation of funds to purchase laptops & WIFI for our staff.”

The continuity of services could however be mitigated through contingencies that the insurance firms put in place so as to establish themselves as consistent service providers even in dire times. The respondents especially noted that the initial lockdown measures led to less clients reporting to hospital for other ailments other than COVID. This was also compounded by the fact that most of the workforce was conducting operations remotely thus the seamless operations were greatly hindered initially. However, most respondents divulged that their firms were able to weather this initial downturn to establish sustained and seamless delivery of services. As the following respondent noted;

Respondent B: “We had a good relationship with hospitals. We made arrangements with some specific providers to provide our clients the necessary treatments”

The responses also highlighted the key risks and challenges faced by insurance companies during the COVID-19 pandemic, and similarly the step taken to mitigate them. The primary risks as mentioned were addapti8ng to remote work operations, health and safety, managing the immense financial risks, and maintaining employee relationships.

Significant risks were also brought about by the reputational aspect where some companies stood to lose their market share and influence due to the financial risks of both covering as well as denying cover for COVID related claims as elucidated by a respondent from one of the respondent;

Respondent G: “Financial risks if we covered Covid-19 and reputational risk if we did nothing but refuses cover. Employees in the workplace were also at risk and a shift to remote work had to be made with suitable IT equipment.”

Despite this most of the firms noted that they were able to retain most of their customers and even some firms experienced an upturn in the client base due to the pandemic and the presence of cover alleviating medical concerns. While others did experience difficulties in interacting with their customer base, this was effectively mitigated through the use of virtual meetings and competitive pricing so as to ensure that customers were convinced not to switch insurance providers. This was well put by one respondent who posited that each chance of risk was met with a solution to try and effectively mitigate it;

Respondent D: “Yes. Many customers became more price-sensitive due to financial uncertainties caused by the pandemic. As such, we had to focus on competitive pricing and ensure that our rates remained attractive. However, despite efforts, some customers still switched providers in search of better deals.”

4.4 Business Models and Insurance Packages responding to Pandemic Challenges

In response to these challenges, insurance companies had to adjust their business models and insurance packages to match the state that the industry was in due to the pandemic. This involved the use of hybrid working models and arrangements mostly in the form of enhanced digital interaction and platforms. In this way COVID-19 acted as the catalyst for the widespread adoption of telemedicine services in the insurance industry with some already having a precedent for it in existence. While some companies already had telehealth services at hand other companies introduced new solutions to meet the growing demand for healthcare services during the pandemic as noted by various respondents.

Insurers especially noted the importance of educating their policyholders where educational campaigns were launched. Some companies however did not implement any sort of Telemedicine service provision completely.

The unprecedented challenges posed by COVID-19 warranted some companies to make significant adjustments to their coverage offerings. A common change that was highlighted was the covering of testing and vaccinating COVID-19 itself as new covers came about due to advent of COVID-19 itself necessitated new covers accounting for it. On a similar note, most of the insurance companies enabled their policyholders to adjust their covers to meet their needs at the time especially in the context of COVID-19 treatment and prevention as noted by the interviewees.

This transition was eased through introduction of payment plans and reduced premium rates to cater for these new developments and to ensure that both the companies and the policyholders were protected from the risks that COVID-19 posed both financially and health wise. However, it is worth noting that some of the companies failed to make any adjustments in terms of full coverage up until policy limits as well as any changes to existing insurance coverage.

Insurance companies also enhanced their IT capabilities during the pandemic due to the remote nature of work that they had to indulge in as a result. The most common form of this was the implementation of self-service platforms as well as mobile apps to enable policyholders access information, update details, and manage their policies remotely. Companies also augmented their services such that the IT infrastructure supported remote work allowing for seamless service provision

Respondent H: “To enhance customer experience and service delivery, we implemented a value-based insurance design (VBID) approach within our digital platforms. This approach involved redesigning our digital infrastructure to prioritise access to high-value healthcare services, such as preventive care and chronic disease management, while minimising out-of-pocket costs for policyholders”

4.5 Effectiveness of Pandemic Response Strategies in Mitigating Financial Risks

Despite the initial hurdles, the pandemic response strategies proved effective in mitigating financial risks. Some companies reported increased customer retention, indicating successful adaptation efforts. They stated;

Respondent C: "Customers increased during the pandemic including the renewal of existing customers."

