

L A W S O F K E N Y A

The Insurance Act

CHAPTER 487

Revised February 2020

THE INSURANCE ACT
CHAPTER 487
ARRANGEMENT OF SECTIONS
PART I – PRELIMINARY

Section

- 1 – Short title
- 2 – Interpretation

PART II – THE INSURANCE REGULATORY AUTHORITY

- 3 - Establishment of the Authority
- 3A – Objects and functions of the Authority
- 3AA – Assistance in Investigations
- 3B – Board of Directors
- 3C – Powers of the Board
- 3D – Remunerations of Board Members
- 3E – Commissioner of Insurance
- 3F – Appointment of Secretary and other staff
- 3G – Common seal of the Authority
- 4 – The Insurance Regulatory Authority Fund
- 4A – Financial year and Annual Estimates
- 4B – Accounts and Audit
- 4C – Supersession
- 5 – Particular duties of the Commissioner
- 5A – Powers of the Commissioner on Group-wide Supervision
- 6 - *Repealed*
- 7 –Power to call for information and production of books or papers
- 8 –Examination of reinsurance treaties
- 9 –Directions and investigations
- 10 –Particular powers of Commissioner with regard to long term insurance business
- 11 –Investigations of associated persons
- 12 –Powers of investigator
- 13 –Protection for persons complying

- 14 – Person may be represented by an advocate
- 15 – Notes of examination of person
- 16 – Report of the investigator
- 17 – Directions to persons investigated
- 18 – Secrecy

PART III - REGISTRATION OF INSURERS

- 19 – Only authorized persons to carry on insurance business
- 19A – Takaful Insurance business
- 20 – Placing of risks with insurers and reinsurers not registered under this Act
- 21 – *Repealed*
- 22 – Prohibition of registration of certain persons
- 23 – Minimum capital requirements and holding by Kenya citizens
- 24 – *Repealed*
- 25 – Requirements as to capital structure and voting rights
- 26 – Provisions relating to the carrying on of both long term and general insurance business
- 27 – One third of boards to be citizens of Kenya
- 27A- Qualifications of board members
- 28 – *Repealed*
- 29 – Appropriate reinsurance arrangements
- 30 – Application for registration
- 30A – Opening of a branch
- 31 – Registration

PART IV – DEPOSITS

- 32 – Deposits
- 33 – Return of deposit if unregistered
- 34 – Deposit to be kept by Bank on behalf of insurer
- 35 – Substitution of deposits
- 36 – Investment of amount deposited
- 37 – Variation of deposits
- 38 – Use of deposits
- 39 – Return of deposits

40 – Increase of deposits

PART V – ASSETS, LIABILITIES, SOLVENCY MARGINS AND INVESTMENTS

41 – Capital Adequacy

42 – Determination of capital required

43 – *Repealed*

43A – *Repealed*

44 – Assessment of assets and liabilities

45 – Establishment of statutory fund

46 – Application of statutory fund

47 – Assets to be in the name of insurer

48 – Investment of assets on insurer

49 – Unsuitable investments

50 – Insurer to submit investment policy

51 – Restrictions on mortgages, etc., of assets.

PART VI – ACCOUNTS, BALANCE SHEETS, AUDIT AND ACTUARIAL INVESTIGATIONS

52 – Separate accounts for each class

53 – Apportionment between classes

54 – Accounts and balance sheets

54A – Group accounts

55 – Accounting records

56 – Audit and auditor's certificate

57 – Actuarial investigation

58 – Actuarial valuation

59 – Returns

60 – Accounts and statements to be signed

61 – Submission of accounts and statements

62 – Further information

63 – Other reports

64 – Returns sufficient compliance with Companies Act

65 – Rectification of returns

66 – Penalty of false statements

67 – Penalty for failure to comply with requirements of Part

PART VIA – INSPECTION AND CONTROL OF INSURERS

67A – Inspection of insurers

67B – Directions to persons inspected

67C – Powers of the Commissioner to intervene in management

67D – Part to apply to unregistered and unauthorized persons

67E – Powers of inspector

67F – Expenses under part

67G – Power to protect the assets of an insurer

PART VII – MANAGEMENT AND EXPENSES

68 – Approved principal officer to be appointed

68A – Authority to carry out assessment

69 – Directors, managers, employees and their remuneration

70 – Limitation on management expenses

71 – Restriction on providing financial accommodation by insurers

71A – Choice of insurer for loans

72 – Limitation on employment of managing agents

PART VIII – RATES, POLICY TERMS AND CLAIMS SETTLEMENT

73 – Restrictions on rebates, brokerage, etc.

74 – Premium rates of life insurers

75 – Premium rates of general insurers

76 – Law applicable to contracts of insurance and place of payment.

76A – Insurance cover upon change of ownership of motor vehicle

77 – Defaults of insurer, broker or agent not to invalidate policy

78 – Avoidance of contracts for unlimited amounts

79 – Amounts and values in policies to be expressed in Kenya currency

80 – Proposal and policy documents not to be misleading

81 – Incorrect statements in proposals

82 – Effect of suicide or capital punishment on policy

83 – Particulars as to age of proposer for life assurance

84 – Notice regarding proof of age

- 85 – Procedure where insurer declines to accept proof of age
- 86 – Misstatement of age
- 87 – Objections to and return of life policy
- 88 – Paid up policies
- 89 – Surrender of policies
- 90 – Non-forfeiture of ordinary life policies in certain cases of non-payment of premiums
- 91 – Non forfeiture of industrial policies in certain cases of non-payment of premiums
- 92 – Treatment of debts on grant of paid up policies
- 93 – Certain policies exempted from operation of sections 88 to 92
- 94 – Insurable interest essential for all policies
- 95 – Property in child’s advancement policy
- 96 – Limitation of amount payable on death of child
- 97 – Production of prescribed certificate of death
- 98 – Savings as to insurable interest
- 99 – Protection of insured’s interest
- 100 – Family insurance policies
- 101 – Probate or administration may be dispensed with in certain cases
- 102 – Death of owner of policy not being life insured.
- 103 – Insurer not bound to see to application of payments
- 104 – Power to pay into court
- 105 – No deductions in respect of other policies
- 106 – Lost policies

PART IX – ASSIGNMENTS, MORTGAGES AND NOMINATIONS

- 107 – Assignments of policies
- 108 – Effect of notice of trust
- 109 – Assignment of policy to insurer issuing it not to merge rights etc., under policy
- 110 – Policies held by trustees
- 111 – Nomination by policy holder

PART X – CLAIMS ON SMALL LIFE POLICIES

- 112 – Claims on small life policies

PART XI – TRANSFERS AND AMALGAMATIONS

- 113 – Application to amalgamate or transfer
- 114 – Notice
- 115 – Conditions for approval in relation to long term insurance business
- 116 – Further conditions for approval
- 117 – Approval or refusal
- 118 – Effect of approval under s.117

PART XII – INSOLVENCY AND WINDING UP

- 119 – Insurer defined for this Part
- 120 – Voluntary liquidation
- 121 – Liquidation by the court
- 122 – Insolvency of insurer
- 123 – Application for liquidation of an insurer
- 124 – Transfers of insurance businesses
- 125 – Insurers that are subsidiaries of non-insurers
- 126 – Evidence in proceedings for liquidation of insurer
- 127 – Valuation of assets and liabilities
- 128 – Continuation of business of insurer in liquidation

PART XIII – THE KENYA REINSURANCE CORPORATION

129 to 144 - *Repealed*

PART XIV – MANDATORY REINSURANCE CESSIONS

- 145 – Certain business to be ceded to Kenya Reinsurance Corporation
- 146 – Power to decline business
- 147 – Payments
- 148 – Returns and information
- 149 – Offences and penalty

PART XV – INTERMEDIARIES, RISK MANAGERS, MOTOR ASSESSORS, INSURANCE INVESTIGATORS, LOSS ADJUSTERS, INSURANCE SURVEYORS, MEDICAL INSURANCE PROVIDER AND CLAIMS SETTling AGENTS

- 150 – Only registered brokers, agents, risk managers, loss adjusters, motor assessors, insurance investigators, surveyors and claims settling agents to carry on business
- 150A – Registration of medical insurance providers
- 151 – Application for registration
- 152 – Disqualification

153 – Registration and re-registration

154 – Business by agents

155 – Returns

156 – Advance payment of premiums

PART XVI – THE INSURANCE ADVISORY BOARD OF KENYA

157 to 163 - *Repealed*

PART XVII – ADVERTISEMENTS AND STATEMENTS

164 – Misleading advertisements, etc. prohibited

165 – Advertisements relating to capital

166 – Issue of shares or debentures by companies

167 – Publication of returns

PART XVIII – LEGAL PROCEEDINGS AND APPEALS

168 – Protection for official acts

169 – The Tribunal

170 – Powers of Tribunal

171 – Enforcement of orders for costs

172 – Penalty for disobedience of summons to give evidence, etc.

173 – Appeals from Commissioner's decisions

174 – Cognizance of offences and restrictions on institution of proceedings

175 – Criminal liability of directors, etc.

176 – Criminal proceedings against unincorporated bodies

177 – Documents to be received in evidence

178 – General penalty

PART XIX – MINISTER'S POWERS

179 – Policyholder's compensation fund

179A – Protection from personal liability

180 – Power of Cabinet Secretary to make regulations for purposes of this Act

181 – Power of exemption

PART XX – GENERAL PROVISIONS RELATING TO REGISTRATIONS AND CERTIFICATES

182 – Interpretation of part

183 – Register of authorized persons to be kept by Commissioner

- 184 – Notification of registered persons
- 185 – Inspection of registers
- 186 – Evidence of matters in register
- 187 – Alteration of registration
- 188 – Expiry and renewal of registration
- 189 – Issue, display and surrender of certificates
- 190 – Name of registered person
- 191 – Prohibition of other business
- 192 – Further information
- 193 – Alterations in particulars furnished
- 194 – False or misleading statements
- 195 – Refusal to register
- 196 – Cancellation of registration
- 196A – Notification of cancellation of registration
- 197 – Records to be maintained by registered persons

PART XXA – THE INSURANCE PREMIUM LEVY

- 197A - Imposition of Insurance Premium Levy.

PART XXB – INSURANCE TRAINING LEVY

- 197B - Imposition of Insurance Training Levy
- 197C - Offences and penalties
- 197D - Examination and production of documents
- 197E - Regulations under Part XXA and Part XXB
- 197F to 197K - *Repealed*

PART XXI – SUPPLEMENTARY PROVISIONS

- 198 - Service of notice on registered persons
- 199 - Service of notice on policy-holder
- 200 - Conversion of currency
- 201 - Consent of Commissioner required for insurance remittances
- 202 - Printing of documents
- 203 - Settlement of claims
- 204 - Appointment of public prosecutors

204A - Power of the Authority to settle disputes

204B - Offences on Insurance Fraud

205 - Transitional and savings provision

CHAPTER 487 INSURANCE ACT

Date of assent: 8th January, 1985

Date of commencement: 1st January, 1987

An Act of Parliament to amend and consolidate the Law relating to insurance, and to regulate the business of insurance and for connected purposes

[Act No. 1 of 1985, L.N. 363/1986, Act No. 18 of 1986, Act No. 12 of 1987, Act No. 13 of 1988, Act No. 9 of 1989, Act No. 20 of 1989, Act No. 8 of 1991, Act No. 9 of 1992, Act No. 11 of 1992, Act No. 4 of 1993, Act No. 5 of 1993, Act No. 12 of 1994, Act No. 13 of 1995, Act No. 8 of 1996, Act No. 7 of 1997, Act No. 8 of 1997, Act No. 5 of 1998, Act No. 4 of 1999, L.N. 76/1999, Act No. 9 of 2000, Act No. 6 of 2001, Act No. 7 of 2002, Act No. 9 of 2003, Act No. 4 of 2004, Act No. 6 of 2005, Act No. 11 of 2006, Act No. 7 of 2007, Act No. 9 of 2007, L.N. 97/2007, Act No.8 of 2008, Act No. 8 of 2009, Act No. 10 of 2010, Act No. 4 of 2012, L.N. 58/2012, Act No. 57 of 2012, L.N. 51/2013, Act No. 1 of 2014, Act No. 14 of 2015, Act No. 19 of 2015 , Act No. 50 of 2016, Act No. 11 of 2017, Sch., L.N. 105/2017, Act No. 22 of 2017, Act No. 11 of 2019, Act No. 28 of 2019]

PART I – PRELIMINARY

*L.N. 363
of 1986* **1.**

Short title

This Act may be cited as the Insurance Act.

*Act 18 of
1986* **2.**

Interpretation

(1)

In this Act, unless the context otherwise requires—

*Act 20 of
1989*

“Actuary” Means

- (a) a Fellow of the Institute of Actuaries in England or of the Faculty of Actuaries in Scotland or of the Society of Actuaries of the United States of America; or
- (b) such other person having actuarial knowledge as the Commissioner may, on application of a member of the insurance industry, approve;

“admitted asset” deleted by Act No. 22 of 2017, s. 2(a);

“admitted liability” deleted by Act No. 22 of 2017, s. 2(a);

“Advisory Board” deleted by Act No. 11 of 2006, s. 2(a);

“Affairs”, in relation to a person or to a person associated with another person, includes-

- (a) The promotion, formation, membership, control, trading, dealings, business and property of the person;
- (b) The ownership of shares in, debentures of and interests made available by the person;
- (c) Matters concerned with the ascertainment of the persons who are or have been financially interested in the success or failure, or apparent success or failure, of the person or are or have been able to control or to influence materially the policy of the person; and
- (d) The circumstances under which a person acquired or disposed of, or become entitled to acquire or dispose of, shares in, debentures of or interests made available by the person;

“**Agent**” means a person, not being a salaried employee of an insurer who in consideration of a commission, solicits or procures insurance business for an insurer or broker;

“**Appointed date**” means the date specified in **section 1** for the coming into force of this Act;

“**Asset**” includes any property, security, item or interest of a person;

“**Assessment report**” means any report in respect of a claim;

[Act 19 of
2015, s.31
(a)]

“**Auditor**” has the meaning assigned to it under section 3(l) of the Companies Act, 2015;

[Act 11 of
2006, s.2]

“**Authority**” means the Insurance Regulatory Authority established by **section 3**;

“**Bank**” has the meaning assigned to it in the Banking Act;

[Act 11 of
2006, s.2]

“**Board**” means the Board of Directors of the Authority constituted under **section 3B**;

“**Bond Investment Business**” Deleted by Act No. 28 of 2019 s.2.

[No. 9 of
2003, s.
2]

“**Broker**” means an intermediary concerned with the placing of insurance business with an insurer or reinsurer for or in expectation of payment by way of brokerage, commission for or on behalf of an insurer, policy holder or proposer for insurance or reinsurance and includes a health management organization; but does not include a person who canvasses and secures reinsurance business from or to an insurer or broker in Kenya

so long as that person does not undertake direct insurance business and does not have a place of business, or a resident representative, in Kenya;

[Act 19 of
2015,s.31
(b)]

"Cabinet Secretary" means the Cabinet Secretary for the time being responsible for the National Treasury;

"Certified" means certified by a principle officer to be true and correct, a true copy or a correct translation (as the case may be) by endorsement on or attached to the document to be certified;

"Chairman" means the person for the time-being presiding over the board of directors or other governing body of the member of the insurance industry;

[Act 14 of
2015,s.
23]

"Capital adequacy ratio" means measure of the available capital in relation to the required capital.

"Child's Advancement Policy" means a policy effected, before a child has attained the age of eighteen years, by a person other than the child, which contains both of the following provisions-

- (a) Provision for payment of a sum not exceeding the premiums paid and accumulated with interest to the executors, administrators or assigns of the child on his death before attaining the vesting age;
- (b) Provision for payment of a sum to the child or his assigns on his attaining an age not less than the vesting age;

"Claims Settling Agent" means a person who engages in the business of settling or negotiating insurance claims under policies issued by insurers whether in Kenya or outside Kenya;

[Act 11 of
2006,s.2]

"Commissioner" means the officer appointed under **section 3E**;

[No.7 of
2007]

"Company" means the Kenya Reinsurance Corporation Limited;

"Contract Of Insurance" includes a contract of reinsurance;

"Court" means the High Court;

"Dependent", in relation to a company, means-

- (a) That another company, either alone or with any associate, is entitled to exercise or control the exercise of one third or more of the voting power at any general meeting of the first-mentioned company; or

- (b) That the first-mentioned company is a dependent of a company which is that other company's dependent;

"Director" means a person occupying the position of a director by whatever name he may be called;

"Document" includes accounts, deeds, letters, writings, books and any other records of information, however compiled, recorded or stored and whether in written or printed form, on microfilm or in any other form;

"Financial Institution" has the meaning assigned to it in the Banking Act and includes a mortgage finance company within the meaning of that Act;

"Financial Year" means the calendar year;

"General Insurance Business" means insurance business of any class or classes not being long term insurance business;

"Gross Direct Premium" means the premiums after deductions of discounts, refunds and rebates of premium written by an insurer excluding any reinsurance premium accepted and before deduction of –

- (a) any premium payable in respect of mandatory cessions falling under section 145 of this Act; and

- (b) Any other reinsurance premium ceded.

"Gross Liability" means liability before deducting any part of it which is reinsured;

"Gross Premium" means the premium after deduction of discounts, refunds and rebates of premium but before deduction therefrom of any premium paid or payable by an insurer for reinsurance ceded, and includes premiums receivable by the insurer under reinsurance contracts accepted by the insurer and any premium in respect of annuity contracts;

[No. 9 of
2003, s.2(e)]

"Group Life Insurance and Group Business" means insurance on the lives of groups of persons formed for purposes other than that of purchasing a group life insurance policy;

"index-based insurance" means an insurance contract—

No. 11 of
2019 s.2

- (a) under which the liability of the insurer to make a payment to the policyholder is triggered by, and the amount of that payment is determined in accordance with, one or more indices, rather than on an assessment of the policyholder's actual loss; and

- (b) where the payment is designed to provide a level of compensation, although not necessarily an indemnity, to the policyholder in respect of either or both of the following—
 - (i) losses, including consequential losses, that the policyholder is expected to suffer; or
 - (ii) costs, including mitigation costs, that the policyholder is expected to incur, in the event that payment is triggered by the index;

“Industrial Life Assurance Business” Deleted by Act No. 28 of 2019 s.2.

“Insurance Business” means the business of undertaking liability by way of insurance (including reinsurance) in respect of any loss of life and personal injury and any loss or damage, including liability to pay damage or compensation, contingent upon the happening of a specified event, and includes-

- (a) the effecting and carrying out by a person not carrying on a banking business, of contracts for fidelity bonds, performance bonds, administration bonds, bail bonds or customs bonds or similar contracts of guarantee, being contracts effected by way of business (and not merely incidental to some other business carried out by the person effecting them) in return for the payment of one or more premiums
- (b) the effecting and carrying out, by a body (not being a body carrying on a banking business) that carries on which is insurance business apart from this paragraph, of capital redemption contracts;
- (c) the effecting and carrying out of contracts to pay annuities on human life, and any business incidental to insurance business as so defined but does not include-
 - (i) business in relation to the benefits provided by a friendly society or trade union for its members or their dependents;
 - (ii) business in relation to the benefits provided for its members or their dependents by an association of employees;
 - (iii) **Deleted**

(iv) Business in relation to a scheme or arrangement for the provision of benefits consisting of-

(A) the supply of funeral, burial or cremation services, with or without the supply of goods connected with any such service; or

And no other benefits, except benefits incidental to the scheme or arrangement;

(v) Business consisting of the effecting and carrying out, by a person carrying on no other insurance business, of contracts of such description as may be prescribed, being contracts under which the benefits provided are exclusively or primarily benefits in kind;

(vi) business declared by the Minister by notice in the Gazette not to be insurance business for the purposes of this Act;

[No. 50 of 2016, s.2]

(d) *Takaful* insurance business based on group participation guaranteeing each of the members against defined loss or damage;

No.11 of 2019 s.2

(e) micro-insurance business; and

(f) social insurance schemes.

[No.22 of 2017, s.2]

“Insurance group” includes a registered insurer and its subsidiary, or an insurer’s holding company, whether operating or non-operating, and its subsidiary;

“Insurance Surveyors” means a person who engages in surveying risks and in advising on the rate and terms and conditions of premiums including making suggestions for improvement of the risks; and, in the marine insurance business, includes a person who surveys or assesses the losses on behalf of the insured;

[No 11 of 2006,s.2]

“Insurance Training and Education Trust” means the insurance training and education trust declared as such by instruments of the trustees dated 3rd May, 1988;

[No 11 of 2006,s.2]

“Insurance Training Levy” means the insurance training levy payable under section 197H;

[No 11 of 2006,s.2]

“Insurance Premium Levy” means the insurance premium levy payable under section 197A.

[No. 9 of 2003,s.2]

“Insurer” means a person, registered under this Act, who carries on insurance business and includes a reinsurer;

“Intermediary” means a person who in the course of any business or profession invites other persons to make offers or proposals or to take other steps with a view to entering into contracts of insurance with an insurer, but does not include a person who merely publishes invitations on behalf of, or to the order of, some other person;

“Investigator” means the Commissioner or an investigator appointed under section 9;

“Kenya business” and **“Kenya reinsurance business”** mean insurance business carried on by an insurer in respect of any person, human life, property or interest situated in Kenya, or in respect of which premiums are ordinarily payable in Kenya and include insurance business in respect of any vessel, hovercraft or aircraft registered or ordinarily located in Kenya, including marine cargo insurance policies for commercial imports but excludes marine cargo insurance policies issued on personal effects, goods and items imported into Kenya by returning residents or passengers entering Kenya for permanent or temporary residence.

Provided that, if any doubt arises as to whether on a policy of insurance the premiums are ordinarily payable in Kenya or outside Kenya, the Commissioner shall decide the question and his decision shall be final;

“Kenya Government securities” means the securities charged on the revenue of the Government or guaranteed fully as regards principal and interest by the Government;

“Kenya Reinsurance Corporation Limited” has meaning assigned to it in section 2 of Kenya Reinsurance Act 1997;

“Life Assurance” and **“Life Assurance Business”** mean the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and include a contract which is subject to the payment of premiums for term dependent on the termination or continuance of human life and any contract securing the grant of an annuity for a term dependent upon human life;

“Long Term Insurance Business” includes insurance business of all or any of the following classes—

- (a) life assurance;

[No. 7 of
97]

No. 28 of
2019 s. 2

- (b) annuities;
- (c) pensions (personal pension or deposit administration);
- (d) group life;
- (e) group credit;
- (f) permanent health;
- (g) investment (unit link and linked investments or non-linked investments), and

includes, in relation to any insurer, business carried on by the insurer as incidental to any such class of insurance business.

“Loss Adjuster” and **“Loss Assessor”** mean persons who do the business of assessing, investigating, negotiating, and settling losses, on behalf of the insurer or the assured;

“Management Expenses” means expenses incurred in the administration of an insurer which are not commission payable and, in the case of general insurance business, are not included in claims paid, claims outstanding, expenses for settling claims and expenses for settling claims outstanding;

“Managing Agent” means a person, firm or company entitled to the management of the whole affairs of the an insurer, by virtue of an agreement with the insurer, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes a person, firm or company occupying that position, by whatever name called;

“Medical Insurance Provider” means an intermediary, other than a broker, concerned with the placing of medical insurance business with an insurer for, or in expectation of, payment by way of a commission, fee or other remuneration.

“Member of the Insurance Industry” includes an insurer, reinsurer, broker, agent, insurance surveyor, risk manager, loss assessor, loss adjuster and claims settling agent, whether registered under this act or not;

“Micro-insurance business” means insurance that is accessed by or accessible to the low income population, including the underserved markets provided by a variety of different entities and managed in accordance with generally accepted insurance principles;

[No. 9 of
2003, s.
2]

No. 11 of
2019 s.2

[No. 1 of
2014 s.2]

“Minister” means the Cabinet Secretary for the time being responsible for matters relating to finance.

“Net Liability” means the liability assessed by an actuary at a valuation made by him and approved by the Commissioner.

“Net Premium” means the balance of the gross premium after deduction therefrom of any premium paid or payable by the insurer for reinsurance ceded;

[No. 22 of
2017, s.
2]

“Non-operating holding company” means a company, other than the insurer, which has control of an insurer and whose activities are limited to—

- (a) holding investments in its subsidiary;
- (b) holding property used by group members;
- (b) raising funds to—
 - (i) invest in, or to provide support to its subsidiary;
 - (ii) conduct its own activities;
 - (iii) provide administrative functions to;
 - (iv) support risk management; and
 - (v) Provide financial services for efficient operation of the group.

“Ordinary Life Assurance Business” means life assurance business, being business of, or in relation to, the issuing of, or the undertaking of liability under, ordinary life policies;

“Ordinary Life Policy” means a policy of life assurance other than a policy of industrial life assurance;

“Person” includes a company, corporate body (whether incorporated by or under statute or statutory authority), association, association of underwriters, fund, natural person, partnership and scheme;

“Policy”-

- (a) In relation to ordinary life assurance business or industrial life assurance business, includes an instrument evidencing a contract to pay an annuity upon human life;

- (b) In relation to bond investment business, includes a bond, certificate, receipt or other instrument evidencing the contract with the insurer; and
- (c) In relation to other classes of business, includes an instrument under which there is for the time being an existing liability already accrued or under which any liability may accrue;

"Policy Holder" means the person who for the time being is the legal holder of the policy for securing the contract with the insurer;

"Premium" includes the consideration for the granting of an annuity;

"Principal Officer" means an officer appointed under section 68;

"Registration" means registration under this Act and includes a renewal of registration;

"Regulations" and **"rules"** mean regulations and rules made under this Act;

"Reinsurer" means a person who carries on reinsurance business and includes a retrocessionaire;

"Reinsurance Business" means the business of undertaking liability to pay money to insurers or reinsurers in respect of contractual liabilities in respect of insurance business incurred by insurers or reinsurer and includes a retrocession;

"Related", in relation to an insurer, means-

- (a) A dependent of that insurer;
- (b) A company of which the insurer is a dependent; or
- (c) A dependent of a company of which the insurer is dependent;

"Retrocession" means the reinsurance of reinsurance business accepted by a reinsurer;

"Retrocessionaire" means a person reinsuring a reinsurer;

"Significant owner" means a person who directly or indirectly holds more than ten percent of the controlling or beneficial interest in a person licensed under this Act".

(No. 19 of
2015
s.31)

“Statutory Fund” means the fund established under section 45;

“Subsidiary” means a subsidiary company as defined by section 4 of the Companies Act, 2015;

“Tribunal” means the tribunal established under section 169;

“Vesting Age” means-

- (a) The age of eighteen years; or
 - (b) An age of not less than ten years on or after the attainment of which by the child it is specified in the policy that sums payable in respect of the policy by the insurer who issued it shall be paid to the child or his executors, administrators or assigns.
- (2) An insurer shall be deemed to be carrying on business of a particular class so long as any liability in respect of that class of business remains unsatisfied and is not otherwise provided for, and shall be subject to all the provisions of this Act, save as is specifically provided in any other section thereof, in relation to that class of business.

(No. 11 of
2006, s. 3)

PART II- THE INSURANCE REGULATORY AUTHORITY

(No. 11 of
2006, s.4)

3.

Establishment of the Authority

- (1) There is established an Authority to be known as the Insurance Regulatory Authority.
- (2) The Authority shall be a body corporate with perpetual succession and a common seal and shall in its corporate name be capable of
 - (a) suing and being sued;
 - (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
 - (c) borrowing or lending money, and
 - (d) Doing or performing all other things or acts for the furtherance of its functions under the provisions of this Act, which may be lawfully done or performed by a body corporate.

3A

Objects and functions of the Authority

- (1) The objects and functions of the Authority shall be to –
- (a) ensure the effective administration, supervision, regulation and control of insurance and reinsurance business in Kenya;
 - (b) formulate and enforce standards for the conduct of insurance and reinsurance business in Kenya;
 - (c) license all persons involved in or connected with insurance business, including insurance and reinsurance companies, insurance and reinsurance intermediaries, loss adjusters and assessors, risk surveyors and valuers;
 - (d) ***Deleted by Act No. 1 of 2014 sec. 3***
 - (e) ***Deleted by Act No. 1 of 2014 sec. 3***
 - (f) advise the Government on the national policy to be followed in order to ensure adequate insurance protection and security for national assets and national properties; and
 - (g) Issue supervisory guidelines and prudential standards from time to time, for better administration of the insurance business of persons licensed under the Act;
 - (h) Conduct inquiries and Share information with other regulatory authorities and to carry out any other related activities in furtherance of its supervisory role;
 - (ha) educate the public regularly on the right to independently select an underwriter or broker from a list of underwriters or brokers licensed by the Authority;
 - (hb) Regulate the business of banc assurance offered by banks in the same manner as the ordinary insurance business including capital requirements and disclosures.
 - (i) Undertake such other functions as may be conferred on it by this Act or by any other written law.
- (2) For better clarity, the objects of the supervision of insurers and reinsurers by the Authority under this Act shall be—
- (a) to promote the maintenance of a fair, safe and stable insurance sector;
 - (b) to protect the interest of the insurance policyholders and beneficiaries; and

[No. 1 of 2014 s.3]

[No. 1 of 2014 s.3]

[No. 10 of 2010, sec.51(a)]

*[No. 10 of 2010, sec.51(a)]
No. 57 Of 2012, sec 32*

[no.11 of 2017]

[no.11 of 2017]

[NO.11 of 2006, s.4, no. 10 of 2010 s.51(b)]

[No. 1 of 2014 s.3]

(c) generally, to promote the development of the insurance sector.

[No 11 of
2017]

(3)

The Authority shall publish the standards formulated under subsection (1)(b) and may provide for the punishment of a person who contravenes any of the standards by a fine not exceeding five million shillings or to imprisonment for a term not exceeding five years or to both such fine and imprisonment.

3AA

Assistance in investigations

[No. 1 of
2014 s.4]

(1)

The Authority may, where it receives a request from a regulatory body, whether established within or outside Kenya, for assistance in investigating a person specified by the regulatory body who has contravened or is contravening any legal or regulatory requirements which—

(a) are enforced or administered by that regulatory body; or

(b) relate to insurance transactions regulated by that regulatory body,

and where it is of the opinion that the request meets the requirements of subsection (3), provide the assistance requested for by exercising any of its powers under this Act or by providing such other assistance as the Authority may consider necessary.

(2)

For the purposes of subsection (1), the provisions of this Act shall, with such modifications as may be necessary, apply and have effect as if the contravention of the legal or regulatory requirement referred to in subsection (1) were an offence under this Act.

(3)

A regulatory body which requests for assistance under subsection (1) shall demonstrate that —

(a) it is desirable or expedient that the assistance requested should be provided in the interest of the public; or

(b) The assistance shall assist the regulatory body in the discharge and performance of its functions.

(4)

The Authority shall, in deciding whether the requirements under subsection (3) have been satisfied in a particular case, take into account whether the regulatory body shall —

(a) pay the Authority any of the costs and expenses incurred in providing the assistance; and

(b) Be able and willing to provide reciprocal assistance within its jurisdiction in response to a similar request for assistance from Kenya.

(5) Nothing in this section shall be construed as limiting the powers of the Authority to co-operate or co-ordinate with any other regulatory body in the exercise of its powers under this Act, in so far as any such co-operation or co-ordination is not contrary to the objectives of this Act.

3B

Board of Directors

(1) The management of the Authority shall vest in the Board of Directors of the Authority which shall comprise-

(a) a chairman to be appointed by the President on the recommendation of the Minister;

(b) the Commissioner of Insurance appointed under section 3E;

(c) the Permanent Secretary in the Ministry for the time being responsible for matters relating to finance or his representative;

(d) the Chief Executive Officer of the Retirement Benefits Authority;

(e) the Chief Executive Officer of the Capital Markets Authority;

(f) the Governor of the Central Bank of Kenya or his representative;
and

(g) a nominee of the Insurance Institute of Kenya;

(h) four other members, not being public officers, appointed by the Minister.

(2) The chairman and every member appointed under paragraphs (a), (g) or (h) of subsection (1) shall be appointed from amongst persons who have knowledge or experience in matters relating to insurance, finance, banking or actuarial science.

(3) A person shall not be eligible for appointment under paragraphs (a), (g) or (h) of subsection (1) if such person

(a) has at any time been convicted of any offence involving fraud, theft, dishonesty, breach of trust or moral turpitude;

- (b) was previously involved in the management or administration of a financial institution which was deregistered, wound up or placed under statutory management for any failure on the part of the management or the administration thereof;
- (c) is a director, officer, employee or shareholder of any insurer, broker, insurance agent or any other member of the insurance industry; or
- (d) Is disqualified under any other written law from holding public office or being a director of any institution.

[NO.11 of
2006,
s.4.]

3C

Powers of the Board

- (1) The Board shall have all the powers necessary for the performance of its functions under this Act, and, without prejudice to the generality of the foregoing, shall have power to-
 - (a) control, supervise and administer the assets of the Authority in such manner and or such purposes as best promote the purpose for which the Authority is established;
 - (b) determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Authority;
 - (c) receive any grants, gifts, donations or endowments on behalf of the Authority and make legitimate disbursements therefrom;
 - (d) enter into association with such other bodies or organizations, within or outside Kenya, as it may consider desirable or appropriate and in furtherance of the purpose for which the Authority is established;
 - (e) open a banking account or banking accounts for the funds of the Authority; and
 - (f) Invest the funds of the Authority not currently required for its purposes in the manner provided in this Act.
- (2) The conduct and regulation of the business and affairs of the Board shall be provided in the Schedule, but subject thereto, the Board may regulate its own procedure.
- (3) The Board may, by resolution either generally or in any particular case, delegate to any committee of the Board or to any member, officer, employee or agent of the Authority, the exercise of any of the powers, or the performance of any of the functions or duties of the Authority under this Act, or under any other written law.

[NO.11 of
2006,
s.4.]

3D

Remuneration of the Board members

[NO.11 of
2006,
s.4.]

The Authority, in consultation with the Minister, shall pay the members of the Board such remuneration, fees or allowances for expenses as it may determine.

3E

Commissioner of Insurance

[No. 1 of
2014, s.5]

(1) There shall be a Commissioner of Insurance who shall be the chief executive officer of the Authority and who shall be appointed by the Board, through an open and competitive process, on such terms and conditions of service as may be determined by the board in the instrument of appointment.

(2) The Commissioner shall be an *ex officio* member of the Board but shall have no right to vote at any meeting of the Board.

(3) The Commissioner shall, subject to the directions of the Board, be responsible for the day to day management of the affairs of the Authority.

[No. 1 of
2014, s.5]

(4) A person shall be qualified to be appointed under this section if such person-

(a) has satisfied the requirements of Chapter Six of the Constitution;

(b) holds at least a postgraduate degree in insurance, audit, accounting, finance, actuarial science, business studies or banking;

(c) is a member of a professional body recognized in Kenya";

(d) has considerable knowledge, competence and at least ten years' experience in a managerial capacity in insurance, accounting, finance, actuarial science or banking; and

[NO.11 of
2006,
s.4.)

(e) Is not engaged in the insurance business as a director, employee, officer or shareholder of any insurer, broker, insurance agent, or in any other sector of the insurance industry, and if appointed shall be disqualified if he, his spouse or dependent child becomes such director, employee, officer or shareholder.

[No. 1 of
2014, s.5]

(5) A person appointed as a Commissioner under subsection (1) shall serve for a term of three years and shall be eligible for re-appointment for a further term of three years.

[No. 1 of
2014, s.5]

(6) On the coming into force of this Act, a person who immediately before the commencement of this Act held the office of a Commissioner of the Authority shall, subject to the provisions of this Act, serve as a

Commissioner for the remainder of that person's term, and shall not be eligible for a further reappointment.

3F

Appointment of secretary and other staff

(1) The Board shall appoint a secretary to the Board on such terms and conditions of service as it may determine.

*(NO.11 of
2006,
s.4.)*

(2) The Board may appoint such officers or servants as are necessary for the proper discharge of the functions of the Authority under this Act or any other written law, upon such terms and conditions of service as it may determine.

3G

Common Seal of the Authority

(1) The common seal of the Authority shall be kept in such custody as the Board may direct, and shall not be used except on the order of the Board.

*(NO.11 of
2006,
s.4.)*

(2) The common seal of the Authority, when affixed to a document and duly authenticated, shall be judicially and officially noticed, and, unless and until the contrary is proved, any necessary order or authorization by the Board under this section shall be presumed to have been duly given.

4.

The Insurance Regulatory Authority Fund

(1) The Authority shall establish a general fund to be known as the Insurance Regulatory Authority Fund, hereafter referred to as "the Fund", which shall vest in the Authority.

(2) There shall be paid into the Fund

- (a) all proceeds of the insurance premium levy imposed by section 197A;
- (b) such moneys as may accrue to or vest in the Authority in the course of the exercise of its powers or performance of its functions under this Act;
- (c) such sums as may be payable to the Authority pursuant to this Act or any other written law, or pursuant to any gift or trust;
- (d) such sums as may be granted to the Authority by the Minister pursuant to subsection (3); and
- (e) all moneys from any other source provided for, donated to or borrowed by the Authority.

(3) There shall be made to the Authority, out of moneys provided by parliament for that purpose, grants towards the expenditure incurred by

the Board in the exercise of its powers and the performance of its functions under this Act.

(4) The Authority may invest any of its funds in securities which trustees are by law allowed to invest trust funds, or in any other securities which the Treasury may, from time to time approve.

(NO.11 of
2006,
s.5.)

(5) There shall be paid out of the fund all such sums of money required to defray the expenditure incurred by the Authority in the exercise of powers and performance of its functions and duties.

4A

Financial Year and Annual Estimates

(1) The financial year of the Authority shall be the period of twelve months ending on the thirtieth of June in each year.

(2) At least four months before the commencement of each financial year, the Board shall prepare estimates of revenue and expenditure of the Authority for that year.

(3) The annual estimates shall make provision for all the estimated expenditure of the Authority for the financial year and in particular, the estimates shall provide for-

(a) the payment of salaries, allowances and other charges in respect of the staff of the Authority;

(b) the payment of pensions, gratuities and other charges in respect of the retirement benefits which are payable out of the funds of the Authority;

(c) the proper maintenance of the buildings and grounds of the Authority;

(d) the maintenance, repair and replacement of the equipment and other property of the Authority;

(e) The creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of buildings or equipment, or in respect of such other matter as the Board may deem appropriate.

(4) the annual estimates shall be prepared at least three months before the commencement of the financial year to which they relate and shall be submitted to the minister for approval and after such approval, the Authority shall not increase the annual estimates without the consent of the Minister.

(NO.11 of
2006,
s.5.)

- (5) No expenditure shall be incurred for the purposes of the Board except in accordance with the annual estimates approved under this section or in pursuance of an authorization by the Minister.

4B

Accounts and Audit

- (1) The Authority shall cause to be kept all proper books and records of account of the income, expenditure and assets of the Authority.
- (2) Within a period of four months after the end of each financial year, the Board shall submit to the Controller and Auditor-General or an auditor appointed by the board under the authority of the Controller and Auditor-General, the accounts of the Authority together with –
- (a) a statement of income and expenditure during that year; and
 - (b) A statement of the assets and liabilities of the Authority on the last day of that year.

(NO.11 of
2006,
s.5.)

- (3) The accounts of the Authority shall be audited and reported upon in accordance with the Public Audit Act, 2003.

4C

Supersession

Where there is a conflict between the provisions of this Act and the provisions of any written law with regard to the powers or functions of the Board or the Authority under this Act, the provisions of this Act shall prevail.

5.

Particular duties of the Commissioner

- (1) Subject to this Act, the duties of the Commissioner shall include-
- (a) *(deleted by No. 11 of 2006, s.6 (a) (i));*
 - (b) directing insurers and reinsurers on the standardization of contracts of compulsory insurance;
 - (c) directing an insurer or a re-insurer, where he is satisfied that the wording of a particular contract of insurance issued by the insurer or re-insurer is obscure or contains ambiguous terms or terms and conditions which are unfair or oppressive to the policy-holders, to clarify, simplify, amend or delete the wording, terms or conditions, as the case may be, in respect of future contracts;
 - (d) the approval of tariffs and rates of insurance in respect of any class or classes of insurance;

(No. 11 of 2006, s.6 (a) (ii).)

(e) Such other duties as the Board may assign to him.

[No.12 of 1994, s.2, No. 11 of 2006, s.6 (b).]

(1A) The Board may, with the approval of the Minister make regulations for the purpose of giving effect to the provisions of this Part.

(No. 12 of 94, No. 11 of 2006, s.6 (c). No. 19 of 2015 s.33)

(2) As soon as reasonably practicable after each year ending on 31st December, the Board shall provide the Cabinet Secretary with a report on the operation of this Act during that year, together with summaries of returns and documents deposited with the Cabinet Secretary in accordance with Part VI during that year.

(No. 19 of 2015 s.33)

(3) Within one month after receiving the report and summaries under subsection (2), the Cabinet Secretary shall arrange for them to be laid before the National Assembly.

5A

Powers of the Commissioner on Group-wide Supervision

No.11 of 2019 s.3

(i) The Commissioner may direct any member of the group to provide any information necessary for effective groupwide supervision.

No.11 of 2019 s.3

(ii) In the event of any breach or failure to comply with the directives of the Commissioner or safeguard the interests of the policyholders, the Commissioner shall impose any of the sanctions provided in the Act on the holding company or any member of the group.

6.

(Repealed by No. 11 of 2006, s.7)

7.

Power to call for information and production of books or papers

(1) The Commissioner may, by notice in writing require a member of the insurance industry to supply him with information relating to his insurance business, and that person shall comply with the requirement within such period after receipt of the notice as may be specified therein failing which he shall be deemed to have failed to comply with the provisions of this Act.

(2) Information supplied under this section shall be certified by a principal officer of the member of the insurance industry in question and, if the notice so requires, also by an auditor.

(3) The Commissioner may by notice in writing-

(a) require a member of the insurance industry to produce, at such a time and place as he may specify, such books or documents as he may specify; or

- (b) Authorize any person, on producing (if required to do so) evidence of his authority, to require a member of the insurance industry to produce to him forthwith any books or documents which that person may specify.
- (4) Where by virtue of subsection (3) the Commissioner or a person authorized by him has power to require the production of books or documents from a member of the insurance industry, the Commissioner or that person shall have the same power to require production of those books or documents from any person who appears to him to be in possession of them.
- (5) Where any person from whom production of a document is required claims a lien on the document produced by him, the production shall be without a prejudice to the lien.
- (6) The power conferred by or by virtue of subsections (3) and (4) to require a member of the insurance industry or other person to produce books or documents shall include power: -
 - (a) if the books or documents are produced-
 - (i) to take copies of them or extracts of or from them; and
 - (ii) to require that person, or any other person who is a present or past director of, auditor of, or is or was at any time employed by, the member of the insurance industry in question, to provide an explanation of any of them;
 - (b) If the books or documents are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are.
- (7) A person who in purported compliance with a requirement imposed under this section furnishes information which he knows to be false in a material particular, or who recklessly furnishes information which is false in a material particular, or who, having been required to produce a book or document for examination, alters, mutilates, damages, destroys, conceals, or removes it without the written consent of the commissioner, shall be guilty of an offence and liable to a fine not exceeding two hundred thousand shillings or imprisonment for a term not exceeding twelve months or to both.

[No.1 of
2014,S.6]

8. Examination of reinsurance treaties

- (1) The commissioner may-

- (a) call upon an insurer to submit for his examination at his office all reinsurance treaties and other reinsurance contracts entered into by the insurer;
 - (b) By notice in writing, require an insurer to supply him with copies of any of the documents referred to in paragraph (a) certified by a principal officer of the insurer.
- (2) If on the scrutiny of a document referred to in subsection (1) or otherwise the Commissioner considers that any reinsurance treaty, contract or arrangement or any terms or conditions therein are not favorable to the insurer or are not in the interests of the economy or the insurance industry or in the public interest, he may in writing direct the insurer either-
- (a) to make, at the time when the renewal of that treaty or contract next becomes due, such modifications in its terms and conditions as he may specify; or
 - (b) Not to renew that treaty, contract or arrangement.
- (3) A person who fails to comply with, or contravenes any requirement imposed under, this section shall be guilty of an offence and liable to a fine not exceeding ten thousand shillings or imprisonment for a term not exceeding twelve months or to both, and if the offence is a continuing one, to a further fine not exceeding two hundred shillings for every day during which the offence continues.

9

Directions and investigations.

- (1) Where the Commissioner-
- (a) has reason to believe that-
 - (i) an offence under this Act or default in complying with any of the provisions of this Act or any subsidiary legislation made thereunder has been or is likely to be committed by a member of the insurance industry; or
 - (ii) the affairs of any member of the insurance industry are being conducted in a manner which is detrimental or prejudicial to the interests of that member, any policy holder, the economy or the insurance industry; or
 - (iii) an insurer may be unable or is likely to become unable to meet his obligations or, in the case of long-term insurance business, to fulfill the reasonable expectation of policy holders or potential policy holders; or

(b) receives a requisition signed by not less than ten percent of policy holders holding policies of life assurance in force respectively for not less than three years with an insurer and which on maturity will be for a total value of not less than one million shillings, that an investigation be held into the affairs of that insurer; or

*No 57 of
2012 s.3*

(bb) receives a request to conduct an inquiry or investigation by a regulatory authority on a person licensed under this Act; or

(c) receives a requisition signed by not less than one-tenth of the shareholders holding not less than one-tenth of the issued share capital of an insurer, that an investigation be held into his affairs;

the Commissioner may exercise any one or more of the powers set out in subsection (2).

(2) The powers referred to in subsection (1) are that the Commissioner may-

(a) by notice in writing served on the person concerned, direct him to furnish to the Commissioner within such period after service of the notice, being not less than seven days, as he specifies in the notice, information in writing about such matters in relation to the affairs of the person as he so specifies;

(b) by notice in writing served on the person concerned direct him not to dispose of or otherwise deal with or remove from Kenya an asset in Kenya specified in the notice during such period after service of the notice, being not more than six months, as he specifies in the notice;

*(No.11 of
2006,
s.8.)*

(c) after giving the member of the insurance industry a reasonable opportunity of being heard, and with the written approval of the Board, give such directions in writing as he considers necessary, to be effective from a specified date;

*(No.11 of
2006,
s.8.)*

(d) after giving the member of the insurance industry a reasonable opportunity of being heard, and with the written approval of the Board, prohibit that member of the insurance industry from entering into any particular transaction or class of transactions;

*(No.11 of
2006,
s.8.)*

(e) after giving the member of the insurance industry a reasonable opportunity of showing cause why, on such grounds as he so specifies, an investigation should not be conducted in respect of that member, with the approval in writing of the Board, investigate, or by instrument in writing appoint any person, other than a person in the employment of that member, to investigate the affairs of that member.

(3) With regard to a requisition made under paragraph (b) or (c) of subsection (1) the Commissioner may, before ordering an investigation, require the persons making the requisition to furnish security in such amount as he

considers sufficient to meet the costs to be incurred by the member of the insurance industry by the Commissioner in respect of the investigation.

