

## ABSTRACT

The Insurance industry is essential to the economic course of every nation attaining sustainable growth and prosperity. However, the industry continues to experience a marginal growth of 2.5% compared to the global real term growth of 4%. This study analyzed the relationship between employee empathy and customer satisfaction in the Kenyan insurance industry. The study was guided by the causal research design. The study applied the linear mixed-effect models of structural equation modeling (SEM) considering the multi-level structure of the data collected. The study concluded that a client who perceives empathy from his/ her insurer's employees is bound to have higher satisfaction than a customer who does not perceive empathy from their insurer. Employee empathy however, does not significantly affect the variations of customer satisfaction between the insurance companies.