Maintaining open lines of communication with customers was crucial for insurers to monitor satisfaction levels and address concerns during the pandemic. Companies utilized various channels such as phone calls, virtual meetings, and customer surveys to gather feedback, as highlighted by this quote:

Respondent C: "Our care team was available on phone and on email. They closely monitored the situation in each hospital. Our claims staff also were accessible and rapid payment of non-Covid claims was done. Later on a limited cover was introduced."

Prompt response to customer complaints and empathetic handling of their concerns were key to building trust. "

Measures such as efficient claims processing despite the challenges were mitigated by providing laptops and internet access for eased remote work. This led to increased vigilance on prevailing situations ranging from internal affairs to communication with healthcare providers to ensure staff safety and service continuity. Overall, it was evident that the effectiveness of these solutions was felt as they leveraged remote working capabilities, improved dissemination of communications well as digital claims processing systems to ensure efficient operations during the pandemic as noted by a claims manager;

Respondent D: "We scaled up an end-to-end digital claim process that employs web-based front-end and machine learning based back-end platforms. Our web-based portal is being used by partner hospitals to submit claims electronically, while on the back end robotic automation that leverages machine learning is employed to process data from claim documents with minimal manual intervention. This helped us in maintaining service continuity while ensuring staff safety"

4.6 Long-term Implications of the COVID-19 pandemic

The respondents were subsequently tasked to divulge any developments that came about as a result of the pandemic that have found utility beyond the purpose they served upon inception. Respondents indicated that many insurance companies are considering or have implemented

premium rate adjustments for unforeseen medical emergencies just like COVID-19 to account for the potential to costs of healthcare increasing due to the pandemic's abrupt nature. Especially in the pretext of cost optimisation and reimbursement it became apparent where it was imperative to restore the profit pool that might have been lost during the hard financial times.

Some insurers made it known that despite not having these developments the dynamic nature that the pandemic had equipped with them in terms of operational service delivery expect to develop both more affordable products and premiums that ensure clients are protected from a wide range of risk as cited by a representative;

Respondent B: "Since Covid, we did not raise premiums but reduced cover for Covid to an agreed limit, with an option to increase the cover by paying a higher premium"

Maintaining a solid claims ratio is also crucial to the continuity of such companies with multiple strategies employed to manage this long-term undertaking despite the advent of the pandemic. This involved especially during the pandemic a close assessment of the portfolio and loss ratios and subsequently adjusting them in line with the current degree of medical inflation. This paired with actuarial and underwriting teams playing a key role in premium adjustments to accommodate changes in claims ratios as highlighted by this quote from a respondent;

Respondent F: "Working hand in hand with the actuarial and underwriting teams in adjusting premiums to accommodate inflation and loss ratios."

Aspects such as the solvency ratio which is an indicator of the company's capability to meet long-term liabilities were key in building trust with clients since the dire financial times as well as the expected fallout from the same caused uneasiness. As per one respondent;

Respondent D: "A well-maintained solvency ratio ensures that trust remains intact even during challenging times."

Other strategies include implementing deductibles to discourage unnecessary risks or high claims, underlining the commitment of these organisations in ensuring the long-term continuity of their operations and service delivery. Insurers were also considering standard actuarial practices, claims

experience, loss ratios, economic conditions, and interest rates to determine appropriate reserve levels to withstand future shocks. As captured by the following response.

Respondent G: "Claims Experience and Historical Data, Frequency and Severity of Claims and Economic Conditions and Interest Rates" are key considerations"

Regarding policyholder profiles, there was an observed shift towards prioritizing health and well-being, with one insurer noting, "Covid-19 has fundamentally reshaped our attitudes towards health and wellbeing. Policyholders are today paying more attention to healthier lifestyles, better mental health and convenience." This evolution is influencing product development, as highlighted by this quote:

Respondent C: "According to the claims history of most insureds, most have since seen the importance of having an efficient medical cover. This will influence the development of affordable health covers to accommodate most people."

4.7 Financial Risk Protection

Financial risk protection remains a cornerstone of insurance company objectives. By leveraging lessons from the pandemic, companies can aim to enhance their ability to safeguard individuals and businesses from financial uncertainties. This is emphasized by respondent I;

Respondent I: "The COVID-19 pandemic has fundamentally reshaped our attitudes towards health and wellbeing."