(4) A person who fails to comply with a direction issued or who contravenes a prohibition imposed under subsection (2) shall be guilty of an offence and liable to a fine not exceeding five thousand shillings; and if the offence is a continuing one, to a further fine not exceeding one hundred shillings for every day during which the offence continues.

(5) The Commissioner or other person appointed by him to investigate the affairs of a member of the insurance industry may, wherever necessary, employ an auditor, actuary or other person to assist him in the investigation.

(6) All expenses of, and incidental to, an investigation under this section shall be defrayed by the member of the insurance industry and if they are not paid by him within a period of one month after the Commissioner makes a demand to him, shall constitute a civil debt recoverable summarily by the Commissioner.

10. Particular powers of Commissioner with regard to long term insurance business

(No.12 of 1987, s.3 (a).)

(1) Where an insurer carrying on long term insurance business has not issued a new policy of that category of insurance for a period of twelve months from the appointed date, or from the date of issue of the last policy, whichever is later, the Commissioner may, with the approval of the Board, direct the insurer to frame proposals for transfer or amalgamation of its business to or with an insurer.

(No.11 of 2006, s.9 (a).)

(2) Where an insurer fails to comply with a direction under subsection (1), or if the proposals framed by the insurer are in the opinion of the Commissioner unsatisfactory, the Commissioner may himself frame a scheme for the transfer of the business to another insurer specified by the first-mentioned insurer and approved by the commissioner.

[No.12 of 87, No.11 of 2006]

(3) Where an insurer fails to implement a scheme framed by the Commissioner under subsection (2) and the Commissioner considers that the continuance in business of that insurer is likely to lead to insolvency, or is otherwise contrary to the interests of policy holders he may, with the prior approval of the Board—

(a) order an investigation of that insurer; or

(b) Apply to the court for the winding up the business of the insurer in terms of section 123(1) (b).

- [No.8 of 1996,s.48] (4) An insurer who, upon an investigation ordered under section (3)(a) is found to have disposed any assets from a closed fund contrary to the provisions of Section 21 or to have misappropriated such assets commits an offence and is liable on conviction, to a fine not exceeding one hundred thousand shillings or, where the insurer is a natural person, to imprisonment for a term not exceeding five years or to both.
- [No.12 of 1994,s.3] (5) An insurer convicted under subsection (4) shall forthwith be liable to refund the assets misappropriated from the closed fund.
- [No.12 of 1994,s.3] (6) An insurer who fails to refund any assets under subsection (5) commits an offence and is liable on conviction to a fine not exceeding one hundred thousand shillings, or, if the insurer is a natural person, to imprisonment for a term not exceeding five years or both.
- [No.12 of 1994,s.3] (7) If an offence under subsection (6) is a continuing one, the insurer shall be liable to further fine of five thousand shillings for every day during which the offence continues.
- [No.8 of 1996,s.48] (8) In this section the expression Closed fund means a closed fund within the meaning of section 21.

11.

Investigation of Associated Persons

- [No.11 of 2006, s.10 (a).] (1) Where an investigator believes on reasonable grounds that it is necessary for the purposes of an investigation under section 9 to investigate the whole or some part of the affairs of another person that is, or has at some relevant time been, associated with the person in respect of which he is appointed, he may, with the consent in writing of the Board, investigate the whole or that part of the affairs of that other person.
- [No.11 of 2006, s.10 (b).] (2) Before commencing the investigation, the investigator shall, if requested, serve on the associated person a copy of the consent in writing of the Board.
- (3) For the purposes of this section, a person is associated with another person if the two persons are related to each other and-
- (a) the first-mentioned person is a member of the insurance industry; and
- (b) either of those persons is, or has directors who are, accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the other person or of its directors.

12.

Powers of Investigator

- (1) An investigator may, by notice in writing, require any person who is or has at any time been a director, managing director, secretary, principal officer,

manager, officer or employee, agent, accountant, broker, auditor or actuary of the person being investigated to

- (a) give to the investigator all reasonable assistance in connection with the investigation; or
 - (b) appear before the investigator for examination concerning matters relevant to the investigation; or
 - (c) Produce any books or documents that relate to the affairs of the person being investigated.
- (2) Where books or documents are produced to an investigator under this section, the investigator may take possession of them for such period as he thinks necessary for the purposes of the investigation and may make copies of and take extracts from them, but shall permit a person who would be entitled to inspect any of them, if they were not in the possession of the investigator, to inspect at all reasonable times such of those books as that person would be so entitled to inspect.
- (3) No person shall-
- (a) refuse or fail to comply with a requirement of an investigator that is applicable to him, to the extent to which he is able to comply with it; or
 - (b) in purported compliance with such a requirement, furnish information or make a statement that he knows to be false or misleading in a material particular; or
 - (c) when appearing before an investigator for examination in pursuance of such a requirement, make a statement that he knows to be false or misleading in a material particular; or
 - (d) Obstruct or hinder an investigator in the exercise of his powers under this Act.
- (4) A person who acts in contravention of subsection (3) shall be guilty of an offence and liable to a fine not exceeding two thousand shillings.
- (5) A person being examined by an investigator shall not be excused from answering a question put to him by an investigator on the ground that the answer might tend to incriminate him but, where the person informs the investigator before answering the questions that the answer might tend to incriminate him, neither the question nor the answer shall be admissible in evidence against him in criminal proceedings other than proceedings in relation to an offence under subsection (4).

13. Protection for Persons Complying

A person who complies with a requirement of an investigator under this Act shall not incur any liability to any other person by reason only of that compliance.

14. Person may be Represented by an advocate

An advocate acting for a person being examined by an investigator-

- (a) may attend the examination; and
- (b) may-
 - (i) address the investigator; and
 - (ii) examine the person,

in relation to matters in respect of which the investigator has questioned the person.

15. Notes of examination of person

- (1) An investigator may cause notes of an investigation of a person to be recorded and read to or by that person and may require that person to sign the notes and, subject to section 12 (5), notes signed by that person may be used in evidence in proceedings under this Act against that person.
- (2) A copy of the notes signed by a person shall be furnished without charge to that person upon request made by him in writing to the investigator.
- (3) Where notes are recorded under this section, the notes shall be furnished to the Commissioner with the report of the investigation to which they relate.

16. Report of the Investigator

- (1) An investigator may make one or more reports in writing to the Commissioner during the investigation of the whole or a part of the affairs of a person and shall, if so directed in writing by the Commissioner, make such reports as are specified in the direction.
- (2) A report made on the completion of the investigation shall include-
 - (a) a statement of the opinion of the investigator in relation to the grounds for investigation and the facts on which that opinion is based and recommendations thereon;

- (b) the recommendations of the investigator with respect to-
 - (i) the question whether the person investigated should continue to be permitted to carry on business;
 - (ii) any directions that should be given under section 17 to the person investigated;
 - (iii) the question whether the affairs of the investigated person should be reorganized; and
 - (iv) Such other matters, affecting the person investigated or otherwise in the public interest in relation to the business carried on by the person investigated, as he thinks fit.

(3) An investigator shall not include in a report a recommendation relating to the institution of criminal proceedings or a statement to the effect that, in his opinion, a specified person has committed a criminal offence.

(4) The Commissioner shall give a copy of a report made to him under this section to the person investigated.

*(No. 19 of
2015,
s.33)*

(5) The Cabinet Secretary may, if he considers it is in the public interest to do so and after taking into consideration any advice he has received from the Attorney General, cause the whole or some part of the report to be published.

17. Directions to persons investigated

(1) The Commissioner may, by notice in writing, require a person investigated to comply by such date or within such period as may be specified therein, with such directions as he considers necessary in connection with any matter arising out of a report made under section 16.

*(No. 11 of
2019, s.4)*

(2) Without prejudice to the generality of subsection (1), the Commissioner may, where the person investigated is an insurer, issue any one or more of the following directions-

- (a) that the insurer shall not issue new policies or undertake liability under new contracts of insurance;
- (b) that the insurer shall not renew existing policies;
- (c) that the insurer shall not issue policies in respect of a class of insurance business specified in the direction or undertake liability under contracts of insurance included in a class of contracts of insurance so specified;

- (d) that the insurer shall not renew existing policies in respect of a class of insurance business specified in the direction.
- (3) Without prejudice to the generality of subsection (1), the Commissioner may, where the person investigated is an insurer, issue any one or more of the following directions-
- (a) that the insurer shall not dispose of or otherwise deal with an asset of the insurer or an asset of the insurer included in a class of assets specified in the direction;
 - (b) that the insurer shall dispose of an asset of the insurer included in a class of assets specified in the direction, in such a manner and within such period after the giving of the direction, not being less than twenty one days, as the Commissioner so specifies;
 - (c) that the insurer shall, within such period after the giving of the direction, not being less than twenty one days, as the Commissioner specifies in the direction, make in his accounts such provision or further provision as Commissioner so specifies in respect of unearned premiums or claims or in respect of both unearned premiums and claims;
 - (d) that the insurer shall, within such period after the giving of the direction, not being less than twenty one days, as the Commissioner specifies in the direction, adjust one or more of his reserves and make up appropriate investment in connection with such reserve or reserves, as the case may be;
 - (e) that the insurer shall make such arrangements with respect to reinsurance or retrocession as he so specifies;
 - (f) that the insurer shall increase, so far as he is able to do so, his paid-up capital whether by calling up such uncalled capital as is available to be called up or otherwise;
 - (g) that the insurer shall not, except with the consent of the Commissioner-
 - (i) enter into an arrangement or agreement for the sale or disposal of his business by amalgamation or otherwise or for the carrying on of his business in partnership with another body corporate; or
 - (ii) effect a reconstruction of the insurer;
 - (h) That the insurer shall, within such period after the giving of the directions, not being less than six months, as the Commissioner specifies in the direction, effect a reconstruction, of the insurer.

No. 19 of
2015 s.34

- (4) If a body corporate in respect of whom a direction has been given under subsection (1), (2) or (3) is placed in liquidation, the direction ceases to have effect unless the court directs otherwise.

No. 19 Of
2015 s.34

- (5) If the person under investigation is a body corporate and-
- (a) as a result of a report by an investigator, the Commissioner considers that it would be in the interests of policy holders for the body to be placed in liquidation; or
- (b) the body has failed, or is failing, to comply with a direction issued under this section.

the Commissioner may, after giving the body a reasonable opportunity of making representations, apply to the court for an order for the liquidation of the body, in which case the provisions of Part VI of the Insolvency Act, 2015 (as modified by Part XII of this Act) apply to the body."

- (6) Where, after reading a report made under section 16, the Commissioner considers that a requisition under paragraphs (b) or (c) of subsection (1) of section 9 has been made without reasonable cause, he may order that the whole or any part of the amount furnished as security under subsection (3) of that section shall be forfeited and paid to the person investigated and the Commissioner in order to defray the respective costs incurred by them.

18.

Secrecy

- (1) This section applies to every person who is or has been the Commissioner of Insurance or a member of the staff assisting the Commissioner or an investigator or any other person appointed by or assisting the Commissioner.
- (2) Subject to this section, a person to whom this section applies shall not, either directly or indirectly, except in the performance of a duty under or in connection with this Act, make a record of or divulge or communicate to any person, any information concerning the affairs of any other person acquired by him by reason of his office or employment under or for purposes of this Act.
- (3) Nothing in this section shall prevent the communication of information or the production of a document, by the Commissioner or by a member of the staff or other person assisting the Commissioner or by an investigator authorized by the Commissioner in that behalf, to a person to whom, in the opinion of the Minister, it is in the public interest that the information be communicated or the document produced.

- (4) (a) The Commissioner or a member of the staff or other person assisting the Commissioner and authorized by him in that behalf may furnish the Director of statistics or to a regulatory authority information obtained from members of the insurance industry nor policyholders;
- Provided that any information furnished to the Director of statistics or regulatory authority under this subsection shall be treated as confidential and used solely for the purpose of this Act.
- (5) A person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine not exceeding ten thousand shillings or imprisonment for a term not exceeding twelve months or to both.

PART III

REGISTRATION OF INSURERS

19.

Only authorized persons to carry on insurance business

- (1) Except as otherwise provided in or under this Act, only a person registered under this Act may carry on insurance business-
- (a) in Kenya (whether in respect of Kenya insurance or reinsurance business or otherwise); or
- (b) outside Kenya in respect of Kenya business, except Kenya business that is solely reinsurance business;
- (2) A person resident in Kenya or an association of persons or body corporate established in Kenya who or which carries on insurance business in any part of the world other than Kenya is, for the purposes of this Act, taken to be an insurer carrying on that business within Kenya.
- (3) A person who carries on insurance business in contravention of subsection (1) commits an offence and on conviction is liable to a fine not exceeding five million shillings.
- (4) If, after being convicted of an offence under subsection (3), a person continues to carry on insurance business in contravention of subsection (1), the person commits a further offence on each day on which the contravention continues and on conviction is liable to a fine not exceeding five hundred thousand shillings for each such offence.
- (5) If a person found guilty of an offence under subsection (3) is a natural person, the person is liable, in addition to, or instead of, a fine, to imprisonment for a term not exceeding two years.

- (6) If a body corporate is convicted of an offence under subsection (3), the commission of the offence constitutes grounds on which the Commissioner may apply to the court for the liquidation of the body corporate.

[No. 50 of
2016, s.3]

19A.

Takaful insurance business

- (1) A person shall not undertake *takaful* insurance business unless that person is licensed under this Act.
- (2) The Cabinet Secretary may, after consultation with the Authority, make Regulations providing for the licensing and supervision by the Authority of persons carrying on *takaful* insurance business.

20.

Placing of risks with insurers and reinsurers not registered under this Act.

- (1) No insurer, broker, agent or other person shall directly or indirectly place any Kenya business other than reinsurance business with an insurer not registered under this Act without the prior approval, whether individually or generally, in writing of the Commissioner.
- (2) No insurer, broker, agent or other person shall directly or indirectly place any reinsurance of Kenya business with an insurer not registered under this Act except under the following conditions-
- (a) in the case of a treaty reinsurance, with the approval of the Commissioner to the treaty, and subject to such restrictions as he may specify;
- (b) In the case of the facultative reinsurance, subject to the prior approval in writing of the Commissioner to the placing of each particular risk with insurers or reinsurers not registered under this Act.

(No. 7 of
1997,
s.14.,
No.22 of
2017, s.
3)

- (3) Paragraph (a) of subsection (2) shall be deemed to have been complied with in respect of any reinsurance treaty or contract in force on the appointed date or the date of the renewal of the treaty or contract, whichever is earlier, if the treaty or contract is certified by the Kenya Reinsurance Corporation Limited as having been approved by that Company.

[No.11 of
2017]

- (4) A person who contravenes the provisions of the subsection (1) or (2) shall be guilty of an offence and liable to a fine not exceeding five million shillings or to imprisonment for a term not exceeding five years.
- (5) A policy or contract of insurance or reinsurance effected or renewed in contravention of subsection (1) of section 19, or subsection (1) of this section, shall not be invalid, void or unenforceable solely on the grounds of that contravention.

21. *Repealed by Act No. 19 of 2015 s.36*

(No. 19 of 2015 s.37)

22. **Prohibition of registration of certain persons**

Subject to section 23, a person may be registered as an insurer under this Act only if-

- (a) the person is a body corporate registered under the Companies Act, 2015; and
- (b) at least one third of the controlling interest in the body (whether in terms of shares, paid up share capital or voting rights) is wholly under the control of —
 - (i) citizens of a Partner State of the East African Community;
 - (ii) partnership whose partners are all citizens of a Partner State of the East African Community; or
 - (iii) a body corporate whose shares are wholly owned by citizens of a Partner State of the East African Community or the Government, or a combination of them.

[No.12 of 1994, s.5, No. 8 of 2009]

23. **Minimum capital requirements and holding by Kenya citizens,**

[No. 22 of 2017, s. 4]

(1) No person shall be registered as an insurer unless he meets the minimum capital requirements specified in the schedule.

[No.14of 2015,s.24]

(2) The Authority may, by order published in the Gazette, amend the schedule.

[No.14of 2015,s.24]

(3) Every order made under this section shall be laid before the National Assembly without unreasonable delay and unless a resolution approving the order is passed by the Assembly within twenty days on which it next sits after the order is so laid, it shall henceforth be void by without prejudice to anything previously done there under or to the issuing of a new order.

[No.14of 2015,s.24]

(3A) If the Authority considers it appropriate, having regard to the nature, scale and complexity of the insurance business carried on or proposed to be carried on by an insurer, and to the insurer's risk profile, the Authority may issue-

- (a) a directive requiring the insurer to increase its paid-up capital to an amount Higher than the minimum specified in the Regulations; or

- (b) a directive increasing the minimum capital adequacy requirement applicable to an insurer to a higher sum than that specified in the Regulations.
- [NO.1 of 2014,s.8]*
- (4) Out of the amount of the paid-out capital under subsection (1), not less than one third shall be owned by citizens of the East African Community Partner States, by a partnership whose partners are all citizens of such states, wholly owned by citizens of such states or by the Government.
- (No. 8 of 2009, s.46)*
- (4A) No person shall-
- (No. 10 of 2010, s.52 (a) (i))*
- (a) control, or beneficially entitled, directly or indirectly, to more than twenty-five per cent of the paid-up share capital or voting rights of an insurer; or
 - (b) be entitled to appoint more than twenty-five per cent of the board of directors of an insurer; or
 - (c) be entitled to receive more than twenty-five percent of the aggregate dividends of an insurer in any given financial year:
- Provided that this subsection shall not apply to-
- (i) a corporate entity licensed by an insurance, banking, pensions or securities regulators in Kenya; or
 - (ii) a foreign corporate entity licensed by an insurance, banking, pensions or securities regulator in its country of origin; or
 - (iii) The Government of Kenya;
- (CAP 446)*
- (iv) A state corporation within the meaning of the State Corporation Act.
 - (v) A company listed in a stock exchange.
- (No. 10 of 2010, s.52 (a) (ii))*
- (4B) No person shall be appointed as an executive director, managing director, principal officer or other senior management official of an insurer if such person-
- (No. 8 of 2009, s.46)*
- (i) control, or beneficially entitled, directly or indirectly, to more than twenty per cent of the paid-up share capital or voting rights of an insurer; or
 - (ii) be entitled to a point more than twenty per cent of the board of directors of an insurer; or
 - (iii) Be entitled to receive more than twenty percent of the aggregate dividends of an insurer in any given financial year.
- (No. 10 of 2010, s.52 (b))*

(No. 8 of 2009, s.46, (No. 10 of 2010, s.52 (c)

(4C) A person who, at the commencement of subsections (4A) and (4B), holds any right, interest or office in an insurer contrary to the provisions of those subsections, shall comply with the requirements thereof by the 31st December 2011.

(No. 10 of 2010, s.52 (d)

(4D) For the purposes of subsection (4A), indirect control or beneficial entitlement to the paid-up share capital or voting rights of an insurer, means control or entitlement-

(a) In case of a company or body corporate, through-

- (i) a holding company or its subsidiary;
- (ii) a subsidiary or its holding company;
- (iii) a holding company or its subsidiary;
- (iv) nominees; or

(No. 10 of 2010, s.52 (b)

(b) In the case of an individual, through-

- (i) any member of his family;
- (ii) a company or other body corporate controlled directly by him, whether alone or with his associates;
- (iii) any associate of his associates,

and a person shall be deemed to be a member of a family if he is the parent, spouse, brother, sister, child, uncle, aunt, nephew, niece, stepmother, stepchild or adopted child of the person concerned and in case of adopted child his adoptive parents.

(5) A registered insurer who permits his paid-up share capital to fall below the minimum prescribed under subsection (1) commits an offence and is liable on conviction to a penalty of one hundred thousand shillings and if an offence is a continuing one, to a further fine of five thousand shillings for every day during which the offence continues.

(6) Notwithstanding any other penalty imposed under this section, the convicted insurer shall be liable to having its registration cancelled.

(No 18 of 1986, Sch)

24.

Deleted by Act no 22 of 2017, s. 5

25.

Requirements as to capital structure and voting rights

(1) No insurer being a company limited by shares shall be registered to carry on insurance business unless he satisfies all the following conditions-

[No. 50 of
2016,
s.4a.]

- (a) that the capital of the insurer may consist of-
 - (i) in the case of a new company, ordinary shares each of which has a single face value with voting rights and shall be irredeemable, and non-cumulative preference shares; and
 - (ii) In the case of existing insurers, in addition to the capital in subparagraph (1), subordinated loans as may be approved by the Authority, share premiums, reserves and any other form of capital as may be determined by the Authority from time to time.

- (b) that, except during any period not exceeding one year allowed by the company for payments of calls on shares, the paid-up amount is the same for all shares, whether existing or new:

Provided that the conditions specified in this subsection shall not apply to an insurer who has, before the commencement of this Act, issued shares other than ordinary shares each of which has a single face value, or shares the paid-up amount whereof is not the same for all of them, for a period of three years from that commencement.

[No. 50 of
2016, s.4
b]

- (1A) The capital provided under subsection (1) (a) shall not rank in priority to policyholders' interest at the time of liquidation.

- (2) Notwithstanding anything to the contrary contained in any law for the time being in force or in the memorandum or articles of association of an insurer referred to in subsection (1), but subject to other provisions of this section, the voting rights of every shareholder of the insurer shall in all cases be strictly proportionate to the paid-up amount of the shares held by him.

- (3) No insurer shall after the commencement of this Act be newly registered for carrying on any class of insurance business if he has issued shares other than ordinary shares of the nature specified in subsection (1).

[No. 19 of
2015
s.40]

- (4) Subject to the other provisions contained in this Act, but notwithstanding anything contained in the Companies Act, 2015 or in the memorandum or articles of association of an insurer referred to in (1), no insurer shall, except with the prior written approval of the Commissioner, register the transfer of any shares where the transfer has the effect of reducing the proportion of shareholding of citizens of Kenya in the required by section 22 or 23.

26.

Provisions relating to carrying on of both long term and general insurance business

(1) A person registered as an insurer under this Act shall be entitled to carry on only the class or classes of insurance business for which he has been registered.

(2) In the case of an insurer registered to carry on both long term insurance business and general insurance business, the assets of the statutory funds established under section 45 in respect of long term insurance business shall be as absolutely the security of the policy holders of the long term insurance business as though the statutory funds belonged to an insurer carrying on no other business than long term insurance business and shall not be liable for any contracts of the insurer for which of the statutory funds would not have been liable had the business of the insurer been only long term insurance business and, notwithstanding the Companies Act, shall not be applied directly or indirectly, either during the winding up or otherwise, for any purpose other than those of the long term insurance business of the insurer.

27. One third of boards to be citizens of Kenya

[No.12 of 1994, s.6, no. 22 of 2017 s. 6]

A person being a body corporate incorporated in Kenya with or without a share capital shall not be registered and if registered shall have his registration cancelled, if at least one third of the members of his board of directors or managing board are not citizens of Kenya.

(No.9 of 2003, s.3.) **27A**

Qualification of Board members

A person shall not be registered under section 31 unless-

- (a) the board of directors or managing board of such person comprises at least five members; and
- (b) the Commissioner is satisfied that all members of such board have knowledge and experience in matters relating to insurance, actuarial studies, accounting, finance or banking.
- (c) All the members of such Board have in writing addressed to the Commissioner signifying their acceptance to serve on the Board.

(Acts.No. 9) of 2007.)

[No.12 of 1994, s.7.] **28.**

Deleted by Act No 22 of 2017 s. 28

29. Appropriate reinsurance arrangements

[No.1 of 2014,s.9]

(1) Subject to subsection (3), no person shall be registered under section 31 except a person who has re-insurance strategies and arrangements, being strategies and arrangements approved by the Commissioner, for insurance of liabilities in respect of which persons, property or interests

are, or are to be, insured by the insurer in the course of carrying on insurance business.

[No.1 of
2014,s.9]

(2)

The Commissioner shall not approve arrangements strategies or for reinsurance made or proposed to be made unless the amount of the premium and commission to be paid or the manner in which the amount of the premium and commission are to be ascertained are specified in the contract of reinsurance.

[No.1 of
2014,s.9]

(3)

The Commissioner shall not approve arrangements strategies or for reinsurance where, in the opinion of the Commissioner the retention limits are too low or too high.

[No.1 of
2014,s.9]

(4)

The Commissioner may, in determining whether to approve the strategies or arrangements for reinsurance made, or proposed to be made, by an insurer have regard to all matters that he considers relevant and in particular to-

- (a) the class or classes of insurance business carried on or proposed to be carried on by the insurer;
- (b) the amount of premiums received by or due to the insurer during his last preceding financial year in respect of each class of insurance business carried on by him;
- (c) the amount of premiums expected by the insurer during the next financial year in respect of each class of insurance business to be carried on by the insurer;
- (d) the size of contingency loading which can be built into the premium rates of the insurer;
- (e) the amount of the reinsurance commissions received by or due to the insurer during his last preceding financial year in respect of each class of insurance business carried on by the insurer;
- (f) the amount of the reinsurance commissions expected to be received by the insurer during the next financial year in respect of each class of insurance business to be carried on by the insurer;
- (g) the price of reinsurance;
- (h) the nature and value of the assets of the insurer;
- (i) the capital reserves of the insurer and cost of servicing capital, investment policy and the investment income;

- (j) probability, number and size of losses expected and risks characteristics of the insurer's portfolio;
 - (k) inter-dependence of exposure units; and
 - (l) the person or persons by whom the reinsurance is or is proposed to be Undertaken.
- (5) The Cabinet Secretary, having regard to such matters as he considers relevant, may, by notice in writing, exempt an insurer, subject to such terms and conditions and for such period as he specifies in the notice, from the requirements of subsection (1).

30.

Application for registration

An application for registration as an insurer shall be in the prescribed form and shall be accompanied by-

- (a) a copy of the memorandum of association or other instrument or document by which the applicant is constituted;
- (b) a copy of the articles of association or other rules of the applicant;
- (c) a certified copy of the published prospectus, if any;
- (d) a copy of each of the proposal and the policy forms, endorsements and any form of written matter describing the terms or conditions of or the benefits to or likely to be derived from policies or intended to be used by the applicant;
- (e) statements of the premium rates, advantages and terms and conditions to be offered in connection with insurance policies and details of the bases and formulae from which those rates have been calculated together with a certificate in connection with long term insurance business by an actuary that such rates, advantages, terms and conditions are sound and workable;
- (f) a detailed statement of assets and liability in Kenya at the date of application;
- (g) A description of all reserves made by the insurer with detailed descriptions of the method, basis and formula for calculating each of the reserves.
- (h) a certificate from the Central Bank of Kenya specifying the amounts and details of deposits under section 32 made by the applicant;

- (i) certified copies of reinsurance contracts;
- (j) the prescribed fee;
- (k) Such proposals as to the manner in which it proposes to carry on business and such financial forecasts and other documents and information, if any, as may be prescribed.
- (l) An investment plan for the following period of not less than three years.

[No.14 of
2015, s.
30]

[No. 4 of
2012 s.
33]

30A.

Opening of a branch

- (1) An insurer registered under this Act wishing to open a branch or a new place of business in Kenya, or to change the location of a branch, or an existing place of business, shall apply to the Authority for approval to do so.
- (2) In considering an application under subsection (1), the Authority shall take into account –
 - (a) the history and financial condition of the insurer;
 - (b) the adequacy of the capital base and the structure of the insurer;
 - (c) the viability and the earning prospects of the branch
 - (d) Such other matter as may have a bearing on the insurer or the proposed branch.
- (3) There shall be payable, in respect of every application under subsection (1), a fee of twenty thousand shillings.
- (4) For the purpose of this section “branch” means any permanent premises, other than its head office, at which an insurer transact business in Kenya.

31.

Registration

[No.12 of
1987,s.4(
a),No.11
of
2006,s.12
, no. 22 Of
2017, s.8]
]

- (1) Where the Board is satisfied that-
 - (a) the applicant has the share capital and the assets, as the case may be, required by sections 22 and 23;
 - (b) the deposit required by section 32 has been made;

- (c) the applicant has adequate reinsurance arrangements or has been granted an exemption under section 29;
- (d) the applicant has adequate reserves and the methods of calculating the reserves are satisfactory;
- (e) the applicant has adequate assets in Kenya;
- (f) the volume of business which is likely to be available to, and the earning prospects of, the applicant are adequate;
- (g) the applicant is, and is likely to continue to be, able to comply with such of the provisions of this Act and regulations and directions made or issued under this Act as are applicable to the applicant;
- (h) the applicant has an adequate number of technically qualified and otherwise competent staff, including-

[No.9 of 2003,s.4,]

- (i) a fit and proper principal officer who holds a technical or professional qualification in insurance, accounting or banking approved by the Commissioner, and who has more than ten years' experience in a managerial capacity in the respective sector; and

[No.11of 2006,s.12 (a)]

- (ii) a management staff comprising persons who hold technical or professional qualifications in insurance, accounting or banking approved by the commissioner and who have more than five years' experience in the respective sector;

No. 11 of 2019 s.5

the Board shall, subject to such terms and conditions as it may consider necessary, approve the registration of the applicant in respect of such class or classes of insurance as it may direct.

[No. 22 of 2017, s. 8]

- (2) A licence issued under this section shall remain in force until cancelled under section 196.

PART IV DEPOSITS

32.

Deposits

[]

- (1) Subject to subsection (2), an insurer applying for registration under this Act shall deposit and keep deposited with the Central Bank of Kenya (in this Part called "the Bank"), in Kenya Government securities estimated at the market value of the securities on the day of deposit.

[No. 6 of 2001, No.7 of 2002,s.54 , No. 22 of 2017 s. 9,]

- (a) where the application is in respect of long term insurance business, a sum of five million shillings or five per centum of total assets, whichever is the higher;

[No.8 of 1996, s.50, No.6 of 2001, No.7 of 2002, s.54, No. 22 of 2017 s. 9.]

(b) where the application is in respect of general insurance business, a sum of five million shillings or five per centum of the total assets whichever is the higher.

(c) *(repealed by No.7 of 2002).*

2. Where an applicant under section (1) was carrying on insurance business immediately prior to the appointed date he may deposit with the Bank in Kenya Government securities a sum of one hundred and fifty thousand shillings in respect of long term business and a sum of fifty thousand shillings in respect of general business; and if the applicant is registered he shall deposit annually thereafter further Kenya Government securities of the same amounts in respect of each of the two classes of business aforesaid, until the deposit reaches the value specified in subsection (1) for the class or classes of business for which the applicant is registered.

3. If any part of a deposit made under this section is used in the discharge of any liability of the insurer, the insurer shall deposit such additional sum in securities (estimated at the market value of the securities on the day of deposits) as will make up the amount so used and, unless the deficiency is supplied within a period of two months from the date where the deposit or any part thereof is used for discharge of liabilities, the insurer shall be deemed to have failed to comply with the requirements of subsection (1).

33. **Return of deposit if unregistered**

[No.12 of 1987,s.11 ,No.11 of 2006,s.13]

(1) A deposit made under section 32 shall be returned by the Bank if the application for registration as an insurer is not approved by the Board.

(2) Subject to section 40 (2), no deposit made in respect of a class of insurance business shall be refunded so long as the insurer carries on that business.

34. **Deposit to be kept by bank on behalf of insurer**

[No.12 of 1987 s.11 No.11 of 2019 s.6]

Where the Board approves an application for registration under section 31, a deposit made under section 32 shall be held by the Bank on behalf of the insurer and any interest due and collected by the Bank on a deposit shall be paid to the insurer.

35. **Substitution of Deposits**

An insurer may at any time replace any securities deposited by him under this Part by other securities so long as the value of the other securities estimated at the market rates prevailing at the time of replacement is not

less than the value of the securities replaced estimated at the market rates prevailing when they were deposited.

36. Investment of amount deposited

The Bank shall, on the written application of an insurer, invest in Kenya Government securities the whole or any part of the amount received on the redemption of a deposited security.

37. Variation of deposits

(1) An insurer may require the Bank to sell any deposited security and to invest the net proceeds of the sale in such Kenya Government security as the insurer may direct and the new security shall be deemed to form part of the deposit under section 32.

(2) If the amount realized by the sale of or on the maturing of the securities (excluding in the former case the interest accrued) falls short of the market value of the securities at the date on which they were deposited with the Bank, the insurer shall make good the deficiency by a further deposit in securities estimated at the market value of the securities on the day on which they are deposited, within a period of two months from the date on which the securities matured or were sold, and unless he does so the insurer shall be deemed to have failed to comply with the requirements of section 32 as to deposits.

38. Use of deposits

(1) A deposit made by an insurer shall be deemed to be part of the assets of the insurer, but shall not-

(a) be capable of being transferred, assigned, or encumbered with a mortgage or other charge, by the insurer;

(b) be available for the discharge of a liability of the insurer other than liability in respect of a policy of insurance issued in Kenya by the insurer;

(c) be liable to attachment in execution of a judgment except a judgment obtained by a policyholder of the insurer in respect of a debt due upon a policy of insurance issued in Kenya and which debt the policy holder has been unable to recover in any other way.

(2) Where a deposit is made in respect of long term insurance business, it shall not be available for the discharge of a liability of the insurer other than a liability arising out of a policy of long term insurance issued by the insurer.

39.

[No.12 of
1987 s.11
No. 11 of
2019 s.7]

Return of deposit

Where the Authority is satisfied that an insurer has ceased to carry on in Kenya any class of insurance business in respect of which he has been registered and that all his liabilities in Kenya in respect of that business have been satisfied or otherwise provided for, the Bank shall on the application by that insurer and on the approval of the Authority return to the insurer such part of the deposit as is not required in respect of any other class of insurance business carried on by the insurer.

40.

Increase of deposit

- (1) Where upon examination of a return, reinsurance document or other document of or furnished by an insurer, it appears to the Commissioner that a deposit made under section 32, or the value of the assets of the insurer in Kenya, is disproportionately low in relation to the amount of the insurance business carried on by that insurer in Kenya, or that it is in the opinion of the Commissioner desirable for the protection of policy holders, the Commissioner may, after giving the insurer reasonable opportunity of making representations, require the insurer to make an additional deposit of such sum as he shall specify not exceeding in the case of general insurance business twenty percent, and in the case of long term insurance business ten per cent, of the premiums paid or payable in respect of policies of insurance issued in the financial year of the insurer immediately preceding the year in which the additional deposit is required to be made.

Provided that the total deposits including the additional deposit shall not exceed three million shillings in the case of general insurance business and three million shillings in the case of long term insurance business.

- (2) An additional deposit made in accordance with subsection (1), or any part thereof, which is in the opinion of the Commissioner no longer required, shall be refunded to the insurer either on the application of the insurer or on the initiative of the Commissioner.
- (3) Subject to subsection (2), an additional deposit required to be made under subsection (1) shall be deemed to be a deposit made under section 32 and the provisions of this Part applicable to deposits shall apply to that additional deposit.

PART V

ASSETS, LIABILITIES, SOLVENCY MARGINS AND INVESTMENTS

41.

[No.50 of
2016 s.5]

Capital Adequacy

(1) An insurer carrying on insurance business in Kenya shall at all times maintain the capital adequacy ratio of one hundred per centum.

(2) An insurer carrying on both long term and general insurance business shall at all times maintain separate capital adequacy ratios.

[No. 22 of
2017,
s.10]

(3) The following assets shall neither be included in the capital available computation nor be used for the purposes of determining the insurer's capital adequacy under this section—

(a) goodwill and other intangible assets that exceed five percent of total assets;

(b) deferred tax income or expenses and deferred tax assets;

(c) assets pledged to support credit facilities obtained by an insurer or other specific purposes;

(d) assets over their concentration limits;

(e) all credit facilities granted by an insurer and secured by its own shares;

(f) Prepayments;

(g) one hundred per cent of fixed assets and computer equipment;

(h) unsecured loans;

(i) Receivables from insurers;

(j) Merchandise inventory;

(k) such other assets as may be prescribed.

[No. 14 of
2015
s.27]

(4) An insurer failing to comply with the requirements of this section shall be deemed to be unable to pay its debts within the meaning of section 123.

[No. 19 of
2015
s.47]

(5) An insurer that fails to comply with the requirements of subsection (1), (2) or (3) is taken to be unable to pay its debts within the meaning of section 384 of the Insolvency Act, 2015.

[No.50 of
2016s.5]

42.

Determination of the capital required

(1) In determining the capital required, an insurer shall—

(a) take into consideration the capital for insurance risk, market risk, credit risk and operational risk; and

(b) apply such capital charges on assets and liabilities as shall be Determined by the Authority from time to time.

(2) For the purpose of this section, “capital charge” means the proportion of capital required to take care of the potential deterioration of the economic value of an asset and the uncertainty in estimating liability due to the occurrence of an adverse event.

43. Deleted by Act No. 50 of 2016, Sec. 7

43A Deleted by Act No. 28 of 2019, Sec. 3

44. Assessment of assets and liabilities

(1) The Commissioner may, by notice in writing served on an insurer, require the insurer to furnish him with such information with respect to any liability of the insurer or value of an asset of the insurer as he specifies in the notice.

(2) Where the Commissioner is not satisfied that the value of a liability or asset of the insurer as determined by the insurer has been correctly determined, he may, after giving the insurer an opportunity of making representations, by notice in writing served on the insurer, require the insurer to produce a valuation of the liability or asset worked out by an independent valuer approved by the Commissioner.

45. Establishment of statutory fund

(1) An insurer carrying on long term business in Kenya on the appointed date shall, as at the date of commencement of his financial year next after the appointed date, and every insurer commencing long term Insurance business in Kenya after the appointed date shall, as at the date of commencement of that business, establish and maintain a statutory fund under an appropriate name in respect of the long term insurance business carried on by him.

[No. 12 of
1994, s.10
]

(2) An insurer may establish and maintain a separate statutory fund, under an appropriate name, in respect of any class or classes of his long term Insurance business:

(3) Where an insurer carries on long term insurance business of more than one class, the Commissioner may in writing direct the insurer-

(a) to establish, maintain and appropriately name one or more separate statutory funds in respect of any class or classes of long term insurance business carried on by him;

(b) to maintain an account in respect of each of those classes of long term insurance business and to carry and enter the receipts of each of those classes of business in the account maintained by him.

(4) All amounts received by an insurer in respect of any class of long term insurance business, after the establishment by the insurer of a statutory fund under this section, shall be carried to that fund.

(5) Where, at any time-

(a) an insurer is maintaining more than one statutory fund in respect of his long term insurance business; and

(b) a particular policy cease to be included in the class of the long term insurance business of the insurer in respect of which one of the statutory funds is maintained (in this subsection referred to as "the first fund") and commences to be included in the class of the long term insurance business of the insurer in respect of which another of the statutory funds is maintained (in this subsection referred to as "the second fund"),

the insurer shall forthwith transfer from the first fund to the second fund assets equal to the liability on the policy at that time as ascertained by an actuary and approved by the Commissioner.

(6) The income arising from the investment of the assets of a statutory fund shall be carried to and form part of that fund

(7) The assets of each statutory fund shall be kept distinct and separate from all other assets of the insurer.

(8) An insurer carrying on long term insurance business shall maintain such books of accounts and other records as are necessary for identifying-

(a) the assets representing each statutory fund maintained by the insurer under this section;

(b) the liabilities attributable to that class or as the case may be, each of those classes of long term insurance business.

[No. 12 of
1994,
s.10]

46. Application of statutory fund

(1) Subject to this Act, no part of the assets of a statutory fund shall, so long as the insurer carries on the class or classes of long term insurance business in respect of which the fund was established-

(a) be available to meet any liabilities or expenses of the insurer other than-

- (i) liabilities or expenses referable to that class of long term insurance business; and
 - (ii) liabilities charged on those assets or any of them immediately prior to the appointed date,

or be otherwise directly or indirectly applied for any purpose other than the purpose of that class of long term insurance business;
- (b) be-
- (i) paid, applied or allocated as dividends or otherwise as profits to shareholders; or
 - (ii) transferred to another statutory fund.
- (2) A mortgage or charge (including charge imposed by a court on the application of the judgement creditor) shall be void to the extent to which it contravenes subsection (1).
- (3) A person who contravenes subsection (1) shall be guilty of an offence and liable to a penalty not exceeding twenty thousand shillings and, if he is a natural person, additionally or in the alternative to imprisonment for a term not exceeding two years.
- (4) Every director and principal officer of an insurer shall be under the same liability, in the event of contravention of subsection (1), as if he had been a trustee under a trust for the execution of those provisions in respect of that fund, and as if the appropriate policy holders had been beneficiaries of such a trust, unless the director or principal officer proves that the contravention occurred without his knowledge and he used all due diligence to prevent the contravention.
- (5) Notwithstanding subsection (1), an insurer may, for the purpose of declaring or paying a dividend to shareholders or a bonus to policy holders, utilize the surplus disclosed in the valuation balance sheet of a statutory fund set out in the actuary's abstract relating to an investigation made in pursuance of section 57 and accepted by the Commissioner, subject to the condition that the amount allocated or paid to the shareholders out of a statutory fund shall not exceed thirty per cent of the surplus disclosed therein after making the necessary adjustments to the surplus.
- (6) The adjustments referred to in subsection (5) are-
- (a) the actual amount of income tax deducted at a source during the period following the date on which the last preceding investigation was made and preceding the date on which the investigation in question is made may be

[No.8 of 1991,s.81 ,No.9 of 1992,Thirteenth Schedule, No.12 of 1994,s.11 ,No.8 of 1996, s.52, No. 4 of 1999, s.12.]

added to the surplus after deducting an estimated amount of income tax on the surplus, the addition and deduction being shown in the abstract prepared by the actuary;

(b) the surplus may be increased by contributions out of a reserve fund subject to the condition and only to the extent that the reserve fund has been made up solely of transfers from similar surpluses disclosed by investigations in respect of which the returns have been accepted by the Commissioner.

(7) Notwithstanding anything to the contrary contained in this section, an insurer carrying on long term insurance business may declare an interim bonus or bonuses to policy holders whose policies mature for payment by reason of death or otherwise during the inter-investigation period on the recommendation of the investigating actuary made at the last preceding investigation.

47. Assets to be in the name of insurer

*[No.14 of
2015,s.
28]*

(1) Unless the Cabinet Secretary directs otherwise, none of the assets in Kenya of an insurer shall, except in the case of assets required by law or by a requirement imposed by the Cabinet Secretary under subsection (3) to be vested in trustees, be kept otherwise than in the name of the insurer.

(2) Nothing contained in subsection (1) shall be deemed to prohibit the endorsement in favour of a bank of any security or other document solely for the purpose of collection or realization of any interest, bonus or dividend.

(3) The Cabinet Secretary may direct that the whole or a specified portion of the assets of an insurer shall be held by a person approved by him as trustee of the insurer.

(4) Assets of an insurer held by a person as trustee for an insurer shall be held by him in compliance with a direction given under this section if, and only if, they are assets in whose case the insurer has given him written notice that they are to be held by him in compliance with such a requirement, or they are assets into which the first mentioned assets have been transposed by him on the instructions of the insurer.

*(No. 19 of
2015
s.48)*

(5) No assets held by a person as trustee for an insurer in compliance with a direction given under this section shall, so long as the direction is in force, be released except with the consent of the Cabinet Secretary.

(6) If a mortgage or charge is created by an insurer at a time when there is in force a direction imposed on the insurer by virtue of this section, being a mortgage or charge conferring a security on any assets which are held by a person as trustee for the insurer in compliance with the direction, the

mortgage or charge shall, to the extent that it confers such a security, be void against the liquidator and any creditor of the insurer.

[No.14 of
2015,s.29
]

48.

Investment of assets of Insurer

Subject to the provision of section 41 and 50 and to any provisions in the instruments constituting the insurer or in the articles of association or other rules of the insurer which impose restrictions upon the manner in which the assets of the insurer may be invested, the assets of an insurer shall, with sufficient regard to considerations of security, liquidity and income, be invested in accordance with the provisions of such investment guidelines as may be issued by the Authority.

49.

Unsuitable investments.

If at any time the Commissioner considers an investment constituting an insurer's assets to be unsuitable or undesirable, he may after giving notice to the insurer stating the grounds on which he proposes to exercise his power under this section and giving the insurer an opportunity of being heard, direct the insurer to realize the investment, and the insurer shall comply with the direction within such a time as may be specified in that behalf by the Commissioner.

[No.14 of
2015
s.30]

50.

Insurer to submit investment policy

(1)

Every insurer shall invest its assets in accordance with the investment guidelines issued under section 48.

(2)

Every insurer shall submit to the Authority an investment policy in such manner, form and for period not less than three years or such longer period as the Authority may determine from time to time.

51.

Restrictions on Mortgages, etc of assets

[No. 22 of
2017 s.
12]

(1)

An insurer may, to secure temporary loans or bank overdrafts, mortgage or charge assets not exceeding ten percent of the total value of the total assets of the insurer.

(2)

Subject to subsection (1), an insurer shall not mortgage or charge any of his assets.

PART VI ACCOUNTS, BALANCE SHEETS, AUDIT AND ACTUARIAL INVESTIGATIONS

52.

Separate accounts for each class

Where an insurer carries on more than one class of long term insurance business or more than one class of general insurance business, he shall keep separate accounts of receipts and payments in respect of each prescribed class of insurance business carried on by him.

53.

Apportionment between classes

Where a single amount received or paid, whether in respect of premiums, investment income, claims, commissions, reinsurance costs, administration costs, taxes or otherwise, is received or paid in respect of more than one class of business prescribed under section 52, and the amount is not otherwise allocable between the different classes, the insurer shall, for the purposes of this part, apportion the amount in an equitable manner between the classes of insurance business in respect of which it is received or paid.

54.

Accounts and balance sheets.

[No.9 of
2003,s.5,
No 57 of
2012, s.
35, no 22
of 2017,
s.13]

(1)

Subject to subsection (3), every insurer incorporated in Kenya shall, in respect of all insurance business wherever carried on by the insurer, after the end of each financial year, prepare for the year, in accordance with the prescribed forms a revenue account for the year, a balance sheet as at the end of the year and a profit and loss account for the year or, in the case of a company not trading for profit, an income and expenditure account of the year.

Provided that an insurer shall, in respect of every quarter, prepare and submit to the commissioner, within thirty days of the end of the quarter to which it relates, an unaudited revenue account, balance sheet, profit and loss account and statement of total assets and total liability.

[Acts.No.
9 of
2007,s
57.]

1A

The revenue account, balance sheet, profit and loss account and financial statement required to be prepared under subsection (1) shall be prepared in accordance with International Financial Reporting Standards and such accepted Kenyan reporting standards as may be prescribed.

(2)

Every reserve shall be calculated in accordance with the method approved for the purpose by the Commissioner.

(3)

All amounts which are required to be shown in any account or balance sheet shall be shown in Kenya currency to the nearest shilling.

(4)

Notwithstanding the definition of “financial year” in section 2, the first financial year after the appointed date of an insurer shall mean the period ending on 31st December next after the appointed date.

