

The Small and Medium Enterprises (SMEs) play an important role in the Kenyan Economy. The sector contributed over 50 percent of new jobs created in the year 2005. SMEs are vulnerable to events that lead to catastrophic financial ruin and risks that economically disadvantage them especially in developing countries. Risk transfer mechanism like insurance would help alleviate the risks and hazards that are prone to SMEs. Insurance schemes should provide valuable information and resources for risk prevention and management by providing education about risks relating to businesses and promoting good health habits, these schemes can reduce incidents of losses, disease and extend life expectancy.

This study sought to establish the accessibility of insurance services to small and medium enterprises in Nairobi Central Business District. Specifically the study aimed at determining the level of awareness of insurance services as well as to establish the challenges faced by small and medium enterprises in Nairobi Central Business District (NCBD) while accessing insurance services. Lastly the study determined the level of Information Communication Technology (ICT) usage on accessibility of insurance services. The population comprised of Small and Medium Enterprises registered and licensed by Nairobi City Council Licensing Department operating along River Road and Haileselasie Avenue within NCBD by April 2011 totaling to 1080. A sample size of 108 respondents was used which represented a 10% of the total population. Descriptive statistics such as means, standard deviation and frequency distribution were used to analyze the data. The findings were presented using bar graphs, pie charts and frequency tables. The study established that entrepreneurs lack proper knowledge on the importance of insurance services to the business, this coupled with the fixed rates of premiums and non flexible payments are the major challenges faced in accessing insurance services. The findings illustrated a positive relationship between government regulations and adoption of insurance services. The researcher therefore recommends that more insurance policies especially those crucial to SME growth, be made compulsory to boost insurance penetration in the country. The researcher also recommends a further study to examine the contribution of insurance services to the growth of small and medium enterprises and economic development of a country.