This underscores the importance of proactive risk management and the role of insurance in ensuring long-term financial security. Several insurance companies took measure to reduce out of pocket spending for their policyholders during the pandemic. They adopted various approaches including contacting their clients and ensuring they were informed of any developments regarding their financial state as affected by the pandemic. This was paired in some cases by not increasing premiums to help maintain affordability and prevent out of pocket spending of the customers;

Respondent A: "Most policyholders do not pay claims out of pocket due to arrangements made by the company with hospitals."

Keeping with the theme of protection of clients during dire times as brought on by the pandemic insurers underlined their commitment to formulating affordable medical packages as well as additional coverage options relating to COVID-19. Moreover, some companies offered reduction of coverage to provide clients with manageable premiums during financially constrained times. Companies encouraged open communication with policyholders, provided education and training, streamlined claims processes, and collaborated with industry associations and healthcare providers. While some insurers focused on retaining existing clients, others expanded outreach through campaigns and wellness initiatives. Overall, the insurance industry adapted swiftly to address policyholders' evolving needs, prioritising financial protection, accessibility, and continuity of care during the unprecedented challenges posed by the pandemic.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section of the study goes about divulging the conclusions that were drawn from the analysis of data and findings from each thematic sphere. This chapter will also go about making adequate conclusions as well as give limitations that may require further research. The overall contribution to the existing body of knowledge with regards to the study topic. The chapter will also table the study recommendations pertaining to the effects of the COVID-19 pandemic on long-term financial risk protection in private health insurance companies.

5.2 Summary of Findings

The following section will go about summarising the findings of the research undertaking and making apt conclusions. Private health companies ensured that they had risk management strategies in place where premiums were adjusted for competitive advantage and coming up with sustainable pricing models. As such it was apparent that most of the private health insurance companies had structures in place that helped them to mitigate the abrupt and novel nature of the risk that the pandemic posed. This necessitated that innovation and adaptability were the corner stone of this financially constrained period to ensure sustained operations. This helped these companies maintain financial stability while also ensuring the provision of comprehensive healthcare coverage to policyholders.

Overall, the pandemic prompted insurance companies in Kenya to adapt their business models and insurance packages in response to the evolving challenges. The adoption of telemedicine services, adjustments to coverage offerings, flexible payment options, and enhancements in digital capabilities were among the significant changes implemented to maintain operational resilience and meet the evolving needs of policyholders during this unprecedented period.

While some companies may have faced challenges in implementing certain strategies or failed to make significant adjustments, the overall responses suggest that the strategies implemented by the majority of insurers were effective in addressing the challenges posed by COVID-19. The

embracement of digital transformation, the timely adjustments to coverage offerings, the introduction of flexible payment options, and the successful adaptation to remote work arrangements collectively contributed to the resilience and responsiveness of the insurance industry in Kenya during the pandemic.

The long-term implications of COVID-19 on insurance companies in Kenya have been far reaching. Companies have adapted their strategies to ensure financial resilience, maintain good ratios, build trust with policy holders, and develop products aligned with the evolving attitudes towards health and well-being. These proactive measures have equipped insurance companies to solve the immediate challenges posed by the pandemic but also positioned them to navigate future crises better while also meeting the ever-changing needs of the policyholders. The Kenyan insurance industry demonstrated remarkable adaptability and resilience in addressing the unprecedented challenges posed by the COVID-19 pandemic. This was done by prioritising financial protection, ensuring accessibility, and maintaining sustained care. The lessons learnt have reinforced the imperative that risk management strategies hold when it pertains to promoting long-term financial risk protection particularly in the face of unforeseen crises that have far-reaching financial implications for both insurers and the insured.

5.3 Discussion

5.3.1 Challenges and Experiences Encountered by Private Health Insurance Companies

Private health insurers in Kenya navigated through a myriad of challenges during the COVID-19 pandemic, particularly in the financial realm. Despite the precarious circumstances, many insurers had prepared contingencies to mitigate the anticipated fallout. Effective financial management practices, including prudent expenditure adjustments, played a crucial role in shielding both the insurers and their clients from severe impacts. Furthermore, the efforts made by most insurance firms to ensure affordability through customized payment plans and less financially burdensome coverage options provided significant support to their customers. These findings align with the study conducted by Castro (2021), which emphasized the importance of long-term contingencies for unforeseen challenges, highlighting the necessity for insurers to be well-prepared for future crises.