(5)

In subsection (1A), “International Financial Reporting Standards” means-

- (a) The standards issued by the International Accounting Standards Board of London; or
 - (b) Kenyan accepted standards developed by the Institute of Certified Public Accountants of Kenya.
- [No.9 of 2007, s.57]
- [No.28 of 2019, s.4]
- (6) An insurer that fails to comply with subsection (1) shall be liable to a penalty of two hundred thousand shillings and a further penalty of ten thousand shillings for each day after the expiry of the prescribed period during which the insurer remains non-compliant.
 - (7) The penalty imposed under subsection (6) shall be payable into the Policyholders Compensation Fund.
- [No.28 of 2019, s.4]

54A Group Accounts

[No.22 of 2017, s.14]

Where an insurer is a member of a group of companies, the group of companies shall submit audited group accounts.

55. Accounting records.

- (1) An insurer shall-
 - (a) keep such accounting records as correctly record and explain the transactions and financial position of the insurer with respect to his insurance business;
 - (b) so keep his accounting records as to enable the accounts, reports and statements required under this Part to be prepared;
 - (c) so keep his accounting records as to enable those accounts and statements to be conveniently and properly audited in accordance with this Act.
- (2) An insurer shall retain his accounting records kept in accordance with subsection (1) for at least seven years after the completion of the transactions to which they relate.
- (3) ***(Deleted by No.9 of 2003, s.6.)***

56. Audit and auditor's certificate

- (1) The accounts of every insurer shall be audited annually by an auditor.
- (2) The auditor shall in a certificate relating to the accounts and statements in respect of a financial year of an insurer, state whether-

- (a) The accounts and statements to which it relates appear to him to be in accordance with the Act and give particulars of any matters that do not appear to be so in accordance;
- (b) The accounting records of the insurer in respect of that year appear to him to have been properly kept and to record and explain correctly the transactions and financial position of the insurer and give particulars of accounting records that appear to him not to have been so kept and of transactions that appear to him not to be so recorded;
- (c) In respect of that year, he has obtained the information and explanations that he requested and give particulars of information and explanations he requested but did not obtain;
- (d) He is satisfied that the accounts and statements referred to in paragraph (a) agree with the accounting records of the insurer and appear to him truly to represent the transactions and financial position of the insurer in respect of the financial year to which they relate and, if any of them appear to him to fail so to represent the transactions and financial position, give particulars of the failure;
- (e) Amounts required by section 53 to be apportioned have been equitably apportioned and if they have not been so apportioned give particulars of the failure;
- (f) All management expenses wherever incurred in respect of the insurer's business, whether directly or indirectly, have been fully debited in the revenue account or profit and loss account as expenses and, if they have not been so debited, give particulars of the amount not so debited;
- (g) Every reserve has been calculated in accordance with the method approved for the reserve by the Commissioner and, if they have not been so calculated, gives particulars of the reserves not so calculated.

[No.12 of
1994,
s.14.]

- (3) The auditor shall in addition issue in relation to the accounts the certificate required under the Companies Act.

[No. 19 of
2015
s.51]

- (4) Every insurer shall, for the purposes of this section, appoint annually an auditor who is approved by the Commissioner.

[No.12 of
1994,
s.14.]

- (5) If an insurer fails to appoint an approved auditor under subsection (4), or to fill any vacancy for an auditor which may arise, the Commissioner may appoint an auditor and fix the remuneration to be paid by the insurer to him.

- (6) The Commissioner may require an auditor to undertake the following duties in addition to those prescribed under subsections (2) and (3) –

- (a) to submit such additional information in relation to his audit as the Commissioner may consider necessary;
- (b) to carry out any other special audit or investigations; and
- (c) to submit a report on any of the matters referred to in paragraphs (a) and (b);

[No.12 of 1994, s.14.]

and the insurer concerned shall remunerate the auditor in respect of the discharge by him of all or any of such additional duties.

[No.12 of 1994, s.14.]

- (7) If the auditor of an insurer fails to comply with the requirements of this Act, the Commissioner may remove him from office and appoint another person in his place.

[No.12 of 1994, s.14.]

- (8) A person shall not be qualified for appointment as an auditor of an insurer if he is

- (a) a director, officer or employee of that insurer, or
- (b) a person who is a partner of a director, officer or employee of that insurer, or
- (c) a person who is an employee or employee of a director, officer or employee of that insurer, or
- (d) a person who is a director, officer or employee, of a person related to that insurer, or
- (e) a person who, by himself, or his partner or his employee regularly performs the duties of secretary or accountant for that insurer, or
- (f) a firm or member of a firm of auditors of which any partner or employee falls within the above categories.

[No.12 of 1994, s.14.]

- (9) (a) No duty to which an auditor of an insurer may be subject shall be regarded as contravened by reason of his communicating in good faith to the Commissioner, whether or not in response to a request made by him, any information or opinion on a matter to which this Act applies.

- (b) This subsection applies to any matter of which an auditor becomes aware in his capacity as an auditor or in the discharge of his duties under this Part and which relates to the business or affairs of the insurer.

[No.18 of 1986, schedule] **57.**

Actuarial Investigation

[no. 50 of 2016, se.8(a)]

- (1) An insurer -

[No.12 of
1994,s.15
.]

(a) shall on the 31st December every year and irrespective of any contrary provision in the articles of association or deed of settlement, cause an investigation to be made into his financial condition in accordance with section 58; and,

[No. 50 of
2016,
se.8(a)]

(b) when such an investigation has been made, or when at any other time an investigation into the financial condition of the insurer is made with a view to the distribution of profits, or the results of which are made public, shall cause an abstract of the actuary's report of the investigation to be made in such form and containing such matters as may be prescribed by the Authority:

(2) An investigation to which subsection (1) relates shall include-

[No. 50 of
2016,
se.8(b)]

(a) a valuation of the liabilities of the insurer attributable insurance business; and

[No. 50 of
2016,
se.8(b)]

(b) in respect to long-term insurance business or any other funded insurance business, a determination of any excess over those liabilities of the assets representing the fund or funds maintained by the insurer in respect of that business; and where any rights of any long term policyholders to participate in profits relate to particular parts of such a fund, a determination of any excess of assets over liabilities in respect of each of those parts.

[No. 50 of
2016,
se.8(b)]

(c) a financial condition report in the form prescribed by the Authority providing an assessment of material risks and issues impacting on the financial condition of the insurer.

[No. 50 of
2016,
se.8(d)]

(3) Whenever an investigation to which subsection (1) relates is made, the insurer shall prepare a statement, in such form and containing such matters as may be prescribed by the Authority.

(4) When an investigation to which subsection (1) relates is made as at a date other than the expiry of a financial year of the insurer, the accounts for the period since the expiry of the last year of account and the balance sheet on the date as at which the investigation is made shall be prepared and audited in the manner provided under sections 54 and 56.

[No. 50 of
2016,
se.8(e)]

(5) Subject to section 58, for the purposes of an investigation to which this section relates, the value of any assets and the amount of any liabilities shall be as prescribed by the Authority.

58.

Actuarial valuation

[No. 50 of
2016,
se.9(a)]

(1) The provisions of this section apply in relation to valuation made, in respect of an insurer carrying on insurance business, in pursuance of section 57.

[No. 50 of
2016,
se.9(b)]

(2) The basis of valuation of technical reserves adopted shall be as prescribed by the Authority.

[No. 50 of
2016,
se.9(c)]

(3) The value placed upon the aggregated liabilities in respect of policies by reasons of the adoption of any basis of valuation shall not be less than it would have been if it had been calculated on the prescribed basis.

[No. 50 of
2016,
se.9(d)]

(4) The actuary who makes the valuation shall certify whether in his opinion the value placed upon the aggregate liabilities in respect of policies by the valuation is not less than the value which would have been placed upon those aggregate liabilities if it had been calculated on the prescribed basis.

(5) In making a determination in terms of section 57(2)(b), the actuary shall-

(a) Take necessary steps to ensure that any sum representing expenses of organization or extension, or the purchase of business or goodwill or other intangible assets, are equitably allocated between the different statutory funds and are appropriately deducted from the surplus disclosed in each fund or appropriately added to the deficiency disclosed in each fund, as the case may be;

(b) Satisfy himself that the value of the assets adopted by him are, on the basis of the auditor's certificates appended to the balance sheet, fully of the value so adopted; and

[No.5 of
1998,
s.53.]

(c) Certify in regard to the matters specified in subsections (2) and (3) and paragraphs (a) and (b) of this subsection in the prescribed forms.

(6) If the Commissioner considers that an investigation under section 57 does not properly indicate the state of affairs of the insurer due to a faulty basis having been adopted in the valuation, the Commissioner may, after giving the insurer a reasonable opportunity of making representations, cause a further investigation in accordance with section 57 and this section as at a date which he may specify to be made at the expense of the insurer by an actuary appointed by the Commissioner or, if the Commissioner so agrees, by an actuary appointed by the insurer and approved by the Commissioner.

(7) The insurer shall make available to the actuary all documents and information required by him for the purpose of the further investigation or valuation under subsection (6) within such period, not being less than three months, as the Commissioner may specify.

[No. 50 of
2016,
se.9(e)]

(8) An actuary making an investigation or valuation under subsection (6) shall prepare and attach to his report an abstract and a statement of the business of the insurer as for an investigation under section 57.

59.

[No.5 of 1998, s.54.]

Returns

An insurer shall prepare as at the end of each financial year, in respect of that year, statements and certificates in the prescribed form relating to the business carried on during the year and the business in force at the end of the year and shall furnish those statements and certificates signed in the prescribed manner, to the Commissioner within such time as may be prescribed.

60.

[No.12 of 1994, s.16]

Accounts and statements to be signed

(1)

The audited balance sheet, profit and loss account and revenue account required to be prepared under this Part shall be signed by two directors and the principal officer of the insurer or, if there is only one director, by that director and by the principal officer.

(2)

A report or abstract of an actuary made under this Part shall be signed by the actuary who made the investigation or valuation.

(3)

A statement or return other than a balance sheet, profit and loss account, revenue account or actuarial report or abstract shall be signed by the Principal Officer.

61.

[No.9 of 2003, s.7, No 57 of 2012, s. 36

, No.9 of 2003, s.7, No.1 of 2014, s.11.]

Submission of accounts and statements

(1)

Every account, balance sheet, return or statement required to be prepared or prepared under sections certificate, abstract 54, 56, 57, 58, and 59 shall be deposited with the Commissioner within three months after the end of the period to which they relate.

(2)

Provided that the insurer shall cause a copy of the audited balance sheet deposited with the commissioner to be published in at least two daily newspapers of national circulation, within thirty days of such deposit.

(3)

The Commissioner may on the application of an insurer extend or further extend the time specified in subsection (1) for a period not exceeding three months.

Where on receipt of any of the documents submitted under subsection (1), any account, balance sheet, certificate, abstract, return or statement is found to be incomplete or erroneous or misleading, the Commissioner may reject it and the insurer shall be deemed not to have complied with the requirements of subsection (1) or (2), as the case may be, unless the document is resubmitted within the period specified under those subsections.

[No.12 of
1994,
s.17.]

(4)

Where an insurer fails to submit any document under subsection (1) within the specified period prescribed in that subsection or in subsection (2), the insurer may make a late submission of the document upon payment of a penalty of two hundred thousand shillings and a further penalty of ten thousand shillings for every day after the expiry of the prescribed period during which the document remains un-submitted.

(No. 10 of
2010,
s.54 (a)

(4A)

The annual accounts and statement of an insurer shall be in such form as the Authority may, from time to time, require and subject to such conditions as the Commissioner may prescribe, may be submitted through the use of information technology.

[No.9 of
2007, s.
58, (No.
10 of
2010,
s.54 (b)]

(5)

The penalty under subsection (4) shall be paid to the Policy Holders Compensation Fund in such a manner as may, from time to time, be prescribed by the Authority.

62.

Further information

[No.12 of
1994,
s.18.]

(1)

An insurer shall, if so required by the Commissioner by notice in writing served on him, furnish, within such period after service of the notice, not being less than ten days, as the Commissioner specifies in the notice, information with respect to such matters relating to an account, balance sheet, certificate, abstract, return or statement deposited by him under this section as he so specifies.

(2)

where a person fails to comply with the requirements of subsection (1), the commissioner may decline to accept the document in respect of which the further information was sought, whereupon the document shall be deemed not to have been deposited in terms of this Act.

63.

Other reports

(1)

An insurer shall deposit with the Commissioner a certified copy of every report on the affairs of concern which is submitted to the members or policy holders of the insurer immediately after its submission to the members or policy holders, as the case may be.

(2)

An insurer, being a body corporate incorporated in Kenya, shall deposit with the Commissioner a certified copy of the minutes of the proceedings of every general meeting, as entered in the minute book of the body corporate, within thirty days from the holding of the meeting to which those minutes relate.

64.

Returns sufficient compliance with Companies Act

Where an insurer in any year deposits his accounts and balance sheet in accordance with the provisions of section 61 then, if the company at the

same time sends a copy of the accounts and balance sheets to the registrar of Companies under the Companies Act-

- (a) section 128 (1) of that Act (which requires certain documents to be included in the annual return made by a company) shall not apply to that Company; and
- (b) the copy of the accounts and balance sheets so sent shall be dealt with in all respects as if it had been sent in compliance with that subsection.

65. Rectification of returns

*[No.12 of
1994,
s.19.]*

- (1) The Commissioner may, if it appears to him that any account, balance sheet, abstract, certificate, statement, return, report or other document deposited with him under the provisions of this Act is inaccurate or defective in any respect, require the inaccuracy or defect to be rectified within such time, not being less than ten days as he may specify in writing.
- (2) Where a person fails to comply with a direction given under subsection (1), the Commissioner may decline to accept the document required to be rectified, whereupon the document shall be deemed to have not been deposited in terms of this Act.

66. Penalty for false statements

If any account, balance sheet, abstract, return, certificate, statement or other document required to be deposited or deposited under any provision of this Act is false in any material particular to the knowledge of any person who signs it, that person shall be guilty of an offence and liable to a fine not exceeding ten thousand shillings or to imprisonment for a term not exceeding twelve months or to both.

67. Penalty for failure to comply with requirements of Part

*[No.12 of
1994,
s.20, No.8
of 1996,
s.53.]*

- (1) An insurer who fails to comply with any requirement under this Part shall be guilty of an offence and liable to a fine not exceeding one hundred thousand shillings; and if the offence is a continuing one, to a further fine of five thousand shillings for every day during which the offence continues.
- (2) Where a person guilty of an offence under this part is a natural person, that person shall be liable, in addition to, or in the alternative to, a fine, to imprisonment for a term not exceeding two years.
- (3) Where a person guilty of an offence under this Part is a body corporate, then notwithstanding the imposition of any penalty, the commission of that offence shall constitute grounds whereby the Commissioner may apply to the court for the winding up of that body corporate.

[No. 12 of
1994, s.
21]

PART VIA INSPECTION AND CONTROL OF INSURERS

67A

Inspection of insurers

[No.9 of
2003, s.8]

(1) The Commissioner may, at any time and from time to time, and shall, if so directed by the Minister cause an inspection to be made by any person authorized by him in writing, of any insurer and any other person registered under this Act, and of his books, accounts and records.

[No.9 of
2003,
s.8.]

(2) When an inspection is made under subsection (1), the insurer and any other person registered under this Act, concerned and every officer and employee thereof shall produce and make available to the person making the inspection all the books, accounts, records and other documents of the insurer and any other person registered under this Act, and such correspondence, statements and information relating to the insurer, and any other person registered under this Act, its business and the conduct thereof as the person making the inspection may require and within seven days or such longer times as he may direct in writing.

(3) Any failure to produce any books, accounts, records document, correspondence, statements, returns or other information within the period specified in the direction under subsection (2) constitutes a contravention of the provisions of this Act:

Provided that-

(a) The books, accounts and other documents required to be produced shall not, in the course of inspection, be removed from the premises of the insurer or reinsurer or other premises at which they are produced;

(b) The person making the inspection may make copies of any books, accounts and other documents required for the purposes of his report; and

(c) All information obtained in the course of the inspection shall be treated as confidential and used solely for the purposes of this Act.

[No.12 of
1994,
s.21, No.9
of 2003,
s.8.]

(4) The person making the inspection shall submit his report to the Commissioner; and the report shall draw attention to any breach or non-observance of the requirements of this Act and any regulations made thereunder, any irregularity in the manner of conduct of the business of the insurer and any other person registered under this Act or any apparent mismanaging or lack of management skills in that insurer and any other person registered under this Act, and any other matter revealed or discovered in the course of the inspection warranting, in the opinion of the person making the inspection, remedial action or further investigation.

67B

[No.12 of 1994, s.21, No.9 of 2003, s.98.]

Directions to persons inspected

The Commissioner may, by notice in writing, and after giving the insurer and any other person registered under this Act, reasonable opportunity of being heard, require the inspected person to comply by such date or within such period as may be specified therein, with such directions as he considers necessary in connection with any matter arising out of a report made under section 67A.

67C

Power of the Commissioner to intervene in management

(1) This section applies and the powers conferred by subsection (2), may be exercised in the following circumstances

[No.28 of 2019, s.5]

- (a) If the insurer is found to have failed to meet the capital adequacy ratios required under section 41 of the Act;
- (b) If the insurer has failed to submit any of the accounts, returns, statements, actuarial valuations or other reports under Part VI for over six months after the end of the financial year to which they relate;
- (c) If the insurer having failed to comply with any requirement of this Act, has continued that failure, or having contravened any provision of this Act, has continued that contravention for a period of six months after notice of such failure or contravention has been given to him by the Commissioner;
- (d) Where, having regard to the financial circumstances of the person registered, the Commissioner is satisfied that the person cannot carry on the business, or any part of the business, for which he is registered, as the case may be, in a satisfactory or efficient manner;
- (e) If an amount due by an insurer under a judgment entered into in an action in Kenya arising out of a policy of insurance issued by the insurer or a contract of reinsurance entered into by the reinsurers, has remained unpaid for three months after the date of the final adjudication in that action;
- (f) If the business of the insurer is wholly or un-proportionately reinsured with another person;
- (g) if an insurer is unable to pay its debts within the meaning of section 384 of the Insolvency Act, 2015;
- (h) If the insurer is found not to have made adequate reserves or to have understated the level of his liabilities;

No. 19 of 2015 s.52

- (i) If the insurer is discovered to have submitted or provided any accounts, returns, statements, books, records, correspondence, documents or other information relating to his business which is false or misleading; or
- (j) If the Commissioner discovers, whether on inspection or otherwise, or becomes aware of any fact or circumstance which, in his opinion, warrants the exercise of the relevant power in the interests of the insurer, its shareholders, or reinsurer or in the public interest.

[No. 11 of
2006]

(2) The Commissioner may, with the approval of the Board –

[No. 1 of
2014, s.
12]

- (i) appoint a competent person familiar with the business of an insurer (in this Act referred to as “a manager”) to assume the management, control and conduct of the affairs and business of an insurer to exercise all the powers of the insurer to the exclusion of the board of directors, including the use of the company seal;
- (ii) remove any officer or employee of an insurer who, in the opinion of the Commissioner, has caused or contributed to any contravention of any provisions of this Act, or any regulations or directions made thereunder or to any deterioration in the financial stability of the insurer or has been guilty of conduct detrimental to the interests of policy- holders or other creditors of the insurer;
- (iii) appoint three competent persons familiar with the business of insurers to the Board of Directors to hold office as directors who shall not be removed from office without the approval of the commissioner.
- (iv) by notice in the Gazette, revoke or cancel any existing power of attorney, mandate, appointment or other authority by the insurer in favour of any officer, employee or any other person.

(3) The appointment of a manager shall be for such period, not exceeding twelve months, as the Commissioner shall specify in his instrument of appointment and may be extended by the High Court, upon the application of the Commissioner if such extension appears to the High Court to be justified.

(4) A manager shall, upon assuming the management control and conduct of the affairs and business of an insurer discharge his duties with diligence and in accordance with sound insurance, actuarial and financial principles and, in particular, with due regards to the interests of the insurer, its policy-holders and insuring public in general.

(5) The responsibilities of a manager shall include

- (a) tracing, preserving and securing all the assets and property of the insurer;

- (b) recovering all debts and other sums of money due to and owing to the insurer;
- (c) evaluating the solvency and liquidity of the insurer;
- (d) assessing the insurer's compliance with the provisions of this Act and regulations made or directions issued thereunder;
- (e) determining the adequacy of the capital and reserves and the management of the insurer and recommending to the Commissioner any restructuring or reorganization which he considers necessary and which, subject to the provisions of any written law, may be implemented by him on behalf of the insurer; and
- (f) obtaining from any former principal officer, director, secretary, officer or employee of the insurer any documents, records, accounts, statements, correspondence or information relating to its business.

[No.28 of 2019, s. 5]

(5A) For the purpose of this section, preserving the assets of the insurer shall include realization of the assets of the insurer upon the approval of the Authority.

(6) The manager shall, within a period of twelve months from the date of his appointment, prepare and submit to the Commissioner a report on the financial position and the management of the insurer with recommendation as to whether

- (i) the insurer is capable of being revived; or
- (ii) the insurer should be liquidated.

[No.11 of 2006, s.14 (b).]

(7) The Commissioner shall, after taking into account the report of the manager, make appropriate recommendations to the Board, who shall then take a decision on the matter.

[No.11 of 2006, s.14@.]

(8) Where the Board decides that the insurer should be liquidated, the provisions of section 123 shall apply.

(9) Neither the Commissioner or any other officer or employee of the Commissioner, nor the manager nor any other person appointed, designated or approved by the Commissioner under the provisions of this Part shall be liable in respect of any act or omission done in good faith in the execution of the duties undertaken by him.

[No.8 of 1996, s.54.]

(10) For the purposes of discharging his duties, a manager shall have power to declare a moratorium on the payment by the insurer of its policy holders and other creditors and the declaration of a moratorium shall;

- (a) be applied equally to all classes of policyholders and creditors, subject to such exemptions in respect of any class of insurance as the manager may, by notice in the Gazette specify;
- (b) suspend the running of time for the purposes of any Law of limitation in respect of any claim by any policyholder or creditor of the insurer;
- (c) cease to apply upon determination of the manager's appointment whereupon the rights and obligations of the insurer, its policyholders and creditors shall, save to the extent provided in paragraph (b), be the same as if there had been no declaration under the provisions of this subsection.

[No.8 of 1996, s.54.]

[No. 1 of 2014,s.12]

Provided that this subsection does not apply to any sum due as contributions or penalties to the Policyholder Compensation Fund.

[No.28 of 2019, s. 5]

- (11) For the purpose of this section, where a moratorium is declared under subsection (10), a policyholder shall not be liable to pay any claim not payable by the insurer due to the moratorium.

[No.12 of 1994,s.21]

67D

Part to apply to unregistered and unauthorized Persons

[No.9 of 2003,s.10]

- (1) Without prejudice to the provisions contained under section 19, the provisions of this Part shall apply to any person who, in the opinion of the Commissioner, is, or is deemed or suspected to be carrying on or transacting insurance or reinsurance business without registration, renewal of registration or authorization under this Act.

[No.9 of 2003,s.10]

- (2) Without prejudice to the provisions of this part, a person who upon inspection, is found to be-

- (a) transacting insurance business without registration, renewal of registration or authorization, under this Act or with persons not so registered or authorized; or
- (b) charging a rate of premium other than that filed with the Commissioner under section 75,
- (c) committing any other business malpractices.

[No.9 of 2007, s.59]

[No.9 of 2007, s.59, (No. 10 of 2010, s.5.)

shall, in addition to any other penalty prescribed under this Act, be liable to pay a penalty of two hundred thousand shillings, which shall be paid to the Policyholders' Compensation Fund in such manner as may, from time to time, be prescribed by the Authority.

67E

Powers of inspector

- (1) An inspector may, by notice in writing, require any person who is or has at any time been a director, managing director, secretary, principal officer,

manager, officer or employee, agent, accountant, broker, auditor or actuary of the person being inspected to -

- (a) give to the inspector all reasonable assistance in connection with the inspection; or
 - (b) appear before the inspector for examination concerning matters relevant to the inspection; or
 - (c) produce any books or documents that relate to the affairs of the person being inspected; or
- (2) A person who -
- (a) refuses or fails to comply with requirement of an inspector which is applicable to him, to the extent to which he is able to comply with it; or
 - (b) obstructs or hinders an inspector in the exercise of his powers under this Act; or
 - (c) furnishes information or makes a false statement which he knows to be false or misleading in any material particular; or
 - (d) when appearing before an inspector for examination pursuant to such requirement, makes a statement which he knows to be false or misleading in any material particular,

commits an offence.
- (3) A person convicted of an offence under subsection (2) shall be liable to a fine not exceeding five thousand shillings or, in the case of a natural person, to imprisonment for a term not exceeding three years, or to both.
- (4) Where an offence under subsection (2) is a continuing one, the person shall, in addition to the penalty prescribed under subsection (3), be liable to a further fine of one thousand shillings for every day during which the offence continues.
- (5) Where a person convicted under subsection (3) is a body corporate, the Commissioner may, notwithstanding any other penalty imposed under that subsection, apply to court for the winding up of the person.

[No.12 of
1994,
s.21.]

[No.12 of
1994,s.21
)

67F

Expenses under part

Any expenses incurred by reason of the exercise of any of the powers conferred by this Part in respect of an insurer shall be met by that insurer.

67G

Power to protect the Assets of an insurer

- (1) The Authority may, for the purpose of protecting the interest of policy holders, assume control of the whole or part of the insurer's assets, and shall register any instrument under the relevant law or take any other appropriate action it may deem necessary.
- (2) The Authority shall hold the directors of the insurers to be jointly and severally liable for the recovery of the assets under subsection (1), where it establishes that the assets of the insurer have been misappropriated.

PART VII

MANAGEMENT AND EXPENSES

68

Approved Principal Officer to be appointed

- (1) For the purposes of this section "registered person" means a person registered under this Act as an insurer, reinsurer, broker, agent, medical insurance provider, insurance surveyor, risk manager, loss assessor, loss adjuster or claims settling agent.
- (2) Every registered person shall, at all times while he is so registered, have a principal officer.
- (3) The principal officer appointed under subsection (2) shall be ordinarily resident in Kenya and shall be responsible for the general control, direction and supervision of the Kenya insurance business of the registered person and shall represent the registered person for the purposes of this Act.
- (4) Everything done by the principal officer or a person acting as the principal officer of the registered person in his representative capacity shall, for the purposes of this Act, be deemed to have been done by the registered person, but this subsection shall not affect any liability of the principal officer or person acting as the principal officer under this Act.
- (5) Where the principal officer is, or is about to be, absent from Kenya for a period exceeding three months or for any reason unable to perform his duties as principal officer, the registered person shall, if he does not revoke the appointment and appoint another person under subsection (2), appoint another person (not being a body corporate) resident in Kenya to Act as the principal officer of the person registered for the purpose of this Act during the absence or inability.
- (6) An appointment under this section shall be deemed not to have been duly made or revoked until the registered person has given notice in writing of the appointment or revocation to the Commissioner specifying the name

and, in the case of an appointment, the place of residence of the person appointed.

- (7) Every notice to the Commissioner regarding the appointment of a principal officer shall contain the following particulars-
- (a) full name;
 - (b) date and place of birth;
 - (c) citizenship;
 - (d) academic and professional qualifications;
 - (e) work experience giving dates and nature of previous employment;
 - (f) Whether he has ever been convicted of an offence involving fraud or dishonesty and if so details of the offence, place and date;
 - (g) whether he has ever been adjudicated bankrupt, applied to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounded with his creditors or made an assignment of his remuneration for their benefit and, if so, details.
- (8) If it appears to the Commissioner that the person appointed as the principal officer is not a fit and proper person to be a principal officer, the Commissioner may, after giving the person concerned an opportunity of being heard, object to the appointment.
- (9) Where the Commissioner objects to the appointment of a principal officer he shall record the reasons for his decision and furnish a copy thereof to the registered person, who shall forthwith revoke the appointment.

68A

Authority to carry out assessment

*[No. 57 of
2012, s.
37, No.1
of 2014]*

- (1) Notwithstanding any other provision of this Act, the Authority shall, from time to time, carry out an assessment
- (2) An assessment under subsection (1) shall be in accordance with such criteria as may be prescribed in regulations.
- (3) Where, upon an assessment under this section, the Authority is satisfied as to the suitability of the person managing, controlling or having a significant ownership or significant beneficial interest in a person licensed under this Act, it shall so certify in writing.

(4) A person who, upon an assessment under this section, is not certified by the Authority as suitable to manage or control a person licensed under this Act, shall be deemed to be disqualified from holding such office.

[No.22 of
2017, s.
15]

(5) The provisions of this section shall also apply to insurance groups in respect of its significant shareholders, the group directors and management as if they were an insurer.

69

Directors, managers, employees and their remuneration

(1) Subject to subsection (2), no insurer shall be directed or managed by, and no insurer shall employ in any capacity, a person whose remuneration or any part thereof takes the form of commission or bonus or of a share in the valuation surplus in respect of long term insurance business.

(2) The prohibition contained in subsection (1) shall not apply to the employment of agents or brokers, or to the employment of persons who share in the profits of general insurance business by way of bonus payments or otherwise.

(3) A managing director or employee of an insurer shall not be a managing director or an employee of another insurer or of a bank or financial institution.

(4) After the expiry of two years from the appointed date no agent, and where the agent is a company or firm, no managing or other director of an agent, and no broker, or managing or other director of a broker shall-

(a) be appointed or continue as a director of an insurer registered under this Act;

[No.12 of
1994,s.22
]

(b) directly or indirectly acquire or hold more than one per cent of the shares or controlling interest in an insurer registered under this Act.

(5) After the expiry of two years from the appointed date, no insurer and no director or employee of an insurer shall directly or indirectly hold shares in or have any other financial or controlling interest in the affairs of an agent or broker.

(6) A person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine not exceeding five thousand shillings, and if the offence is a continuing one to a further fine of one hundred shillings for every day during which the offence continues.

70.

Limitation on management expenses

(1) No insurer shall spend in any financial year as expenses of management an amount in excess of the prescribed limits, and in prescribing those

limits regard shall be had to the size and age of the insurer and the provision generally made for management expenses in the premium rates of insurers.

- (2) The Commissioner may, in any year, after consultation with the Advisory Board, fix for the succeeding year the extent to which the limits prescribed in regulations may be relaxed, and an insurer shall not be deemed to have contravened the provisions of subsection (1) if his expenses of management referred to in that subsection are within those relaxed limits.

*No. 19 of
2015 s.53*

71.

Restrictions on Providing Financial Accommodation by Insurers

- (1) An insurer shall not in Kenya-
- (a) grant financial accommodation on the security of its own shares; or
 - (b) grant, or permit to be outstanding without adequate security, other financial accommodation (not being a loan) on and within the surrender value on a policy of life assurance issued by the insurer-
 - (i) to a shareholder, officer or employee of the insurer or to a family member of such a shareholder, officer or employee; or
 - (ii) to a company of which the shareholder, officer or employee or family member is a shareholder, director, officer or employee.
- (2) An insurer may, on compassionate grounds, grant to an officer or employee of the insurer an unsecured loan or advance not exceeding one hundred thousand shillings on condition that the officer or employee receive no further loan or advance from the insurer unless the officer or employee has fully repaid any previous loan or advance granted to the officer or employee by the insurer.
- (3) Sections 165, 166, 168 and 169 of the Companies Act, 2015 do not apply to a loan granted to a director of an insurer if-
- (a) the loan is one granted on the security of a policy of life assurance on which the insurer bears the risk; and
 - (b) the policy was issued to the director on the director's own life and the loan is within the surrender value of the policy.
- (4) In this section, "financial accommodation" includes a loan, an advance and a financial guarantee.

*[No. 11 of
2017]*

71A

Choice of insurer for loans

- (1) A bank shall—
- (a) inform a loanee, in writing, that the loanee has a right to select an underwriter or broker from a list of underwriters or brokers licensed by the Authority;
 - (b) inform a loanee, in writing, that the loanee has an option to forfeit the right to select an underwriter or broker;
 - (c) not prescribe or assign an underwriter or broker to a loanee, unless the loanee forfeits in writing the right to select an underwriter or broker; and
 - (d) update the list of licensed brokers or underwriters availed to loanees regularly and ensure that underwriters or brokers under statutory management are excluded from the list.
- (2) A bank that contravenes the provisions of subsection (1) commits an offence and shall upon conviction be liable to a fine not exceeding five million shillings.

72. Limitations on employment of managing agents

- (1) No insurer shall on or after the appointed date appoint a managing agent for the conduct of his business.
- (2) Where an insurer engaged in the business of insurance before the appointed date has employed a managing agent for the conduct of his business then, notwithstanding anything to the contrary contained in the Companies Act, and notwithstanding anything to the contrary contained in the articles of the insurer, or in any agreement entered into by the insurer, the managing agent shall cease to hold office on the expiry of his contract of employment or of two years from the appointed date, whichever is earlier, and no compensation shall be payable to him by the insurer by reason only of the premature termination of his employment as managing agent under this subsection.

**PART VIII
RATES, POLICY TERMS AND CLAIMS SETTLEMENT**

73. Restrictions on rebates, brokerage e.t.c.

- (1) No person shall offer, either directly or indirectly, as an inducement to any person to take out or renew or continue a contract of insurance, any rebate of the whole or part of any brokerage, commission or premium except such rebate as may be allowed in accordance with a published prospectus or manual or schedule of rates of an insurer.

[No.9 of
2003,s.12
]

- (2) No insurer shall, in respect of Kenya business, pay to a broker or agent as brokerage, commission, any sum in excess of the amounts prescribed for or in respect of each prescribed class of business placed by that broker or agent with that insurer.

[No.9 of
2003,s.12
]

- (3) No broker shall, in respect of Kenya business pay to an agent any commission, in excess of what would have been payable had the agent been paid by an insurer instead of by the broker.

- (4) Nothing in this section shall prohibit a person obtaining the benefit of the commission payable by an insurer to a broker or agent under the relevant prospectus or agent's manual or broker's agreement where he takes out life assurance on his own life or on the lives of his dependants directly with the insurer without the services of an intermediary

[No.4 of
2004,s.77
]

- (5) A person who contravenes any of the provisions of this section shall be guilty of an offence and liable to a fine not exceeding two hundred thousand shillings.

74.

Premium rates of life insurers.

[No.18 of
1986,
Schedule.
]

- (1) An insurer carrying on long term insurance business shall not issue, after the expiry of three months from the appointed date, any policy of insurance unless the rate of premium chargeable under the policy is a rate which has been approved by an actuary as suitable for the class of policies to which that policy belongs and that rate and the actuarial bases therefor together with the actuary's certificate have been filed by the Commissioner at least thirty days before giving effect to the rate.

- (2) The Commissioner may require the insurer to obtain, and to furnish him, within such a time as he may specify, with a report by an actuary as to the suitability of the rate of premium chargeable under any class of policy issued by the insurer and, if the actuary considers that the rate is not suitable, a report as to the rate of premium which the actuary approves as suitable in respect of that class of policy.

- (3) Where a requirement is made under subsection (2) in respect of the rate of premium chargeable under any class of policy the insurer shall not issue, after the expiry of the period specified by the Commissioner, any policy of that class until the insurer has in accordance with the requirement obtained the approval of the actuary to the rate of premium, and notified the Commissioner that that approval has been obtained.

- (4) An actuary in approving a rate of premium in respect of a class of policy under this section shall have regard to the maximum rate of commission or rebate proposed to be paid or allowed to any person in respect of that class of policy.

- (5) Where a rate of premium is approved by an actuary in respect of a class of policy, the insurer shall not, except with the approval of the Commissioner, pay or allow in respect of any policy of that class a commission or rebate at a greater rate than –
- (a) the maximum rate of commission or rebate to which the actuary had regard when approving the rate of premium; or
 - (b) the maximum rate of commission or rebate payable by the insurer immediately prior to the appointed date in respect of policies of that class (if any) issued at the rate of premium so approved,
- whichever is less.
- (6) A person who contravenes any of the provisions of this section shall be guilty of an offence and liable to a fine not exceeding fifty thousand shillings, and if the offence is a continuing one, to a further fine of two thousand shillings for every day during which the offence continues.

75. Premium rates of general insurers

- (1) An insurer carrying on general insurance business shall file with the Commissioner, before commencing to carry on that business or before the expiry of three months from the appointed date, whichever is later, a schedule or manual of rates of premium proposed to be used by the insurer for each class of business.
- (2) Where a schedule or manual of rates of premium filed under subsection (1) is proposed to be altered or revised, the insurer shall file with the Commissioner the details of and the reasons for, the alterations or the revised schedule or manual at least sixty days before giving effect to the alterations or revision.
- (3) If an insurer carrying on general insurance business issues any insurance cover outside the scope of the schedule or manual of rates of premium filed with the Commissioner or considers it necessary, while using the rate contained in the schedule or manual as the basing point, to deviate therefrom to take account of the proponent's or policy holder's past and anticipated loss experience, the physical characteristics of the subject matter of the insurance, the nature of the exposure and other relevant factors, the insurer shall file with the Commissioner, within a period of thirty days full details of the rate charged.
- (4) The Commissioner may, at any time, require an insurer to furnish him with statistical data and other information on the basis of which any rate or schedule or manual of rates filed with the Commissioner has been computed.

- (5) The Commissioner may, at any time, require an insurer to modify or revise, within such time as he may specify, the schedule or manual of rates filed with the Commissioner or the practice of deviating therefrom or the practice of rating risks outside the scope of the schedule or manual and the insurer shall carry out the required modification or revision within the stipulated time and get them approved by the Commissioner.
- (6) A person who contravenes any of the provisions of this section shall be guilty of an offence and liable to a fine not exceeding fifty thousand shillings, and if the offence is a continuing one to a further fine of two thousand shillings for every day during which the offence continues.

76. Law applicable to contracts of insurance and place of payments

- (1) The holder of a policy of insurance issued by an insurer in respect of insurance business carried on by him in Kenya on or after the appointed date shall have the right, notwithstanding any agreement to the contrary contained in the policy of insurance or in any agreement relating thereto, to receive payment of any sum secured thereby in Kenya and to sue for any relief in respect of the policy in Kenya; and if action on the policy is instituted in Kenya, any question of law in connection with the policy or proceedings shall be heard and determined according to the law in force in Kenya.
- (2) Nothing in this section shall apply to a policy of marine insurance.

(No. 8 of 2009; s. 48) **76A.**

Insurance cover upon change of ownership of motor vehicle

Upon change of ownership of a motor vehicle, an insurer shall-

(No.10 of 2010, s. 57(a)) (a)

only issues a temporary cover for a policy for a period not exceeding three months, pending the registration of motor vehicle in the name of the new owner;

(No.10 of 2010, s. 57(b)) (b)

Not renew the temporary cover or issue any annual policy in respect of the motor vehicle, unless the new owner provides proof of registration of the motor vehicle in his name by the Registrar of Motor Vehicles.

77. Defaults of insurer, broker or agent not to invalidate policy

Subject to this Act, failure on the part of an insurer, broker or agent to comply with any provision of this Act shall not invalidate any policy issued by an insurer.

78. Avoidance of contracts for unlimited amounts.

A contract of insurance entered into after the appointed date shall be void if-

- (a) it is a contract under which the insurer undertakes a liability the amount or maximum amount of which is uncertain at the time when the contract is entered into; and
- (b) it is not a contract of insurance or a contract of a class or description exempted by regulations or by the Commissioner in writing from the operation of this section.

79. Amounts and values in policies to be expressed in Kenya currency.

- (1) The sum insured, the premium and every other sum of money mentioned in a policy of insurance issued or renewed on or after the appointed date shall be stated in the currency of Kenya unless the parties to the policy have, at or subsequent to the time of issue of the policy, expressly otherwise agreed to, and where the policy was issued or renewed on or after the appointed date, the Commissioner has in writing approved, the statement of any sum in some other currency:

[No.12 of
1994,s.23
]

Provided that, notwithstanding the provisions of this subsection, an insurer may issue a policy of insurance, or a reinsurer may enter into a reinsurance contract in respect of –

- (a) aviation insurance; or
- (b) marine insurance; or
- (c) engineering insurance; or
- (d) any class or classes declared by the Cabinet Secretary by notice in the Gazette,

[No.8 of
1997,s.56
,No.12 of
1994,s.23
]

in which the sum insured, the premium and every other sum of money mentioned in the policy of insurance is stated in currencies other than the currency of Kenya.

- (2) If the insurer and policy holder have agreed, and, in the case of a policy issued on or after the appointed date, the Commissioner has approved, that the sum insured, the premium or other sum of money mentioned in a policy of insurance shall be expressed in a currency other than the currency of Kenya, the fact that the parties have agreed and the fact that the approval of the Commissioner has been obtained and the currency adopted shall be stated in or endorsed on the policy in distinct terms and in printed or typed letters no smaller than and as legible as the letters of the other provisions of the policy.

- (3) The continued payment in respect of a policy relating to long term insurance business shall not constitute a renewal for the purposes of subsection (1).

80. Proposal and policy documents not to be misleading

- (1) A form of proposal for insurance or a policy or an endorsement or any form of written matter used by an insurer describing the terms or conditions of, or the benefits to be or likely to be derived from, a policy of insurance shall not contain anything inaccurate or incomplete or likely to mislead a proponent or policy.
- (2) If the Commissioner is of opinion that an insurer has contravened the provisions of subsection (1) he may, after giving the insurer an opportunity of making representations, notify the insurer in writing that he objects to the form.
- (3) An insurer shall not accept a proposal or issue any policy or written matter if the proposal, policy or written matter is in a form to which the Commissioner has objected under this section to the extent that the objection has not been varied or set aside as a result of an appeal under section 173.
- (4) An insurer who contravenes the provisions of subsection (3) shall be guilty of an offence and liable to a fine not exceeding five thousand shillings.

81. Incorrect statements in proposals

- (1) Notwithstanding anything contained in or incorporated in a contract of life assurance issued before, on or after the appointed date, a policy of life assurance shall not be avoided by reason only of an incorrect statement made in a proposal or other document on the faith of which the policy was issued or reinstated by the insurer, unless the statement was material to the risk of the insurer and-
- (a) was made in the knowledge that it was untrue or with no reasonable belief that it was true; or
- (b) was made within the period of three years immediately preceding the date on which the policy is sought to be avoided or the date of the death of the life insured, whichever is the earlier.
- (2) Where an agent or servant of an insurer writes or fills in, or has before the appointed date written or filled in, any particulars in a proposal for a policy of insurance with the insurer, then, notwithstanding any law and any agreement to the contrary between the proposer and the insurer, a policy issued in pursuance of the proposal shall not be avoided by reason

only of an incorrect or untrue statement contained in the particulars so written or filled in, unless the incorrect or untrue statement was in fact made by the proposer to the agent or servant for the purposes of the proposal; and the burden of proving that the statement was so made shall lie upon the insurer.

82. Effect of suicide or capital punishment on policy

A policy of life assurance shall not be avoided merely on the ground that the person whose life is assured died by his own hand or act, sane or insane, or suffered capital punishment, if, upon the true construction of the policy, the insurer has thereby agreed to pay the sum assured in the events that have happened.

83. Particulars as to age of proposer for life assurance

A form of proposal shall be framed so as to require a person making a proposal for a policy of life assurance to specify the place and date of birth of the person whose life is proposed to be assured, and the person making the proposal shall supply those particulars to the best of his knowledge and belief.

84. Notice regarding proof of age

Where an insurer issues a policy of life assurance which provides the proof of age of the life insured is a condition precedent to the payment of the sum assured, the insurer shall, unless the age of the life assured has already been admitted by it, issue with the policy a printed notice stating that proof of age of the life assured may be required prior to the payment of the sum assured.

85. Procedure where insurer declines to accept proof of age

- (1) If an insurer declines to accept the proof of age tendered in respect of a policy of life assurance, whether issued before, on or after the appointed date, the policy holder may apply to the Commissioner for an order directing the insurer to accept the proof tendered.
- (2) On any such application, the Commissioner may, after giving the insurer a reasonable opportunity of being heard, make such order in relation to the application as he thinks just.
- (3) An order under this section shall be binding on the insurer and shall be complied with on his part.

86. Misstatement of age

- (1) A policy of life assurance shall not be avoided by reason only of a misstatement of the age of the life assured.
- (2) Where the true age as shown by the proofs is greater than that on which the policy was based, the insurer may vary the sum assured by, and the bonuses (if any) allotted to, the policy so that, as varied they bear the same proportion to the sum assured by, and the bonuses (if any) allotted to, the policy before variation as the amount of the premiums that have become payable under the policy as issued bears to the amount of the premiums that would become payable if the policy has been based on the true age.
- (3) Where the true age, as shown by the proofs, is less than that on which the policy was based, the insurer shall either-
 - (a) vary the sum assured by, and the bonuses (if any) allotted to, the policy before variation as the amount of the premiums that have become payable under the policy as issued bears to the amount of the premiums that would have become payable if the policy had been based on the true age; or
 - (b) reduce, as from the date of issue of the policy, the premium payable to the amount that would have been payable if the policy had been based on the true age and repay to the policy owner the amount of over-payments of premiums less any amount that has been paid as the cash value of bonuses in excess of the cash value that would have been paid if the policy had been based on the true age.
- (4) Notwithstanding subsection (2) and (3), where the correct age is found to be beyond the limits within which the insurer, according to his published prospectus, issues the type of policies in question, the policy shall be void *ab initio* and the insurer shall refund to the insured all the premiums received on the policy after deducting the commission payments and expenses incurred by him on the policy; but nothing in this subsection shall apply to annuities and other policies where the insured has already received any payment under the policy.

87. Objection to and return of life policy

- (1) If within twenty eight days after the delivery of an industrial life assurance policy or an ordinary life assurance policy, where the sum assured is ten thousand shillings or less, by an insurer to the policy holder, or, at the place of abode of the policy holder, to some other person who is an inmate of that place apparently not less than eighteen years of age and by whom any premium in respect of the policy is paid on behalf of the policy holder, the policy holder returns the policy to the insurer with an objection in writing to any term or condition of the policy or a statement that he does not require the policy, the insurer shall forthwith refund any premium which has been paid in respect of the policy which shall thereupon be cancelled.

- (2) For the purposes of this section, where a policy is sent by post or email or other electronic or telecommunication mode by an insurer to the person to whom it is issued, it shall, unless the contrary is proved, be deemed to have been delivered to him at the time at which it would reach him in the ordinary course of post or email or other electronic or telecommunication mode.
- (3) For the purposes of this section, a policy shall be deemed to have been returned with an objection or statement, as the case may be, if the policy and objection or statement is posted for transmission to the insurer by registered post.

88. Paid up policies

- (1) A policy holder who desires to discontinue further premium payments on a policy of life assurance on which not less than three years' premium have been paid in cash shall, on application to the insurer, be entitled to receive, in lieu of that policy, a paid-up policy for an amount not less than that determined in accordance with the rules.
- (2) the paid-up policy shall be payable upon the happening of the contingency upon the happening of which the amount assured under the original policy would have been payable.

