

Abstract

Agricultural insurance has increasingly become a critical tool for stabilizing smallholder farmers' livelihoods, particularly in regions affected by climate variability and market shocks. This paper examines the influence of Agri-insurance financing on the productivity and resilience of smallholder farmers in Nakuru County. Using a descriptive quantitative design and data from 272 respondents, findings show that insurance significantly enhances productivity ($\beta = .258, p < .001$) by reducing farmers' risk exposure, strengthening investment confidence, and promoting adoption of new technologies. Despite high awareness levels, insurance uptake remains low due to unaffordable premiums, low trust in insurers, and limited experience with claim processing. The study recommends subsidized index-based insurance, bundling insurance with credit and inputs, digital claim-processing mechanisms, and cooperative-based outreach.