The shift to remote work environments due to lockdown measures initially posed challenges, as service delays and disruptions threatened the continuity of operations for some insurers. However, many companies weathered the storm by swiftly implementing digital technologies and virtual communication channels to bridge the gap left by the lack of face-to-face interactions. This adaptation allowed for continued service provision and maintained open lines of communication with clients. Such agile responses to operational challenges echo the sentiments expressed in the literature regarding the need for proactive risk management and strategic planning to ensure resilience in the face of unprecedented disruptions, as highlighted in studies by David Williams, Yung, and Grépin (2021) regarding systemic issues exacerbating market failures during the pandemic.

5.3.2 Business Models and Insurance Package Adjustments

The COVID-19 pandemic necessitated significant adjustments in the business models and insurance packages offered by private health insurers in Kenya. Adapting to the evolving landscape, insurers embraced hybrid working models facilitated by enhanced digital interactions and platforms. A notable shift was the widespread adoption of telemedicine services, with insurers recognizing its importance in ensuring continued access to healthcare during the pandemic. This transition was accompanied by a remarkable increase in telehealth utilization among privately insured individuals, underscoring its effectiveness in meeting the evolving needs of policyholders. Such adjustments align with the recommendations from studies emphasizing the reorganization and expansion of network medicine to mitigate financial risks and better prepare for future pandemics, as highlighted in the work by Filip et al. (2022).

In response to the unprecedented nature of the pandemic, insurers introduced changes to their coverage offerings, including the inclusion of COVID-19 testing and vaccination coverage. Additionally, policyholders were provided with flexibility to adjust their coverage to meet their evolving needs, particularly concerning COVID-19 treatment and prevention. Insurers also enhanced their IT capabilities to support remote work arrangements and maintain seamless service delivery. These technological advancements, including the development of portals and mobile apps, empowered policyholders to access information, update details, and manage their policies remotely. The findings underscore the importance of insurers' adaptability and responsiveness to evolving customer needs, echoing the sentiments of studies advocating for proactive risk

management and strategic planning to ensure resilience in the face of unprecedented disruptions, as highlighted by Richter and Wilson (2020).

5.3.3 Pandemic Response Strategies in Mitigating Financial Risks for Individuals in Kenya

The insurance companies implemented various strategies to mitigate financial risks for individuals during the COVID-19 pandemic. One effective strategy was the rapid adoption of telemedicine services, which ensured the continuity of healthcare access while minimizing the financial burden on policyholders. The significant increase in telehealth utilization among privately insured individuals demonstrated the effectiveness of this approach in meeting the evolving needs of policyholders. Moreover, insurers played a crucial role in public health efforts by covering the costs associated with COVID-19 treatment, vaccination, and screening, thus contributing to preventive measures and reducing the financial strain on individuals. These findings are consistent with the resilience of health financing and mitigative strategies highlighted by De Bruin et al. (2020), emphasizing the importance of robust health financing for emergency responses.

Flexible payment options and payment plans implemented by insurers were successful in retaining customers and addressing affordability concerns. By offering manageable premium rates and allowing policyholders to adjust coverage levels based on their financial constraints, insurers ensured continued access to essential healthcare services while preserving affordability and customer patronage. Open lines of communication between insurers and policyholders facilitated the disclosure of developments impacting financial situations, fostering trust and loyalty. While some insurers focused on retaining their existing customer base, it's crucial to address systemic issues highlighted by studies like David Williams, Yung, and Grépin (2021) that may persist even during the pandemic, necessitating ongoing efforts to improve policies and systemic frameworks to enhance financial risk protection for individuals and insurers alike.

5.3.4 Long-Term Implications of the COVID-19 Pandemic on Financial Risk Protection

The long-term implications of the COVID-19 pandemic on financial risk protection in the private health insurance sector in Kenya have prompted insurers to reevaluate their risk management strategies and resilience measures. Studies such as Castro (2021) have investigated the inference of risks associated with future pandemics, emphasizing the importance of comprehensive risk assessment and contingency planning. Insurance companies have utilized simulation and stress-

testing methods to estimate the potential costs of future pandemics, focusing on factors such as hospital admissions, testing, and protective equipment. By conducting scenario analysis beyond the characteristics of COVID-19, insurers aim to identify vulnerabilities and strengthen their preparedness for future health crises.