89. Surrender of policies

- (1) The owner of a policy of life assurance which has been in force for at least three years shall on application to the insurer, be entitled to surrender the policy and to receive not less than the surrender value of the policy less the amount of any debt owing to the insurer under, or secured by, the policy.
- (2) In the application of subsection (1) to a paid-up policy which has been issued in lieu of another policy, the period of three years shall be calculated from the date of issue of the original policy.
- (3) For the purposes of this section the surrender value of a policy shall be the amount calculated in accordance with the rules.
- (4) The Commissioner may, on application by an insurer, if, in his opinion, the payment in cash of surrender values as required by this section would be prejudicial to the financial stability of the insurer or to the interests of the policy holders of that insurer, suspend or vary for such period and subject

to such conditions as the Commissioner thinks fit, the obligation of the insurer to pay those surrender values.

90. Non-forfeiture of ordinary life Policies in certain cases of non-payment of premiums

- (1) An ordinary life policy shall not be forfeited by reason only of the non-payment of any premium (in this section referred to as “the overdue premium”) if-
 - (a) not less than three years’ premiums have been paid in cash on the policy; and
 - (b) the surrender value of the policy (calculated as at the day immediately preceding that on which the overdue premium falls due) exceeds the sum of the amount of the debts owing to insurer under, or secured by, the policy, and the amount of the overdue premium.
- (2) The insurer may, until payment of the overdue premium, charge compound interest on it, on terms not less favourable to the policy holder than such terms (if any) as are prescribed.
- (3) The overdue premium and any interest charged on it under this section and unpaid shall, for the purposes of this Act be deemed to be a debt owing to the insurer under the policy.
- (4) Without affecting the generality of subsection (1), an ordinary life policy on which not less than three years’ premiums have been paid in cash shall not be forfeited by reason only of the non-payment of a premium unless, on or after the day on which the premium fell due, the insurer liable under the policy serves a notice on the policy holder stating-
 - (a) the amount due or payable to the insurer at the date of the notice in respect of the policy; and
 - (b) that the policy will be forfeited at the expiration of twenty eight days after service of the notice if a sufficient sum is not paid to the insurer in the meantime.

91. Non-forfeiture of industrial policies in certain cases of non-payment of premiums

- (1) An industrial life assurance policy on which less than one year’s premiums have been paid shall not be forfeited by reason only of the non-payment of any premium unless the premium has remained unpaid for not less than four weeks after it became due.

- (2) An industrial life assurance policy on which not less than one year's premiums have been paid shall not be forfeited by reason only of the non-payment of any premium unless the premium has remained unpaid for not less than eight weeks after it became due.
- (3) An industrial life assurance policy on which not less than two years' premiums have been paid shall not be forfeited by reason only of the non-payment of any premium unless the premium has remained unpaid for not less than twelve weeks after it became due.
- (4) In the event of an industrial life assurance policy on which not less than three years' premiums have been paid being forfeited by reason of non-payment of any premium, the insurer shall, without requiring any application from the policy holder, grant a paid-up policy for an amount not less than that calculated in accordance with the rules.
- (5) The paid-up policy shall be payable upon the happening of the contingency upon which the amount insured under the original policy would have been payable.

92. Treatment of debts on grant of paid-up policies

Where in pursuance of any provision in this Part a policy holder is entitled to receive, or an insurer is required to grant, a paid-up policy and there is any debt owing to the insurer under or secured by the policy, the insurer may elect-

- (a) To treat the debt so owing as a debt secured by the paid-up policy and thereupon the paid-up policy shall be a security for the debt so owing; or
- (b) in the ascertainment of the amount of the paid-up policy, to reduce the amount by taking into account, upon a basis approved by the Commissioner, the debt so owing to the insurer, and thereupon the debt shall cease to be owing to the insurer.

93. Certain policies Exempted from Operation of Sections 88 to 92.

- (1) The provisions of section 88 to 92 (inclusive) shall not apply to-
 - (a) an instrument securing the grant of an annuity for a term dependent upon human life, not being a deferred annuity during the period of deferment; or
 - (b) a policy which provides insurance against contingencies none of which may happen, not being a policy which provides for the payment of a sum of money if the life insured by the policy survives a specified period.

(1A) Every Insurer who provides annuities and other insurance investment products shall publish information regarding such annuities and other products on quarterly basis in the manner specified by the Commissioner.

(2) Subject to subsection (1), the Minister may, on the recommendation of the Commissioner, by notice in the *Gazette*, declare that the provisions of sections 88 to 92 shall apply in respect of any policy or class of policies with such modifications as are declared in the notice, and those provisions shall apply in respect of that policy or class of policies accordingly.

94. Insurable interest essential for all policies

(1) Subject to this Act, no policy of insurance shall be issued on the life or the lives of any person or persons, or on any other event or events whatsoever, wherein the person or persons for whose use, benefit, or on whose account such policy or policies shall be made, shall have no insurable interest.

(2) An insurable interest shall be deemed to be had by-

(a) a parent of a child under eighteen years of age, or a person in *loco parentis* of such child, in the life of the child to the extent of funeral expenses which may be incurred by him on the death of the child;

(b) a husband, in the life of his wife;

(c) a wife, in the life of her husband;

(d) any person, in the life of another upon whom he is wholly or in part dependent for support or education;

(e) a corporation or other person, in the life of an officer or employee thereof; and

(f) a person who has a pecuniary interest in the duration of the life of another person, in the life of that person.

(3) A child's advancement policy effected either before, on, or after the appointed date shall not be void by reason only that the person effecting the policy had not at the time the policy was effected an insurable interest in the life of the child.

95. Property in child's advancement policy

(1) The provisions of this section shall apply to every child's advancement policy, whether effected before, on, or after the appointed date.

- (2) Where a child whose life is insured under a child's advancement policy has, whether before, on, or after the appointed date, attained the vesting age, the policy shall be deemed to have been, or, as the case may be, shall become, as on and after the date on which the child attained the vesting age, the absolute property of the child both at law and in equity, subject-
- (a) to any debt owing to the insurer under, or secured by, the policy;
 - (b) to any dealing done, prior to the attainment by the child of the vesting age, by the owner of the policy; and
 - (c) to any dealing done, after the attainment by the child of the vesting age and prior to the appointed date, by the owner of the policy.
- (3) If, during a child's lifetime, a person effecting a policy in respect of the child dies or is adjudged bankrupt before the child has reached the vesting age, the representative of the person holds the policy in trust for the child until the child reaches the vesting age or dies before reaching that age, subject to any dealings other than testamentary ones by the person before death or bankruptcy.
- (3A) The representative may assign, mortgage, charge, surrender, vary or otherwise deal with the policy and apply the proceeds (if any) as the representative believes to be appropriate for the maintenance or benefit of the child and the continuation of the policy.
- (3B) The insurer issuing the policy is under no obligation to ensure that the proceeds of the policy (if any) are applied for the maintenance or benefit of the child.
- (3C) In subsections (3) and (3A), "the representative", in relation to-
- (a) a deceased, means the executor or administrator of the deceased's estate; or
 - (b) in relation to a person who has been adjudged bankrupt, means the bankruptcy trustee of the person's estate or the Official Receiver.
- (4) Nothing in this section shall invalidate a payment made before the appointed date in respect of a child's advancement policy if the payment, but for this Act, would have been valid.

(No. 19 of
2015
s.55)

96.

Limitation of amount payable on death of child

(No. 9 of
2000, s.91
]

- (1) An insurer shall not, by a policy effected on the life of a child, contract to pay on the death of the child under ten years of age a sum of money (apart from repayment of premiums) which, added to any amount payable (apart

from repayment of premiums) on the death of the child under ten years of age by any other insurer, exceeds one hundred thousand shillings.

- (2) In a policy to which subsection (1) refers there shall be clearly set out that the total sum recoverable as insurance moneys or other benefits from any one or more insurers (apart from repayment of premiums) shall not exceed one thousand shillings.

97. Production of prescribed certificate of death

[Cap 149]

An insurer shall not pay any sum (apart from repayment of premiums) on the death of a child under ten years of age except upon the production a certificate of death issued in accordance with the provision of the Births and Deaths Registration Act.

98. Savings as to insurable interest

Section 96 and 97 shall not apply to the policy on the life of a child when the person effecting the insurance has an insurable interest, apart from the mere interest under section 94 (2) (a), in the life of the child.

99. Protection of insured's interest

- (1) Subject to any written law relating to bankruptcy, the property and interest of a person in a policy effected (whether before, on, or after the appointed date) upon his own life shall not be liable to be applied or made available in payment of his debts by a judgement, order or process of any court.

- (2) In the event of a person whose life is insured dying after the appointed date, the moneys payable upon his death under or in respect of a policy effected upon his life shall not, subject to any written law relating to bankruptcy, be liable to be applied or made available in payment of his debts by a judgement, order or process of any court, or by retainer by an executor or administrator, or in any other manner, except by virtue of a contract or charge made by the person whose life is insured or by virtue of an express direction contained in his will or other testamentary instrument executed by him that the moneys arising from the policy shall be so applied.

- (3) A direction to pay debts, or a charge of debts upon the whole or any part of the testator's estate, or a trust for the payment of debts, shall not be deemed to be such an express direction.

100. Family insurance policies

- (1) Subject to any written law relating to bankruptcy, a policy effected (whether before, on, or after the appointed date) by a man upon his own

life, and expressed to be for the benefit of his wife, or of his children, or of his wife and children, or any of them, or by a woman upon her own life and expressed to be for the benefit of her husband or of her children, or of her husband and children, or any of them, shall create a trust in favour of the objects named in the policy, and the moneys payable under that policy shall not, so long as any object of the trust remains unperformed, form any part of the estate of the person whose life is insured, or be subject to his or her debts.

- (2) The person whose life is assured may, by the policy, or by a memorandum under his or her hand, appoint trustees of the moneys payable under the policy, and from time to time appoint new trustees of the moneys and may make provision for the appointment of new trustees of the moneys, and for the investment of the moneys payable under the policy.
- (3) Subject to subsection (4), if at any time there is no trustee, the policy shall vest in the person whose life is assured, and his personal representatives, in trust for the purposes referred to in, and subject to, subsection (1).
- (4) If at any time there is no trustee and the policy is not vested in any person in pursuance of subsection (3) and it is expedient to appoint trustees or new trustees, may be appointed by the court.
- (5) The receipt of a trustee, or if there is no trustee or in default of notice to the insurer of the existence of a trustee, the receipt of the person whose life is insured or of his personal representative, or, if the policy has been assigned in pursuance of the power to borrow money conferred by subsection (6), the receipt of the owner for the time being of the policy, shall be a discharge to the insurer for the sum payable under the policy, or for the value of the policy, in whole or in part.
- (6) A trustee, or if there is no trustee or in default of notice to the insurer of the existence of a trustee, the person whose life is insured or his personal representative, may vary the terms of the policy in any manner permitted by the insurer, surrender the policy in whole or in part or borrow money upon the policy, and any money obtained by any such variation, surrender or borrowing shall be subject to the same trusts as those upon which the policy was or is held.
- (7) Except as expressly provided by this section, nothing in this section shall affect the operation of the law in force in Kenya relating to trustees.
- (8) In this section, "children" in relation to a person, includes-
 - (a) a person adopted by the first-mentioned person under the law of Kenya relating to the adoption of children; or

- (b) a person adopted by the first-mentioned person under the law of any country relating to the adoption of children if the validity of the adoption would be recognized under the law of Kenya; or
- (c) a step-child of that person.

101. Probate or administration may be dispensed with in certain cases

(1) Where-

[No. 9 Of
2000,s.92
]

(a) there is only one policy under which moneys are payable by a particular insurer to the personal representative of a deceased person and those moneys do not, excluding bonus additions, exceed One Hundred thousand shillings, or

(b) there are two or more policies under which moneys are so payable and the aggregate of those moneys does not, excluding bonus additions, exceed five thousand shillings,

the insurer may, without requiring the production of any probate or letters of administration, pay the moneys, together with the bonuses (if any) which have been added to the policy or policies, to a person-

- (i) who is the husband, wife, father, mother, child, brother, sister, nephew or niece of the deceased person; or
- (ii) who satisfies the insurer that he is entitled to the property of the deceased person under his will or under the law relating to the disposition of the property of the deceased person under his will or under the law relating to the disposition of the property of the deceased person or that he is entitled to obtain probate of the will of the deceased person or to take out letters of administration of his estate.

(2) The insurer making any such payment shall be thereby discharged from all further liability in respect of the moneys payable under the policy or policies.

102. Death of owner of policy not being life insured

(1) Subject to this section, where the owner of a policy of life assurance, not being the person whose life is assured by the policy, predeceases the person whose life is so assured, and a person satisfies the insurer that issued the policy that he is entitled-

(a) under the will or on the intestacy of the deceased owner to the benefit of the policy; or

(b) to obtain probate of the will, or to take out letters of administration of the estate of the deceased owner,

the insurer may, without requiring the production of probate or letters of administration, endorse on the policy a declaration that that person has so satisfied the insurer and is the owner of the policy, and thereupon that person shall become, subject to subsection (2), the owner of the policy.

(2) Subsection (1) shall not confer on a person declared to be the owner of a policy any beneficial interest in the policy which he would not otherwise have had.

(3) This section shall not apply in relation to a policy referred to in subsection (1) whether the deceased owner died before, on, or after the appointed date.

(4) This section shall not apply in relation to

(a) a policy the surrender value of which, at the date of the death of the deceased owner exceeds or exceeded two thousand five hundred shillings; or

(b) a policy which is one of two or more policies owned by the deceased owner and issued by the same insurer if the aggregate of the surrender values of those policies at the date of the death of the deceased owner exceeds or exceeded two thousand five hundred shillings.

(5) For the purposes of subsection (4), the surrender value of a policy is the amount (including any amount in respect of bonus additions) that would be paid by the insurer issuing the policy upon its surrender.

103. Insurer not bound to see to application of payments

An insurer shall not in any circumstances be bound or concerned to see to the application of any money paid by the insurer in respect of any policy.

104. Power to pay into court

(1) An insurer may, subject to any rules of court in that behalf, pay into court any moneys payable by the insurer in respect of a policy for which, in the opinion of the insurer, no sufficient discharge can otherwise be obtained.

(2) The receipt of a registrar of the court for the moneys shall be a good and valid discharge to the insurer for moneys so paid in, and the moneys shall, subject to the rules of the court, be dealt with according to the order of the court.

105.

No deductions in respect of other policies

Where a claim arising under a policy is paid, no deductions shall, except with the consent in writing of the claimant, be made on account of premiums or debts due to the insurer under any other policy.

106.

Lost policies

- (1) Where an insured person claims that the policy (in this section referred to as “the original policy”) is lost or has been destroyed, the insurer liable under the original policy may, subject to this section, upon application by that person and upon such evidence as to the loss or destruction of the original policy as the insurer deems sufficient, issue to the applicant as a special policy in substitution for the original policy.
- (2) A special policy shall -
 - (a) be a copy, as nearly as can be ascertained, of the original policy in substitution for which it has been issued;
 - (b) contain copies of every endorsement on the original policy registered by the insurer; and
 - (c) state the reason for the issue of the special policy.
- (3) Before issuing a special policy the insurer shall, if the amount insured, exclusive of bonus additions in the case of a policy of long term insurance, exceeds one hundred thousand shillings require the policyholder or beneficiary to swear an affidavit regarding the loss of the original policy.
- (4) The expenses of advertisement and all other costs of the issue of special policy shall be paid by the applicant at the time of application.
- (5) The fact of the issue of a special policy and the reason for its issue shall be recorded by the insurer in the register of policies.
- (6) A special policy shall be valid and available for all purposes for which the original policy in substitution for which it has been issued would have been valid and available and, after the issue of the special policy, the original policy substitution for which it has been issued shall be void.
- (7) If the insurer fails to issue a special policy within six months of an application in writing from the insured person, the Commissioner may, upon application and upon such evidence as to the loss or destruction of the original policy as the Commissioner deems sufficient, order the insurer, upon such terms and within such time as the Commissioner thinks fit, to issue a special policy.

*No. 11 of
2019 s.9*

**PART IX
ASSIGNMENTS, MORTGAGES AND NOMINATIONS**

107. Assignments of policies

- (1) Subject to section 110, an assignment of a policy of life assurance made after the appointed date -
 - (a) shall be by memorandum of transfer and shall be -
 - (i) endorsed upon an annexure to the policy that is referred to in, or in an endorsement on, the policy; and
 - (ii) signed by the transfer or in the presence of a witness; and
 - (b) shall not be recognized by or binding on the insurer until registered in accordance with this Section by the insurer liable under the policy.
- (2) Every assignment shall be registered in a register to be provided by the insurer for that purpose, and the date of registration shall be inserted in the memorandum of transfer, which shall also be signed by the principal officer of the insurer or a person thereto authorized by him in writing.
- (3) The transferee under a duly registered assignment shall have all the powers and be subject to all liabilities of the transferor under the policy, and may sue in his own name on the policy:

Provided that nothing in this section shall be construed to admit the transferee to membership of an insurer or to deprive the transferor of his membership in respect of a policy, except as provided in the instruments constituting the insurer or in his articles of association or other rules.
- (4) the receipt of the transferee shall be a discharge to the insurer for all moneys paid by the insurer under the policy.
- (5) Every memorandum of transfer shall, as between the insurer and any person claiming any moneys under the policy, be conclusive evidence for all purposes that the transferee was at the time of registration the absolute owner of the policy free from all trusts, rights, equities and interests (except liens or charges which the insurer has upon the policy), and legally entitled to receive and give a discharge for those moneys.
- (6) Any discharge or surrender of or security over the policy given to the insurer by the transferee shall be valid and effectual, notwithstanding the existence of any trust, right, equity or interest of any other person.

- (7) The insurer taking the discharge, surrender or security shall not be required or concerned to inquire or ascertain the circumstances in which or the consideration for which the transferee or any previous transferee became a transferee or, except as provided by section 108, be affected by express, implied or constructive notice of any trust, right, equity or interest.
- (8) This section shall not-
 - (a) impose on a minor any liability to which he would not, but for this section, be subject;
 - (b) confer on a minor any power or capacity which, but for this section, he would not have; or
 - (c) validate a receipt or discharge or a surrender of, or security over, a policy given by a minor, if, but for this section, that receipt, discharge, surrender or security would not be valid.

108. Effect of notice of trust.

- (1) Notwithstanding anything contained in Section 107, an insurer shall not be entitled to any protection under that Section or to rely upon any of the provisions of that section if the insurer has not acted in good faith or has received express notice in writing of any trust, right equity or interest of any person.
- (2) In case of the receipt of any such notice, the insurer may pay into the court any moneys payable under the policy, and the receipt of a Registrar of the Court for the moneys shall be a good and valid discharge to the insurer for the moneys so paid in.
- (3) The moneys shall be paid out to such person as the court orders.

109. Assignment of policy to insurer issuing it not to merge rights, etc under policy

The rights and liabilities arising under a policy shall not be deemed, either at law or in equity, to be merged or extinguished by reason only of an assignment of the policy, whether at law or in equity, to the insurer that issued the policy.

110. Policies held by trustees

Where an insurer is satisfied that-

- (a) a policy has been issued or transferred to, or the ownership of a policy is otherwise vested in, person as trustees; and

- (b) those persons are no longer the trustees for purposes of the trust,
- the insurer may, at the request in writing of the person claiming to be the trustees for the time being for the purpose of the trust and on the evidence of a statutory declaration by one of those persons verifying the claim, record the names of those persons as the owners of the policy, and thereupon those persons shall become the owners of the policy.

111.

Nomination by policy holder.

- (1) The holder of a policy of life assurance on his own life may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy in the event of his death:

Provided that, where the nominee is a minor, the policy holder may appoint, in the manner prescribed, any person to receive the money secured by the policy in the event of his death during the minority of the nominee.

- (2) Any nomination under subsection (1), in order to be effectual, shall either be incorporated in the text of the policy itself or be made by endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy, and the nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be, but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made *bona fide* by him to a nominee mentioned in the text of the policy or registered in the books of the insurer.

- (3) The insurer shall furnish to the policy holder a written acknowledgement of having registered a nomination or a cancellation or change thereof, and may charge the prescribed fee not exceeding ten shillings, for registering a nomination, or its cancellation or change.

- (4) A transfer or assignment of a policy made in accordance with this Act shall automatically cancel a nomination:

Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of assignment, in consideration of a loan granted by the insurer on the security of the policy within its surrender value, or its assignment on repayment of the loan, shall not cancel a nomination but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy.

- (5) Where the policy matures for payment during the life-time of the person whose life is insured, or where the nominee dies, or if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policy holder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.
- (6) Where the nominee survives, or if there are more nominees than one, one or more nominees survive the person whose life is insured, the amount secured by the policy shall be payable to the survivor or survivors, as the case may be.
- (7) The provisions of this Section shall not apply to policy to which Section 100 (1) applies.

**PART X
CLAIMS ON SMALL LIFE POLICIES**

112. Claims on small life policies

*[No.9 of
2000,s.94
]*

- (1) In the event of a dispute relating to the settlement of a claim on a policy of life assurance assuring a sum not exceeding one hundred thousand shillings (exclusive of any profit or bonus not being a guaranteed profit or bonus) issued by an insurer in respect of life assurance business transacted in Kenya, arising between a claimant under the policy and the insurer who issued the policy or has otherwise assumed liability in respect thereof, the dispute may at the option of the claimant be referred to the Commissioner for decision, and the Commissioner may, after giving an opportunity to the parties to be heard and after making such further enquiries as he may think fit, decide the matter.
- (2) The decision of the Commissioner under this Section shall be final and shall not be called in question in any court, and may be executed by the court which would have been competent to decide the dispute if it had not been referred to the Commissioner as if it were a decree passed by that court.
- (3) There shall be charged and collected in respect of an adjudication under this section such fees whether by way of percentage or otherwise as may be prescribed.

**PART XI
TRANSFERS AND AMALGAMATIONS**

113. Application to amalgamate or transfer

*No. 11 of
2019 s.10*

- (1) Subject to this Act, where-

- (a) two or more insurers registered under this Act intend to amalgamate, or
- (b) an insurer intends to transfer insurance business of any class to another insurer registered under this Act,

[No.12 of 1987, s.5., No. 4 of 2012, s. 35]

both the insurers jointly in the former case, and the transferor in the latter case, shall apply to the Authority, for his approval of the amalgamation or transfer, as the case may be.

(2) An application to amalgamate or transfer insurance business be accompanied by

- (a) the draft of the document under which the proposed amalgamation or transfer is to take effect;
- (b) audited accounts and balance sheets of both insurers as on the date of the proposed amalgamation or transfer;

[No.12 of 1994,s.24]

(c) the draft of the document including the terms of the agreement or deed under which the proposed transfer or amalgamation is to be carried out or take effect, as the case may be;

[No.12 of 1994,s.24]

(d) actuarial reports and abstract in respect of long-term insurance business of both the insurers, such reports and abstracts of the transferor, prepared in conformity with the provisions of section 115, as read with the requirements prescribed in the regulations as at the date of the proposed amalgamation or transfer, as the case may be.

[No.12 of 1994, s.24.]

(3) Where the proposed amalgamation or transfer is in respect of long term insurance business, an application under this section shall, in addition to the documents mentioned in subsection (2), be accompanied by a report on the terms of the scheme and likely effects of the scheme on policy holders of the insurers concerned as a result of the proposed scheme of amalgamation or transfer, prepared by an actuary who has not been professionally connected with any of the insurers at any time during the five years immediately preceding the application and prepared as at the date of the proposed amalgamation or transfer, as the case may be.

[No.12 of 1994,s.24]

(4) The audited accounts and balance sheets, reports and abstracts referred to in subsections (2) and (3) shall be prepared as at the date at which the amalgamation or transfer is intended to be effected, which date shall not be more than twelve months before the date of the application.

114.

Notice

[No.12 of 1987,s.11 , No 4. of 2012, s. 36]

(1) The Authority shall not determine an application under this part unless-

[No.12 of 1987,s.11 no.4. of 2012, s. 36,]

(a) notice of the intention to apply for amalgamation or transfer, approved by the Authority for the purpose, has been published in the Gazette and in at least two newspapers published and circulating in Kenya;

(b) except in so far as he has otherwise directed, a copy of the notice has been sent to every affected policy holder and every other person who claims an interest in a policy included in the amalgamation or transfer and has given written notice of his claim to one of the insurers involved in the amalgamation or to the transferor, as the case may be; and

[No.12 of 1987, s.11. no. 4. of 2012, s. 36]

(c) copies of a statement setting out particulars of the amalgamation or transfer, including in the case of long term insurance business the report of the actuary, and approved by the Authority, have been available for inspection at one or more places in Kenya for a period of not less than thirty days beginning with the date of the first publication of the notice in accordance with paragraph (a).

[No.12 of 1987, s.11,no.4. of 2012, s. 36]

(2) The notice referred to in subsection (1) shall invite any person (including an employee, director, shareholder or policy holder) who has reasonable grounds for believing that he would be adversely affected by the carrying out of the scheme to write or make oral representations to the Authority within thirty days of the publication of the notice, stating the grounds on which he believes he would be adversely affected by the carrying out of the scheme of amalgamation or transfer.

115.

Conditions for approval in relation to long term insurance business

[No.12 of 1987,s.11 , no4. of 2012, s. 37]

(1) The Authority shall not determine an application under this Part which involves or includes a transfer of long term insurance business, unless the scheme involves a transfer of assets relating to the long term insurance business proposed to be transferred in accordance with the provisions of this section.

(2) If the transfer covers all the long term insurance business of the transferor, all the assets representing the statutory fund maintained by the transferor shall, subject to subsection (4), be transferred.

(3) If the transfer applies to a part only of the long term insurance business of the transferor, the approved proportion of the assets representing the statutory fund maintained by the transferor shall, subject to subsection (4), be transferred.

(4) For the purposes of subsections (2) and (3)-

(a) subject to paragraphs (b) and (c) of this subsection, assets of not less than the actuarial value of the liabilities on all the policies, after making adequate provision for maintenance of bonuses at current levels, and for

the reasonable expectations of policy holders, liabilities being calculated on a proper basis, shall be transferred;

[No.12 of
1987,
s.11, no4.
of 2012,
s. 37]

(b) where the total assets available in terms of subsection (2) or (3) are less in value than the figure arrived at under paragraph (a) of this subsection, the whole of the assets so available shall be transferred, and the Authority shall decide, after taking into account the relevant actuarial considerations, whether any other assets of the insurer shall also be transferred and whether any provision for reduction of contracts shall be made in the scheme of transfer;

(c) where the total assets available in terms of subsection (2) or (3) exceed the figure arrived at under paragraph (a) of this subsection, the assets transferred shall be of value equal to the figure arrived at under paragraph (a) plus the following proportions of the excess of the assets in terms of subsection (2) or (3) over the figure arrived at under paragraph (a) namely-

(i) if the excess is equal to or less than forty per cent of the figure arrived at under paragraph (a), ninety per cent of such excess; and

(ii) if the excess is more than forty per cent of the figure arrived at under paragraph (a), ninety per cent of the portion of the excess amounting to forty per cent of the figure arrived at under paragraph (a) plus fifty per cent of the balance of the excess;

except that where the transferor does not have a share capital, the entire excess of the assets in terms of subsection (2) or (3) over the figure arrived at under paragraph (a) shall be transferred in addition to the assets of value equal to the figure arrived at under paragraph (a).

(5) For the purposes of subsections (2) and (3), the total assets shall include all assets held by the insurer in Kenya which are applicable to, or were built out of, all the long term insurance business carried on in the past irrespective of whether they are shown against long term insurance business and irrespective of whether the business was carried on in the past solely in Kenya or elsewhere.

(6) In determining the "value of the assets" due provisions should be made for any possible tax liabilities arising on account of the value placed on the assets or on account of the transfer of the assets.

[No.4. of
2012, s.
37]

[No. 50 of
2016,
se.10]

(7) In this section –

"proper basis" means the basis prescribed by the Authority or the basis applicable in the case of a bonus reserve valuation, allowing provision for the maintenance of bonuses at current levels and for the reasonable expectation of policy-holders in that context, or the basis adopted at the

latest preceding valuation, whichever brings out the highest figure of liability.

“**approved proportion**” means the proportion which is approved by the Authority as reasonable in the circumstances of the case.

116.

Further conditions for approval

[No.12 of 1987, s.1; NO 4. of 2012, s. 38]

The Authority shall not approve an amalgamation or transfer on an application under section 113 unless he is satisfied that-

- (a) every policy included in the amalgamation or transfer evidence a contract which-
 - (i) was entered into before the date of the application; and
 - (ii) imposes on the insurer obligations the performance of which will constitute the carrying on of insurance business in Kenya; and
- (b) the amalgamated insurer or transferee, as the case may be, is, or immediately after the approval will be, authorized under this Act to carry on in Kenya insurance business of the appropriate class or classes,

and unless in his opinion the amalgamated insurer’s or transferee’s financial resources and the other circumstances of the case justify the giving of his approval.

117.

Approval or refusal

[No.12 of 1987, s.11; No. 4. of 2012, s. 39]

- (1) The Authority may, after considering the documents and reports deposited with him under this Part and the representations, if any, made under section 114 (2), subject to such terms and conditions as he considers necessary, approve the scheme of amalgamation or transfer.

[No.12 of 1987, s.11, NO4. of 2012, s. 39]

- (2) On determining an application made under subsection (1) the Authority shall-
 - (a) publish a notice of his decision in the Gazette and in such other manner as he thinks fit; and
 - (b) send a copy of that notice to the parties to the amalgamation or the transferor and the transferee and every person who made representations in accordance with the notice referred to in section 114,

and if he refuses the application he shall inform the parties to the amalgamation or the transferor and the transferee in writing of the reasons for his refusal.

118. Effect of approval under section 117

[No.12 of
1987,
s.11;
NO4. of
2012, s.
40]

- (1) Subject to subsection (2), an instrument giving effect to an amalgamation or transfer approved by the Authority under section 117 shall be effectual in law-
- (a) to transfer to the amalgamated insurer or the transferee all the transferor's rights and obligations under the policies included in the instruments; and
- (b) if the instruments so provides, to secure the continuation by or against the amalgamated insurer or the transferee of any legal proceedings by or against either party to the amalgamation or against the transferor which relate to those rights or obligations,

notwithstanding the absence of any agreement or consent which would otherwise be necessary for it to be effectual in law for those purposes.

[No. 12 of
1987,
s.11;
No4. of
2012, s.
40.]

- (2) Except in so far as the Authority may otherwise direct, a policy holder whose policy is included in such an instrument shall not be bound by it unless he has been given written notice of its execution by either of the insurers involved in the amalgamation or transfer.
- (3) Where an amalgamation or transfer has been approved, the amalgamated insurer or the transferee insurer shall within ten days from the date of completion of the amalgamation or transfer deposit with the Commissioner certified copies of-
- (a) statements of his respective assets and liabilities; and
- (b) the documents under which the amalgamation or transfer was effected.

**PART XII
INSOLVENCY AND WINDING UP**

119. Insurer defined for this part

In this Part “insurer” means an insurer carrying on insurance business in Kenya.

120. Voluntary Liquidation

No. 19 of
2015
s.56)

An insurer carrying on long term business cannot be liquidated voluntarily, despite Part VI of the Insolvency Act, 2015

No. 19 of
2015
s.57)

121.

Liquidation by the court

- (1) If an application for the liquidation of an insurer is presented by a person other than the Commissioner, the applicant shall serve a copy of the application on the Commissioner.
- (2) On being served with a copy of such an application, the Commissioner becomes a party to the proceedings and is entitled to be heard at the hearing of the application.

122.

Insolvency of insurer

No. 19 of
2015 s.58

For the purpose of section 384 of the Insolvency Act, 2015, an insurer is taken to be unable to pay its debts if at any time the requirements of section 41 (which relate to margins of solvency) are not observed by the insurer.

123.

Application for the liquidation of an insurer

(No. 19 of
2015
s.59)

- (1) The Commissioner may, with the prior approval of the Board, make an application to the court for the liquidation of the insurer in accordance with Part VI of the Insolvency Act, 2015 in any of the following circumstances:
 - (a) as provided by section 19(5) or 67(3) of this Act;
 - (b) on the ground that the insurer is unable to pay the insurer's debts within the meaning of section 384 of the Insolvency Act, 2015;

for a period of six months after notice of the failure or contravention has been given to the insurer by the Commissioner;
 - (c) on the ground that the insurer is unable to fulfil the reasonable expectations of policy-holders or potential policy-holders;
 - (d) on the ground that it is just and equitable in the interests of the policy holders that the insurer should be wound up;
 - (e) on the ground that the insurer has failed to pay tax that is due and outstanding;
 - (f) on any other ground prescribed by regulations made for the purposes of this section under section 180 of this Act.
- (2) Subsection (1) does not apply to an insurer that is already being liquidated by the court.

- (3) The court may, after considering the application made by the Commissioner, order the liquidation of the insurer if it is satisfied that-
 - (a) there are sufficient grounds for making the order; and
 - (b) it is just and equitable for the insurer to be liquidated.
 - (c) on the ground that the insurer-
 - (i) having failed to comply with a requirement of this Act, has continued that-failure; or
 - (ii) having contravened a provision of this Act, has continued that contravention.

No. 19 Of
2015 s.60

124.

Transfers of Insurance Businesses

- (1) In this section-
 - (a) "transferee insurer" means the insurer to which an insurance business (or part of it) is transferred as referred to in subsection (2); and
 - (b) "transferor insurer" means the insurer or insurers that have transferred that business or part.
- (2) If an insurer transfers its insurance business, or any part of it, to another insurer under an arrangement in accordance with which the insurer or its creditors –have claims against the other insurer, then, if the other insurer is being liquidated by the court, the court shall, subject to the provisions of this section, order the transferor insurer to be liquidated in conjunction with the other insurer.
- (3) The court may by the same or a subsequent order appoint the same person to be liquidator for the two insurers and make provision for such other matters as the court considers necessary, with a view to the insurers being liquidated as if they were a single insurer.
- (4) The commencement of the liquidation of the transferee insurer is, unless the court otherwise orders, the commencement of the liquidation of the transferor insurer
- (5) In adjusting the rights and liabilities of the members of the several insurers between themselves, the court shall have regard to —
 - (a) The constitution of the insurers; and
 - (b) the arrangements entered into between the insurers in the same manner as the court has regard to the rights and liabilities of different classes of

contributories in the case of the liquidation of a single insurer or as near as possible as the circumstances allow.

(6) If the transferor insurer is not in the process of being liquidated at the same time as the transferee insurer, the court may order the liquidation of the transferor insurer only if satisfied, after hearing any objections that may be made by or on behalf of that insurer to its being liquidated, that it would be just and equitable for it to be liquidated.

(7) An application may be made for the liquidation of the transferor insurer in conjunction with the transferee insurer by any creditor of, or person interested in, either of the insurers.

(8) If —

(a) an insurer is the transferee insurer in relation to one insurer and as the transferor insurer in relation to another insurer; or

(b) several insurers are transferor insurers in relation to a single transferee insurer

the court may deal with any number of those insurers together or in separate groups, as it considers most appropriate in accordance with the principles set out in this section.

125.

Insurers that are subsidiaries of non-insurers

*(No. 19 of
2015
s.61)*

(1) If an insurer is a subsidiary of a company that is not an insurer and the company is liquidated under the Insolvency Act, 2015, the subsidiary may be liquidated only on the basis of a separate application for winding up.

(2) If the subsidiary carries on long term insurance business (whether with or without other classes of insurance business) and is ordered to be liquidated, the following assets of the subsidiary are to be reserved exclusively for the benefit of the policy holders of long term insurance business:

(a) all the admitted assets of the statutory funds;

(b) any other assets of the subsidiary that have been included in a separate balance sheet relating to the long term insurance business

(c) any assets that, though not shown against the statutory funds or in that balance sheet, should in the opinion of the court be equitably apportioned to the long term policy holders.

- (3) The assets referred to in subsection (2) may be used for a purpose other than for the benefit of the long term insurance policy holders only if the rights of those policy holders have been fully satisfied or otherwise provided for.

(No. 19 of
2015
s.61)

126.

Evidence in proceedings for liquidation of Insurer

- (1) If, on the hearing of an application for liquidating an insurer made by the Commissioner under section 123(l), evidence is given that the insurer was insolvent at the close of the period to which the accounts and balance sheet of the insurer last deposited under section 61 relate, or at any date as at which an investigation was last made under section 57 or 58, is, unless the contrary is proved, evidence that the insurer continues to be unable to pay its debts
- (2) Rules made under section 697 of the Insolvency Act, 2015 may regulate the procedure and the practice to be followed in proceedings with respect to the liquidation of insurers under this Act."

127.

Valuation of assets and liabilities

- (1) Subject to any direction which may be given by the court-
- (a) the value of the assets and liabilities shall be ascertained in such manner and upon such basis as the liquidator thinks fit;
- (b) the liabilities of an insurer in respect of the current policies of long term insurance business shall, as far as practicable, be calculated by the method and upon the basis to be determined by an actuary appointed by the court;
- (c) the liabilities of an insurer in respect of the current policies of general insurance business shall, as far as practicable, be such portion of the last premium paid as is proportionate to the unexpired portion of the policy in respect of which the premium was paid.
- (2) The actuary appointed under subsection (1) shall, in the determination of liabilities, take into account any special directions which may be given to him by the court.

128.

Continuation of business of insurer in liquidation

- (1) The liquidator shall, so far as it may be possible and unless the court otherwise orders, carry on the insurance business of an insurer with a view to it being transferred as a going concern to another insurer, whether an existing company or a company formed for the purpose; and, in carrying on that business, the liquidator may agree to the variation of any

contracts of insurance in existence when the winding up order is made but shall not effect any new contracts of insurance.

- (2) If the liquidator is satisfied that the interests of the creditors in respect of liabilities of the insurer attributable to his business require the appointment of a special manager of the business, he may apply to the court, and the court may on the application appoint a special manager of that business to act during such time as the court may direct, with such powers, including any of the powers of a receiver or manager, as may be entrusted to him by the court.
- (3) The court may require the special manager to give such security as it considers necessary.
- (4) The court may make such order as it considers appropriate with regard to the payment of remuneration to the special manager.
- (5) The court may, subject to such conditions (if any) as it may determine, reduce the amount of the contracts made by an insurer in the course of carrying on his business as an alternative to winding up or otherwise.

PART XIII

129 to 144 inclusive. (Repealed by No.7 of 1997, s.15.)

PART XIV

MANDATORY REINSURANCE CESSIONS

145. Certain business to be ceded to Kenya Reinsurance Corporation

*[No.7 of
1997,
s.16.]*

- (1) Subject to this Act, every insurer shall reinsure with the Kenya Reinsurance Corporation Limited such proportion of each policy of insurance issued or renewed in Kenya by the insurer, in such proportion and in such manner and subject to such terms and conditions as are prescribed.

*[No.7 of
1997,
s.16.]*

- (2) Subject to this Act, every insurer shall also place with the Company, in addition to the reinsurance specified under subsection (1), such proportion of its reinsurance business from Kenya placed in the international reinsurance market, excluding facultative reinsurance, in such proportion and in such manner and subject to such terms and conditions as are prescribed.

146. Power to decline business

[No.7 of
1997,s.17
]

- (1) The Company may refuse to accept any reinsurance offered pursuant to this Part, and in that case the Company shall furnish the insurer concerned, if so requested, the reasons for its refusal.

[No.7 of
1997,s.17
]

- (2) An insurer may, within fourteen days after receiving reasons for refusal under this section, appeal to the Tribunal against the refusal, and thereupon the Tribunal may confirm the refusal or may direct the Company to accept the reinsurance concerned, and any decision of the Tribunal on an appeal shall be final and conclusive.

- (3) Where reinsurance is refused under this section any liability of the insurer under this Part in respect of that reinsurance shall cease.

147.

Payment

[No.5 of
1998
s.55, No.
19 of
2015
s.63]

Payment by the insurers to the Company in respect of reinsurance effected under this Part shall be made within such period as the Cabinet Secretary may, by notice in the Gazette, prescribe.

148.

Returns and information

[No.7 of
1997,
s.18.]

An insurer required to effect reinsurance under this Part shall produce or submit to the Company all returns, statements, books, records, accounts, or other documents, or true copies thereof, and shall furnish any information, which may be required by the Company for the purpose of this Part.

149.

Offences and penalty

An insurer who-

- (a) fails to effect reinsurance or make any payments as, and in such manner as, is required or under this Part;
- (b) fails to comply with a requirement of the Company under section 148 within a reasonable time after the making thereof; or
- (c) furnishes information which is false in whole or in part, or produces or submits as true and correct any document or copy thereof which is not true and correct, in purported compliance with any such requirement,

shall be guilty of an offence and liable to a fine.

PART XV

INTERMEDIARIES, RISK MANAGERS, MOTOR ASSESSORS, INSURANCE INVESTIGATORS, LOSS ADJUSTERS, INSURANCE SURVEYORS, MEDICAL INSURANCE PROVIDER AND CLAIMS SETTLING AGENTS

150.

Only registered brokers, agents, risk managers, loss adjusters, motor assessors, insurance investigators, surveyors and claims settling agents to carry on business

[No. 9 of 2003, s.13, No. 9 of 2007, s.60]

(1)

No person shall, after the expiry of three months from the appointed date, commence, transact or carry on in Kenya the business of a broker, agent, risk manager, motor assessor, insurance investigator, loss adjuster, insurance surveyor, medical insurance provider, or claims settling agent unless he is registered under this Act.

[No. 9 of 2003, s.13, No. 9 of 2007, s.60]

(2)

No person shall, after the expiry of three months from the appointed date, use the name of a broker, agent, risk manager, motor assessor, insurance investigator, loss adjuster, insurance surveyor, medical insurance provider or claims settling agent in a manner to give the impression that he is registered to commence, transact or carry on any such business, unless he is so registered.

[No. 9 of 2003, s.13, No. 9 of 2007, s.60]

(3)

Nothing in this Act shall prohibit or otherwise render unlawful the continuance of the business of a risk manager, motor assessor, insurance investigator, loss adjuster, insurance surveyor, medical insurance provider or claims settling agent in Kenya in so far as it is necessary to complete any assignment which was undertaken before the appointed date.

[No. 22 of 2017]

(4)

A person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine not exceeding fifty thousand shillings and, if the offence is a continuing one, to a further fine not exceeding one thousand shillings for every day during which the offence continues or to imprisonment for a term not exceeding one month or both.

[No. 9 of 2003, s.14]

150A.

Registration of medical insurance providers

[No. 10 of 2010, s.58]

(1)

Every person engaged in the business of placing medical insurance business with an insurer in expectation of payment by way of commission, fee, or other remuneration shall apply to the Authority for registration as a medical insurance provider under this Act.

(2)

Subject to this Act, the provisions of this Act or of any regulations made there under with respect to the registration and regulation of brokers shall, *mutatis mutandis*, apply to medical insurance providers.

151

Application for registration

(1)

An application for registration under section 150 or renewal of registration under section 188 shall be in the form required by the Commissioner and shall be accompanied by-

- (a) Where the application is for registration as a broker, a professional indemnity policy of insurance in such form as may be prescribed and for such amount as may be prescribed whether as a single sum or according to a specific formula;
- (b) ***Deleted by section 31(a) of the Finance Act, No.14. 2015***
- (c) a statement of business transacted in the preceding financial year in the prescribed form;
- (d) the prescribed fee;
- (e) such other documents as may be prescribed.

[No.14 of 2015,s.31 (b)]

- (1A) Notwithstanding the provisions of subsection (1), a registered agent shall seek to be appointed by an insurer before transacting business on their behalf.

[No.14 of 2015,s.31 €]

- (2) No person shall make a statement in an application, account, written information or document submitted under this section that is false or misleading.
- (3) A person who contravenes the provisions of subsection (2) shall be guilty of an offence and liable to a fine not exceeding five thousand shillings

152.

Disqualification

[No.9 of 2003, s.15.]

The commissioner shall not register or renew the registration of or keep registered any person as a broker, agent, risk manager, loss assessor, loss adjuster, insurance surveyor, medical insurance provider or claims settling agent if-

- (a) the applicant has been found to be of unsound mind by a court of competent jurisdiction;
- (b) he has within the five years preceding the date of application been convicted of an offence relating to fraud or dishonesty;
- (c) he has at any time within the five years preceding the date of his application become bankrupt, applied to take the benefit of the law for the relief of bankrupt or insolvent debtors, compounded with his creditors or made an assignment of his remuneration for their benefit;
- (d) the applicant, being a broker, is a director, employee or holds more than one per cent of the shares or controlling interest in a registered insurer.

[No.12 of 1994,s.27]

- (e) the applicant is a natural person, the applicant, or where the applicant is a corporate person, the principal officer in Kenya of the applicant responsible for the transaction of business-
 - (i) does not, in the opinion of the Commissioner, have sufficient knowledge, skill and experience to satisfactorily discharge his duties and functions; or
 - (ii) has been found guilty of, or warned or cautioned in writing by the Commissioner on at least three separate occasions with regard to, unethical business practices.

153.

Registration and Re-registration.

*[No. 18 of
1986,
Schedule.
]*

- (1) Where the Commissioner is satisfied that-
 - (a) the volume of business which is likely to be available to, and the earning prospects of, an applicant are adequate;
 - (b) the business in respect of which the application is made will be conducted in accordance with accepted professional standards;
 - (c) in the case of a corporate person the financial standing of the applicant is sound;
 - (d) the knowledge, skill and experience of the applicant or, in the case of a corporate person, the knowledge, skill and experience of the principal officer in Kenya, are adequate;
 - (e) in the case of a broker, the professional indemnity policy of insurance is satisfactory;
 - (f) the applicant is not disqualified under this Act;
 - (h) the prescribed fees has been paid;
 - (i) it is otherwise in the public interest that the applicant should be registered,

he may, subject to such terms and conditions as he considers necessary, including in the case of a broker the provision of such bank guarantee as may be prescribed, register or renew the registration of an applicant under this Part.

*(No. 19 of
2015
s.64)*

- (2) A broker shall be registered under this Act only if registered as a company under the Companies Act, 2015 and if the company has a paid up capital of not less than one million shillings of which not less than sixty percent is owned-

- (a) by Kenya citizens
- (b) by a partnership whose partners are all citizens of Kenya; or
- (c) by a corporate body whose shares are wholly owned by citizens of Kenya or which is wholly owned by the Government

This subsection is subject to subsection (3) and has effect despite any other provision of this Act to the contrary.

(3) A broker already carrying on business as an insurance broker on the appointed date without complying with the provisions of subsection (2) relating to paid up capital may be registered as a broker, but at the time of each subsequent renewal of the registration until he complies fully with the requirement his registration shall not be renewed unless he has acquired after the immediately preceding registration or renewal of registration, as the case may be, paid up capital or additional paid up capital equal to not less than one-third of the deficiency which existed on the appointed date.

(4) Subject to subsection (3), a broker already carrying on business as an insurance broker on the appointed date without complying with the minimum share holding by Kenya citizens as required under subsection (2) shall comply with that requirement before the expiry of three years from the appointed date.

(No.1 of 2014, s.14)

(5) ***Repealed by Act No. 1 of 2014***

154.

Business by agents

[No.9 of 2003,s.16 ,No.11 of 2006]

Subject to the terms and conditions contained in the agreement or appointment letter referred to in section 151 (1) (b), an agent may enter into a contract which has the effect of enabling him to solicit or procure insurance business of the same class or subclass of insurance business or other classes of insurance business for more than one insurer, or to solicit or procure insurance business of the same class or sub-class of insurance business for more than one insurer.

