ABSTRACT

This research study was set mainly to find out the effect of management of Working capital in National Insurance Corporation (NICL) in Thika district.

The objectives of this study were;

i) To find out what are the major management of working capital in NICL.

ii) To determine how management of working capital affects the performance of NICL.

iii) To investigate on what can be done to have proper management of working capital in NICL.

The researcher in collecting the information from the respondents used questionnaire interview and use of secondary data. The researcher used percentages to find out the major working capital management items.

Basing on the findings of the study, it was concluded that cash management of receivables and management of inventory are the major working capital items whereas provision of insurance services, efficient use of funds, efficient customer services and timely debt collection are the major effects of cash planning. Use of lenient and stringent credit policy are some of the ways for proper management of capital.

Finally it was recommended that a sound working position be maintained, appropriate strategies for cash management be put in place and credit policy be emphasized.