Moreover, insurers have recognized the need for medium- and long-term planning to address the evolving landscape of pandemic risks. Przybytniowski et al. (2022) explored the potential consequences of the COVID-19 pandemic on the business insurance market, emphasizing the importance of resilience-building strategies and emergency solutions. This includes revising insurance premiums, developing innovative offers, and enhancing risk management practices to mitigate the impact of future crises. Additionally, studies like Sharpe, Kuszyk, and Mossa-Basha (2021) had outlined the challenges faced by private radiology practices during the pandemic, highlighting the importance of adapting mid- and long-term strategic plans to navigate ongoing financial pressures. By synthesizing these insights, insurers can better anticipate and address the long-term implications of the pandemic, ensuring continued financial risk protection for individuals and the sustainability of the private health insurance sector.

5.4 Conclusions

In conclusion, the findings of the study highlighted the multifaceted challenges faced by private health insurers in Kenya during the COVID-19 pandemic and the proactive measures taken to mitigate financial risks for individuals. Despite the initial disruptions caused by the pandemic, most insurers were able to maintain financial stability through prudent financial management practices. Challenges such as client affordability concerns and operational delays due to remote work were effectively addressed through innovative solutions and contingencies, including the adoption of telemedicine services and the introduction of new insurance packages covering COVID-19 testing and vaccination.

The study also underscored the effectiveness of these pandemic response strategies in mitigating financial risks, as evidenced by increased customer retention and continued access to essential healthcare services. Furthermore, the lessons learned from the pandemic have prompted insurers to implement long-term adjustments, such as premium rate adjustments and flexible payment options, to enhance financial risk protection for individuals. The study emphasized the importance

of proactive risk management strategies and adaptability in safeguarding individuals' financial security amidst unprecedented challenges posed by the COVID-19 pandemic, aligning with previous research on the resilience of health financing systems in emergency responses.

5.4 Recommendation

The study findings indicated that private health insurance companies should double down and prioritise financial risk protection for their policy holders. The recommendation of the study is therefore as follows:

5.4.1 Challenges and Experiences

The study recommended that private health insurance companies in Kenya should continue to prioritise financial resilience by maintaining robust financial management practices, including regular assessments of expenditure and adjustments where necessary. Additionally, insurers should focus on enhancing affordability for clients, especially during times of economic uncertainty, by offering flexible payment options and exploring innovative approaches to reduce out-of-pocket expenses. Moreover, insurers should invest in strengthening their IT infrastructure to support remote work arrangements and ensure seamless service delivery, thereby mitigating operational disruptions caused by future crises.

5.4.2 Business Models and Insurance Package Adjustments

The study would recommend that private health insurance companies in Kenya should continue to leverage digital technologies and telemedicine services to enhance accessibility and affordability of healthcare for policyholders. Insurers should also consider introducing new insurance packages or adjusting existing ones to cover emerging healthcare needs, such as COVID-19 testing and vaccination. Moreover, insurers should focus on improving communication with policyholders to educate them about available services and coverage options, thereby fostering trust and loyalty.

5.4.3 Effectiveness of Private Health Insurance Companies' Pandemic Response Strategies in Mitigating Financial Risks

The study also suggests that private health insurance companies should conduct regular assessments of the effectiveness of their pandemic response strategies to identify areas for improvement and ensure ongoing financial protection for individuals. Insurers should prioritize

customer feedback and satisfaction by maintaining open lines of communication and promptly addressing concerns or complaints. Additionally, insurers should collaborate with industry associations and healthcare providers to streamline claims processes and ensure efficient service delivery, thereby enhancing policyholders' confidence in their insurance coverage.

5.4.4 Impact of Long-term Implications of the COVID-19 Pandemic on Financial Risk Protection

It is recommended that private health insurance companies in Kenya should adopt a proactive approach to risk management by continuously monitoring market trends, economic conditions, and policyholder needs. Insurers should regularly review and adjust premium rates and coverage options to reflect changing healthcare dynamics and ensure affordability for policyholders. Moreover, insurers should prioritize investments in digital technologies and IT infrastructure to support remote work capabilities and enhance service delivery resilience in the face of future crises. Additionally, insurers should consider diversifying their product offerings to include a broader range of health and wellness services, thereby addressing evolving customer preferences and enhancing long-term financial risk protection for individuals.