155.

Returns.

(1) Every corporate person registered under this part shall furnish such audited accounts, statements and returns relating to its business at such time and in such form as may be required by the Commissioner.

(2) If it appears to the Commissioner that any account, statement or return furnished to him under the provisions of this Act is inaccurate or incomplete in any respect, he may-

(a) require further information, which shall be certified, if he so directs, by an auditor or other person, as he may consider necessary; or

(b) require any document for his examination.

(3) Where-

(a) a person registered under this Part fails to comply with a requirement made under subsection (2); or

(b) the Commissioner is not satisfied as to the truth or accuracy of any account, statement or return supplied under subsection (1), or of any further information or document supplied under subsection (2), and has in writing so informed the person registered, giving his reasons,

that person shall be deemed to have failed to comply with section (1)

*No. 28 of
2019 s.6*

(4) A person who fails to submit a return within the prescribed period shall be liable to a penalty of ten thousand shillings and a further penalty of one thousand shillings for each day after the expiry of the prescribed period that the return is not submitted.

*No. 28 of
2019 s.6*

(5) The penalty referred to in subsection (4) shall be payable into the Policyholders' Compensation Fund.

156.

Advance Payment of premiums

*No. 11 of
2019 s.11*

(1) No insurer shall assume a risk in Kenya in respect of insurance business unless and until the premium payable thereon is received by the insurer.

(2) An intermediary shall not receive any premiums on behalf of an insurer.

(3) An intermediary who contravenes subsection (2) shall be liable to a penalty equivalent to twenty percent of the unremitted premium on each contravention, payable to the Policyholders Compensation Fund.

(4) Any officer or director of an intermediary who contravenes subsection (2) shall be guilty of an offence, and upon conviction shall be liable to a fine not exceeding one hundred thousand shillings or to imprisonment for a term of three months, or to both.

(5) An insurer shall pay an intermediary insurance commission due within thirty days upon receipt of premium.

(6) An insurer who contravenes subsection (5) shall be liable to a penalty of five million shillings on each contravention, payable to the Policyholders Compensation Fund.

**PART XVI
THE INSURANCE ADVISORY BOARD OF KENYA**

Sections 157-163 Repealed by No. 11 of 2006, s.18.

PART XVII

ADVERTISEMENTS AND STATEMENTS

164. Misleading advertisements, etc. prohibited

- (1) A person who, by an advertisement, statement, promise or forecast which he knows to be misleading, false or deceptive, or by dishonest concealment of material facts, or by reckless making (dishonestly or otherwise) of an advertisement, statement, promise or forecast which is misleading, false or deceptive, induces or attempts to induce another person to enter into or offer to enter into a contract, transaction or arrangement with a member of the insurance industry relating to insurance business, shall be guilty of an offence and liable to a fine not exceeding five thousand shillings.
- (2) For the purpose of this section, including proceedings under this section, an advertisement, statement, promise or forecast issued by a person on behalf of or on the order of another person shall be treated as an advertisement, statement, forecast or promise issued by that other person.
- (3) A person who in the ordinary course of his business issues an advertisement, statement, promise or forecast to the order of another person, being an advertisement, statement, promise or forecast the issue of which by that other person constitutes an offence under subsection (1) shall not himself be guilty of the offence if he proves that the matters contained in the advertisement were not (wholly or in part) devised or selected by him or by any person under his direction or control.

165. Advertisements relating to capital

- (1) Where an advertisement, notice or other official publication of an insurer or broker to whom this Act applies contains a statement of the amount of the authorized capital of the insurer or broker, the publication shall also contain a subscribed and the amount paid up.
- (2) A person who contravenes subsection (1) shall be guilty of an offence and liable to a fine not exceeding two thousand shillings.

166. Issue of Share or debentures by companies

[No.12 of
1994,
s.32.]

- (1) No person shall publish in respect of an insurer or broker proposed to be formed, a prospectus, notice, circular, advertisement or other invitation offering to the public for subscription any shares in, or debentures of, the company or proposed company unless the prospectus, notice circular, advertisement or other invitation is first submitted to and approved by the Commissioner.
- (1A) No person shall transfer or dispose of and no person shall acquire more than ten per cent of the paid-up share capital or voting rights of an insurer without the prior written approval of the Commissioner; and any such transfer, disposal or acquisition effected in a manner contrary to this subsection shall be null and void *ab initio*.
- (2) A person acting as promoter of a proposed insurer or broker shall not accept an office of profit in the insurer or broker or the offer of a pecuniary advantage, other than as provided in the prospectus, notice, circular, advertisement or other invitation.
- (3) In this section-
- “**debenture**”, in relation to a company, includes debenture stock, bonds, notes and any other document evidencing or acknowledging indebtedness of the company, whether constituting a charge on the property of the company or not;
- “**share**”, in relation to a company, means a share in the capital of the company, and includes stock.
- (4) A person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine not exceeding two thousand shillings.

167.

Publication of returns

- (1) No person shall publish an account, abstract, report or other document deposited with or required to be deposited with the Commissioner by or under this Act in a form other than that in which it has been furnished to the Commissioner:
- Provided that nothing in this subsection shall prevent a person from publishing a true and accurate summary from any such account, abstract, report or other document for the purpose of publicity
- (2) A person who contravenes the provisions of subsection (1) shall be guilty of an offence and liable to a fine not exceeding two thousand shillings.

PART XVIII

LEGAL PROCEEDINGS AND APPEALS

168.

Protection for Officials acts.

*No. 19 of
2015 s.65*

(1)

No legal proceedings shall be instituted in any court against the Cabinet Secretary or Board or any person authorized by the Cabinet Secretary or Board for anything done or intended to be done in good faith under this Act.

*[No.11 of
2006,s19]*

(2)

No compensation shall be payable to any person for any loss, damage or harm directly or indirectly caused by anything done or intended to be done in good faith by the Cabinet Secretary or Board or any person authorized by the Cabinet Secretary or Board under this Act.

169.

The Tribunal

*No. 19 of
2015 s.65*

(1)

The Cabinet Secretary may, by notice in the Gazette, establish a tribunal for the purpose of hearing appeals under this Act.

*[No.1 of
2014,
s.15]*

(2)

The tribunal shall consist of a chairman and vice-chairman and not less than two and not more than four other members who shall be appointed by the Cabinet Secretary and shall hold office for such period and upon such terms and conditions as the Cabinet Secretary may determine.

*[No.1 of
2014,
s.15]*

(3)

The quorum for a meeting of the tribunal shall be the chairman or vice-chairman and two other members.

(4)

The members of the tribunal shall be entitled to receive such allowances as the Cabinet Secretary may determine.

(5)

The members of the tribunal shall not be personally liable for any act or default of the Tribunal done or committed in good faith in the course of exercising the powers conferred by this Act.

(6)

The Cabinet Secretary may make rules-

(a)

prescribing the manner in which an appeal shall be made to the Tribunal and the fees to be paid in respect of an appeal;

(b)

prescribing the procedure to be adopted by the Tribunal in hearing an appeal and the records to be kept by the Tribunal.

(c)

prescribing the manner in which the Tribunal shall be convened and the places where and the time at which sittings shall be held;

(d)

prescribing a scale of costs which may be awarded by the Tribunal; and

(e)

generally, for the better carrying out of the provisions of this Act relating to the Tribunal and appeals thereto.

170.

Powers of tribunal

[No.1 of
2014,
s.15]

- (1) On the hearing of an appeal the Tribunal shall have all the powers of a Resident Magistrate's Court of the first class to summon witnesses, to take evidence upon oath or affirmation and to call for the production of books and other documents.
- (2) Where the Tribunal considers it desirable for the purpose of avoiding expenses or delay or any other special reason so to do, it may receive evidence by affidavit and administer interrogatories and require the person to whom interrogatories are administered to make a full and true reply to the interrogatories within the time specified by the Tribunal.
- (3) In its determination of any matter the Tribunal may take into consideration any evidence which it considers relevant to the subject of an appeal before it, notwithstanding that such evidence would not otherwise be admissible under the law relating to evidence.
- (4) The Tribunal shall have power to award the costs of any proceedings before it and to direct that costs shall be taxed in accordance with any scale prescribed.
- (5) All summonses, notices or other documents issued under the hand of the chairman of the Tribunal shall be deemed to be issued by the Tribunal.

171.

Enforcement of orders for costs

[Cap 40]

- (1) Where the Tribunal awards costs in any appeal, the Tribunal shall, on application by the person to whom the costs are awarded, issue to him a certificate stating the amount of costs.
- (2) Every certificate issued under subsection (1) may be filed, in the court by the person in whose favour the costs have been awarded and, upon being so filed, shall be deemed to be a decree of the court and may be executed as such; but an order for costs against the Government shall not be enforced except in the manner provided for by the Government Proceedings Act.

172.

Penalty for disobedience of summons to give evidence etc.

- Any person summoned by the Tribunal to attend and give evidence or to produce any records, books of account, statements, or other documents, or required to answer interrogatories and who, without sufficient cause-
- (a) refuses or fails to attend at the time and place mentioned in the summons served on him;

- (b) Refuses or fails to answer, or to answer fully and satisfactorily, to the best of his knowledge and belief all questions lawfully put to him by or with the concurrence of the Tribunal; or
- (c) refuses or fails to produce any records, books of account, statements or other documents which are in his possession or under his control mentioned or referred to in any summons served on him, shall be guilty of an offence and liable to a fine not exceeding two thousand shillings.

173. Appeals from Commissioner's decisions

- (1) A person aggrieved by a decision of the Commissioner under this Act may, within one month from the date on which the decision is intimated to him, appeal to the Tribunal which may, subject to such terms and conditions as it may consider necessary, uphold, reverse, revoke or vary that decision.
- (2) Except as provided in this section the decision of the Tribunal on an appeal made to it under subsection (1) shall be final and conclusive.
- (3) A person aggrieved by a decision of the Tribunal made under subsection (1) may, if it involves a question of law, within one month from the date on which the decision is intimated to him, appeal therefrom to the court.
- (4) A reference in this section to a question of law does not include a reference to a question whether there is sufficient evidence to justify a finding.
- (5) The Chief Justice may make rules for regulating the practice and procedure in connection with an appeal under subsection (3) and for the better carrying into effect the provisions of the subsection.

174. Cognizance of offences and restrictions on institution of proceedings

- (1) No court inferior to that of a magistrate's court of the first class shall hear and determine any matter relating to an offence under this Act.
- (2) No proceedings for an offence under this Act shall be instituted without the written sanction thereto of the Director of Public Prosecutions.

Proceedings for an offence under this Act may (without prejudice to any jurisdiction apart from this subsection) be taken against a body corporate at any place at which the body corporate has a place of business, and against any other person at any place at which he has a place of business or is for the time being resident.

175. Criminal liability of directors, etc.

- (1) Where an offence under this Act committed by a body corporate is to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any, director, chief executive, principal officer,

manager, secretary or other similar officer of the body corporate or any person who was purporting to act in such capacity, he, as well as the body corporate, shall be guilty of that offence unless he proves that he did not know of the commission of the offence and was not reasonably in a position to know of it, or that he took all reasonable steps to prevent the commission of the offence.

[No.12 of
1994,
s33]

(2)

A person convicted of an offence under subsection (1) shall be liable to a fine not exceeding one hundred thousand shillings, or, in the case of a natural person, to imprisonment for a term not exceeding five years, or to both.

[No.12 of
1994,
s33]

(3)

Where a person convicted under this section is a body corporate, then notwithstanding any other penalty imposed under subsection (2), the conviction shall constitute sufficient grounds for cancellation of its registration and the appointment of a manager under section 67C.

176.

Criminal proceedings against unincorporated bodies

(1)

Proceedings for an offence to have been committed under this Act by an unincorporated body shall be brought in the name of that body (and not in that of any of its members) and, for the purposes of any such proceedings, any rules of court relating to the service of documents shall have effect as if that body were a corporation.

(2)

A fine imposed on an unincorporated body on its conviction of an offence under this Act shall be paid out of the funds of that body.

177.

Documents to be received in evidence

[No.11 of
2006,
s20]
d

(1)

Every document purporting to be certified by the Board to be a document deposited with him under the provisions of this Act, and every document purporting to be similarly certified to be a copy of that document, shall be deemed to be such a document or copy, as the case may be, and shall be received in evidence as if it were the original document is proved.

[No.11 of
2006,
s20]

(2)

The Board may direct any documents deposited with the Commissioner under this Act, or certified copies thereof, to be kept open for inspection, and copies thereof may be procured by any person on payment of such fees as may be prescribed.

(3)

Every document purporting to be certified by the Registrar of Companies to be a copy of a document deposited with him under this Act, shall be deemed to be a copy of that document, and shall be received in evidence as if it were the original document, unless some variation between it and the original is proved.

178.

[No.12 of
1994,s.34
]

General penalty

A person who contravenes any provision of this Act or any regulation made thereunder for which no specific penalty is imposed shall be guilty of an offence and liable to a fine not exceeding one hundred thousand shillings.

PART XIX MINISTER'S POWERS

179.

Policy holders Compensation fund

[No 8 Of
2008, s.
63(a),
No.1 of
2014,s.18
, No. 28 of
2019, s.
7]

(1)

The Cabinet Secretary shall, for the protection of policyholders, establish a Policyholders Compensation Fund, in this section referred to as “the Fund”, to provide compensation to the claimants of insurer placed under a manager appointed under section 67C (2) or whose license has been cancelled under the Act.

No. 19 of
2015 s.67

(2)

Where a Fund is established under subsection (1), the Cabinet Secretary shall appoint a board of trustees, in this section referred to as “the Board”, for the management and administration of the Fund.

(No. 10.
Of
2010,s.
61(a))

(2A)

The function of the Board shall be to-

No. 28 of
2019, s. 7

(a)

provide compensation to claimants of insurers as provided under subsection (1);

(b)

monitor, in consultation with the commissioner where necessary, the risk profile of any insurer;

No. 19 of
2015 s.68

(c)

Advise the Cabinet Secretary on the national policy to be followed in regard to matters relating to compensation of policyholders and to implement all government policies relating thereto; and

[No.1 of
2014, s.
18]

(d)

participate in the statutory management of an insurer placed under statutory management by the regulator;

[No.1 of
2014, s.
18]

(e)

liquidate an insurer as may be ordered by a court.

(f)

Perform such other functions as may be conferred on it by this Act or any other written law.

(No. 10.
of 2010,s.
61(a))

(2B)

The Board shall have all the powers necessary for the proper performance of its functions under this Act, and without prejudice to the generality of the foregoing, shall have power to-

- (a) control, supervise and administer the assets and liabilities of the fund in such a manner and for such purposes as best promote the interests of the policyholders;
 - (b) employ such persons and engage the services of such consultants as may be necessary, on such terms and conditions for the proper and efficient exercise of its functions;
 - (c) enter into associations with other bodies or organizations, within or outside Kenya, as it may consider desirable or appropriate in furtherance of the purposes for which the fund is established.
 - (d) invest any of the surplus funds in securities which for the time being the trustees by law may invest in, or in any other securities which the Treasury may, from time to time, approve;
 - (e) receive contributions paid by insurers and policyholders, grants provided by parliament, gifts, donations or endowments on behalf of the fund and make legitimate disbursement therefrom;
 - (f) subject to the provision of this Act, regulate its procedure.
- (3) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporation name, be capable of-
- (a) suing and being sued; taking, purchasing or otherwise acquiring, holding, charging or disposing of movable
 - (b) or immovable property;
 - (c) borrowing or lending money; and
 - (d) doing or performing all such other acts necessary for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.
- (4) The Board shall comprise-
- (a) a Chairman, appointed by the Cabinet Secretary;
 - (b) the Commissioner of Insurance or a representative appointed in writing;
 - (c) the Cabinet Secretary responsible for matters relating to finance or a representative appointed in writing;
 - (d) the Attorney-General or a representative appointed in writing;

[No. 28 of
2019, s.
7)]

- (e) one person nominated by the body representing the interests of insurers;
- (f) one person nominated by insurance brokers;
- (g) one person representing the general public appointed by the Cabinet Secretary; and
- (h) the Managing Trustee as an ex officio member without a right to vote.

[No. 28 of 2019, s. 7]]

(4A) The chairman and the members appointed under paragraphs 4 (e), (f) and (g) may be appointed from amongst persons who have knowledge or experience in matters relating to insurance, finance, law, accounting, banking or actuarial science.

[No. 28 of 2019, s. 7]]

- (4B) A person shall not be eligible for appointment under paragraphs (4) (e), (f) or (g) if that person —
- (a) has at any time been convicted of any offence involving fraud, theft, dishonesty, breach of trust or moral turpitude;
 - (b) was previously involved in the management or administration of a financial institution which was deregistered, wound up or placed under statutory management for any failure on the part of the management or the administration thereof;
 - (c) is a director, officer, employee or shareholder of any insurer, broker, insurance agent or any other member of the insurance industry; or
 - (d) is disqualified under any other written law from holding public office or being a director of any institution.

(5) The Cabinet Secretary shall prescribe the qualifications and terms of service of the chairman and members of the Board, including the procedure for their appointment.

[No. 11 of 2006, s. 21(b)]

(5A) The Cabinet Secretary shall, in consultation with the board, appoint a Managing Trustee who shall be the Chief Executive and Secretary to the Board, and who shall hold office for such period and on such terms and conditions of service as may, from time to time, be determined in writing by the Cabinet Secretary in consultation with the board.

(6) The Cabinet Secretary may require payment of a monthly contribution to the Fund to be paid by every policyholder and insurer, in such amount and at such times as the Cabinet Secretary may in consultation with the Board, prescribe.

(7) A contribution required under subsection (6) shall be remitted to the Board by the insurer, in such manner as may be prescribed.

(8) If an insurer, for any reason, fails to pay its contribution to the Board within the prescribed period, the insurer shall be liable to pay to the Board a penalty interest charge, which shall be prescribed by the Cabinet Secretary in consultation with the Board.

(9) If an insurer fails to pay the prescribed contribution to the Board and any outstanding penalty interest charge-

(No. 10.
Of
2010,s.61
(b)

(a) The Board shall hold the directors of the insurer who has defaulted in remitting a statutory contribution to be severally and jointly liable for the pavement of outstanding contribution together with the applicable interest; and

(No. 10.
Of 2010,
s. 61(b).

(b) the liability of the directors shall commence on the expiry of ninety days from the due date of the outstanding statutory contribution.

(b) such insurer shall be liable to having its registration cancelled.

(10) A contribution paid by an insurer to the Board may be treated as an item of the expenses of management of the insurer for the financial year in which the amount is paid.

(No.6 of
2005,
s.41.]

(11) The Cabinet Secretary may, in consultation with the Board, make regulations generally for the better carrying out the provisions of this section.

(No. 10.
Of 2010,
s. 62.)

179A.

Protection from personal liability

No matter or thing done by a member of the Board, the secretary to the Board or other officer, employee or agent of the Board shall, if the matter or thing is done *bonafide* for executing the functions, powers or duties of the Board under this Act, render the member, secretary, officer, employee or agent, or any person acting on their directions personally liable to any action, claim, or demand whatsoever.

180.

Power of Cabinet Secretary to make regulations for purposes of this Act

(1) The Cabinet Secretary may make regulations providing for all matters that are required or permitted to be prescribed by this Act, or that are necessary, desirable or convenient to be prescribed for giving effect to this Act.

(No. 22 of
2017,
s.18]

(1A) Matters prescribed under subsection (1) may include regulations or guidelines on—

- (a) Mitigation of group risk; and
- (b) Prudential regulations of insurance groups.

[No. 23
of 2013,
No.1 of
2014
s.19]

- (2) The regulations, subsidiary legislation or other instrument prescribed under this Act and which has the force of law shall be subject to the provisions of the Statutory Instruments Act, 2013.

181. Power of exemption

No. 19 of
2015 s.69

The Cabinet Secretary may, by notice in the Gazette, subject to such terms and conditions as he may on the advice of the Board specify, exempt any person from any of the provisions of this Act.

PART XX

GENERAL PROVISIONS RELATING TO REGISTRATIONS AND CERTIFICATES

182. Interpretation of Part.

In this Part-

“Applicant” means a person applying for registration, renewal of registration or alteration of registration under this Act;

“Register” means a register required to be kept and maintained under section 183;

“Registered person” means a person registered under this Act as an insurer, reinsurer, broker, agent, insurance surveyor, risk manager, loss assessor, loss adjuster or claims settling agent.

183. Registers of authorized persons to be kept by Commissioner

- (1) For the purpose of this Act, the Commissioner shall cause to be kept and maintained one or more registers in respect of persons required to be registered thereunder.
- (2) Subject to this Act and to any regulations made thereunder, a register shall be kept and maintained in such form and manner as the Commissioner directs.

184. Notification of registered persons.

The Commissioner shall notify in the Gazette, within one year of the appointed date or soon as practicable thereafter, and at intervals of not more than one year thereafter, the names of registered persons and the type of business in respect of which they are registered.

185. Inspection of registers

Any person may, on application in accordance with the directions of the Commissioner and on payment of the prescribed fee (if any), inspect a register.

186. Evidence of matters in register.

A certificate under the hand of the Commissioner certifying as to any matter relating to the contents of a register shall be received in all courts as evidence of the matter certified.

187. Alteration of registration

Where a registered person-

- (a) in accordance with this Act ceases to carry on business of the type in respect of which he is registered; or
- (b) being an insurer, gives notice in writing to the Commissioner that he wishes to carry on insurance business of a class not previously undertaken,

the Commissioner may, subject in the case of additional registration to compliance with the provisions relating thereto and to such terms and conditions as he considers necessary-

*(No.12 of
1987, s.7.
No. 19 of
2015
s.70)*

- (i) cancel the registration, except that, in the case of an insurer, such cancellation shall be made only with the prior approval in writing of the Cabinet Secretary.
- (ii) alter the relevant register;
- (iii) cancel the certificate of registration;
- (iv) alter the certificate of registration;
- (v) issue a new certificate of registration, as the circumstances require.

188. Expiry and renewal of registration

[No. 8 of
2009, s
,
49]

- (1) Subject to this Act, the registration of a registered person shall expire on the 31st December of the year of registration.

[No.9 of
2007,s.62
]

Provided that where an application for its renewal is made under this section, the registration shall be deemed to continue in force until the application for the renewal is determined and the registration is renewed.

[No. 8 of
2009;s.49
]

- (2) Subject to subsection (3), an application for the renewal of registration for a year shall be made on or before the 30th September of the preceding year in the prescribed form and shall be accompanied by the prescribed fee.

- (3) The Commissioner may extend the time for making an application for renewal of registration on payment of such penalty, not exceeding the prescribed fee for registration as he may require.

[No.22 of
2017,
s.17]

- (4) This section shall not apply to a registered person who is an insurer.

189.

Issue, display and surrender of certificates

- (1) Upon the registration or renewal of any registration, the Commissioner shall issue a certificate of registration which shall be prominently displayed by the registered person at his principal place of business in Kenya in a part thereof to which the public have access, and a copy thereof shall be similarly displayed at each of the branches of the registered person in Kenya.

- (2) The Commissioner may, on payment of the prescribed fee, issue a duplicate certificate to replace a certificate which has been lost, destroyed or damaged or in any case where he considers it necessary.

- (3) Upon the cancellation of a registration the person who was registered shall forthwith return his certificate of registration to the Commissioner.

- (4) A registered person shall not display a certificate of registration after the cancellation or expiry of the registration in respect of which it is issued.

- (5) A person who contravenes the provisions of subsection (3) or (4) shall be guilty of an offence and liable to a fine exceeding one thousand shillings.

190.

Name of registered person

No. 19 of
2015 s.71

- (1) If the name of a registered person who has been registered is identical to a name by which another registered person has already been registered, or so nearly resembles it as to be likely to deceive, the second registered person shall, if directed in writing to do so by the Commissioner and subject to the Companies Act, 2015 change his name within a time to be specified in the direction.

- (2) No insurer shall, after the expiry of six months from the appointed date, use, or carry on business under, a name which is likely to mislead the public or to give the impression that the insurer is carrying on any business other than insurance business.
- (3) No broker, agent, insurance surveyor, loss assessor, loss adjuster, risk manager or claims settling agent shall, after the expiry of six months from the appointment date, use, or carry on business under, a name which includes the word; insurance; or; assurance; in such a way as to mislead the public or to give the impression that he carries on insurance business.
- (4) A person who contravenes the provisions of subsection (2) or (3) shall be guilty of an offence and liable to a fine not exceeding five thousand shillings, and where the offence is a continuing one, to a further fine of one hundred shillings for every day during which the offence continues.

191. Prohibition of other business

- (1) No person shall be registered under this Act as an insurer, reinsurer or broker if he carries on or intends to carry on in Kenya any business other than the business in respect of which he applies for registration.
- (2) No person registered under this Act as an insurer, reinsurer or broker shall carry on in Kenya any business other than the business in respect of which he is registered.
- (3) For the purposes of this section, an insurer shall not be deemed to be carrying on a business other than that in respect of which he is registered merely by reason of his having a subsidiary which is registered for a class of insurance business for which the insurer is not registered;
- (4) A person who contravenes the provisions of this section shall be guilty of an offence and liable to a fine not exceeding five thousand shillings.

192. Further information

The Commissioner may in writing require an applicant for registration or renewal of registration under this Act to furnish him with such written information as he may require relating to the applicant or his business in respect of which registration or renewal thereof is sought, and the Commissioner shall not proceed with an application until that information has been furnished.

193. Alterations in particulars furnished

- (1) Whenever any circumstances arise which affect the application or the contents of a document furnished under this Act to the Commissioner with

or in support of or in connection with an application for registration, the applicant or registered person, as the case may be, shall in writing, within seven days of those circumstances arising, furnish full details of the circumstances to the Commissioner.

- (2) A person who contravenes the provisions of subsection (1) shall be guilty of an offence and liable to a fine not exceeding five thousand shillings.

194. False or misleading statements

A person who makes a false or misleading statement in an application for registration or renewal of registration or alteration of registration, or in any document furnished under this Act to the Commissioner with or in support of or in connection with an application for registration or renewal of registration, shall be guilty of an offence and liable to a fine not exceeding five thousand shillings.

[No.11 of
2006,s.23
]

195. Refusal to register

Where the Board refuses an application for registration, renewal or alteration of registration, the Board shall record the reasons for its decision and shall furnish copies thereof to the applicant and the Minister.

196. Cancellation of registration

No. 19 Of
2015 s.72

- (1) Where a registered person requests, by notice in writing given to the Commissioner, that his registration be cancelled either totally or in respect of any particular part of his business, the Commissioner may, subject to such terms and conditions as he considers necessary, by notice in writing, cancel the registration of the person, either totally or in respect of any particular part of his business.

[No.11 of
2006,s.24
]

- (2) The Commissioner, after giving a registered person a reasonable opportunity of making representations may by notice in writing cancel the registration of that person, either totally or in respect of any particular part of his business
- (a) if the person fails to comply with or acts in contravention of this Act, or any regulation or direction made or issued under this Act;
- (b) in the case of an insurer, if the Commissioner has reason to believe that an amount due by the insurer under a judgement entered in an action in Kenya arising out of a policy of insurance issued by the insurer has remained unpaid for three months after the date of the final adjudication in that action;

- (c) if the Commissioner is satisfied that the business of the person registered is not being conducted in accordance with sound insurance or business principles;
- (d) where, having regard to the financial circumstances of the person registered, the Commissioner is satisfied that the person cannot carry on the business, or a part of the business, for which he is registered, as the case may be, in a satisfactory and efficient manner;
- (e) where, having regard to the nature and quality of the staff of the registered person, including the professional qualifications, knowledge and experience of the staff, the Commissioner is satisfied that the person cannot carry on the business, or a part of the business, for which he is registered, as the case may be, in a satisfactory and efficient manner;
- (f) if the person is in liquidation;
- (g) if the business of the registered person has been transferred to or amalgamated with the business of another person without the approval of the commissioner.
- (h) in the case of an insurer, if the business of the insurer is wholly or to an unreasonable extent reinsured with another person;
- (i) where the Commissioner has reason to believe that the person registered has not commenced to carry on insurance business or any class of business in Kenya within the period of twelve months after he was registered;
- (j) where the Cabinet Secretary considers it is otherwise in the public interest and so directs the Commissioner in writing.

[No.12 of
1987,s.9(
a)]

(3) A cancellation of registration made by the Commissioner under subsection (2), other than paragraph (f), (g) or (i) thereof, shall take effect thirty days after the date of the notice , and after that time no insurer whose registration has been cancelled shall enter into a new contract of insurance; but all rights and liabilities in respect of contracts of insurance entered into by him before the cancellation takes effect shall, subject to subsection (5), continue as if the cancellation had not taken place.

[No.12 of
1987,s.9(
b).]

(4) The Commissioner may, with the prior approval of the Cabinet Secretary, revive a registration which has been cancelled under the provisions of subsection (2), other than paragraph (f), (g) or (i) thereof, if within six months from the date on which the cancellation took place the registered person concerned satisfies the Commissioner that he has complied with any requirement of this Act or any subsidiary legislation made thereunder and complies with any further directions given to him by the Commissioner.

No. 19 of
2015 s.72

- (5) After the expiry of six months from the date on which the cancellation of registration of an insurer has taken effect under this section, the Commissioner may, with the prior approval of the Cabinet Secretary, apply to the court for a liquidation order in respect of the insurer

No. 19 of
2015 s.72

- (5A) Subsection (5) does not apply if-
- (a) the registration of the insurer has been revived under subsection (4); or
- (b) an application for a liquidation order has already been made to the court in respect of the insurer.

[No.12 of
1987,s.9(
b).]

- (6) Where in any case referred to in subsection (1) the default or circumstances relates to one or more, but not all, of the parts of business carried on by the registered person, the Commissioner may, with the prior approval of the Cabinet Secretary, upon the cancellation of the registration of the person, subject to such terms and conditions as he considers necessary, register the person in respect of any part of the business and issue a new certificate in respect of that class of business.

[No.9 of
2003,s.17
.]

196A.

Notification of cancellation of registration

The Commissioner shall, at the beginning of each calendar year, notify in the Gazette and in at least two daily newspapers of national circulation, names of the persons whose registration is cancelled under this Act and the type of business in respect of which the cancellation of registration is done.

197.

Records to be maintained by registered persons

- (1) A broker or agent registered under this Act shall keep and maintain at his principle place of business in Kenya a record of the name of every client, policy number, premium paid, subject matter of insurance, date of inception of the policy, date of renewal, sum insured and, in respect of claims settled by the broker on behalf of an insurer, the amount and date of claim made, the date on which the claim was paid, the amount paid, and, in the event of a claim being repudiated, the date and reasons for repudiation, and, in the event of partial settlement, the reasons therefor.
- (2) An insurer registered under this Act for carrying on general insurance business shall keep a record of the name of every policy holder, policy number, premium paid, subject matter of insurance, the date of the inception of the policy, date of renewal, sum insured, the amount paid, and, in the event of a claim being repudiated, the date and reasons for repudiation, and, in the event of partial settlement, the reasons therefor.

- (3) An insurer registered under this Act for carrying on long term insurance business shall keep and maintain a full record of all services undertaken by him in pursuance of his registration.
- (4) A person registered under this Act other than an insurer, broker or agent shall keep and maintain a full record of all the services undertaken by him in pursuance of his registration.
- (5) Every person registered under this Act shall also keep and maintain such further records of information as may be prescribed.

[No.12 of
1987,s.99
(b).]

[No. 11 of
2006,s.25
.]

PART XXA THE INSURANCE PREMIUM LEVY

[No. 11 of
2006,s.25
]

197A.

Imposition of Insurance Premium Levy

- (1) Subject to this Act, there shall be charged and collected a levy, to be known as the insurance premium levy, which shall be paid by every insurer registered or authorized under this Act to carry on insurance business in Kenya, at such rate and in such manner as the Minister may prescribe.
- (2) The Minister may, in consultation with the Board, by Order published in the Gazette, prescribe the rates of the levy imposed under subsection (1) in respect of-
- (a) gross direct premiums written by all insurers registered or authorized under this Act to carry on insurance business in Kenya; and
- (b) *Deleted by Act No. 1 of 2014, section 20*
- (3) The levy shall be computed as a percentage of the gross direct premiums written by an insurer or reinsurer under subsection (2)(a).
- (4) An order under this section may contain provisions as to the time at which any amount payable by way of the levy shall become due.
- (5) All moneys received in respect of the levy shall be paid into the Insurance Regulatory Authority Fund.
- (6) If a person fails to pay any amount payable by him by way of the levy on or before the date prescribed by the order, a sum equal to five per cent of

[No.1 of
2014,s.20
]

[No.22 of
2017,
s.20]

the amount shall be added to the amount due for each month or part thereof during which it remains unpaid.

(7) Any amounts of money which are outstanding on the date prescribed by the Order issued under this section shall be a civil debt recoverable summarily by the Authority.

[No.28 of
2019, s.8]

(8) An insurer shall prepare and submit to the Authority premium levy return as prescribed.

[No.28 of
2019, s.8]

(9) Where an insurer fails to submit returns as prescribed, the insurer shall pay a penalty of two hundred thousand shillings and a further penalty of ten thousand shillings for every day after the expiry of the prescribed period during which the document remains un-submitted and the penalty shall be payable to the Policyholders Compensation Fund.

[No.11 of
2006, s.26
]

PART XXB INSURANCE TRAINING LEVY

197B.

Imposition of insurance training levy

(1) Subject to this Act, there is imposed a levy to be known as the insurance training levy which shall be charged on policyholders and collected by the insurer, and which shall be paid in accordance with this section.

(2) The Minister may, in consultation with the Board, by Order published in the Gazette, prescribe the rates of levy, which shall be calculated as a percentage of the gross direct premiums written by the insurer in respect of general insurance business.

(3) The levy shall be paid by every insurer who shall, after the end of each calendar month, submit to the Authority a monthly return thereof in the prescribed form, showing the total levy due to him from policyholders for that particular month.

(4) The levy shall become payable at the end of each month in which the premium was received by the insurer and shall be paid not later than the last day of the month immediately succeeding that in which the levy became due.

(5) Where any amount of the levy remains unpaid as specified in subsection (4), a penalty equal to five per cent of the unpaid levy or part thereof shall become due and payable by the insurer concerned.

(6) Any penalty payable under this subsection shall be deemed to be a levy for the purpose of this Part.

- (7) All monies realized under this section shall be charged on the gross direct premiums written by every insurer and shall be used by the Insurance Training and Educational Trust which is responsible for the management of the College of Insurance for the purpose of running the affairs of that College.

197C. Offences and penalties

- (1) Any insurer who fails to pay any levy or penalty due from him on or before the day upon which the same are payable shall be guilty of an offence and liable to a fine not exceeding five hundred thousand shillings and, if the offence is a continuing one, to a further fine of one thousand shillings for every day during which the offence continues.
- (2) Where an insurer is guilty of an offence under this section, then notwithstanding the imposition of any penalty under section 197C, the commission of that offence shall constitute grounds whereby the Commissioner may apply to the Court under section 123(g) for the winding-up of that insurer.
- (3) The amount of any levy or penalty payable under this Act shall not be abated by reason only of the conviction of the insurer liable for the payment, or by reason of any payment of a fine imposed by the court on the insurer for an offence under subsection (1).

197D. Examination and production of documents

- (1) The Commissioner may, for the purpose of obtaining full information in respect of the levy liability of any insurer, require the production of such records, books of account, statements and other documents as he may consider necessary for examination and retention for such period as may be reasonable for the purpose.
- (2) The Commissioner may require any person to attend at such time and place as may be specified for the purpose of being examined in respect of any matter or transaction appearing to be relevant to the levy liability of any insurer.

197E. Regulations under Part XXA and XXB

The Minister may make regulations, prescribing all matters which are required or permitted under part XXA and Part XXB to be prescribed, or which in his opinion are necessary, desirable or convenient to be prescribed, for giving full effect to this Part of the Act.

197F. *Repealed by Act No. 11 of 2006, s. 26*

- 197G. *Repealed by Act No. 11 of 2006, s. 26*
- 197H. *Repealed by Act No. 11 of 2006, s. 26*
- 197I. *Repealed by Act No. 11 of 2006, s. 26.*
- 197J. *Repealed by Act No. 11 of 2006, s. 26.*
- 197K. *Repealed by Act No. 11 of 2006, s. 26.*

**PART XXI
SUPPLEMENTARY PROVISIONS**

198. Service of notice on registered persons

- (1) A notice, direction or document issued under this Act may be served by delivering it or by sending it by registered post to the address mentioned in an application for registration under this Act as the principal place of business of that person or, if the Commissioner has been notified of a change of address, to the new address.
- (2) A notice, direction or document served by post in accordance with the provisions of subsection (1) shall be deemed to have been served on the date on which it would have been delivered in the ordinary course of post.

199. Service of notice on policyholder

*No. 11 Of
2019 s.12*

A document which is by this Act required to be sent to a policy holder may be addressed and sent by post or email or other electronic mode to the person to whom notices in respect of the policy are usually sent, and a document so addressed and sent shall be deemed, unless the contrary is proved, to have been received by the policy holder in the normal course of transit:

Provided that where a person claiming an interest under a policy has given notice in writing thereof to the insurer, a copy of any such document shall also be sent to that person at the address specified by him in his notice.

200. Conversion of currency

Where this Act has effect with respect to an amount or value in relation to a person and in relation to a particular day and that amount or value is in a currency other than Kenya currency, the amount or value shall be converted into Kenya currency at the rate of exchange that is, at the close of business on that day, the telegraphic transfer buying rate of exchange of the principal banker of the person or, if there is no such rate on that day, at the telegraphic transfer buying rate of exchange of the

banker at the close of business on the last day on which there was such a rate.

201. Consent of Commissioner required for insurance remittances

[No.12 of
1994
s.36]

- (1) Subject to this section and notwithstanding the provisions of any other written law or any agreement, on or after the appointed date, no remittance or transfer of any sum of money or securities out of Kenya in excess of the amounts from time to time prescribed by the Central Bank of Kenya, in respect of or by way of premium, reserve, value, claim, management expense, profit, surplus, investment income, or other payment or sum of money which directly or indirectly arises out of insurance business, shall be made without the prior written approval of the Commissioner.
- (2) An application for the approval of the Commissioner under this section shall be in the prescribed form and contain the prescribed particulars.
- (3) Approval granted by the Commissioner under this section shall not exempt a bank or any person from compliance with any other law regulating the remittance or transfer of money or securities out of Kenya.

202. Printing of documents

Where a document is by this Act required to be printed, the Commissioner may permit it to be typewritten, or to be reproduced by any mechanical means approved by him.

[No. 11 of
2006,s.27
]

203. Settlement of claims

- (1) Where the claimant has submitted all the relevant documents, every insurer shall, in respect of claims arising out of policies of insurance issued by it-
 - (a) Admit liability or deny liability;
 - (b) Determine the amount due;
 - (c) Establish the identity of the claimant; and
 - (d) Pay the claim,

[No. 8 of
2008, s
64(a)]

within ninety days of the date of the reporting of the claim or where the determination of liability is by a court, within ninety days of such determination:

Provided that if, for any reason, the insurer is unable to pay the claim within the period specified in this subsection, the insurer shall apply to

the Commissioner for extension of time, and the Commissioner may grant such extension for a period not exceeding thirty days.

*No. 11 of
2019 s.13*

1A

Subsection (1) shall not apply to the settlement of index-based insurance or micro-insurance claims.

(2)

Where an assessment of claim has been carried out, a copy of the assessment report shall be made available to the claimant.

*[No. 8 of
2008, s.
64(b)]*

(3)

Where the amount of claim which is due under subsection (1) remains unpaid on expiry of the period prescribed in that subsection, or any extension thereof under subsection (1), a penalty equal to five percent of the unpaid amount shall forthwith become due and payable.

*[No. 8 of
2008, s.
64(b)]*

(4)

A penalty due under subsection (3) shall be recoverable as though it were a penalty interest charge payable to the Policy Holders' Compensation Fund Board under section 179 and shall be recovered by the Board in accordance with that section.

*[No. 8 of
2008, s.
64(b)]*

(5)

If an insurer fails to pay the amount of a claim and any penalty thereon due in accordance with this section, the insurer shall be deemed to be unable to pay his debts under section 123 and liable to be wound up in accordance with that section.

*[No.28 of
2019, s.9]*

(6)

An insurer shall prepare claims payment returns and submit them in a manner prescribed by the Authority.

*[No.28 of
2019, s.9]*

(7)

Where an insurer fails to submit returns as required under subsection (6), the insurer shall pay a penalty of two hundred thousand shillings and a further penalty of ten thousand shillings for every day after the expiry of the prescribed period during which the returns remains un-submitted and the penalty shall be payable to the Policyholders Compensation Fund.

*[No. 8 of
2008, s.
65]*

204.

Appointment of public prosecutors

The Director of Public Prosecutions may, pursuant to the provisions of the Criminal Procedure Code, appoint public prosecutors for the purposes of cases arising under this Act.

204A.

Power of the Authority to Settle Disputes

*No. 11 of
2019 s.14*

(1)

Any insurance customer may lodge a written complaint with the Commissioner against a regulated entity in relation to the provision of its services.

(2)

Subject to subsection (3), where the Commissioner determines a dispute such determination shall be binding on the parties to the dispute.

- (3) A party that is dissatisfied with the determination of the dispute by the Commissioner may appeal the determination to the Tribunal.

No. 11 of
2019 s.14 **204 B**

Offences on Insurance Fraud

- (1) A person is guilty of an offence of insurance fraud where knowingly, by act or omission with intent to injure, defraud or deceive—
- (a) presents, causes to be presented, prepares, assists, abets, solicits, or conspires with another or makes any oral or written statement with knowledge or belief that it will be presented to an insurer in connection with, or in support of, any application for issuance of an insurance policy, containing false or misleading information concerning any fact material to the application for issuance of an insurance policy with intent of committing a fraud;
 - (b) prepares, presents or causes to be presented to any insurer, any oral or written statement including computer generated documents as part of a claim for payment or other benefit pursuant to an insurance policy, containing false or misleading information concerning any fact material to such claims;
 - (c) assists, abets, solicits or conspires with another to prepare or present any oral or written statement, including computer-generated documents, that is intended to be presented to any insurer in connection with, or in support of, any claim for payment or other benefit pursuant to an insurance policy, which contains false or misleading information concerning any fact material to the claim; or
 - (d) makes, alters, introduces, signs, affixes any digital signature or transmits any record including computer-generated documents with an intention of fraudulently benefitting from an insurance contract or claim.
- (2) A person licensed under this Act or any person who offers any service in relation to insurance business or any other professional is guilty of an offence of insurance fraud where that person knowingly and willfully assists, conspires with, or urges any person to violate any of the provisions of this Act or for any person who due to such assistance, conspiracy or urging by the said person, knowingly or willfully benefits from the proceeds derived from the use of fraud.
- (3) An insurer, any person acting on behalf of such insurer, a person registered under the Act, garages, or any person involved in the insurance claims process, is guilty of an offence of insurance fraud where knowingly, by act or omission, with intent to injure, defraud or deceive—
- (a) presents or causes to be presented to an insurance prospect, false or misleading information regarding the nature, extent and terms of

insurance coverage which may or might be available to such prospect under any policy of insurance, whether first or third party; or

(b) presents or causes to be presented in any insurance claim, false or misleading information regarding or affecting in any manner the extent of any claimant's right to benefit under, or to make a claim against, any policy of insurance.

(4) Any person who knowingly or willfully, hinders, prevents or obstructs investigations under this section shall be guilty of an offence.

(5) A person who is guilty of an offence under this section shall on conviction be liable to a fine of ten times the amount defrauded or intended to be defrauded or to imprisonment for a term not exceeding five years or both.

(6) Notwithstanding subsection (4), any person who is responsible for the loss of any moneys, property or assets shall be liable for recovery in a civil suit.

*No. 19 of
2015 s.73* **205**

Transitional and savings provision

If —

(a) any act or thing that was done or omitted to be done by or to the Minister under this Act before the commencement of the Companies and Insolvency Legislation (Consequential Amendments) Act, 2015 had effect immediately before that commencement; and

(b) that act or thing could be done or be omitted to be done by or to the Cabinet Secretary under this Act after that commencement

that act or thing is taken to have been done or omitted to be done by or to the Cabinet Secretary.

SUBSIDIARY LEGISLATION

*[No. 11 of
2006, s.28
]*

FIRST SCHEDULE (S.3C) PROVISIONS AS TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD

1. (1) A member of the Board other than an ex officio member shall, subject to the provisions of this Schedule, hold office for a period not exceeding three years, on such terms and conditions as may be specified in the instrument of appointment, but shall be eligible for reappointment one further term of not more than three years.

- (2) The members of the Board shall be appointed at different times so that the respective expiry dates of their terms fall at different times.
2. A member other than an ex officio member may-
- (a) at any time resign from office by notice in writing to the Minister;
 - (b) be removed from office by the Minister if the member-
 - (i) has been absent from three consecutive meetings of the Board without permission from the chairman; or
 - (ii) is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors;
 - (iii) is convicted of an offence involving dishonesty, fraud or moral turpitude;
 - (iv) is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings;
 - (v) is incapacitated by prolonged physical or mental illness, or
 - (vi) is otherwise unable or unfit to discharge his functions.
3. (1) The Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.
- (2) Unless three quarters of the total members of the Board otherwise agree, at least fourteen days' written notice of every meeting of the Board shall be given to every member of the Board.
- (3) The quorum for the conduct of the business of the Board shall be five (5) members excluding the Commissioner of Insurance, of whom at least two shall be from amongst the members of the Board appointed under paragraph (h) of section 3B.
- (4) The Chairman shall preside at every meeting of the Board at which he is present but in his absence, the members shall elect one of their number who shall, with respect to that meeting and the business transacted thereat, have all the powers of the Chairman.
- (5) Unless a unanimous decision is reached a decision on any matter before the Board shall be by a majority of votes of the members present and in the case of an equality of votes, the Chairman or the person presiding shall have a casting vote.

- (6) Subject to subparagraph (3), no proceedings of the Board shall be invalid by reason only of a vacancy among the members thereof.
- (7) Subject to the provisions of this Schedule, the Board may determine its own procedure and the procedure for any committee of the Board and for the attendance of any other persons at its meetings and may make standing orders in respect thereof.
4. (1) If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, he shall, at the meeting and as soon as practicable thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter:
- Provided that if the majority of the members present are of the opinion that the experience or expertise of that member is vital to the deliberations of the meeting, the Board may permit the member to participate in the deliberations subject to such restrictions as it may impose.
- (2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.
5. The affixing of the common seal of the Authority shall be authenticated by the signatures of the Chairman and the Commissioner, and any document required by law to be made under seal and all decisions of the Board may be authenticated by the signatures of the Chairman and the Commissioner:
- Provided that the Board shall in the absence of either the chairman or the Commissioner, in any particular matter nominate one member to authenticate the seal of the Board on behalf of either the chairman or the Commissioner.
6. Any contract or instrument which, if entered into or executed by a person other than a body corporate, would not require to be under seal, may be entered into or executed on behalf of the Authority by any person generally or specially authorized by the authority for that purpose.
7. The Board shall cause minutes of all proceedings of meetings of the Board to be entered in books kept for that purpose.
- The transitional provisions set out in the Schedule hereunder shall apply with respect to the Authority.

SCHEDULE

TRANSITIONAL PROVISIONS

Interpretation

1. In This Schedule-

“appointment day” means the day appointed for the coming into operation of the Insurance (Amendment) Act 2006;

“Department” means the Department of Insurance in the Ministry of Finance existing immediately before the appointed day.

Transfer of assets

2. (1) On the appointment day, all the assets and other property, movable, which immediately before that day, were held for and on behalf of the Department in the name of the Permanent Secretary Treasury shall by virtue of this paragraph and without further assurance, vest in the authority.

(2) Every public officer having the power or duty to effect or amend any entry in a register relating to property or to issue or amend any certificate or other document effecting or evidencing title to property, shall without payment of a fee or other charge and upon request made by or on behalf of the Authority, do all such things as are by law necessary to give final effect to the transfer of the property mentioned in sub-paragraph (1).

Transfer, rights, powers and liabilities

3. On the appointment day, all rights, powers, liabilities and duties, whether arising under any written law or otherwise, which immediately before the appointment day were vested in, imposed on or enforceable by or against the Government for and on behalf of the Department shall, by virtue of this paragraph, be transferred to, vested in, imposed on or become enforceable by or Against the Authority.

Legal proceedings

4. On and after the appointed day, all actions, suits or legal proceedings pending by or against the Government for and on behalf of the Department shall be carried on or prosecuted by or against the Authority.

Employees

5. (1) Subject to sub-paragraph (2), the Commissioner, officers and servants of the Department in office on the appointed day shall be deemed to be officers and servants on secondment to the Authority
- (2) Notwithstanding the provisions of sub-paragraph (1), within twelve months after the appointed day, the Board shall review the qualifications of all persons deemed to be on secondment, and may retain those found suitably qualified for employment by the Authority under sections 3E and 3F of the Act subject to-
- (a) such persons opting to remain in the service of the Authority; and
- (b) such terms and conditions of service(not being to the disadvantage of such persons) as may be agreed with the board.
- (3) Any employee not retained by the Authority under subparagraph (2) may exercise his option to either:-
- (a) Retire from the service of the Government; or
- (b) in cases where the employee has not reached retirement age, be redeployed within the public service.
- (4) Where an employee enters into an agreement with the Authority under subparagraph (2), his service with the Government shall deemed to be terminated without the right to severance pay but without prejudice to all other remuneration and benefits payable upon the termination of this appointment with the Government.
6. The annual estimates for the Department for the financial year which the appointed day occurs shall be deemed to be the annual estimates of the Authority for the remainder of that financial year.
- Provided that such estimates may be varied by the Authority in such manner as the Minister may approve.

SCHEDULE

MINIMUM CAPITAL REQUIREMENT

1. Subject to paragraph (3), no person shall be registered as an insurer unless the persons paid-up capital is -
- (a) in the case of general insurance business, the higher of -

- (i) Six hundred million shillings;
 - (ii) risk based capital determined from time to time; or
 - (iii) 20% of the net earned premiums of the preceeding financial year.
- (b) In case of long term insurance business, the higher of-
- (i) four hundred million shillings; or
 - (ii) Risk based capital determined by the Authority from time to time; or
 - (iii) 5% of the liabilities of the life business for the financial year.
- (c) In the case of an reinsurance business (general business), the higher of-
- (i) one billion shillings;
 - (ii) risk based capital determined by the Authority from time to time; or
 - (iii) 20% of the net earned premiums of the preceeding financial year.
- (d) In case of reinsurance business (long-term business), the higher of -
- (i) five hundred million shillings; or
 - (ii) risk based capital determined by the Authority from time to time; or
 - (iii) 5% of the liabilities of life business for the financial year.
- 2.** The minimum capital requirement specified in paragraph (a), (b), (c) and (d) shall consist -
- (a) government bonds and treasury Bills;
 - (b) Deposits and cash with a maximum of 10% in any one bank or group of banks ; and
 - (c) cash and cash equivalent in the case of a new company.
- [No. 11 of 2017] **3.** An insurer registered before the commencement of this schedule shall comply with the foregoing requirement by the 30th of June 2020.

[L.N 86 of 2010]

**THE INSURANCE (POLICYHOLDERS' COMPENSATION FUND)
REGULATIONS 2010**

Citation

1. These regulations may be cited as the insurance (Policyholders Compensation Fund) Regulations, 2010.

2. Interpretation

In these Regulations, unless where the context otherwise requires-

“Board” means the Board of trustees of the policyholders’ compensation fund appointed under section 179(2) of the Act;

“Claim” means any unpaid claim which arises as a consequence of an accident or event that involves a risk or peril insured by the Kenyan policy that was issued by an authorized insurance company that has become insolvent:

Provided that all claims attributable to or arising out of a single incident or event under a Kenyan policy or policies issued by the same insurance company shall be deemed to constitute a single claim.

“Contribution” means the contribution paid under regulation 9;

“Fund” means the policyholders’ compensation Fund established under regulation 3;

“Kenyan policy” means a contract, evidenced by a policy, whose performance by an insurer would constitute the carrying on, by the insurer, of insurance business of any class in the Republic of Kenya:

Provided that a Kenyan policy shall not include-

- (a) a policy of re-insurance;
- (b) a superannuation scheme
- (c) a life assurance policy issued prior to 1st January, 2005 with the exception of that whose policyholder opted to contribute and had their premiums adjusted accordingly.

“Managing trustee” means the managing Trustee of the fund appointed under section 179(5A) of the Act;

“Policyholder” means the holder of a Kenyan policy.

Establishment of Policyholders’ Compensation Fund.

3. (1) There is established a fund to be known as the Policyholders' Compensation Fund which, shall vest in and be managed and administered by the Board.
- (2) There shall be paid into the fund-
- (a) monies appropriate by parliament for the purposes of the fund;
 - (b) contributions of authorized insurance companies and their policyholders paid in accordance with the Act and these Regulations;
 - (c) penalties payable under the Act and these Regulations;
 - (d) monies borrowed for the purposes of the Fund;
 - (e) monies received by the board as grants or donations of the Fund; and
 - (f) monies received by the Board as reimbursement.
- [LN. no 78/2014] (3) The Board of Trustees may open separate accounts for general or long term insurance business as it may deem necessary
- (4) There shall be paid out of the Fund such compensation and expenses as are authorized to be paid out under the Act and these Regulation
4. (1) A member of the board other than an *ex-officio* member, shall hold office for a term of three years, on such terms and conditions as may be specified in the instrument of appointment and shall be eligible for reappointment for one further term three years.
- (2) The Minister may appoint members of the Board, other than an *ex-officio* members, on different dates so that the respective expiry dates of the members' terms may fall on different days.
- (3) A member of the Board, other than an *ex-officio* members, may-
- (a) at any time resign from office by giving a notice, in writing, to the Minister;
 - (b) Be removed from office by the Minister, if the member-
 - (i) has been absent from three consecutive meetings of the Board;
 - (ii) is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors;

- (iii) Is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months, or to a fine not exceeding ten thousand shillings;
- (iv) Is incapacitated by prolonged physical or mental illness; or
- (v) Is otherwise unable or unfit to discharge his functions.

5. Validity of the Board proceedings

- (1) The validity of any proceedings of the Board shall not be affected by any vacancy among the members or by any defect in the appointment of a member.
- (2) The quorum for the conduct of the business of the Board shall be three members, excluding the ex-officio members and the Secretary to the Board.

6. Disclosure of interest

- (1) A member of the Board who has any direct or indirect interest in any matter before the Board for consideration, shall disclose the nature of his interest at meetings of the Board, have the disclosure recorded in the minutes of the meetings and shall not participate in any deliberation or decision of the Board relating to that matter.
- (2) Where a member of the Board discloses that he is a member or a policyholder of a specified insurance company and is to be regarded as interested in any matter relating to the insurance company, the disclosure shall, for the purpose of paragraph (1), be sufficient disclosure of his interest in any such matter after the date of disclosure.
- (3) A member may not attend, in person, a meeting of the Board in order to make a disclosure which he is required to make under this regulation if the member ensures that the disclosure is made by a notice, in writing, and shall be read and be considered at the meeting.

7. Delegation by the Board

The Board may authorize, in writing, a member or a committee of the Board to perform, on its behalf, any of its functions specified in the authorization.

8. Use of the seal of the Board

- (1) The fixing of the common seal of the Board on any document shall be authenticated by the signature of either the Chairman of the Board or the Managing Trustee, in addition to the signature of one other member of the Board authorized by the Board, through a resolution of the Board, to act for that purpose:

Provided that in the absence of both the Chairman and the Managing Trustee, the Board may, by resolution, authorise any two members of the Board to fix the seal and authenticate the fixing of the seal.

- (2) A document purporting to be duly executed under the seal of the Board shall be received in evidence and shall, unless the contrary is proved, be deemed to be so executed.

9. Contributions

- (1) All insurers and their policyholders shall, in respect of each Kenyan policy, pay a contribution to the Board to finance the payment of compensation and to defray the expenditure involved in or relating to the performance of the functions of the Board.

- (2) An insurer or policyholder shall pay the contribution under paragraph (1), as the case maybe, in such manner as the Board may, in consultation with the Minister, determine from time to time and declare by notice in the Gazette.

- (3) Every insurer and every policyholder shall contribute an equal sum of one quarter per cent (0.25%), respectively, of the premium payable by the policyholders in respect of the relevant policy issued to him by the authorised insurance company.

- (4) Every insurer shall collect from his policyholder the contribution payable by the policyholder at the commencement of a policy issued to the policyholder and remit the contribution with its own contribution to the Board, within thirty days of the issue or renewal of the policy.

- (5) Every insurer shall submit to the Board, in the prescribed form-

- (a) a monthly return showing the total contributions payable to the Board for that month; and
- (b) an annual return signed by its auditor showing the total annual contribution payable to the Board, within three months of the end of the financial year of the Board.

- (6) An insurer who does not submit monthly or annual returns as required under paragraph (5), shall be liable to pay a penalty charge of a sum equal to two and a half percent (2 1/2%) per month until the day return is filed.
- (7) The Board may, through legal proceedings, recover from an authorised insurance company or its directors all sums due to it under this regulation.

10. Directions to the Board

The Minister may, from time to time, give direction to the Board, in writing, relating to the performance of any of its functions under the Act and these Regulations, and the Board shall perform its function in accordance with the directions given by the Minister under this regulations.

11. Insolvency of an insurance company

(1) The Board shall not provide compensation to a policyholder under the Act and these Regulations unless the authorised insurance company that issued the Kenyan policy or policies has become insolvent.

(2) For the purposes of these Regulations, an authorised insurance company shall be considered to be insolvent if-

[cap 486]

- (a) it is wound by the Court under section 219 of the Companies Act;
- (b) it does not meet solvency requirements prescribed in section 41 of the Act;
- (c) in the case of an insurance company carrying on general business, where a resolution for voluntary winding up is made in a meeting of creditors under section 286 of the Companies; or
- (d) it is wound up by the court at the instance of the Commissioner of Insurance under section 123 of the Act.

(3) Notwithstanding paragraph (1), the Board shall not provide compensation under these regulations-

- (a) Where the petition for winding up of the insurance company by the court was presented before the 1st January, 2005; or
- (b) Whether or not the court has made an order for the winding-up of the company after the resolution was passed, if the resolution was passed before the 1st January, 2005.

12. Duty of the Board to determine and pay compensation

- (1) The Board shall, in consultation with the Minister, determine from time to time, amount payable as compensation for different type of classes of insurance policies and pay such compensation to the policyholders as soon as is reasonably practicable after a claim is made.
- (2) The Board shall publish, by notice in the Gazette, the amount payable as compensation determined under paragraph (1) and the date the amount payable as compensation shall come into force, which shall not be in any case , be earlier than the date of publication in the notice.

13. Eligibility for Compensation

- (1) A policyholder shall not be eligible for compensation by the Board, in accordance with the provisions of the Act and of these Regulations, unless the policy of the insurance held by the policyholder, at the material time, was a Kenyan policy.
- (2) A policyholder of a Kenyan policy who has been prejudiced as a consequence of inability, due to insolvency, of the insurer issuing the Kenyan policy to meet any liability arising under the policy shall be entitled to make a claim for compensation to the Board.

14. Making a claim

- (1) A policyholder who is eligible for compensation may make a claim for compensation in the prescribed form and shall submit the form to the Managing trustees.
- (2) A claim form submitted under Paragraph (1) shall be accompanied by such other documents in support of the claim as the Board may require.
- (3) In making the claim for compensation a policyholder shall-
 - (a) Observe utmost good faith by making full and honest disclosure, to the Board, of all material facts relating to his claim; and
 - (b) Provide any other information, whether on oath or otherwise, as may be required by the Board.
- (4) The Board may reject a claim and decline to pay any compensation of a policyholder who fails to comply with paragraph (1), (2) or (3)

15. Time limit for making compensation

A policyholder who does not make a claim for compensation within two years of the insolvency of the authorised insurance company shall not be entitled to claim any compensation from the Board.

16.

Conditions of compensation.

- (1) The right of any policyholder to compensation under these Regulations shall be subject to compliance of the policyholders with any conditions, relating to the total or partial assignment of the policyholders rights under or in respect of the relevant Kenyan policy, imposed by the Board, including-
 - (a) any rights a policyholder may have in respect of any payments made by the policyholder to the insurance company as premiums, under the policy, after the insolvency; or
 - (b) any rights a policyholder may have against any other person in respect of any event giving rise to any liability of the company under the relevant policy.
- (2) Any payment made by any person, other than the Board, to the policyholder being a payment which is related to any liability of an insolvent company to the policyholders, may, if the Board so secedes, be considered as payment, in the whole or in part of the compensation payable to the policyholders under the Act and these Regulations.

17.

Limitation to compensation

- (1) The Board shall not pay any amount as compensation to a policyholder who holds any Kenyan policy, on the insolvency of the Insurance company which has issued the policy, if the liability of the company to the policyholder is duplicated by the liability of any other authorised insurance company which is not, for the purposes of these regulations, insolvent.
- (2) For the purposes of paragraph (1), the liability of any authorised insurance company towards a policyholder is duplicated by liability of another insurance company if the other company also has the liability, under the terms of any other Kenyan policy which on the date of insolvency of the first company, to pay the policyholder in respect of the matter to which the liability of the first company relates.
- (3) The Board shall not pay any compensation to a policyholder where the Commissioner of Insurance has, pursuant to section 67C (2) of the Act, appointed a manager to assume the management, control and conduct of

the affairs and business of authorised insurance company which becomes insolvent thereafter, unless the claim relates to the liability of the said company arising out of an incident or event occurring before the date of appointment of the manager.

21.

Revocation of LN 105 of 2004

The Insurance (policyholders' Compensation Fund) Regulations, 2004, are revoked.

LN

*L.N.32/
1986
L.N.52/
1987
L.N.542/1
988
L.N.180/1
992
L.N.124/1
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L.N.87/19
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L.N.169/19
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L.N.76/19
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L.N.172/1
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L.N.108/2
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L.N.2/
2007
LN.85/20
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L.N.86/20
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*L.N
57/2012,
58/2012}*

THE INSURANCE REGULATIONS

Regulations under section 180

PART I – PRELIMINARY

PART I PRELIMINARY

1.

Citation

These Regulations may be cited as the Insurance Regulations.

2. **Applicability**

These Regulations shall apply to all members of the insurance industry, *mutatis mutandis*, unless otherwise specified.

3. **Interpretation**

(1) In these Regulations-

“Kenya citizen” means an individual, being a natural person, who is a citizen of Kenya;

“Kenya Company” means a company, incorporated under the Companies Act whose shares are wholly owned by the Kenya citizens;

“Kenya partnership” means a partnership whose partners are all Kenya citizens.

(2) For the purposes of these regulations and the management of the insurance industry the classes and sub-classes of insurance business shall be serialized according to the serial numbers specified in these Regulations.

4. **Excluded business**

For the purposes of the definition of “insurance business” in section 2 of the Act the following are declared not to be insurance business for the purposes of the Act-

(a) business undertaken by a person being a carrier, carrier’s agent, forwarding agent, wharfinger, warehouse man or shipping agent, relating only to his liability in respect of goods belonging to another person and in his possession or under his control for the purpose of carriage, storage or sale of those goods;

(b) business undertaken by a person being an inn-keeper or lodging-house keeper relating only to his liability in respect of goods belonging to another person and in the possession or under the control of a guest at the inn or lodging house of which the first-mentioned person is the inn-keeper or lodging-house keeper for safe custody.

**PART II
REGISTRATION OF INSURERS**

[L.N.51 of
2017, r.2]

5. **Insurer’s application for Registration**

[L.N.189
of 1994,
s.2 (a).]

6.

The application for registration as an insurer under section 30 of the Act shall be submitted in FORM NO. INS. 30-1 in the First Schedule together with all the information required to be submitted in the appendices to that form specified in that Schedule.

Registration fees

The fee for registration as an insurer under section 30 of the Act, shall be-

- (i) in case of an insurer, one hundred and fifty thousand shillings; and
- (ii) in the case of a reinsurer, two hundred and fifty thousand shillings,

and the same fee shall be payable for renewal of registration under section 188 (2).

7.

Statements to be submitted under section 30(k) of the Act

For the purpose of section 30 (k) of the Act, every insurer shall, at the time of first making application for registration under one or more of the classes of insurance business prescribed under regulations 9 and 10, lodge with the Commissioner the following statements-

- (a) a photocopy of the certificate of incorporation;
- (b) in the case of an insurer who has not transacted insurance business prior to making the application or where authorization is sought to transact a class of business not transacted before, a copy of the feasibility study report carried out in this regard, showing estimates of premium, expenses and claims for each of the first three financial years following the year in which the application is made, separately on a year by year basis and separately for each such year on both optimistic and pessimistic bases and such feasibility study report shall contain the following information-
 - (i) estimates relating to-
 - (A) premiums both gross and net of reinsurance and broken down between business in Kenya and elsewhere; and
 - (B) claims, after all reinsurance recoveries;
 - (ii) a forecast balance sheet;
 - (iii) estimates relating to the financial resources to cover underwriting liabilities and the margin of solvency;

- (iv) In the case of long-term insurance business, the number of contracts, and the total sums assured or amounts of annuity *per annum* expected to be issued;
- (c) the source of business (for example, insurance brokers, agents, own employees or direct selling) and the approximate percentage expected from each source;
- (d) a summary (that is to say a treaty slip) of reinsurance treaties arranged for each class of business containing all the terms and conditions;
- (e) copies of drafts of any agreements with persons (other than employees of the insurer) who will manage the business of the insurer;
- (f) copies or drafts of any standard agreements which the insurer may have with brokers or agents;
- (g) in the case of long-term insurance business , a certificate by an actuary, supported by calculations or projections by the actuary, that he considers the financing of the insurer to be sufficient to cover both technical reserves and the required margin of solvency during the first three financial years following the financial year in which application is made.
- (h) in the case of an insurer who has not transacted insurance business prior to making the application or where authorization is sought to transact a class of business not transacted before, the estimated costs of installing the administrative services and organization for securing business, and the financial resources intended to cover those costs;
- (i) accounts, statements and reports laid before the shareholders at the last three annual general meetings or, if less than three annual general meetings have been held, the accounts, statements and reports laid before the annual general meetings which have been held and the minutes of the annual general meetings shall also be lodged;
- (j) in the case of an insurer who was carrying on or transacting long-term insurance business immediately prior to the date of commencement of the Act, copies of the last three valuation reports of the actuary.

(L.N. 97 of 2009) **7A.**

Deposit for the Insurers Registration

For the purposes of section 32 of the Act, deposit required to be kept with the Central Bank of Kenya shall be under lien in favour of the Insurance Regulatory Authority.

PART III ADMITTED ASSETS AND ADMITTED LIABILITIES

8. Admitted Assets and Admitted liabilities

- (1) For the purposes of section 41 (9) of the Act the value and extent of the assets and liabilities shall be determined in accordance with provisions of Part A of the Second Schedule.
- (2) In the event of any dispute as to the valuation of any asset or liability, the Commissioner may refer the dispute to a panel of three or five persons at least one of whom shall be a member of the Institute of Surveyors of Kenya or an actuary as defined in section 2 of the Act or a person qualified to be appointed an auditor under section 161 of the Companies Act; and the Commissioner may direct that the costs or any part of the costs of such a dispute settlement process shall be borne by such party or parties as he may specify.

**PART IV
ACCOUNTS, BALANCE SHEETS, AUDIT AND ACTUARIAL
INVESTIGATIONS**

9. Classes of long term insurance business in respect of which separate accounts to be maintained

*L.N
108/2016
, R.2*

- (1) An insurer carrying on insurance business, shall maintain separate accounts in respect of the following classes of insurance business-

**LONG-TERM INSURANCE BUSINESS
CLASSES OF BUSINESS**

<i>Serial No. of classes</i>	<i>Brief Description of classes</i>
31.	Life Assurance
32.	Annuities
33.	Pensions (a) Personal pension (b) Deposit Administration
34.	Group Life
35.	Group Credit
36.	Permanent Health
37.	Investment (a) Unit Link and Linked Investments

	(b) Non- Linked investments
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- (2) For the purposes of these Regulations “superannuation business” means life assurance business, being business of, or in relation to, the issuing of or the undertaking of liability under superannuation, group life and permanent health insurance policy-
- (a) that is vested in the trustees of a fund established or maintained by a person, being a fund the terms and conditions applicable to which provide for-
- (i) the payment of contributions to the fund by that person; and
- (ii) payments being made from the fund, on account of injury, sickness, retirement or death of the employees of that person or of a company in which that person has a controlling interest; or
- (b) that was-
- (i) effected for the purposes of a superannuation or retirement scheme; or
- (ii) accepted by the person maintaining such a scheme for the purpose of the scheme.

10. Classes of general insurance business in respect of which separate accounts to be maintained.

An insurer carrying on general insurance business shall maintain separate accounts in respect of the classes of business listed in Part A of the Third Schedule and defined for the purposes of these Regulations in Part B of that Schedule.

11. Forms of accounts.

- (1) For the purposes of section 54 of the Act, the forms of accounts shall be the following forms set out in Part C of the Third Schedule-
- (a) the general insurance business revenue account, Form No. INS. 54-1;
- (b) the long-term insurance business revenue account, Form No. INS. 54-2;
- (c) ***Deleted by LN. 57/2012***
- (d) the profit and loss account, Form No. INS. 54-4;

(e) the balance sheet, Form No. INS. 54-5.

(2) The forms shall be prepared in accordance with the directions specified in Part D of the Third Schedule and such other directions as the Commissioner may from time to time in writing issue to members of the insurance industry.

12. Actuarial abstracts.

For the purposes of section 57 (1) of the Act, the actuarial abstracts and statements in respect of long-term insurance business shall be prepared in accordance with the provisions of the Fourth Schedule.

13. Statement of long-term insurance business.

For the purposes of section 57 (3) of the Act, the statement required of an insurer following an investigation under section 57 (1) of the Act shall be prepared in accordance with the provisions of the Fifth Schedule.

14. Actuarial valuation of liabilities

For the purposes of section 57 (5) of the Act, the value of assets and the amount of liabilities for purposes of an actuarial investigation shall, subject to section 58 of the Act, be determined in accordance with the provisions of the Sixth Schedule.

*L.N
108/2016
; R.3*

15. Prescribed basis

For the purposes of section 58 (3) of the Act, the calculation on the prescribed basis of the value of liability of a statutory fund in respect of its policies, shall be according to the provisions of the Seventh Schedule.

16. Actuarial certificate

For the purposes of section 58 (5) (c) of the Act, an actuary's certificate shall be in form set out in the Eighth Schedule.

17. Annual returns: long-term insurance business

*L.N
108/2016
; R.4*

For the purposes of section 59 of the Act, every insurer carrying on long-term insurance business shall, within three months after the end of the period to which they relate, lodge with the Commissioner, in respect of every financial year-

*[L.N
108/2002
, L.N
50/2012]*

(a) a statement of admitted assets and admitted liabilities in Form INS. 41-1 in the Second Schedule signed by the principal officer and by auditor.

- (b) the following statements in the forms set out in the Ninth Schedule signed by the principal officer and also by an auditor in the case of those under (i), (ii), (iii), (iv) and (v)-
- (i) statement of premium income, Form No. INS. 59-1A;
 - (ii) statement of incurred claims, Form No. INS. 59-3A,
 - (iii) statement of commission and management expenses, Form No. INS 59-5;
 - (iv) particulars of inward and outward reinsurance treaties, Form No. INS 59-6;
 - (v) particulars of brokers, reinsurers, and reinsured under inward and outward reinsurance treaties, Form No. INS 59-7
 - (vi) particulars of insurance business not covered by any reinsurance arrangement, Form No. INS. 59-8;
 - (vii) Statement of reinsurance premiums on long term business, Form No. INS 59-9A
 - (viii) particulars of inward and outward reinsurance treaties,
 - (ix) statement of commission, Form No. INS. 59-10A
 - (x) statement of long-term insurance business, Form No. INS. 59-11;
 - (xi) statement of movement in long-term insurance business, Form No. INS. 59-12

[L.N.
5/2012
Reg no. 3]

18.

Annual Returns: General insurance business

For the purposes of section 59 of the Act, every insurer carrying on general insurance business shall, within four months after the end of the period to which they relate, lodge with the Commissioner, in respect of every financial year-

- (a) Statement of admitted assets and admitted liabilities in Form INS. 41-1 in the Second Schedule signed by the principal officer and an auditor
- (b) the following statements in the forms set out in the Ninth Schedule, signed by the principal officer and also by an auditor in the case of the statements under (i), (ii), (iii), (iv), (v),(vi), (vii)-

[L.N.
108/2002
J.L.N
57/2012,
Reg 4a

- (i) statement of premium income, Form No. INS. 59-1B;
- (ii) statement of incurred claims in respect of incidents occurring in previous years, Form No. INS. 59-2;
- (iii) statement of incurred claims in respect of incidents occurring in the current year and total incurred claims, Form No. INS. 59-3B;
- (iv) Statement of underwriting balances, Form No. INS. 59-4
- (v) statement of commission and management expenses, Form NO. INS. 59-5;
- (vi) particulars of inward and outward reinsurance treaties, Form No. INS. 59-6;
- (vii) particulars of brokers, reinsurers, and reinsured under inward and outward reinsurance treaties, Form No. INS. 59-7;
- (vii i) particulars of insurance business not covered by any reinsurance arrangement, Form No. INS. 59-8;
- (ix) statement of reinsurance premium, Form NO. INS. 59-9B.
- (x) statement of commission, Form No. INS. 59-10B.

*L.N
57/2012
4b*

19.

Annual returns: supplementary provisions

- (1) The statements required under regulation 17 and 18 shall be submitted separately in respect of Kenya business and outside Kenya business.
- (2) In case an insurer does not have any information to submit in respect of any of the classes of business under regulation 17 and 18 the statement required shall be submitted indicating that the insurer has no information to submit.
- (3) “Class of business” and “sub-class of business” wherever shown in the statements required to be furnished under regulations 17 and 18 are those specified in regulation 9 in respect of long-term insurance business and in Part A of the Third Schedule in respect of general insurance business.

20.

Authentication and certification of accounts and statements

- (1) The copies of the accounts, balance sheets, certificates, abstracts, returns or statements, required to be deposited with the Commissioner under section 61(1) of the Act, by the insurer, a certificate of authentication

*L.N
57/2012
Reg 5*

signed by the principal officer and the person who prepared the account, balance sheet, certificate, abstract, return or statement in this form:

“CERTIFIED ON THE.....20....
TO BE AN AUTHENTIC COPY FOR THE PURPOSES OF SECTION 61 OF THE
INSURANCE ACT, 1984
.....
.....”

(2) The name of the person signing any statement, document, return, abstract, report, submitted to the Commissioner under the provisions of the Act or these Regulations shall be printed just below the signature and any one signing in the name of a firm shall print his own name and also that of his firm below the signature.

[L.N. 85
of 2010]

(3) Subjects to such conditions as the Commissioner may prescribe, insurance formalities or submissions of documents under this regulation may be done through the use of information technology.

**PART V
MANAGEMENT AND EXPENSES**

21. Management Expense

(1) For the purposes of section 70 (1) of the Act the limits of management expenses shall be as set out in Part A of the Tenth Schedule.

L.N
57/2012
Reg 6

(2) Every insurer shall submit statements in Forms Nos. INS. 70-1, INS. 70-2, INS. 70-3, INS. 70-3A, INS. 70-4 set out in part B of the tenth schedule as may be applicable, within four months of the period to which they relate, duly certified by the principal officer.

22. Restriction of commission

For the purposes of section 73 (2) of the act, the maximum rates of brokerage, commission, payable by an insurer shall be those specified in the eleventh schedule in respect of the classes of business specified in that schedule.

**PART VI
POLICY TERMS**

23. Exemption From the provision regarding avoidance of contracts of unlimited amounts

The following categories of contracts shall be exempt from the operation of section 78 of the Act, namely-

- (a) contracts of insurance covering the liability under the insurance (motor vehicles Third Party Risks) Act;
- (b) contracts of insurance covering the liability of an employer to the employee under common law.

24. Paid up policies

For the purposes of section 88 (1) of the Act, the rules on paid-up policies shall be those specified in the twelfth schedule.

25. Surrender values

For the purposes of section 89 of the Act, the surrender value of a policy shall be calculated in accordance with the rules set out in the Thirteen Schedule.

26. Payment of interest on overdue premiums

For the purposes of section 90(2) of the Act the prescribed terms shall be terms under which the amount of interest chargeable in respect of an overdue premium would be an amount calculated at a rate of interest not exceeding ten per cent per annum on the overdue premium compounded annually.

27. Paid up industrial life policies

For the purposes of section 91 (4) of the Act the prescribed rules shall be those set out in the Twelfth Schedule.

28. Certain policies to which sections 88-92 do not apply

In accordance with subsection (2) of section 93 of the Act, it is declared that the provisions of section 88 to 92 (inclusive) of the Act shall apply in respect of each of the classes of policies specified in this regulation, subject to the modifications declared in the paragraph of this regulation in which that class is specified-

- (a) *Family Income Policies and Policies which provide other additional benefits on death within a specified term-*

If a policy provides income or other additional life insurance benefits so that the amount payable (exclusive of bonuses) in the event of death or survival after the expiry of the specified term (which latter amount is hereinafter referred to as the basic sum assured), the paid-up policy to which the policy owner is entitled shall be payable on the same

contingencies as the basic sum insured only, and shall not carry such additional benefits.

(b) *Policies which include certain contingent additional benefits-*

If a policy includes provisions for benefit payable in an event other than death or survival, or a benefit payable in the event of death by accident or in the event of a specified sickness only (either or both of which benefits are hereinafter referred to as additional benefits), the paid-up policy to which the policy owner shall be entitled shall be calculated in accordance with the rules set out in the Twelfth Schedule; and for the purpose of that calculation the additional benefits shall be ignored, and the paid up policy shall not provide any part of the additional benefits.

(c) *Option Policies-*

If a policy contains provision for the contract there-under to be varied at the option of the owner of the policy on a specified date or on the happening of a specified event and the policy owner becomes entitled to a paid-up policy before that option has been exercised, the paid-up policy to which the policy owner shall be entitled shall be that to which he would be entitled if the policy did not include provisions for that optional variation.

(d) *Altered Ordinary Life policies-*

In cases where, since the issue of any ordinary policy, the contract thereunder has been varied at the request of the policy owner in such a manner that either the date upon which the sum insured becomes payable, or the term during which premium payments are to be made, or both have been altered, the paid up value of the policy shall be calculated according to the rules determined for the purposes by the insurer's actuary.

(e) *Policies providing for endowment insurance payable in installments depending on survival with level premiums until the last installment is paid-*

If an endowment insurance policy provides for payment of the sum assured by installments depending on survival and full sum assured or any unpaid balance at death, premiums being payable at a level rate until the balance of the sum insured has been paid, the paid up policy value of such a policy shall be calculated according to rule 2 instead of rule 1 of the rules set out in the Twelfth Schedule:

Provided that

- (i) if, according to the practice of the insurer, on the policy being made paid up, the paid- up amount is payable in one lump sum on death or at maturity instead of installments as provided in the original contract, this factor shall be allowed for in the calculation of the paid-up value of the policy under rule 2 of the Twelfth Schedule; and
- (ii) for the actual calculation of paid-up values of policies referred to in this paragraph an insurer may use, with the approval of the Commissioner, working rules framed by the insurer's actuary consistent with the provision of the paragraph.

(f) *Paid-up Policies-*

Where a policy has been rendered paid-up (whether by the grant of a paid-up policy as required by the Insurance Act or otherwise) and a calculation of the surrender value of the policy is subsequently required to be made, the calculation shall be made according to the rules set out in the Thirteenth Schedule, and the amount of the paid-up policy of which the present value is to be found in terms of rule 1 of those rules shall be the actual amount of the paid-up policy.

**PART VII
NOMINATIONS**

29. Nomination of minors

For the purposes of the provision to section 111 (1) of the Act, the appointment of a person to receive the money secured by a policy in the event of the death of the holder of a policy during the minority of the nominee shall be in the form set out in the Fourteenth Schedule.

30. Fee for registering, canceling or changing a nomination

An insurer may charge a policyholder ten shillings for registering a nomination or its cancellation or change pursuant to section 111 (3) of the Act.

**PART VIII
CLAIMS ON SMALL LIFE POLICIES**

31. Fee for adjudication

The fee to be charged and collected for adjudication under section 112 of the Act shall be two per centum of the sum assured of the policy in dispute or one hundred shillings, whichever is the greater amount.

**PART IX
MANDATORY REINSURANCE CESSIONS**

32. Mandatory cessions

For the purposes of section 145 of the Act, the proportions of the business which shall be ceded to the Corporation by insurers, the manner of cessions and the terms and conditions applicable shall be those set out in the Fifteenth Schedule for the various classes of insurance business specified in that schedule.

33. Payment of reinsurance cessions

Payment by insurers to the Corporation in respect of reinsurance effected under Part XIV of the Act shall be made within the periods of payment specified in the Fifteenth Schedule.

*L.N
57/2012
Reg 7*

**PART X
INTERMEDIARIES, CLAIMS SETTling AGENTS, INSURANCE
SURVEYORS, MEDICAL INSURANCE PROVIDERS, LOSS ADJUSTERS,
MOTOR ASSESORS, INSURANCE INVESTIGATORS, AND RISK
MANAGERS**

34. Forms of application for registration and renewal of registration of intermediaries, etc

*L.N
57/2012
Reg 8a*

(1)

The forms set out in the Sixteenth Schedule shall be used by brokers, agents, risk managers, motor assessors, insurance investigators, loss adjusters, insurance surveyors, medical insurance providers and claims settling agents when applying for registration under the Act and shall be submitted together with the appendices thereto prescribed in that schedule.

*L.N
57/2012
Reg 8b*

(2)

For the purposes of registration and renewal of registration of insurers under sections 31 and 188 of the Act and the registration and renewal of registration of agents, brokers, risk managers, motor assessors, insurance investigators, loss adjusters, insurance surveyors, medical insurance providers, and claims settling agents under section 153, and 188 of the Act the registration certificates to be issued on registration shall be in forms set out in the Twenty-Second Schedule.

35. Policy of Professional indemnity for a broker

*L.N
57/2012
Reg 9*

For the purposes of section 151 (1) (a) of the Act, the policy of professional indemnity insurance to be taken out by a broker or medical insurance provider shall be as prescribed in the Seventeenth Schedule.

36.

*L.N
57/2012
Reg 10*

Statement of business

For the purposes of section 151 (1) (c), every agent, broker, claims settling agent, insurance surveyor, medical insurance provider, loss adjuster, motor assessors, insurance investigators, and risk manager, shall submit a statement of business in the appropriate form prescribed in the Eighteenth Schedule and in accordance with the notes thereto.

37.

*[L.N
189/94]
L.N
57/2012
Reg 11*

Fee payable

The fees for registration and renewal of registration under sections 151 (1) (d) and 188 (2) of the Act shall be as follows-

Insurance Broker	10,000
Risk manager	3,000
Motor Assesors	3,000
Insurance investigators... ..	3,000
Loss adjuster	3,000
Insurance surveyor	3,000
Medical Insurance Providers	10,000
Claims settling agent	3,000
Insurance Agent	1,000
Corporate Insurance Agent	1,000

38.

*L.N
57/2012
Reg 12*

Other documents

For the purposes of section 151 (1) (e) of the Act, a broker, an insurance provider who is already carrying on business on the appointed date shall, at the time of the application for the first registration under the Act, submit

- (a) an audited profit and loss account;
- (b) an audited balance sheet;
- (c) a report from an auditor as to whether-
 - (i) proper accounting records have been kept;
 - (ii) proper returns adequate for audit have been received;
 - (iii) the balance sheet and profit and loss accounts are in accordance with the accounting records;

Provided that-

- (i) if the auditor is unable to make a positive opinion in respect of the matters specified in this paragraph he shall state that the fact in his report and shall qualify the report if he fails to obtain all the information and explanations which are necessary for the purpose of the audit; and
- (ii) if the broker carries on any other business, he shall attach a supplementary statement-

(A) showing the total revenue of the business divided between revenue directly derived from insurance broking and all other revenue and stating the nature of each type of business carried on;

(B) classifying expenditure and grouping it under appropriate headings;

(C) showing the total brokerage income contained in the accounts unless this figure is already stated in the accounts.

(L.N
75/99,L.N
.2/2007,
L.N. 97 of
2009)

39. (1)

Bank guarantee for brokers registration

For the purposes of section 153 (1) of the Act, the form of guarantee which may be required of a broker by the Authority shall be in the form of a bank guarantee as set out in Form 153-1 in the Nineteenth Schedule or in the form of a two-year Government bond held by the Authority, and the minimum amount of the guarantee shall be, at the time of the first registration of the broker and at the time of subsequent renewals, three million shillings.

(2)

deleted by L.N 85 of 2010

[L.N 85 of
2010]

40.

Returns by corporate persons under the Act

Cap 486
L.N
57/2012
Reg 12

For the purposes of section 155 of the Act, every corporate person registered under part XV of the Act, shall furnish to the Commissioner, within four months after the end of the period to which they relate, such audited accounts and statements together with the auditors' report as are required to be prepared as may be prescribed by the authority from time to time shall, in addition, furnish, within sixty days from the end of each half year, audited statements showing the total amount of premium due from the broker to all insurers in Kenya remaining outstanding as at 30th June and 31st December of every year in respect of risks placed with the insurers before the respective dates and also separately, in respect of risks placed more than sixty days prior to the respective dates, in Form No. INS. 153-1 in the Nineteenth Schedule.

PART XI - ADVANCE PAYMENT OF PREMIUM

Cap 488 41.

Advance payment of premiums

For the purposes of section 156 (1) of the Act, a risk in respect of a policy may be assumed before the premium payable in respect thereof is received-

[L.N 9 of
2003]

(a) if the entire amount of premium is guaranteed to be paid by a bank licensed under the Banking Act;

[L.N 9
/2003]

(b) if an advance deposit is made with the insurer to the credit of the insured sufficient to cover the payment of the entire amount of the premium together with the premium, if any due from the insured in respect of any other risk already assumed against such deposit, such deposit being agreed to be adjusted towards the premium.

[L.N 9
/2003] 42.

Dispatch of premium

For the purposes of section 156 (4) of the Act, the premium collected by an agent or a cheque received by him shall be deposited with or dispatched to the insurer immediately upon receipt thereof.

43.

Relaxation

For the purposes of section 156 (5) of the Act, in respect of the categories of insurance policies mentioned hereunder the provisions of subsection (1) of section 156 of the Act and regulation 41 shall stand relaxed to the extent and in the manner mentioned in respect of each category of policy, subject to the conditions mentioned therein

(a) *Policies under Sickness Insurance Scheme-*

Premiums on such policies may be accepted in installments provided that the installment covering a particular period shall be received on or before the date of commencement of the period.

(b) *Declaration Policies-*

Risks in respect of such policies may be insured if at least the premium calculated on 75 per centum of the sum insured has been received before assumption of the risk.

(c) *Policies issued on the basis of adjustable premiums-*

Risks in respect of policies issued on the basis of adjustable premium such as workmen's compensation, cash in transit, and others, may be assumed on receipt of provisional premiums based on a fair estimate.

(d) *Annual insurances connected with aircraft hulls and marine hulls-*

Facilities for delayed payment of premium on such policies, or the payment of premiums by means of instalment not exceeding four in number and on the basis of an approved clause, may be allowed at the discretion of the insurer, provided that such clause is endorsed on the policy.

(e) *Short period covers in respect of insurance connected with aircraft hulls and marine hulls-*

Short period covers may be granted on such risks on a held covered basis, subject to the condition that the premium or additional premium in respect of risks assumed in a calendar month shall be paid by the end of the next calendar month.

(f) *Policies issued for long term-*

In the case of policies issued for long term such as contract performance bonds or guarantees, contractors' all risk policies, machinery erection policies and the like, the premium may be staggered as necessary according to custom, over the period of the cover, provided that the first installment is higher than any other installment by at least five per centum of the total premiums payable and each installment is paid in advance, but where the premium is payable by declaration, it may be paid within fifteen days from the effective date of such declaration.

(g) *Schedule and consequential Loss Policies-*

In such cases a provisional amount towards the premium shall be collected before the date of inception or renewal of risk on the basis of the previous year's premium.

(h) *Marine covers other than hulls-*

- (i) In the case of inland shipments and transit risks, risk may be assumed under open policies in respect of seasonal crops such as tea, on the payment of a provisional premium based on a fair estimate.

- (ii) In the case of exports overseas, risk may be assumed subject to the condition that the premium shall be paid within fifteen days from the date of sailing of the overseas vessel.
- (iii) In the case of imports, risk may be assumed subject to the condition that the premium shall be paid within fifteen days of the receipt of declaration in Kenya from the insurer's or insured's representative overseas:

Provided that the relaxations under subparagraphs (ii) and (iii) shall apply to marine cover notes only and not to marine policies.

(i) *Policies relating to co-insurances-*

The premiums shall be deemed to have been duly paid if paid on the full insurance to any one of the co-insurers.

(j) *Policies of reinsurance-*

Risks may be assumed without payment of premium in advance in insurances accepted under automatic reinsurance contracts.

**PART XII
GENERAL PROVISIONS**

44. Folio copies

For the purposes of section 177 (2) of the Act the fee per page of a document deposited with the Commissioner copied and furnished shall be two shillings.

45. Inspection fees

The fee for inspection of a register under section 185 of the Act shall be ten shillings.

46. Fee for duplicate certificates.

The fee for a duplicate certificate under section 189 (2) of the Act shall be five hundred shillings.

**PART XIII
SUPPLEMENTARY PROVISIONS**

47. Application for remittance.

An application for the Commissioner's approval under section 201 of the Act to remit money or securities out of Kenya shall be made in Form No.

INS. 201-1 in the twentieth Schedule and every insurer shall also furnish to the Commissioner a statement in respect of reinsurance business ceded abroad and reinsurance in Form No. INS. 201-2 in the Twentieth Schedule showing separately business accepted from abroad and also separately in respect of long-term insurance business reinsurance and general insurance business reinsurances, the total amount (in equivalent Kenya shillings) remitted abroad and the total amount of recoveries (in equivalent Kenya shillings) made from foreign reinsurers and insurers each of the quarters ending on the last day of March, June, September and December within one month from the close of the quarter to which it relates; and every such statement shall be signed by the principal officer of the insurer.

48.

Claims

For the purposes of section 203 of the Act, an insurer shall furnish the following statements to the Commissioner duly certified by the principal officer-

- (i) a statement in Form No. INS. 203-1A in the Twenty-First Schedule in respect of the long-term insurance business within three months after the end of the period to which it relates; and
- (ii) a statement in Form No. INS. 203-1B in the Twenty-First Schedule in respect of the general insurance business within three months after the end of the period to which it relates; and
- (iii) a statement in Form No. INS. 203-2 in the Twenty-First Schedule in respect of the long-term and general insurance business within 15 days after the end of the period to which it relates.

[L.N. 97/
2009, L.N.
85/2010]

49.

Manner of payment of fees

The fees payable by the members of the insurance industry for registration or renewal of registration under the Act and the regulations shall be paid to "The Insurance Regulatory Authority".

50.

A reference to these Regulations to a Schedule shall be a reference to the particular Schedule set out in the "Schedules to the Insurance Regulations, 1986" published by the Government Printer, which shall be construed as one of these regulations.

51.

For the purposes of section 197A (2), the rates of Levy shall be-

[L.N.
135/2007
, L.N. 97
of 2009]

- (a) in case gross direct premiums written by such insurers, one percent (1%); and

- (b) in case of reinsurance premiums paid or credited to a reinsurer outside of Kenya, five percent (5%)

[L.N
135/2007
]

52.

For the purposes of section 197A (4), the levies payable under regulation 51 shall:

- (a) become payable at the end of each calendar month in case of the gross direct premiums:
- (b) become payable at the end of each quarter in case of the reinsurance premiums,

in which the premiums were received or paid by the insurer and shall be payable by such insurer not later than the last day of the first month succeeding that in which the levies become due.

[L.N
135/2007
]

53.

For the purposes of section 197E every insurer registered or authorized to carry on insurance business in Kenya shall-

- (a) at the end of each calendar month, prepare a monthly premium levy return, showing the total premiums due from the insurer for that particular month as set out in the Twenty fourth Schedule;
- (b) at the end of each quarter, prepare quarterly reinsurance levy return, showing the total insurance premiums due from the insurer for that particular quarter as set out in the Twenty Seventh schedule: and
- (c) at the end of each calendar year and not later than the third month following the end of that year, prepare-
 - (i) an annual premium levy return as set out in the Twenty Fifth Schedule; and
 - (ii) an annual reinsurance premium levy return as set out in the Twenty Eighth Schedule.

[L.N
135/2007
]

54.

For the purposes of section 197B (2), the rates of the levy shall be calculated at the rate of zero point two percent (0.2%) of the gross direct premiums written by the insurer in respect of general insurance business.

[L.N
135/2007
]

55.

For the purposes of section 197B (3), the form set out in the Twenty Third Schedule shall be the form for the monthly insurance training levy return.

[L.N
135/2007
]

56.

For the purposes of section 197B (3), an insurer carrying on general insurance business in Kenya shall, at the end of each calendar year and not later than the third month following that year, prepare an annual insurance training levy return as set out in the Twenty Ninth Schedule.

L.N
135/2007
J.L.N
57/2012
Reg 14

57.

For the purpose of section 197E, the levy payable under section 197B shall be paid to the Insurance Training and Education Trust in such a manner as may be prescribed by the Authority from time to time.

L.N
135/2007
J L.N
57/2012
Reg 15

58.

For the purpose of section 4(2), all monies payable into the fund shall be paid to the Insurance Regulatory Authority in such a manner as may be prescribed by the Authority from time to time.