5.5 Limitations of the Study

While the study provides valuable insights into the challenges and responses of private health insurance companies in Kenya during the COVID-19 pandemic, it is essential to acknowledge some of the limitations. In the first place, the sample size of the study, comprising high-level managers from private insurance firms, might limit the generalisability of the findings. Since the study focused solely on a specific subset of the industry, the experiences and perspectives of other stakeholders, such as lower-level employees, policyholders, and healthcare providers, might not be fully represented. This could potentially lead to a biased understanding of the overall impact of the pandemic on the private health insurance sector in Kenya.

Another limitation of the study is the reliance on qualitative data collected through interviews as the primary method of data collection. While interviews provide rich insights into participants' experiences and perspectives, they are inherently subjective and may be influenced by factors such as interviewer bias or participants' willingness to disclose sensitive information. Additionally, qualitative analysis methods such as thematic analysis are interpretive in nature and may introduce

researcher bias during the coding and interpretation process. To address this limitation, the study employed rigorous data analysis techniques and sought to enhance the trustworthiness of the findings through member checking and triangulation with existing literature. However, the subjective nature of qualitative data analysis may still introduce a degree of uncertainty into the study findings, emphasizing the need for cautious interpretation and consideration of alternative methodological approaches in future research.

5.6 Areas for Further Research

To address the limitations identified in the study and further enhance insights into the impact of the COVID-19 pandemic on private health insurance practices in Kenya, future research could adopt a mixed-methods approach. By combining qualitative interviews with quantitative surveys or data analysis, researchers can obtain a more comprehensive understanding of the challenges faced by private insurers and the effectiveness of their response strategies.

Additionally, future studies could expand the scope of the research to include a broader range of stakeholders, such as policyholders, healthcare providers, and regulatory authorities, to capture diverse perspectives and experiences. Moreover, longitudinal studies tracking the long-term effects of the pandemic on private health insurance dynamics in Kenya would provide valuable insights into the sustainability of response strategies and the evolving needs of stakeholders over time. Finally, comparative studies across different regions or countries could offer insights into variations in insurance practices and regulatory responses to the pandemic, facilitating cross-country learning and best practice sharing.

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APPENDICES

Appendix 1: Letter of introduction

My name is Margaret Mwanzia, a Masters student from Strathmore Business School. I am conducting a study to 'assess the long-term financial risk protection impact of Covid-19: An analysis of private health insurance practices in Kenya.

CONFIDENTIALITY

All research records will be stored in securely locked cabinets. That information may be transcribed into our database but this will be sufficiently encrypted and password protected. Only the people who are closely concerned with this study will have access to your information. All your information will be kept confidential.

CONTACT INFORMATION

If you have questions at any time about this study, or you experience adverse effects as the result of participating in this study, you may contact the researcher whose contact information is provided on the first page. If you have questions regarding your rights as a research participant, or if problems arise which you do not feel you can discuss with the Primary Researcher directly by telephone at +254727361927 or at the following email address margaret.ndunge@strathmore.edu You can also contact my supervisors, Prof Joseph Onyango, and Eric Tama at the Strathmore Business School, Nairobi, or by e-mail jonyango@strathmore.edu and etama@strathmore.edu

If you want to ask someone independent anything about this research, please contact:

The Secretary–Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200, Nairobi, email ethicsreview@strathmore.edu Tel number: +254 703 034418 **Are there any risks or dangers in taking part in this study?**

There are no risks in taking part in this study. All the information you provide will be treated as confidential and will not be used in any way without your express permission.

VOLUNTARY PARTICIPATION

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. If you decide to take part in this study, you will be asked to sign a consent form. After you sign the consent form, you are still free to withdraw at any time and without giving a reason. Withdrawing from this study will not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

CONSENT

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's Signature _____ **Date** _____

Researcher's Signature _____ **Date** _____

Storage of information on the completed questionnaire

I AGREE to have my completed questionnaire stored for future data analysis

I DON'T AGREE to have my completed questionnaire stored for future data analysis

Participant's Signature: _____ **Date:** ____/____/____

DD / MM / YEAR

Participant's Name: _____ **Time:** ____/____/

HR / MN

I, _____ (Name of person taking consent) certify that I have followed the SOP for this study and have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consents to the participation in the study. S/he has been given opportunity to ask questions which have been answered satisfactorily.