FIRST SCHEDULE

FORM NO. INS 30-1

(ss 30 & 188(2) and rr. 5 and 48)

All amounts in Kenya shillings

APPLICATION FOR REGISTRATION OF AN INSURER

*(*Delete whichever is not applicable)*

Read the Notes in Appendix F to this Form carefully and comply

A. APPLICANT

1. Name:

2. Registered Office:

- Postal Address:

- Telegraphic Address:

- Telex:

- Telephone:

3. Location of Offices:

- Principal:

(give address)

- Branches

- (give address)

4. Incorporation

- Place:

- Date:

Insurance Business:

- Date of first licence:

- Date of Commencement:

5. Particulars of –

(i) Members of Board of Directors (Appendix A)

(ii) Principal Officer, Company Secretary and other senior management staff (Appendix B)

(iii) Departmental staff (Appendix C)

(iv) Auditors, Legal Advisor and Actuaries (Appendix D)

(V) Members of the insurance industry excluding insurers whose services were availed of during the current year (Appendix E)

Please complete the forms in the above-mentioned Appendices.

6. Bankers:

Name

Address

Since when

7. (i) Does the applicant or a director or an employee of the applicant directly or indirectly hold shares in or have any other financial or controlling interest in the affairs of another insurer or any agent, broker or other member of insurance industry? If so, give details specifying name of the member, nature and extent of shareholding/interest in Appendices A and B.

(ii) Is any of the individuals or firms listed in Appendices D and E –

(a) a director or employee of the applicant or a related company?

(b) holding any shares in, debentures of, or other interests with the applicant or a related company?

8. Share Capital

A. AUTHORISED CAPITAL

Type of Shares (1)	Number of Shares (2)	Amount per Share (3)	Total Amount (4)
(a)			
(b)			
(c)			
(d)			
TOTAL			

B. PAID UP CAPITAL

Type of Shares (1)	Number of Shares (2)	Amount per Share Sh. (3)	Total Amount (2) x (3) (4)	Total Number of shareholders (5)	Holding By Kenya Citizens, By Kenya Companies, By Kenya Partnerships, By The Government		
					Total Number of Shares (6)	Total Amount (7)	Percentage of Total Shareholding Voting rights (8)
(a)							
(b)							
(c)							
(d)							
Total..							

9. In case the applicant does not have only ordinary shares of a uniform paid-up value as required under section 25 of the Act, describe the steps being taken to comply with the said requirement.

10. *Deposit under section 32 of the Act*

Amount of deposit made: Sh

Central Bank of Kenya's

Receipt No.(s) Date(s)

11. *Business Particulars*

A. Business Carried on/Proposed to be carried on

(i) Classes of long-term insurance business:

(Please refer to regulation 9)

(ii) Classes of general insurance business:

(Please refer to regulation 10)

(iii) Other business

B. Number of agents (employed or expected to be employed in the next 12 months):

Long-term insurance

General insurance

Total

C. Is assistance being taken or proposed to be taken from a broker or agent or other agency in respect of underwriting, claims handling, reinsurance, etc. If so, please give details as under:

(a) Name

(b) Work handled:

(c) Reasons why outside agency is employed:

(d) When is the work proposed to be handled by the applicant in his office:

12. *Actuarial Valuation:*

Date of the last valuation:

Date of submission of the report to the Commissioner:

13. *Annual Accounts:*

Date upto which accounts made up:

Date of submission of the accounts to the Commissioner:

Date of last Annual Meeting of shareholders:

Date of submission of minutes of the above meeting to the Commissioner:

14. Valuation of assets by a member of the Institute of Surveyors of Kenya:

Date of valuation:

Has a copy of the report been submitted? If so, date of submission:

I hereby certify that the statements contained herein and in the documents submitted herewith required by section 30 or 188 (2) of the Insurance Act, and the Insurance Regulations, are true and accurate to the best of my knowledge and belief. Any alterations in particulars stated herein or in the said documents will be promptly communicated to the Commissioner of Insurance.

I hereby declare that the company does not and does not intend to carry on any business other than insurance business for which it is seeking registration.

Signed on this day of, 20

Principal Officer

TO FORM INS. 30 1

APPENDIX A

PARTICULARS OF BOARD OF DIRECTORS

Name of Insurer

As at 31st December, 20.....

Serial Number	Full Name	Designation	Citizenship	Age	Residential Address	Academic	Professional	Years of Experience	Date of Appointment	Number of Shares held (See Note 1 below)	COURT CONVICTION (See Note 2 below)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (See ITEM 7(I) OF FORM NO INS. 30-1)			
											a	b	c	Nature	Na	Detail	

													of Bus ine ss	m e	s of Int ere st
1.															
2.															
3.															
4.															
5.															
6.															

Principal Officer

NOTES: 1. If the shareholding consists of two or more types of shares, details should be given separately of the type, number and total paid up values of each type of shares

If additional shares are held in the names of any relatives (who are not members of management staff themselves) of the members of management staff particulars of the same should be given separately.

2. Has there been in the past:

(a) Any conviction of an offence involving fraud or dishonesty?

(b) Any adjudication as bankrupt or benefit taken of any law for the relief of bankrupt or insolvent debtors or compounding with creditors or assignment or remuneration for benefit of creditors?

(c) Finding to be of unsound mind by a court of competent jurisdiction? Please state "Yes" or "No" in the above form and if the answer is "Yes" give full details separately.

3. If the space herein is insufficient, please use additional paper.

FORM INS. 30-1

APPENDIX B

PARTICULARS OF MANAGEMENT STAFF

Name of Insurer

As at 31st December 20.....

Serial Number	Full Name	Designation	Citizenship	Age	Residential Address	Academic	Professional	Years of Experience	Date of Appointment	Number of Shares held (See Note 1 below)	COURT CONVICTION (See Note 2 below)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (See ITEM 7(I) OF FORM NO INS. 30-1)			
											(a)	(b)	(c)	Nature of Business	Name	Details of Interest	
1.																	
2.																	
3.																	
4.																	
5.																	
6.																	
7.																	
8.																	

Date

Principal Officer

NOTES: 1. If the shareholding consists of two or more types of shares, details should be given separately of the type, number and total paid up values of each type of shares. If additional shares are held in the names of any relatives (who are not members of management staff themselves) of the members of management staff particulars of the same should be given separately.

2. Has there been in the post:

(a) Any conviction of an offence involving fraud or dishonesty?

(b) Any adjudication as bankrupt or benefit taken of any law for the relief of bankrupt or insolvent debtors or compounding with creditors or assignment or remuneration for benefit of creditors.

(c) Finding to be of unsound mind by a court of competent jurisdiction? Please state "Yes" or "No" in the above form and if the answer is "Yes" give details separately.

3. If the space herein is insufficient, please use additional paper.

APPENDIX C

TO FORM INS. 30-1

PARTICULARS OF DEPARTMENTAL STAFF

Name of Insurer:

As at December, 20.....

Department	NUMBER OF STAFF						Number of Staff who are not Kenya Citizens (Please See Note 2 below)
	Officers	Clerks	Stenographers/Typists	Messengers	Others	Total	
Underwriting.....							
.....							
Claims.....							

Administration.....							
Accounts.....							
Others (Please specify)							
TOTAL							

Date

Principal Officer

NOTE:

1. If any management staff listed in Appendix B is also included here, please indicate below as note.
2. If any of the departmental staff is not a Kenya Citizen, please give the name, citizenship and the date of expiry of the entry permit issued under the Immigration Act in a separate statement.
3. If any of the departmental staff holds any professional qualifications, such as A.C.I.I., F.C.I.I., A.C.A., etc, please give the name and professional qualifications in separate statement.

TO FORM NO. INS. 30-1

APPENDIX D

PARTICULARS OF AUDITORS, LEGAL ADVISERS AND ACTUARIES

Name of Insurer

As at 31st December,20.....

AUDITORS	Name of Firm	Address	Partners Names	Professional Qualifications	Since When
1					
2					

3					
LEGAL ADVISERS					
1					
2					
3					
ACTUARIES					
1					
2					
3					

Date:

Principal Officer

APPENDIX E TO FORM INS NO. 30-1

PARTICULARS OF MEMBERS OF INSURANCE INDUSTRY WHOSE SERVICES AVAILED OF

Name of Insurer:

As at 31st December, 20.....

Members of the Insurance Industry (1)	Name (2)	Address (3)	Nature of Work Handled (4)	Shareholding or other Interest (Please See Note 2) (5)	Registration Number (6)

Date:

Principal Officer

NOTES:

1. State here broker, agent or any other capacity in which the member is registered under the Act.
2. Please give information of number and type of shares held, amount, of shareholding and any other interest as per item 7(ii) of FORM INS. 30-1.
3. If the space herein is sufficient, please use additional paper.
4. Please mention in column (6) the reference number of the registration under the Insurance Act, 1984.

TO FORM INS. 30-1

APPENDIX F

LIST OF DOCUMENTS TO BE SUBMITTED

- A. Statements/documents and information required from an insurer applying for registration to the Commissioner:
- (a) A copy of the memorandum of association or other instrument or document which the applicant is constituted.
 - (b) A copy of the article of association or other rules of the applicant.
 - (c) A certified copy of the published prospectus, if any.
 - (d) A copy of each of the proposal and policy forms, endorsements and any form of written matter describing the terms or conditions of or the benefits to or likely to be derived from policies or intended to be used by the applicant.
 - (e) Statements of the premium rates, advantages and terms and conditions to be offered in connection with insurance policies and details of the bases and formulae from which those rates have been calculated.
 - (f) In connection that long-term, insurance business, a certificate by an actuary that the rates, advantages, terms and conditions proposed to be offered are sound and workable.
 - (g) Detailed statement of assets and liabilities as at the date of application.
 - (h) A description of all reserves with detailed descriptions of the method, bases and formulae for

calculating each of the reserves.

- (i) A certificate from the Central Bank of Kenya specifying the amounts and details of deposits made by the applicant under section 32 of the Act.
- (j) Certified copies of reinsurance contracts.
- (k) the prescribed fee and a certified copy of the receipt should be enclosed.

NOTE: - In case the applicant is a member of a tariff body in Kenya, in respect of one or more classes of insurance business, please mention, it whilst dealing with (e) and (f) above and indicate variations of any, made in policy wording and premium rating schedules from those provided under tariff regulations.

B. Statements required in terms of section 30(k) of the Act:

- (a) A photo-copy of the certificate of incorporation.
- (b) Financial forecasts as required under regulation 7(b).
- (c) An estimate of sources of business as required under regulation 7(c).
- (d) A summary of reinsurance treaties as per regulation 7(d).
- (e) Copies of drafts agreements as per regulation 7(e).
- (f) Copies or drafts of any standard agreements with brokers and agents as per regulation 7(f).
- (g) In the case of long-term insurance business, an actuary's certificate with regard to adequacy of financing arrangements as per regulation 7(g).
- (h) In the case of a new insurer or a new class of insurance business of an existing insurer, estimates of cost of installation and other information as per regulation 7(h).
- (i) Copies of accounts, statements and reports laid before shareholders as per regulation 7(i).
- (j) In the case of an insurer carrying on long-term insurance business, copies of valuation reports as per regulation 7(j).

NOTE: -

Items (b) to (h) above apply to an insurer who has not transacted insurance business before or where authorization is sought to transact a class of business not transacted before.

SECOND SCHEDULE

Deleted by L.N 104 of 2015

THIRD SCHEDULE

(s. 52 and r. 10)

**PART A
GENERAL INSURANCE BUSINESS-CLASSES AND SUB-CLASSES**

Serial Number	Class of Business	Brief Description of Class	Serial Number	Sub-Class of Business
1	Aviation Insurance	Aviation	10	Aviation
2	Engineering, Insurance including Contractor's Risks, Machinery Breakdown, Erection All Risks and Consequential Loss from Breakdown	Engineering	20	Contractor's All Risks
			21	Engineering Insurance-Others
3	Fire Insurance-Domestic Risks including House owners, Householders and other comprehensive package covers	Fire-Domestic	30	Fire-Domestic

4	Fire Insurance-Industrial and Commercial Risks and consequential loss from fire insurance	Fire-Industrial	40	Fire-Industrial
5	Liability Insurance-including public liability products' liability and professional indemnity	Liability	50 51 52	Products' Liability Professional indemnity Others liability
6	Marine Insurance	Marine	60 61	Marine Hull Marine Cargo
7	Motor Insurance-Private Vehicles	Motor-Private	70	Motor-Private
8	Motor Insurance-Commercial Vehicles Motor Insurance-Commercial PSV	Motor-Commercial Motor-Commercial	80 81	Motor-Commercial
9	Personal Accident Insurance	Personal Accident	90	Personal Accident and Sickness

				Health/Medical Expenses Insurance (where separate policies are issued)
			91	
10	Theft Insurance including Burglary, Cash-in-Transit and Fidelity Guarantee	Theft	100 101 102	Cash-in=Transit Fidelity Guarantee Burglary, All risks and other theft Insurance.
11	Workmen's Compensation and Employer's Liability Insurance	Workmen's Compensation	110	Workmen's Compensation and Employer's Liability
12	Medical insurance	Medical	120	Medical Insurance
13	Micro-Insurance	Micro	130	Micro-Insurance
14	Miscellaneous Insurance (i.e. class of business not included under those listed above)	Miscellaneous	140 141 142	Bond Insurance Livestock Insurance Crop Insurance

NOTE: The above classes and sub-classes shall have the meanings as per Part B of this Schedule unless otherwise defined in the Act or the Regulations.

PART B
GENERAL INSURANCE BUSINESS
DEFINITIONS OF CLASSES OF INSURANCE

Serial Number

For the purposes of these Regulations the following are the definitions of the classes of general insurance listed in Part A of this Schedule:

01 Aviation insurance business means the business of effecting and carrying out contracts of insurance –

(a) upon the aircraft or upon the machinery, tackle or furniture or equipment of aircraft;

(b) against damage arising out of or in connection with the use of aircraft or against risks incidental to construction, repair or landing of aircraft, including airport owners' liability and third party risks;

(c) against loss of life by accident, or injury by accident to aircrew members whilst performing or deemed to be performing their duties in accordance with their employment but does not include contracts of insurance in respect of risks of aviation excess of loss or crew loss of license.

02 *Engineering insurance business* means the business of effecting and carrying out contracts of insurance of various perils arising out of plant and machinery, such as explosion or collapse of boilers, breakdown and electrical or mechanical plant and lifts and cranes, and resultant damage to the insured's surrounding property and liability to third parties arising therefrom, also including contracts of insurance in respect of contract works covering damage to property on site however caused and third party liability arising therefrom.

Fire insurance business means the business of effecting and carrying out of contracts of insurance, otherwise than incidental to some other class of insurance business against loss of or damage to property due to fire, explosion, storm, and other occurrences customarily included among the risks insured against in fire insurance policies.

03 *Fire insurance business -Domestic Risks* means fire insurance of risks which are of private or personal use, that is, other than commercial or industrial use.

04 *Fire insurance business* – Industrial and Commercial risks means fire insurance of commercial or industrial risks which are not domestic risks.

05 *Liability insurance business* means the business of effecting and carrying out contracts of insurance against risks of persons insured incurring liabilities to third parties, not being risks arising out of, or in connection with the use of, vessels or aircraft or risks incidental to the construction, repair or docking of vessels or aircraft.

06 *Marine insurance business* means the business of effecting and carrying out contracts of insurance –

- (a) upon vessels or upon the machinery, tackle, furniture or equipment of vessels;
- (b) upon goods, merchandise or property of any description on board of vessels;
- (c) upon the freight of, or any other interest in or relating to, vessels;
- (d) against liability arising out of, or in connection with, the use of vessels;
- (e) against risks incidental to construction, repair or docking of vessels, including third-party risks;
- (f) against transit risks (whether the transit is by sea, inland water, land or air, or partly one and partly another), including risks incidental to the transit insured from the commencement of the transit to the ultimate destination covered by the insurance; or
- (g) against any other risks insurance against which is customarily undertaken in conjunction with, or as incidental to, the undertaking of such business as falls within this definition.

Motor insurance business – means the business of effecting and carrying out contracts of insurance against loss of, or damage to, or arising out of or in connection with the use of, motor vehicles, inclusive of third-party risks but exclusive of transit risks.

07 *Motor insurance business* – Private vehicles means motor insurance of private vehicles i.e. vehicles not used for business or other commercial purposes.

08 *Motor insurance business*-Commercial vehicles means motor insurance of commercial vehicles used for business and other commercial purposes

081 *Motor insurance business*-Commercial PSV means motor insurance of commercial PSV vehicles used for hire or reward that can carry 9 or more passengers

09 *Personal Accident Insurance business* means the business of effecting and carrying out contracts of insurance against risks of the person insured sustaining injury as the result of an accident or of a specified class or dying as the result of an accident or of an accident of a specified class or becoming incapacitated in consequence of disease or of disease of a specified class, not being contracts of Long-Term insurance business.

10 *Theft insurance business* means the business of effecting and carrying out contracts of insurance against loss of or damage to property due to theft or any other cause not covered under any other class and shall include the insurance of cash in transit, fidelity guarantee insurance and all risks insurance.

11. *Workmen's compensation insurance business* means the business of effecting and carrying out contracts of insurance against the liability of the employer to the employees in respect of any injury or disease arising out of and in the course of their employment.

12. *Medical insurance business* means the insurance business of paying for medical expenses, including the business of covering disability or long-term nursing or custodial care needs.

13. *Micro-Insurance business* means the authorized insurance business that provides protection accessible to the low income population, against specific perils in exchange for regular provision payments proportionate to that risk and managed in accordance with generally acceptable insurance principles

14. *Miscellaneous insurance business* the business of effecting and carrying out contracts of insurance which are not principally or wholly of any type or types included in other classes of business but shall include insurance of bonds of all types, insurance of livestock and crop insurance.

FORM NO. INS. 54-1

PART C
GENERAL INSURANCE BUSINESS-REVENUE ACCOUNTS

(To be completed in accordance with regulation 11 of the Insurance Regulations,1986)

Name of insurer

Year ending 31st December,20.....

Class of Business	Year ending 31st December,20.....															
	1	2	3	4	5	6	7	80	81	9	10	11	12	13	14	Total (01 to 12)
Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Motor PSV	Personal Accident	Theft	Workmen's Compensation	Medical Insurance	Microinsurance	Miscellaneous		
Gross Premium	1															
Reinsurance Premium	2															
Net Premium (1-2)	3															
Unearned Premium brought forward	4															
Additional unexpired risk reserve brought forward	5															

Unearned premium carried forward	6																			
Additional unexpired risk reserve brought forward	7																			
New Earned Premium (3+4+5-6-7)	8																			
Claims paid	9																			
Amount of claims outstanding at the end of the year	10																			
Amount of claims outstanding at the beginning of the year	11																			
Total claims incurred (9+10-11)	12																			
Commissions	13																			
Expenses of Management	14																			
Total Expenses (13-14)	15																			
Balance being underwriting profit or loss (8-12-15)	16																			
Increase (decrease) in the fund (3-9-13)	17*																			
Investment income receivable before deduction of tax	18																			
Other expenses	19																			

Gross profit or loss transferred to Profit & Loss Account (16+18-19)	20																	
Insurance fund at the beginning of the year	21																	
Insurance fund at the end of the year (17+18-19-21)	22																	

Date: *Auditor* *Director* *Director* *Principal Officer*

Items numbers 3, 9, 13, 14, 15, 17, 18, 19, 20, 21 and 22 only need to be completed in respect of class of business which is funded business which is funded business and items 17, 21 and should be omitted in respect of the class of business.

FORM NO. INS. 54-2

All amounts in Kenya Shillings

LONG-TERM INSURANCE BUSINESS-REVENUE ACCOUNTS

(To be completed in accordance with regulation 11 of the Insurance Regulation 1986)

Name of insurer Year ending 31st December, 91

Class of businesses	Life Assurance		Annuities	Personal Pensions & Deposit Administration	Group Life	Group Credit	Permanent Health	Uni Linked, Linked & Non-Linked Investments	Total Current Year
	Serial No.	31							
Gross premium	1								
Reinsurance Premium	2								

Net Premium (1-2)	3								
Claims outstanding									
- By death	4A								
- By Maturity	4B								
- Others (specify)	4C								
Total claims (4A+4B+4C)	5								
Surrenders (including surrender of bonus)	6								
Bonuses paid in cash or for deduction of premium	7								
Annuities paid	8								
Total benefits payment (6+7+8)	9								
Commissions	10								

Expense s of Manage ment	11								
Other expense s (specify)	12								
Total (10+11 +12)	13								
Investm ent income	14								
Investm ent expense s	15								
Transfe r to (or from) Profit and Loss Account	16								
Increas e or decreas e in the fund (3- 9- 13+14- 12+16)	17								
Insuran ce fund at the beginni ng of the year	18								
Insuran ce fund at the end of the year (17-18)	19								

Date: Auditor

Director

Director

Principal Officer

FORM INS. 54-3 Deleted by L.N 57/2012

FORM NO. INS 54-4

PROFIT AND LOSS ACCOUNT

(To be completed in accordance. Regulation 11 of the Insurance Regulations, 1966)

All amounts in Kenya Shillings

INCOME

Name of Insurer:

Year Ending 31st December, 20.....

Profit transferred from Revenue Accounts	1	
Investment income (not to any fund or account)	2	
TOTAL INCOME (1+2)	3	
OUTGO (4+5+6+7)		
Loss transferred from Revenue Accounts	4	
Management Expenses (not charged to any particular fund or account)	5	
	6	
Depreciation (not charged to any particular fund or account)	7	
Bad Debts (not charged to any particular fund or account)		
Total Outgoings (4+5+6+7)	8	
Profit or loss before taxation (3-8)	9	
Provision for taxation	10	
Profit or loss after taxation (9-10)	11	
APPROPRIATION		

Unappropriated profit/loss brought forward	12	
Total amount of profit available for appropriation (11+12)	13	
	14	
Transfers to reserves (specify)	15	
Dividends paid or proposed to be paid	16	
Other appropriation (specify)	17	
Unappropriated profit/loss carried forward (13-14-15-16)		

Dated: *Auditor* *Principal Officer*

Director

Director

NOTES

1. Under items 1 and 4, the amounts transferred from (1) Long Term and (2) General Insurance revenue accounts must be stated separately.

2. Amounts under items 2, 5, 6 and 7 should be those which do not pertain to any fund or account and as such are not included in the revenue accounts.

3. Where this account includes any amounts of dividends or other payments to shareholders, the financial year in respect of which those dividends or other payments are made shall be stated.

FORM NO. INS 54-5

BALANCE SHEET

LONG-TERM INSURANCE BUSINESS*/GENERAL INSURANCE BUSINESS

*(*Delete whichever is not applicable)*

All Amount in Kenya Shillings

As at 31st December,20.....

Name of Insurer

PART A		
1. Share Capital Issued		
Nominal Share Capital		
Less Nominal value of unissued shares.		
Nominal value of issued shares		
2. Share Capital Paid-up		
3. Reserves		
General		
Investment fluctuation		
Unappropriated surplus (if any)		
Other		
Sub Total		
Less Unappropriated deficit (if any)		
Total Reserves		
4. Total of Paid-up Capital and Reserves		
Represented by difference between total		
Assets and Liabilities as under:-		
PART B		
ASSETS		
5. Fixed Assets		
Land and buildings		
less depreciation		

Motor vehicles <i>less depreciation</i>			
Computer equipment <i>less depreciation</i>			
Furniture, fixtures, fittings and office equipment other than computer equipment <i>less depreciation</i>			
Fixed assets Other* <i>less depreciation</i>			
Sub-Total (5)			
6. Investments			
(i) Securities issued by: -Government of Kenya* -Local Government authorities -State Corporations* -Other organisations Prescribed under section 50(3) (d) of the Act			
Sub-Total (i)			
	Related bodies Corpor ate	Other	Total
(ii) Other *Ordinary Shares (Quoted on a Kenyan Stock Exchange) *Preference Shares (Quoted on a Kenyan Stock Exchange) *Preference Shares (Unquoted) *Debentures and notes (Quoted on a Kenyan Stock Exchange) *Debentures and notes (Unquoted) Loans secured			

-by mortgages on real property* - on personal property* - other* Loan on life insurance policies within their surrender value unsecured Loans to – - directors of the insurer or related bodies and the spouses of those directors - employees of the insurer - other* Deposits with - banks -non bank financial institutions - building Societies - others*			
Sub-Total (6) (ii)			
Sub-Total (6)(i)+(ii)			
7. Current Assets			
Cash Premiums outstanding**			
Amounts retained under reinsurance Contracts* Amount due from bodies engaged in - Insurance business** - Other business** Sundry debtors** Other*			
Sub-Total (7)			
8. Intangible Assets			
Goodwill Establishment expenses Other*			
Sub-Total (8)			
9. Total Assets (5+6+7+8)			
LIABILITIES			
10. Underwriting Provisions Long-term insurance business Statutory funds (to be specified)			

Premium provisions -Unearned premium provision - Other underwriting provisions*			
Sub-Total (10)			
11. Long-Term Liabilities			
Bank loans Amount due to related bodies engaged in - Insurance business (other than under reinsurance contracts) - Other business (excluding banking) Amount due to insurers (not being related bodies) Debentures Other Loans - Secured - Unsecured Other*			
Sub-Total (11)			
12. Current liabilities			
Provisions -Taxation -Dividends -Other provisions excluding Provisions for doubtful debts* Bank overdraft and bank loans Amounts due to related bodies engaged in - Insurance business - Other provisions (excluding banking) Amounts due to insurers (not being related bodies) Debentures Other loans Unsecured Sundry creditors			

Other			
Sub-total (12)			
13. Total liabilities (10+11+12)			
14. Difference between Total Assets and Liabilities (9-13)			

Date:

Director Auditor Principal Officer

Director

PART D
DIRECTIONS FOR THE PREPARATION OF FORMS
INS. Nos 54-1, INS 54-2, AND INS 54-3

1. A revenue account in the prescribed form should be prepared in respect of each class of business referred to in regulations 9 and 10.
2. The amount of premium is to be recorded in relation to the date on which the contract of insurance was incepted. In this connection "incepted" refers to the time when the liability to risk of the insurer under a contract of insurance commenced and, for this purpose, a contract providing permanent open cover should be deemed to commence on each anniversary date of the contract.
3. Premiums shall be shown less discounts, refunds and rebates.
4. Premiums, claims, surrenders and annuities shall be shown net of reinsurances and commissions shall be shown after taking into account commissions received on reinsurances ceded and commissions paid on reinsurances accepted.
5. If any sum has been deducted from an expenditure item and entered on the assets side of the Balance Sheet, the sum so deducted shall be shown separately.
6. All entries in the above forms shall be in respect of insurer's total business i.e. Kenya business and outside Kenya business.
7. Particulars of each item of expense or income, as the case may be, included in and which accounts for more than ten per centum of the amount shown in respect of "other" income or "other" expenditure shall be given.
8. The basis on which reserves for unearned premium, unexpired risks and incurred but not reported claims in respect of each class of general insurance business were calculated should be stated by way of

supplementary notes.

9. Where in respect of Aviation and/or Marine insurance business an insurer elects to account for the business on a three-year basis, he shall, in addition to the information furnished under Form INS. No 54-1, furnish the break-up in the Form INS. No. 54-3 and also attach a certificate, signed by the same persons as are required to sign the revenue account, stating whether the fund carried forward for each of the three years of account is, in their opinion sufficient.

**DIRECTIONS FOR PREPARATION OF THE BALANCE SHEET
FORM INS. 54-5;**

1. Separate balance sheets shall be furnished for General Insurance Business and for Long-Insurance Business.

2. An insurer when lodging with the Commissioner a statement in accordance with the above form in Third Schedule shall –

(a) where any asset which is encumbered is included in a class of assets for which class a value is given in the statement, attach particulars of the asset, the nature of the encumbrance and the amount secured by the encumbrance;

(b) attach particulars of all contingent liabilities of the insurer (including contingent liabilities arising from the endorsement of bills of exchange) other than liabilities under contracts of insurance;

(c) attach particulars of each liability and asset which accounts for more than ten per centum of the total amount shown in respect of each of the items marked on the above form with the symbol*; and

(d) deduct amounts for bad and doubtful debts in calculating the amounts to be inserted in respect of the items marked with the symbol**.

3. The value of an asset or liability shall be the value of that asset or liability as determined in accordance with such criteria as may be prescribed by a professional body of accountants, if any, or in accordance with generally accepted accounting concepts, bases and policies or other generally accepted policies or other accepted methods deemed by accountants practicing in Kenya to be appropriate for insurers transacting business in Kenya.

FOURTH SCHEDULE

(s. 57(1)(b) and r. t2)

PART A-PROVISIONS RELATING TO THE PREPARATION OF

ABSTRACTS OF ACTUARY'S REPORTS

SECTION I

PART I

1. Abstracts and statements shall be so arranged that the numbers and letters of the paragraph correspond with those of the provisions of section II of this Schedule.

2. The Actuary shall describe a valuation and the presentation of policy liabilities for the Insurer.

3. The Assumptions and method for determination of liability of policies shall be in accordance with generally accepted actuarial principles and as prescribed by the Authority.

4. The Actuary shall, in respect to long term Insurance, apply best estimate assumptions and allow for margins as prescribed by the Authority.

5. In regard to long term business, the average rate of interest earned or yielded in any year by the assets constituting a statutory fund shall, for the purpose of provision (5) or Part II of this Schedule, be calculated by dividing the interest of the year by the mean fund of the year; and for the purposes of any such calculation the interest of the year shall be taken to be the whole of the interest, dividends and rents credited to the statutory fund during the year after deductions of rates and taxes (any refund of rates or taxes made during the year being taken into account), and the mean fund of the year shall be ascertained by adding a sum equal to one half of the aggregate of the balance or balances of any revenue accounts or accounts and the balances of an reserve accounts in respect of the long-term insurance business to which the statutory fund relates at the beginning of the year to a sum equal to one half of the aggregate of balances of those account at the end of the year, and deducting from the aggregate of those two sums an amount equal to one half of the interest of the year.

6. Every abstract prepared in accordance with the requirements of Part II shall be signed by an actuary and shall contain a certificate to the effect that the Actuary is satisfied as to the accuracy of the valuation made for the purpose thereof and of the valuation data.

7. Notwithstanding the provisions of paragraph 6, the principal officer shall sign the certificate as to accuracy of the data and the actuary shall insert in the abstract a signed statement showing what precautions have been taken to ensure the accuracy of the data.

8. For the purposes of this Schedule-

"inter-valuation period" means, in relation to any valuation in respect of any class of business, the period to the valuation date of that valuation from the valuation date of the last preceding valuation;

"maturity date" means the fixed date on which any benefit will become payable either absolutely or contingently;

"premium term" means the period during which premiums are payable;

"valuation date" means, in relation to any valuation, the date as at which the valuation is made.

SECTION II

Part 1 -Inng-Term Business

The following documents shall be annexed to every abstract prepared in accordance with this Part of this Schedule:

(a) A summary and valuation in Form No. INS. 57-1 of this Schedule of the policies included at the valuation date in the class of business to which the abstract relates.

(b) A Valuation Balance Sheet in Form No. INS 57-2 of this Schedule; and

(c) A statement of specimen Policy Reserve Values and Minimum Surrender Values in Form No. INS 57-1 of this Schedule, and every such abstract shall show –

1. the valuation date.

2. the general principles and full details of the methods adopted in the valuation of each class of long-term insurance business including statements on the following matters-

(a) the method of allowing for the incidence and the frequency of the premium income.

(b) the methods by which provision has been made for the following matters, namely -

(c) payment of benefits or waiver of premiums during death,
disability or any other pre-defined condition in the contract.

3. the expense assumptions adopted taking into consideration the current and future expected experiences separately specified for each class of business.

4. the basis adopted in the distribution of surplus as between the insurer and policyholders, and how the basis was determined.

5. the general principles adopted in the distribution of surplus among policyholders, including statements on the following matters -

(a) how the principles were determined;

6. a statement of the actuarial opinion on the capital adequacy of the insurer.

Part 2-General Insurance Business

The following documents shall be annexed to every abstract prepared in accordance with this Part of this Schedule:

(a) A summary and valuation in Form No. INS. 57-1(b) of this Schedule of the policies included at the valuation date in the class of business to which the abstract relates.

(b) every such abstract shall show -

(i) the valuation date;

(ii) the general principles and details of the methodology applied in the valuation of each class of general insurance business:

(iii) a statement on the reliance and limitation of the data used in the valuation including statements on the following matters:

(a) Whether the data used in the valuation is on Accident Year, Underwriting Year or Reporting Year basis.

(b) Whether direct or indirect or both claims handling expenses were used in the valuation.

(c) The number of development years of data used in valuation, and where this varies by type of business, it should be disclosed.

(iv) a statement on the assumptions of development factors and ultimate loss ratios, expense rates and recoveries including a statement on the following matters:

(a) In relation to development factors and ultimate loss ratios chosen, disclose the assumptions underpinning development factors and ultimate loss ratios chosen in the valuation.

(b) In relation to the expense rate, disclose the assumption used on the direct or indirect claims expenses rate in the valuation and;

(c) In relation to recoveries, disclose how he has taken into account reinsurance and non-reinsurance recoveries and any assumption made relating to them in the process.

(v) a statement on whether there was a change to the valuation method used to determine Incurred but Not Reported (IBNR) claims compared to the previous review.

(vi) a statement on the sufficiency of the outstanding claims amount reported.

(vii) the basis adopted in the claim inflation during valuation.

(viii) the basis adopted in the claim history regarding the number of years taken for claims to run-off completely. This should be provided for each class of business.

(ix) the method adopted in determination of the Unearned Premium Reserve and the amount of reserves for each line of business.

(x) a statement on the comparison between Insurer's actual experience and previous valuation explaining any significant difference.

(xi) the actuary's opinion on the adequacy of the reserves.

(xii) a statement of the actuary's opinion on the capital adequacy of the insurer.

Part 3-Financial Condition Report

The actuary shall prepare the abstract of the Financial Condition Report in such form as shall be prescribed by the Authority.

2. The abstract of the Financial Condition Report shall outline material risks, their impact and implications to the financial condition of the insurer.

3. The abstract of the Financial Condition Report shall provide a statement on the recommendations intended to address each of the material risks identified.

4. The abstract of the Financial Condition Report shall provide a statement on the extent to which the insurer has addressed recommendations provided in the Financial Condition Report of the previous year.

Long Term Business																	
SUMMARY AND VALUATION OF THE POLICIES AS AT																	
57-1																	
	PARTICULARS OF THE POLICIES FOR VALUATION					VALUATION ON BASES DESCRIBED											
Insurance Policies	No of Policies	No of Lives	Sums Assured	Bonuses	Annual Office Premiums	EPV of Benefits	EPV of Bonuses	EPV of Expenses	EPV of Premiums	Best Estimate Liability	Prescribed Margin of Adverse Deviation	Gross Reserves Before Zeroisation	Negative Reserves	Gross Reserves After Zeroisation	Reinsurance	Net Liability	
With Profits-Individual Business																	
Life Assurance																	
Annuities																	
Personal Pensions																	
Linked Investments																	
Non-Linked Investments																	
With Profits-Group Business																	
Group Life																	

Group Credit																
Permanent Health																
Deposit Administration																
Without Profits-Individual Business																
Life Assurance																
Annuities																
Personal Pensions																
Linked Investments																
Non-Linked Investments																
Without Profits-Group Business																
Group Life																
Group Credit																
Permanent Health																

Deposit Administration																	

FORM NO. INS 57-1b

General Business

SUMMARY AND VALUATION OF THE POLICIES AS AT

Gross Technical Reserves					Net Technical Reserves						
Insurance Business	Outstanding Claims Reported	Incurred But Not Reported (IBNR) Claims Reserve	Unearned Premium Reserve (UPR)	Unexpired Risk Reserve (URR)	Outstanding Claims Reported	Incurred But Not Reported (IBNR) Claims Reserve	Unearned Premium Reserve (UPR)	Unexpired Risk Reserve (URR)	Margin of Adverse Deviation Reserve	Total Reserves	
Aviation											
Engineering											
Fire Domestic											
Fire Industrial											
Liability											
Marine											
Motor Private											
Property damage											

Liability										
Motor Commercial										
Property damage										
Liability										
Motor Commercial-PSV										
Property damage										
Liability										
Personal Accident										
Theft										
Workmens' Compensation										
Miscellaneous										
Medical										
Total										

FORM NO. INS 57-2

Long-Term Business

VALUATION BALANCE SHEET

Class of Business	Line	Life Assurance	Annuities	Personal Pensions & Deposit Administration	Group Life	Group Credit	Permanent Health	Unit Linked, Linked and Non Linked Investments	Total
Serial No.		31	32	33	34	35	36	37	
Net Actuarial Liability as shown in 57-1	10								
Surplus	11								
Total (10+11)	12								
Insurance fund as per Revenue Account Before Profit Transfer	13								
Deficiency if any	14								
Total (13+14)	15								

FORM NO. INS 57-1b

General Business

SUMMARY AND VALUATION OF THE POLICIES AS AT

Insurance Business	Gross Technical Reserves				Net Technical Reserves				Margin of Adverse Deviation Reserve	Total Reserves
	Outstanding Claims Reported	Incurred But Not Reported (IBNR) Claims Reserve	Unearned Premium Reserve (UPR)	Unexpired Risk Reserve (URR)	Outstanding Claims Reported	Incurred But Not Reported (IBNR) Claims Reserve	Unearned Premium Reserve (UPR)	Unexpired Risk Reserve (URR)		
Aviation										
Engineering										
Fire Domestic										
Fire Industrial										
Liability										
Marine										
Motor Private										
Property damage Liability										
Motor Commercial										
Property damage Liability										
Motor Commercial -PSV										
Property damage										

y										
Personal Accident										
Theft										
Workmens' Compensation										
Miscellaneous										
Medical										
Total										

PART II
FIFTH SCHEDULE (s.57 (3) and r. 13)
PROVISIONS RELATING TO THE PREPARATION OF STATEMENTS OF LONGTERM
INSURANCE BUSINESS

PART I

1. For the purposes of this Schedule-

"Office Premiums" means the actual premiums received by the company and for which credit is taken in the valuation in connection with which any statement is prepared, it is also called the "Gross Premium";

"valuation date" means, in relation to any valuation, the date as at which the valuation is made.

PART II

The statements required to be prepared under this Part are the following:

2. Statements separately prepared in respect of policies with immediate profits, with deferred profits, and without profits showing in quinquennial groups-

(a) in relation to policies in single lives for the whole term of life-

(i) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable throughout life grouped according to ages attained; and

(ii) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable for a limited number of years grouped in accordance with the grouping adopted for the purpose of the valuation;

(b) in relation to endowment insurance policies on single lives-

(i) the amount per annum, after deducting abatements made by application of bonus and office premiums payable grouped in accordance with the grouping adopted for the purposes of valuation;

(c) in relation to policies specified in the preceding provisions of this Schedule, under which a continuous disability benefit is granted -

(i) the amount per annum, after deducting abatements made by the application of bonus, of office premiums payable (including premiums of which payment is, at the valuation date, suspended owing to disability arising from sickness or accident), grouped according to the grouping adopted for the purposes of the valuation; and

(d) in relation to sinking fund policies-

(i) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable grouped according to the number of years' payments remaining to be made.

PART III
SIXTH SCHEDULE (s. 57(5) and r.14)
REGULATIONS RELATING TO ACTUARIAL VALUATION OF LIABILITIES

1. The value placed upon the aggregate liabilities of a statutory fund in respect of policies by reason of the adoption of any basis of valuation shall not be less than it would have been if it had been calculated as prescribed by the Authority.
2. The actuary who makes the valuation shall certify whether, in his opinion, the value placed upon the aggregate liabilities of a statutory fund in respect of policies by the valuation is not less than the value which would have been placed upon those aggregate liabilities if it has been calculated as prescribed by the Authority.

PART IV
SEVENTH SCHEDULE (s. 58(3) and r. 15)

RULES FOR THE CALCULATION OF THE VALUE OF LIABILITIES ON THE
PRESCRIBED BASIS

1. The rates of mortality to be used in calculating the liability under a policy shall be as prescribed by the Authority.
2. The discount rates to be used in calculating the liability under a policy shall be as prescribed by the Authority.
3. The margins, in respect to long term Insurance, to be applied in addition to the best estimate assumptions shall be as prescribed by the Authority.
4. The liability calculated shall be the present value of all prospective cash flows.
5. All negative reserves shall be zeroised.

PART V
EIGHTH SCHEDULE (r. 16)

ACTUARY'S CERTIFICATE

I,offull name)
..... being an Actuary duly qualified
(business address)

in terms of section 2 of the Insurance Act having conducted an investigation in terms of section 57 and 58 of that Act, do hereby certify as under:

- (a) that in my opinion the value placed upon the aggregate liabilities relating to the in respect of policies
(statutory fund)

on the basis of valuation I have adopted is not less than what it would have been if the aggregate value had been calculated on the prescribed basis;

(b) that necessary steps as required under section 58(5)(a) were taken; and

(c) that I am satisfied that the value of assets I have adopted are on the basis of the auditor's certificates appended to the balance sheet, fully of the value so adopted.

.....
Date

.....
Actuary

NINTH SCHEDULE

NOTES TO FORM NOS. INS59-1 TO 59-12

1. Separate statements need to be furnished in respect of –

(a)(i) Kenya business and
(ii) outside Kenya business;

(b)(i) Long-Term business and
(ii) General insurance business;

(c)(i) Inward reinsurance and
(ii) Outward reinsurance business;

Unless the references on the form indicate otherwise.

2. Reference may be made to Part A of Third Schedule with regard to Class and Sub-Class of General Insurance business.

3. All premium amounts shall be taken after deduction of return premiums and rebate and shall include extra or additional premiums. In this context, gross direct premiums shall mean premiums in respect of direct business, and inward reinsurance premiums shall mean amounts of premiums received by way of reinsurances accepted. Outward reinsurance premiums shall mean amounts of premiums ceded by way of reinsurance.

4. Amounts of commission which shall include brokerage fee or other remuneration paid to an intermediary shall be shown separately under appropriate headings and not deducted from premium amounts.

5. Claim amounts shall include claims expenses and amounts of outstanding claims provision shall include provision for incurred but not reported except where required to be shown separately.

6. Particulars of portfolio transfers made during the year should be furnished in a separate statement.

7. Care should be taken to ensure that the amounts stated in the various forms in this Schedule are consistent amongst themselves and with those in the revenue accounts.

8. If the space in any form is inadequate give the required information in a separate statement.

9. KRC means Kenya Reinsurance Corporation.

10. Africa Re means African Reinsurance Corporation.

FORM NO. INS. 59-1A

STATEMENT OF PREMIUM INCOME
***LONG-TERM INSURANCE BUSINESS**
***KENYA BUSINESS/OUTSIDE KENYA BUSINESS**
 *(Delete whichever is not applicable)

Name of Insurer:

Year ending 31st December, 20.....

Class of Business		Life Assurance	Annuities	Personal Pensions & Deposit Administration	Group Life	Group Credit	Permanent Health	Unit Linked, Linked & Non-linked investments	Total Current Year
Serial number		31	32	33	34	35	36	37	
Gross Direct Premium	1 2								
Inward Reinsurance Premium									
Outward Reinsurance Premium									

NET PREMIUM	4								
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Date

Auditor

Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS.59-1B

STATEMENT OF PREMIUM INCOME GENERAL INSURANCE BUSINESS

(KENYA BUSINESS OUTSIDE KENYA BUSINESS)*

(Delete whichever is not applicable)

Class of Business	Aviation	ENGINEERING		Fire Domestic	Fire Industrial	LIABILITY	MARINE AND TRANSIT		Motor Private	Motor Commercial
	(01	2		3	4	5	6	7	080	
Sub-Class of Business	Aviation	Car	Others	Fire Domestic	Fire Industrial	Products Liability	Marine Cargo	Marine Hull	Motor Private	Motor Commercial
	10	20	21	30	40	50	60	62	70	80
Gross direct premium	1									
	2									
Outward reinsurance premium	3									

Net premium (1+2-3)	4									
Premium reserved at the beginning of the year	5									
	6									
-Any other	7									
TOTAL (5+6) ...										
Premium reserve at the beginning of the year	8									
	9									
-Any other	10									
TOTAL (8+9)..	11									
Earned premium for the year (4+ 7-10) ...										

Date:

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply

STATEMENT OF PREMIUM INCOME
GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*
(Delete whichever is not applicable)

Name of Insurer:

All amounts in Kenya Shillings
Year ending 31 December, 20.....

Class of Business	Motor or PSV 081	Personal Accident 09	THEFT 10				Workmen's compensation 11	MISCELLANEOUS 12			Grand Total 13
			Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risks others 102		Bond 120	Crop 121	Live stock 122	
Gross direct premium	1										
inward reinsurance premium	2										
Outward reinsurance premium	3										

Net premium (1+2-3)	4										
Premium reserved at the beginning of the year	5 6 7										
Earned premium											
Any other											
TOTAL (5+6) ...											
Premium reserved at the end of the year...	8 9 10										
Earned premium											
Any other											

TOTAL (8+9)...												
Earned premium for the year (4+7-10) ...	1	1										

Date

Auditor

Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS. 59-2

**STATEMENT OF INCURRED CLAIMS-INCIDENTS OCCURRING IN PREVIOUS YEARS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)***

(*Delete whichever is not applicable)

All amounts in Kenya Shilling

Name of Insurer

Year ending 31 December, 20.....

CLASS OF BUSINESS	AVIATION (01	ENGINEERING 02		FIRE DOMESTIC 03	FIRE INDUSTRIAL 04	LIABILITY 05			MARINE AND TRANSIT 06			MOTOR PRIVATE 07
		CAR	Others			Producers	Prof. Industrial	Others	Marine Cargo	Other	Marine Hull	
<i>Sub-Class of Business</i>	<i>Aviation</i> 010	<i>CAR</i> 020	<i>Others</i> 021	<i>Fire Domestic</i> 030	<i>Fire Industrial</i> 040	<i>Producers</i> Lia	<i>Prof. Industrial</i> 051	<i>Others</i>	<i>Marine Cargo</i> 060	<i>Other</i> T	<i>Marine Hull</i>	

						<i>bil</i> <i>y</i> 050	0 5 2		<i>r</i> <i>a</i> <i>n</i> <i>s</i> <i>i</i> <i>t</i> 061	06 2
Gross direct business	1 2 3									
Claims outstanding at end of ...	4									
Current year										
The preceding year										
Incur red claim s (1+2-3)										

Inward reinsurance business:	5										
Claims paid.	6										
Claims outstanding at the end of:	7										
Current year											
The preceding year											
Inurred claims (6+7-8)	8										
Claims paid	9										
Claims outstanding	10										
	11										

andin g at the end of:											
Current year											
Prece ding year											
Incur red claim s (9+1 0-11 Net Busin ess	1 2										
Claim s paid Claim s outst andin g at the end of: Current year The prece	1 3 1 4 1 5										

ding year												
Incur red claim s (13+ 14+ 15	1 6											

Date

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM No. INS. 59-2-(contd.)