Investigator's Signature: _____ **Date:** ____/____/____

DD / MM / YEAR

Investigator's Name: _____ **Time:** ____/____/

HR / MN

Appendix 2: Interview Guide

Introduction

Thank the participants for their willingness to contribute to the research.

Clarify the purpose of the study and its potential impact on improving insurance products and services.

Emphasize the confidentiality and anonymity of responses.

Section 1: Challenges and Experiences during the COVID-19 Pandemic

Can you elaborate on the financial challenges your company encountered during the pandemic?

How did the pandemic affect the delivery of healthcare services covered by your insurance plans?

What were the primary risks your company faced during the pandemic, and how did you manage them?

Did you experience any difficulties in retaining customers during the pandemic? If yes, how did you address them?

What operational changes did your company implement in response to the pandemic, and what were their effects?

Section 2: Business Models and Insurance Package Adjustments in Response to Pandemic Challenges

How did your company incorporate telemedicine services into your insurance packages during the pandemic?

Can you describe any adjustments made to your insurance coverage options to adapt to the pandemic situation?

Were there any changes in premium rates or grace periods offered to policyholders during the pandemic?

What enhancements were made to your digital platforms to improve customer experience and service delivery?

Section 3: Effectiveness of Pandemic Response Strategies in Mitigating Financial Risks

How did your company ensure efficient processing of claims during the pandemic?

Did your company expand coverage to include COVID-19-related treatments and preventive measures? If yes, how?

What measures were taken to ensure that insurance premiums remained affordable for policyholders during the pandemic?

How did your company monitor customer satisfaction and trust levels during the pandemic and what actions were taken to address any concerns?

Section 4: Long-term Implications of the COVID-19 Pandemic

Are there any plans to adjust premium rates in response to changes in healthcare costs post-pandemic?

How will your company adjust claim ratios to maintain financial stability in the long term?

What considerations will be made when adjusting reserve levels to withstand future shocks and uncertainties?

How has the demographic and behavioural profile of policyholders evolved during and post-pandemic, and how will this influence future strategic decision?

Section 5: Dependent Variable: Financial Risk Protection

Can you discuss measures taken to reduce out-of-pocket spending for policyholders during the pandemic?

How did your company ensure broader population protection through insurance coverage during the pandemic?

What steps were taken to minimize claim denial rates and facilitate timely access to benefits for policyholders?

How did your company ensure that insurance premiums remained affordable for policyholders facing financial constraints during the pandemic?

Can you elaborate on the coverage provided by your insurance plans to safeguard policyholders from excessive financial burdens associated with healthcare costs?

What measures were taken to ensure comprehensive coverage for essential healthcare services during the pandemic?

Closing Remarks

- Thank the participants for their time and insights.
- Reiterate the confidentiality of the information provided.

Thank you for your time and cooperation.

Appendix 3: List of Health Insurance Firms in Kenya

The list of health insurance companies in Kenya 2022 i

1. AAR Insurance
2. Jubilee Insurance
3. UAP Old Mutual is now Old Mutual
4. Britam Insurance
5. APA Insurance
6. Madison Insurance
7. CIC Insurance
8. First Assurance
9. GA Insurance
10. Kenyan Alliance
11. MUA insurance
12. Pacis Insurance

Appendix 4: Strathmore University Ethics Committee



21st March 2024

Ms Mwanzia Margaret,
margaret.ndunge@strathmore.edu

Dear Ms Mwanzia,

RE: Assessing the Long-Term Financial Risk Protection Impact of Covid-19: An Analysis of Private Health Insurance Practices in Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC2075/24**. The approval period is from **21st March 2024 to 20th March 2025**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,
Chairperson; SU-ISERC**



Appendix 6: Study Budget

No	Particulars	Amount (Kshs)
1.	Printing	15,000
2.	Transport	10,000
3.	Internet and Airtime	10,000
4.	Stationary (folders, USB Drives, pens)	5,000
5.	Miscellaneous	10,000
	Total	50,000