STATEMENT OF INCURRED CLAIMS-INCIDENTS OCCURRING IN PREVIOUS YEARS

(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)

(*Delete whichever is not applicable)

All amounts in Kenya Shillings

Name of Insurer

Year ending 31 December 20.....

	Motor Commercial	Personal Accident	THEFT	Workm en's compen sation	Medic al Insur ance	MISCELLA NEOUS	Gran d Total
	8	9	10	11	12	13	

Sub Class of Business		Motor Commercial	Motor PSV	Personal Accident & sickness 090	Health	Cash in Transit	Burglary all risks others	Workmen's compensation	Any other	
		80	81		91	100	102	110	##	
Gross direct premium										
..... inward reinsurance premium	1									
..... Outward reinsurance premium	2									
.....	3									
Net premium (1+2-3)	4									
Premium reserved at the beginning of the year	5									
.....										

Earned premium Any other TOTAL (5+6) ...	6 7									
Premium reserved at the end of the year... Earned premium Any other TOTAL (8+9)...	8 9 10									
Earned premium for the year (4+7-10) ...	11									

Date:

NOTE: Read the note in the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS 59-3A

**STATEMENT OF INCURRED CLAIMS
-LONG TERM INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*
(*Delete whichever is not applicable)**

Class of business		Life Assurance	Annuities	Personal Pensions & Deposit Administration	Group Life	Permanent Health	Unlinked, Linked & Non-Linked Investments	Total Current Year
Serial number		31	32	33	34	36	37	
Gross direct business	1							
Claims paid	2							
.....								
Claims outstanding as at the end of	3							
-Current year	4							
.....								
.....								
-Preceding year								
.....								
Inward reinsurance business	5							
.....								
Claims paid	6							
.....								
Claims outstanding as at the end of	7							

-Current year	8							
-Preceding year								
Incurred claims 5+6-7)								
Outward reinsurance business	9							
Claims paid	1 0							
Claims outstanding as at the end of	1 1							
-Current year	1 2							
-Preceding year								
Incurred claims (9+10-11).....								
Net Business	1 3							
Claims paid	1 5							
Claims outstanding as at the end of								
-Current year (3+7-11)								

-Preceding year (2+6-10)									
Incurred claims 5+6-7)									
Incurred claims (4+8-12) or (13+14-15)	1 6								

Date: Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM No. INS. 59-3B

**STATEMENT OF INCURRED CLAIMS-INCIDENTS OCCURRING IN PREVIOUS YEARS
AND TOTAL INCURRED CLAIMS-GENERAL INSURANCE BUSINESS**

(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*

(*Delete whichever is not applicable)

All amounts in Kenya Shillings

Name of Insurer:

Year ending 31 December, 20.....

CLASS OF BUSINESS	AVIATION		ENGINEERING		FIRE DOMESTIC	FIRE INDUSTRIAL	LIABILITY			MARINE AND TRANSIT		Mot or Private
	1	2	3	4	5	6	7					
Sub-Class of Business	Aviation 10	Car 20	Others 21	Fire Domestic 30	Fire Industrial 40	Products Liability 50	Prof. Industrial 51	Others 52	Marine Cargo 60	Other Transit 61	Mot or private 70	
Incidents Occurring During the Current Year:	1											

Gross direct business claims paid												
..... Claims outstanding at the end of the year.....	2											
..... Incurred claims (1+2)	3											
Inward reinsurance business:	4											
Claims paid	5											
..... Claims outstanding at the end of the year	6											
..... Incurred claims (4+5).....												
.....												
Outward reinsurance business:	7											
Claims paid	8											
.....												

Claims outstanding at the end of year	9										
Incurred claims (7+8)											
Net business:	#										
Claims paid (1+4-7)	#										
Claims outstanding at the end of the year	#										

Date

Auditor

Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM No. INS. 59-3B-(Contd.)

**STATEMENT OF INCURRED CLAIMS-INCIDENTS OCCURRING IN PREVIOUS YEARS
AND TOTAL INCURRED CLAIMS-GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)***

*(*Delete whichever is not applicable)*

All amounts in Kenya Shillings

Name of Insurer:

Year ending 31st December, 20.....

CLASS OF BUSINESSES	MOTOR COMMERCIAL		PERSONAL ACCIDENT		THEFT			WORK MEN COMPENSATION	MISCELLANEOUS			TO TAL
	8		9		10			11	12			
Sub-Class Business	Motor Commercial	Motor PSV	Personal Accident & Sickness	Health	Cash in Transit	Fidelity Guarantee	Burglary all risk and others	Work men's compensation	Bond	Crop	Live stock	Any other
	80	81	90	91	100	101	102	110	120	121	122	
Incidents Occurring During the current Year: Gross direct business												
Claims paid												
Claims outstanding at the end of the year												
...												

Incurr ed claims (1+2)											
Inwar d reinsu rance busine ss:	4										
Claim paid	5										
Claim s outsta nding at the end of the year	6										
Incurr ed claims (4+6)											
Outwa rd reinsu rance busine ss:	7										
Claim s paid	8										
Claim s outsta nding at the end of year	9										

Incurr ed claims (7+8)												
Net busine ss: Claim s paid (1+4-7)	#											

FORM NO. INS. 59-3B

**STATEMENT OF INCURRED CLAIMS-INCIDENTS OCCURRING IN THE CURRENT YEAR
AND TOTAL INCURRED CLAIMS-GENERAL INSURANCE BUSINESS**

(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)

(*Delete whichever is not applicable)

All amounts in Kenya Shillings

Name of Insurer

Year ending 31st December 20.....

CLASS OF BUSINES S	MOTO R COMM ERCIAL	PERSONAL ACCIDENT				THEFT		WORK MENS COMPE NSATIO N	MISCELLANEO US			TO TA L
		8	9		10		11	12			13	
Sub-Class Business	Motor Com merci al	Motor PSV	Pers onal Acci dent	He alt h	Cas h in Tra nsit	Fidel ity Guar ante e	Bur glar y all risk	Workme n's compens ation	Bo nd	Cr op	Live stoc k	An y oth er
	80	81	80	91	#	#	102	120	121	#	#	123
Claim s outsta nding at the end of year 2+5-8	11											

Provision of incurred but not reported claims	1 2												
Total incurred claims (10+11+12)	1 3												
Incident Occurring in the previous years: Net incurred claims.	1 4												
Total Incurred Claims (13+14)	1 5												
Earned premium for the year	1 6												

Incurr ed claim s ratio (15/1 6) x 100	1 7														
--	--------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Date:

Auditor

Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS. 59-4

STATEMENT OF UNDERWRITING BALANCES
GENERAL INSURANCE BUSINESS
 (KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*
 (*Delete whichever is not applicable)

Name of Insurer:

All amounts in Kenya shillings :
 Year ending 31st December, 20.....

CLASS OF BUSINES S	AVIATION		ENGINEERING		FIRE DOM ESTIC	FIRE INDUS TRIAL	LIABILITY			MARINE AND TRANSIT			MOT OR PRIV ATE
	(01		02		03	04	05			06			07
Sub-Class of Business	Aviati on		Ca r	Oth ers	Fire Dome stic	Fire Indust rial	Prod ucts Liabi lity	Prof. Indu strial	Oth ers	Mar ine Car go	Oth er Tra nsit	Mar ine Hul l	Moto r Priv ate
	010		02 0	021	030	040	050	051	052	060	061	062	070
(A) Business which is not funded:	1												
Earned premium (net)	2												
Incurred claims (net)	3												
Commissi on(net)	4												
Managem ent expenses													
Total outgo (2+3+4)	5												
Underwri ting surplus or deficit (1-5)	6												

(B) Business which is funded Net premium s written	7												
Clams paid (net) incident occurring in previous year	8												
Current year	9												
Total (8+9).....	10												
Total outgo (3+4+10) ..	11												
Increase or decrease in the fund (7- 11)	12												

Date: Auditor Principal Officer

NOTES: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS. 59-4(Contd)

STATEMENT OF UNDERWRITING BALANCES
GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*
*(*Delete whichever is not applicable)*

Name of Insurer:

All amounts in Kenya Shillings

CLASS OF BUSINESS	MOTOR COMMERCIAL		PERSONAL ACCIDENT		THEFT			WORKMENS COMPENSATION	MISCELLANEOUS			TOTAL	
	08	08	09	09	10	10	10	11	12	12	12		
Sub-class of Business	Motor Commercial 080	Motor PSV 081	Personal Accident and sickness 090	Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risks and others 102	workmen's compensation 110	Bond 120	Crop 121	Livestock 122	Any other	
(A) Business which is not funded: Earned premiums (net,	1												
Incurr ed claims (net) Com missi on (net)	2 3 4												

..... Managem ent Expenses												
Total outgo (2+3+ 4)	5											
Under writing surpl us or deficit (1-5)	6											
(B) Busin ess which is funde d Net premi ums writte n	7											
Claim s paid (net) Incide nts occur ring in previ	8											

ous years ...												
Curre nt year	9											
Total (8+9)	10											
Total outgo (3+4+ 10)	11											
Increa se or decre ase in the fund (7- 11)	12											

Auditor

Principal Officer

NOTE: Read the notes to the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS. 59-5

**STATEMENT OF COMMISSION AND MANAGEMENT EXPENSES
ACTUAL EXPENDITURE**

Name of Insurer:

All amounts in Kenya Shillings

	LONG-TERM INSURANCE BUSINESS			GENERAL INSURANCE BUSINESS			TOTAL BUSINESS		
	Kenya (1)	Outside Kenya (2)	Total (1+2) (3)	Kenya (4)	Outside Kenya (5)	Total (4+5) (6)	Kenya (1+5) (7)	Outside Kenya (2+5) (8)	Total (3+6) (9)
A. Commission/brokerage on Gross direct business									
B. Management Expenses									
Salaries									
Traveling Expenses									
Contribution to staff									
Superannuation provident fund									
Staff Welfare Expenses (specify)...									
DIRECTORS –Fees									
Other Expenses (specify)									
Legal Expenses									

Auditors Fees									
Actuary's Fees									
Medical Fees (for Long-term Business)									
Office-Rent									
Repairs.....									
Electricity, water									
Insurance premium									
Office Machines (Specify) Hire and Maintenance charges Depreciation Charge									
Repair charges									
Public Advertisers.....									

FORM NO. INS. 59-5(Contd)

**STATEMENT OF COMMISSION AND MANAGEMENT EXPENSES
ACTUAL EXPENDITURE**

Name of Insurer:

All amounts in Kenya Shillings
Year ending 31st December, 20.....

	LONG-TERM INSURANCE BUSINESS			GENERAL INSURANCE BUSINESS			TOTAL BUSINESS		
	Kenya (1)	Outside Kenya (2)	Total (1+2) (3)	Kenya (4)	Outside Kenya (5)	Total (4+5) (6)	Kenya (1+4) (7)	Outside Kenya (2+5) (8)	(Total 3+6) (9)
Publicity and Advertising									

Printing and stationery									
Postage including telex/cable									
Telephone									
Bad debts written off									
Motor Vehicles... Hire and maintenance charges Depreciation charges									
Repair charges									
Insurance premium									
Other expenses (Specify)									
Total Expenses of Management									
C. Total Actual Expenditure (A)+(B)									

Date

Auditor

Principal Officer

FORM NO. INS. 59-5 - (Contd.)

NOTES

1. Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

2. The columns (1), (4) and (7) refer to Kenya Business and columns (2), (5) and (8) refer to Outside Kenya Business.

3. The expenses wherever incurred should be shown under the appropriate column (1) or (2) and (4) or (5) depending on whether they pertain to Kenya business or Outside Kenya business. Accordingly, details of expenses incurred in Kenya pertaining to Outside Kenya business or vice versa and any apportionment of common expenses indicating the basis of such apportionment should be furnished in a separate statement.

FORM NO. INS. 59-6

**PARTICULARS OF REINSURANCE TREATIES
INWARD/OUTWARD REINSURANCE*
KENYA BUSINESS/OUTSIDE KENYA BUSINESS*
LONG TERM/GENERAL INSURANCE BUSINESS*
(*Delete whichever is not applicable)**

All amounts in Kenya shillings
Year ending 31st December, 19

Name of Insurer:

Class of Business	Sub-class of Business	Type of Treaty (1)	NET RETURN IN RESPECT OF		REINSURANCE TREATY LIMITS			Inception Date (7)	REINSURANCE TERMS				REINSURANCE PREMIUMS AND CLAIMS RECOVERIES FOR PRECEDING THREE YEARS						
			any one Risk (2)	any one Event (3)	Percentage or Number of Lines (5)	Per Risk (6)	Per Event (6)		Commission Minimum Premium % (8)	Profit Commission Maximum Premium (9)	Minimum and Deposit Premium	Rate of Brokerage % (11)	Premiums (12)	Claims (13)	Premiums (14)	Claims (15)	Premiums (16)	Claims (17)	

			(
			3															
)															

Notes:

1. Read the notes in the Ninth Schedule to the Insurance Regulations and comply.
2. With reference to net retention under columns (2) and (3), attach a separate statement of maximum expected loss in respect of each treaty.
3. For a quota share treaty, both the percentages and amounts of net retention and maximum treaty limit need to be mentioned.
4. Different layers of cover under a non-proportional treaty need to be mentioned separately.
5. Under column (7), period for which a treaty is applicable should be stated only if the treaty is for not twelve months (for General insurance business) or if it is for a specified period (for long-term insurance business).
6. Under column (8) and (9), the commission and profit commission rates are required in respect of proportional treaties and minimum and maximum rates in respect of non-proportional treaties.
7. Under columns (12) to (17), give the amounts of reinsurance premiums paid and claims recoveries made under the treaty for the preceding three years.

FORM NO. INS 59-7

**REINSURANCE TREATIES-PARTICULARS ABOUT
 BROKERS AND INSURERS PARTICIPATING
 LONG-TERM-GENERAL INSURER BUSINESS
 INWARD/OUTWARD REINSURANCE***
*(*Delete whichever is not applicable)*

Broker(s)	INSURER(S) PARTICIPATING IN THE TREATY
-----------	--

Class (1)	Sub-Class covered (2)	Type of Treaty (3)	Name (4)	Address (5)	Name (6)	Address of registered Office (7)	Shareholder's Funds (8)	Percentage share in Treaty (9)	Since when on your reinsurance programme (10)	If the treaty includes risks outside Kenya also, is it possible to ascertain premium in respect of such risk? If so, please state the basis (11)

Date: Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS. 59-8

**PARTICULARS OF INSURANCE BUSINESS NOT COVERED
BY ANY REINSURANCE ARRANGEMENT
LONG TERM/GENERAL INSURANCE BUSINESS*
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*
(*Delete whichever in not applicable)**

<i>Class of business</i> (1)	<i>Sub-Class of Business</i> (2)	<i>Risk</i> (3)	<i>MAXIMUM POSSIBLE LOSS IN RESPECT OF ANY ONE Event</i> (4)	<i>AREA/country in which risk is located</i> (5)	<i>Total premium written during the year</i> (6)	<i>Total claims paid during the year</i> (7)	<i>Reasons why reinsurance arrangement was not made</i> (8)

Date: Principal Officer

- NOTES: 1. Read the notes in the Ninth Schedule to the Insurance Regulations and comply.
2. If the information given herein does not pertain to an entire class or sub-class of business, please describe the precise business involved.
3. Reinsurance arrangement means reinsurance treaty or facultative placement other than mandatory cessions.

FORM INS. 59-9A

**STATEMENT OF REINSURANCE PREMIUM
LONG-TERM INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)
(*Delete whichever is not applicable)**

All amounts in Kenya Shillings

Name of Insurer: _____ Year ending 31st December, 20.....

Class of business		Life Assurance	Annuities	Personal Pensions & Deposit Administration	Group Life	Group Credit	Permanent Health	Unlinked, Linked & Non-Linked Investments	Total Current Year
Serial number		31	32	33	34	35	36	37	

Inward reinsurance Premium - Treaty Facultative	1 2								
Total (1+2)	3								
Reinsurance Premium Ceded to Local Insurers by way of - Treaty Facultative Total (4+5)	4 5 6								
Overseas Insurers by way of - Treaty Facultative	7 8								
Total (7+8)	9								
Total Reinsurance Premium Ceded (6+9) Mandatory cessions -	1 0 1 1 1 2								

Under Section 145(1)									
Under Section 145(2)									
Total (111+2)	1 3								
Cessions to Africa Re	1 4								
Total Reinsurance Premium - Inward - for KRC (3+14)..... for Others (3)..... Outward - for KRC (10+14) for others (10+13+14)	1 5 1 6								

Date:

Auditor

Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM No. INS. 59-9B

**STATEMENT OF REINSURANCE PREMIUM GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)**

*(*Delete whichever is not Applicable)*

CLASS OF BUSINESSES		MOTOR COMMERCIAL 08	PERSONAL ACCIDENT 9	THEFT 10				WORK MEN'S COMPENSATION 11	MISCELLANEOUS 12				TOTAL
Sub-Class of Business		Motor PSV	Personal Accident and sickness	Health	Cash in Transit	Fidelity Guarantee	Burglary all risk	Work Compensation	Bond	Crop	Live stock	Any other	
	80	81	90	91	100	101	Others 102	110		121	122	123	
Inward Reinsurance premium: Treat y Facultative	1 2												
Total (1+2)	3												
Reinsurance Premium ceded to Local Insurance by way of:	7												

Treaty Facultative	8												
Total (7+8)	9												
Total Reinsurance premium Ceded (6+9)	10												
Mandatory Cessions:.. Under sec. (145(1)).... Under sec. (145(2))..	11 12												
Total (11-12)	13												
Cessions to Africa Re..... ... Total Reinsurance premium:	14												
Inward	15												

For other s (3)														
Outward For KRC (10+1 4) ... For other s (10+1 3+14)	1 6													

FORM No. INS. 59-9B

**STATEMENT OF REINSURANCE PREMIUM GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUT SIDE KENYA BUSINESS*)**

*(*Delete whichever is not Applicable)*

CLASS OF BUSINESS	AVIA TION 01	ENGINE ERING 02		FIRE DOM ESTIC 03	FIRE INDUS TRIAL 04	LIABILITY 05			MARINE AND TRANSIT 06			MOT OR PRIV ATE 07	
		Sub- class of Busine ss	Aviati on 010	Ca r 02 0	Oth ers 021	Fire Dome stic 030	Fire Indust rial 040	Prod ucts Liabi lity 050	Prof Indu strial 051	Oth ers 05 2	Mar ine Car go 060	Oth er Tra nsit 061	Mar ine Hul l 062
Inwar d Reinsu rance premi um:	1 2												

Treasu ry													
Facult ative													
Total (1+2)	3												
Reinsu rance premi um code to local insure rs by way of: Treaty Facult ative	4 5												
Total (4+5)	6												
Overse as insure rs by way of: Treaty Facult ative	7 8												

Total (7+8)	9											
Total Reinsurance premium	0											
Ceded (6+9)	1											
Mandatory cessions:	1											
Under sec. 145(1)	1											
Under sec. 145(2)	2											
Total (11+12)	13											
Cessions of Africa Re	1											
Total Reinsurance premium inward:	5											
For KRC. (3+3)	16											

Outward											
For KRC. (10+14)											
For others (10+13+14)											

Date: Auditor Principal Officer

NOTE: Read note in the Ninth Schedule to the Insurance Regulations and comply.

FORM NO. INS 59-10A

**STATEMENT OF COMMISSION
LONG-TERM INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)
(*Delete whichever is not applicable)**

All amounts in Kenya Shillings

Name of Insurer . Year ending 31st December, 20.....

Class of business		Life Assurance	Annuities	Personal Pensions & Deposit Administration	Group Life	Group Credit	Permanent Health	Unlinked, Linked & Non-Linked Investments	Total Current Year
Serial number		31	32	33	34	35	36	37	
Commission in Respect of	1 2								

Direct Business	3								
Inward Reinsurance Business									
- Treaty									
- Facultative									
Total (2+3)	4								
Mandatory Cessions	5								
.....	6								
..									
-Under Section 145(1)									
-Under Section 145(2)									
Total (5+6)	7								
Outward Reinsurance Business	8								
- Local treaty	9								
- Facultative									

Total (8+9)	1 0								
Overseas treaty	1 1								
- Facultative	1 2								
- Total (11+12)	1 3								
Total (10+13)	1 4								
Net Business	1 5								
- KRC (1+4+7-14)									
- Others (1+4-7-14)									

Date: Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM No. INS. 59-10B

**STATEMENT OF COMMISSION
GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)
(*Delete whichever is not applicable)***

CLASS OF BUSINESS	AVIATION	ENGINEERING	FIRE DOMESTIC	FIRE INDUSTRIAL	LIABILITY	MARINE AND TRANSIT	MOTOR PRIVATE
	01	02	03	04	05	06	07

Sub-class of Business		Aviation 010	Car 020	Others 021	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof Industrial 051	Others 052	Marine Cargo 053	Other Transit 060	Marine Hull 061	Motor Private 079
Commission in Respect of: Direct Business. Treaty	1 2 3												
Facultative													
Total (2+3)	4												
Mandatory cessions; Under sec. 145(1) Under sec. 145(2)	5 6												
Total (5+6)	7												
Outward Reinsu	8 9												

Insurance Business:													
Local-Treaty													
Local-facultative													
Total (8+9)	10												
Overseas-treaty	11												
Overseas-facultative	12												
Total (11+12)	23												
Total (10+13)	34												
Net Insurance Business:	35												
KRC (1+4+7+14)													
OTHERS (1+4-7-14)													

Date: Auditor:

NOTE: Read in the Ninth Schedule to the Insurance Regulations and comply.

**STATEMENT OF COMMISSION
GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)**

FORM No. INS. 59-10B

CLASS OF BUSINESS		MOTOR COMMERCIAL 8		PERSONAL ACCIDENT 9		THEFT 10			WORK MENS COMPENSATION 11	MISCELLANEOUS 12				TOTAL
		Motor commercial 80	Motor PSV 81	Personal Accident & sickness 90	Health 91	Cash in Transit 101	Fidelity Guarantee 102	Burglary all risk and others 103		Work men's compensation 110	Bond 120	Crop 121	Liability 122	
Commission in respect of: Direct Businesses	1													
Inward Reinsurance Business:	2													
Treaty	3													
Facultative total(2+3)	4													
Mandatory Cessions Under sec, 145(1)	5													

Under sec. 145(2)	6						
Total (5+6)	7						
Outward Reinsurance Business: Local Treaty	8						
Local facultative	9						
Total (8+9)	10						
Overseas Treaty	11						
Overseas facultative	12						
Total (11+12)	13						
Total (10+12)	14						
Net business: KRC (1+4+7+14) Others (1+4+7+14)	15						

Date:

NOTE: Read the notes in the ninth Schedule to the Insurance Regulations and comply.

FORM No. INS. 59-11

**STATEMENT OF LONG-TERM INSURANCE BUSINESS
(INDIVIDUAL/GROUP INSURANCES*)
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)
(*Delete whichever is not applicable)***

Name of Insurer

All amounts in thousands of Kenya Shillings
Year ending 31st December,

CLASS OF BUSINESS	NEW LIFE INSURANCE BUSINESS IN RESPECT OF WHICH PREMIUMS HAS BEEN PAID IN THE YEAR				TOTAL LIFE INSURANCE BUSINESS IN FORCE AT THE END OF THE YEAR				
	NUMBER OF		Sums Insured	Single premium (4)	Yearly renewal premium Income (5)	NUMBER OF		Sums Insured (Inclusive of accrued bonuses)	Yearly renewal premium (9)
	Policies (1)	Lives (2)	Annuities per annum (3)			Policies (6)	Lives (7)		
Bond Investment Industrial Life Ordinary Life Superannuation - Permanent - Health - Others									

TOTAL ...									
-----------	--	--	--	--	--	--	--	--	--

Date: Principal Officer

- NOTE: 1. Read the notes in the Ninth Schedule to the Insurance Regulations and comply.
 2. Separate statements to be submitted in respect of individual business and group insurances.
 3. Columns (2) and (7) in respect of number of lives are relevant only for group policies
 4. Single premiums under column (4) should include consideration for immediate or deferred annuities and all other premiums paid during the year where no subsequent premium is payable.
 5. Premiums in column (4), (5) and (9) should represent gross direct premiums before deduction/addition of reinsurance premium.

FORM No. INS. 59-2

SUMMARY OF CHANGES IN BUSINESS-BOND INVESTMENT/INDUSTRIAL LIFE/ORDINARY LIFE/SUPERANNUATION*
 (KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)
 (*Delete whichever is not applicable)*

Name of Insurer:	INDIVIDUAL BUSINESS			GROUP BUSINESS			
	Number of policies	Sum insured	Reversionary Bonus	NUMBER OF		Sum insured	Reversionary Bonus
Policies				Lives			
1. Business at the beginning of the year INCREASE DURING THE YEAR							
2. New business written							
3. Old policies revived							
4. Old policies changed and increased							
5. Bonus additions allotted							

A TOTAL INCREASE (2+3+4+5)							
DECREASE DURING THE YEAR							
6. By death							
7. By Maturity							
8. By expiry term under temporary insurances							
9. By surrender of policy							
10. By forfeiture or lapse							
11. By being not taken up							
12. By surrender of bonus							
13. By change and decrease							
B TOTAL DECREASE (6 to 13)							
C TOTAL EXISTING AT THE END OF YEAR (1+A-B)							

Date: Principal Officer

- NOTES: 1. Read the notes in the Ninth Schedule to the Insurance Regulations and comply.
2. Separate statements shall be submitted in respect of each class of business and in each case separate statements be prepared for the Kenya business and outside Kenya business.
3. Numbers and policies and lives given in brackets () against items (4), (5), (12) and (13) should not be included in the totals at A, B and C.
4. Only the amounts of increase or decrease in sums insured or bonus should be shown under the respective columns against items (4) and (13) respectively.

TENTH SCHEDULE

(s.70 and r.21)

PART A

LIMITATION OF EXPENSES OF MANAGEMENT LONG-TERM INSURANCE BUSINESS

1. In the case of a long-term insurance business other than industrial life assurance business, the limits of management expenses including commissions to intermediaries are as follows:

The aggregate sum of

- (i) five per centum of all premiums received during the year on policies granting an immediate annuity or a deferred annuity in consideration of a single premium, and five per centum of all premiums received on other single premium policies during the year;
- (ii) ten per centum of all first year's premiums and four per centum of all renewal premiums received during the year on policies granting deferred annuity in consideration of more than one premium.
- (iii) fifteen per centum of all premiums received during the year on policies under group life and superannuation schemes;
- (iv) one tenth of one per centum of the average of the total sums assured by policies on which no further premiums are payable (less reinsurance) at the beginning and end of the year;
- (v) five per centum of all annuities paid during the year;
- (vi) an amount computed on the basis of the percentages for the time being appropriate to the duration of the insurer's life insurance business specified in the following table, namely:

Duration of Business	PERCENTAGE OF PREMIUMS LESS REINSURANCES RECEIVED DURING THE YEAR OTHER THAN PREMIUMS REFERRED TO IN ITEMS (i), (ii) and (iii) ABOVE	
	of First year's Premiums	of Renewal Premiums
First Four Years.....	100	30
Fifth to Seventh Years	97½	27½
Eighth to Tenth Years	95	25
After the Tenth Year if the Insurers Business in Force	90	25
(a) Is less than two hundred million shillings	90	24
(b) Is less than five hundred million shillings but not less than two hundred million shillings	90	23
(c) Is less than one thousand million shillings but not less than five hundred million shillings	90	22½
(d) Is not less than one thousand million Shillings		

Explanation I-In this rule, “business in force” means, in relation to any expense incurred, the total sum assured, with bonuses, without taking into account reinsurances ceded or accepted, by an insurer in respect of the whole of his life insurance business on the last working day of the year preceding the calendar year in which the expense is incurred.

Explanation II-The duration of an insurer’s life insurance business shall be reckoned (a) from the beginning of the calendar year of commencement of the business if the date of commencement is in the first half of the year and (b) from the end of the calendar year of such commencement if the date of commencement is in the second half of the year.

2. Industrial Life Assurance Business – In the case of industrial life assurance business, the limits of management expenses including commission to intermediaries are as follows:

(a) Where the insurer has transacted business in Kenya for not more than five years, the sum of fifty five per centum of premiums received during the year;

(b) Where the insurer has transacted business in Kenya for more than five years, the sum of forty five per centum of premiums received during the year:

Provided that where the total premium income does not exceed ten million shillings, the amounts indicated at paragraphs (a) and (b) shall be increased by ten per centum.

3. *General Insurance Business.* – In the case of general insurance business, the limits of management expenses including commissions or other remuneration for the procurement of business are as follows:

(a) the amount of commission or other remuneration paid to insurance agents and brokers in respect of that business transacted in the year but not exceeding the limit prescribed in the Eleventh Schedule under regulation 22; plus

(b) an amount computed according to the following table:

Part of the Total Gross Premium Income of the Insurer written direct	PERCENTAGE OF PREMIUMS APPLICABLE TO INSURER WRITING GENERAL INSURANCE BUSINESS FOR		
	More than 5 years	5 Years of Less with gross Premium	
		Sh. 25m or more	Less than Sh. 25m
First 5 Million Shillings	25%	25%	35%
Next 7.5 Million Shillings	22½%	22½%	32½%
Next 7.5 Million Shillings	20%	20%	30%
Next 10 Million Shillings	17½%	17½%	27½%
The Balance	15%	15%	25%

4. In the case of Kenya Reinsurance Corporation or any other insurer doing only reinsurance business the limits of management expenses, excluding commission, shall be an amount not exceeding ten per centum of the total net premium income.

**MAXIMUM PERMITTED EXPENDITURE: LONG-TERM
INSURANCE OTHER THAN INDUSTRIAL
LIFE INSURANCE**

All amounts in Kenya Shillings

Name of Insurer

Year Ending 31st December, 20.....

	BUSINESS IN KENYA		TOTAL BUSINESS	
	<i>Premiums or Sums Assured (1)</i>	<i>Permitted Amount (2)</i>	<i>Premiums or Sums Assured (3)</i>	<i>Permitted Amount (4)</i>
1. <i>Five per centum:</i> of all premiums received during the year on policies granting an immediate annuity or a deferred annuity in consideration of a single premium				
2. <i>Five per centum:</i> of all premiums received on single premium policies other than those referred to in (1) above				
3. <i>Ten per centum:</i> of all first year's premium received during the financial year on policies granting deferred annuity in consideration of more than one premium				
4. <i>Four per centum</i> of all renewal premium received during the financial year on policies granting deferred annuity in consideration of more than one premium				
5. <i>Fifteen per centum:</i> of all premium s received during the year on policies under Group life and Superannuation Schemes				

<p>6. <i>One-tenth of one per centum</i>: of the average of the total sums assured by policies on which no further premiums are payable (less reinsurance) at the beginning and end of the year</p>				
<p>7. <i>Five per centum</i>: of all annuities paid during the year.</p>				
<p>8. (1) In the case of an insurer who has transacted long-term insurance business for five years</p> <p>(a) 100% of the first year's premiums received during the year</p> <p>(b) 30% of renewal premiums received during the year</p>				
<p>(ii) In the case of an insurer who has transacted long-term insurance business for more than five years but less than eight years</p> <p>(a) 97½% of the first year's premiums received during the year</p> <p>(b) 27½ of renewal premiums received during the year</p> <p>(iii) In the case of insurer who has transacted long-term insurance business for more than eight years but less than ten years</p>				

<p>(a) 95% of first year's premium received during the year</p> <p>(b) 25% of renewal premium received during the year</p>				
<p>(iv) In the case of an insurer who has transacted long-term insurance business for ten years or more if the insurer's business in force</p> <p>(a) Is less than two hundred million shillings</p> <p>- 90% of the first year's premium received during the year</p> <p>- 25% of renewal premium received during the year</p> <p>(b) Is less than five hundred million shillings but not less than two hundred million shillings</p> <p>- 90% of the first year's premium received during the year</p> <p>- 24% of renewal premium received during the year</p> <p>(c) is less than one thousand million shillings but not less than five hundred million shillings</p>				

- 90% of the first year's premium received during the year				
- 23% of renewal premium received during the year				
(d) is not less than one thousand million shillings.				
- 90% of the first year's premium received during the year				
- 22½% of renewal premium received during the year				
Note. – Premiums referred to in para (b) are other than the premium referred to in paragraphs (1), (2), (3), (4) and (5)				
TOTAL (1)+(2)+(3)+(4)+(5)+(6)+(7)+(8)				

Date: Auditor: Principal Officer

NOTE: 1. In columns (1) and (3), indicate the amounts of premiums or sums assured referred to in the description.

2. The amounts in columns (2) and (4) shall be arrived at by applying the respective percentages to the amounts in column (1) and (3) respectively.

FORM NO. INS 70-2

MAXIMUM PERMITTED EXPENDITURE: INDUSTRIAL
LIFE INSURANCE BUSINESS

All amounts in Kenya Shillings

Name of Insurer

Year Ending 31st December, 20.....

			BUSINESS IN KENYA	TOTAL BUSINESS
--	--	--	----------------------	-------------------

Where the insurer has transacted industrial life insurance business	Premiums or Sums Assured (1)	Permitted Amount (2)	Premiums or Sums Assured (3)	Permitted Amount (4)
(a) for five years or less; - 55%* of premiums received during the year				
(a) for more than five years - 45% of premiums received during the year				

Date:

Auditor:

Principal Officer

*In case the premium income does not exceed Sh. 10 million, the above percentages shall be increased to

- (a) 65% and
- (b) 55% respectively

FORM NO. INS 70-3

MAXIMUM PERMITTED EXPENDITURE: GENERAL INSURANCE BUSINESS

All amounts in Kenya Shillings

Name of Insurer

Year ended 31st December, 20.....

			KENYA BUSINES S	TOTAL BUSINES S
	Premiu s (1)	Permitte d Amount (2)	Premiu ms (3)	Permitte d Amount (4)
1. Gross premiums income written direct				
2. Actual amount of commission or other remuneration paid to insurance agents and brokers on procuration of business in the year but not exceeding the limits prescribed in Regulation 21				
3. 25% of first 5 million multiplied by CPI (n) factor of gross direct premium income				

4. 22 of next 7.5 million multiplied by CPI (n) factor of gross direct premium income.....				
5. 20% of next 7.5 million multiplied by CPI (n) factor of gross direct premium income.....				
6. 17½ of next 10 million multiplied by CPI (n) factor of gross direct premium income.....				
7. 15% of the balance of gross premium income				
8. Sub-Total (3)+(4)+(5)+(6)+(7)				
9. In the case of an insurer who has transacted general insurance business in Kenya for less than 6 years, 5% of such gross direct premium				

NOTE: 1. In columns (1) and (3) mention the amounts of premiums referred to in the description.

2. The amounts in the column (2) and (4) in respect of items 3 to 7 shall be arrived at by applying the respective percentages to the amounts in columns (1) and (3) respectively.

FORM No. INS. 70-3A

STATEMENT OF MAXIMUM PERMITTED AND ACTUAL COMMISSION OUTGO ON DIRECT BUSINESS GENERAL INSURANCE BUSINESS

All amounts in Kenya Shillings
Year ended 31st December 20.....

Serial Number	Class of Business	KENYA BUSINESS	OUTSIDE KENYA BUSINESS	
(1)	(2)			

		Gross Direct write n premium (3)	Maximum Permitted Commission		Actual commissi on outgo (6)	Amou nt which is lower of (5) & (6) (7)	Gross Direct write n premium (8)	Actual commissi on outgo (9)	(7)+(9) (10)
			%(4)	Amo unt (5)					
01	Aviation....		10						
02	Engineering		20						
03	Fire- Domestic....		20						
04	Fire- Industrial...		25						
05	Liability ...		20						
06	Marine-Hull		10						
	Marine- Cargo		17 1/2						
	Marine cargo & Others.....		17 1/2						
07	Motor- private		10						
08	Motor- Commercial Personal....		10						
09	Accident....		20						
10	Theft.....		10						
11			20						

12	Workmen's compensati on		20						
13	Medical Insurance		10						
	Miscellaneo us								
	Total								

Date:

Auditor:

Principal Officer:

NOTE: Commission shall include brokerage fee or other remuneration paid to an intermediary.
FORM INS. 70-4

MAXIMUM PERMITTED EXPENDITURE: REINSURANCE COMPANY

All amounts in Kenya Shillings

Name of Insurer

Year ending 31st December, 20.....

		Long-term Insurance Business	General Insurance Business	Total (1+2)
		(1)	(2)	(3)
Total Net Premium	1			
Ten Per cent of (1)	2			

Date

Auditor

Principal Officer

ELEVENTH SCHEDULE

(s. 73(2) and r. 22)

MAXIMUM BROKERAGE, COMMISSION OR OTHER INTERMEDIARY

PROCURATION FEES PAYABLE

A. Long-term Insurance Business

In the case of long-term insurance business, where a rate of premium is approved by an actuary in respect of any class of policy, the insurer shall not, except with the approval of an actuary, pay or allow in respect of any policy of that class a commission or rebate at a rate greater than the maximum rate of commission or rebate to which the first mentioned actuary had regard when approving the rate of premium, but in any case the rates of commission shall not exceed the limits given below.

1. Bond Investment Business

Annual premium policies 4% of first year's premium
2% of renewal premium
Single premium policies 2% of premium

2. Industrial Life Business

Weekly premium 30% first year
Weekly premium 25% renewals
Monthly premium 15% first year
Monthly premium 10% renewals
Other premium 10% first year
Other premium 7% renewals

3. ORDINARY LIFE BUSINESS (INDIVIDUAL LIFE POLICIES)

Term and Temporary Assurances 10% of premium up to maximum of 10 years

All other assurance covers 50% of first year's premium
20% of second year's premium
5% of 3rd to 10th year's renewal premium

Single premium policies 2% of the premium

4. SUPERANNUATION BUSINESS (INCLUDING GROUP LIFE POLICIES)

Endowment Assurances 50% of first year's premium
Whole Life Assurances 2½% of renewal premium

Deferred Annuity and pure endowment 4% of first year's premium

Immediate Annuities 2% of consideration

Term Assurances 8% of premium
 Single premium policies and annuities 2% of premium
 Deposit Administration 1% procuration commission on amounts deposited in
 the first year by a new client

B. GENERAL INSURANCE BUSINESS

Serial Number	Class of Business	Percentage of premium
01	Aviation	10%
02	Engineering Insurance	20%
03	Fire-Domestic	20%
04	Fire-Industrial	25%
05	Liability	20%
06	Marine-Cargo and other transit	17.5%
	Marine Hull	10%
07	Motor – Private	10%
08	Motor – Commercial	10%
09	Personal Accident	20%
10	Theft	20%
11	Workmen’s Compensation	20%
12	Micro-Insurance	10%
13	Medical Insurance	10%
14	Miscellaneous	10%

TWELFTH SCHEDULE

(s.88(1) and r. 24)

RULES FOR ASCERTAINING THE AMOUNT OF A PAID-UP POLICY

1. In respect of any policy (other than a policy for the whole term of life where the premiums are payable throughout life), on which the maximum number of annual premium payable is fixed and premiums are of uniform amount, the paid-up sum assured, exclusive of bonus additions, shall be the sum which bears to the original sum insured the same proportion as the number of complete month’s premiums which have been paid on the policy bears to the number of months premium originally payable.

2. In respect of any policy for the whole term of life (where the premiums are payable throughout life), the paid-up sum assured, exclusive of bonus additions, shall be a sum bearing the same

proportion -to the value of the policy as the sum of one shilling bears to the present value (at the attained age of the person whose life is insured) of the reversion in the sum of one shilling according to the contingency upon which the sum insured under the original police was payable.

3. If it is the practice of an insurer to permit paid up policies to participate in profits and if the insurer's actuary is of the opinion that the paid-up value arrived at by the application of rule 1 or 2 of this Schedule should be reduced suitably, it may be so done with the approval of the Commissioner of Insurance.

4. (1) For the purpose of rule 2, the value of the policy shall be the difference between the present values (at the attained age of the person whose life is insured) of –

(a) the reversion in the sum insured according to the contingency upon which it is payable; and

(b) the future net premiums

(2) "Net premium" as used in sub rule (1)(b) means such premium, exclusive of any addition for bonuses, office expenses and other charges, as is sufficient (according to the rate of interest and rates of mortality assumed and on the assumption that the age of the person whose life is insured is the age at his birthday next following the date one year after the date of the issue of the policy) to provide for the risk incurred by the insurer in issuing the policy.

5. (1) For the purpose of this scheme, the calculations shall be made as at the day immediately preceding that on which the first premium which has not been paid falls, or fell due.

(2) For the purposes of this rule, any premium which has not been paid in cash and which is deemed to be a debt owing to the insurer shall be deemed to have been paid.

6. For the purposes of rules 2 and 4

(a) interest shall be assumed at the rate of $3\frac{1}{2}$ per centum per annum;

(b) the rates of mortality shall be assumed, in the case of an ordinary life policy, according to the ultimate table of morality included in the tables published for the Institute of Actuaries in England and Faculty of Actuaries in Scotland under the title "A" 1949-52 Tables" for Assured Lives" and, in the case of a policy of industrial life assurance, according to the ultimate table of mortality included in the tables published for the Institute of Actuaries in England and the Faculty of Actuaries in England and the Faculty of Actuaries in Scotland under the short title "A 1924-29 Table."

7. There shall be added to the amount (exclusive of bonus additions) of any paid up policy calculated in accordance with rule 1 or rule 2, the amount of all reversionary bonuses declared upon (and still attaching to) the original policy.

THIRTEENTH SCHEDULE

(s.89 (3) and r. 25)

RULES FOR ASCERTAINING THE SURRENDER VALUE OF A POLICY

1. The surrender value of a policy at any date shall be the present value (according to the contingency upon which the policy is payable) of the amount of the paid-up policy which would be granted as at that date, determined according to the rules prescribed in Twelfth Schedule or the amount payable at death if death to occur at the date as at which the surrender value is calculated, whichever is the less.

2. For the purposes of determining the present value of the amount of paid-up policy under rule 1 –

(a) interest shall be assumed at the rate of $6\frac{1}{2}$ per centum per annum for contracts registered in terms of Income Tax Act and 5 per centum per annum for all other contracts;

(b) the rate of mortality shall be assumed, in the case of an ordinary life policy, according to the ultimate table of mortality included in the table published for the Institute of Actuaries in England and Faculty of Actuaries in Scotland under the title “A 1949-52 Tables for Assured Lives” and in the case of a policy of industrial assurance, according to the ultimate table of mortality included in the tables published for the Institute of Actuaries in England and Faculty of Actuaries in Scotland under the short title “A” 1924-29 Table”:- and

(c) in the case of a policy issued for a term other than a whole term of life, the remaining term at the date as at which the surrender value of the policy is calculated shall be obtained by deducting from the original term of the policy the duration of the policy in completed years and months at that date.

FOURTEENTH SCHEDULE

FORM NO. INS 111

(s. 111(1) and r. 29)

FORM OF APPOINTMENT WHERE NOMINEE IS MINOR

I, son/daughter

(Name in full)

of of

(Name of father)

..... the holder of

(Address of person making appointment)

ordinary life assurance policy No.

appoint of

(Name of appointee)

(Address of appointee)

son/daughter of as the person to receive the money secured thereby in the event of my death during the minority of my nominee

(Name of Nominee)

of son/daughter of

(Address of nominee)

Signed at this day of

....., 19

Witness

(signature)

(Signature of holder of Policy)

Name

Address

I, the above named

(Name in full)

appointee hereby signify my consent to be appointed as aforesaid and to hold the moneys payable under the aforesaid Policy No.

for the benefit of

(Name of minor nominee)

Witness
(Signature of appointee)

.....
(Name)
Date
(Address)

FIFTEENTH SCHEDULE

(rr. 32 and 33)

**MANDATORY REINSURANCE CESSIONS
PART A-GENERAL INSURANCE BUSINESS**

1. For the purposes of section 145(1) of the Act, every insurer shall reinsure with the Corporation 20 per cent (twenty per cent) of each policy of general insurance insured or renewed in Kenya by the insurer:

Provided that this percentage shall be reduced by 5 per cent (five per cent) every year thereby ceasing to apply on the 1st January, 2000.

2. The premium payable by an insurer to the Corporation in respect of cessions made to the Corporation shall be a pro-rata share of the premium actually received or receivable by the insurer from the insured, on the risk reinsured without any deductions whatsoever.

3. Liability of the Corporation in respect of the prescribed percentage of each policy reinsured with the Corporation shall commence simultaneously with that of the ceding insurer.

4. Every insurer shall, other than for motor insurance and marine insurance business, render to the Corporation quarterly statement of account within 60 days of the last day of March, June, September and December of each year in such form as the Corporation may require.

5. In the case of motor insurance business, every insurer shall render to the Corporation not later than the 15th day of each month statements of account of all business written as motor insurance in the preceding month in such form as the Corporation may require.

6. (a) In the case of marine insurance business, every insurer shall render to the Corporation on Wednesday of each week declarations of liability accepted in the preceding week of all the business

written as “marine cargo insurance” and such declaration shall be produced by the insurers concerned in such form as the Corporation may require.

(b) In addition every insurer shall advise the Corporation immediately of any shipment or transit or known accumulation at any one location where the Corporation’s liability reaches a certain limit which shall be notified to the insurers by the Corporation shall be in such form as the Corporation may require.

7. In the case of marine insurance business, every insurer shall render to the Corporation quarterly statements of account within 45 days of the last day of March, June, September and December of each year in such form as the Corporation may require.

8. (a) Settlements of quarterly account in the case of insurance business other than motor insurance business shall be made at the time of rendering the accounts to the Corporation.

(b) Where an account shows a balance in favour of an insurer, the Corporation shall settle such an account within 7 days of confirmation of the account by the Corporation which shall in either case be within one month of receipt of the accounts.

9. The settlement of monthly accounts in respect of motor insurance business shall be made at the time of rendering an account to the Corporation and where the account shows a balance in favour of the insurer the Corporation shall settle such an account within 7 days of confirmation of the account by the Corporation which shall in either case be within one month of the receipt of the accounts.

10. The Corporation shall pay the insurer a reinsurance commission at the following rates expressed as percentages of the premiums payable by the insurer:

Serial Number	Class of Business	Percentage of premium
01	Aviation –Aircrew personal accident insurance	22½%
	Aviation-others	15%
02	Engineering	25%
03	Fire Domestic	30%
04	Fire-Industrial	30%
05	Liability	25%
06	Marine-Cargo and other transit	22½%
	Marine Hull	15%
07	Motor – Private	15%
080	Motor – Commercial	15%

081	Motor-PSV	
09	Personal Accident	25%
10	Theft	25%
11	Workmen's Compensation	25%
12	Medical Insurance	
13	Miscellaneous	
	Bonds	15%
	Others	25%

11. For the purposes of section 145(2) of the Act, every insurer shall with effect from 1st January, 1999 reinsure with the Kenya Reinsurance Corporation twenty (20%) per cent of each of his reinsurance treaties in respect of general business placed in the international reinsurance market provided that this requirement shall cease to apply on 31st December, 2020 or on the date the Kenya Reinsurance Corporation Limited is privatized, whichever is earlier..

12. Every insurer shall submit to the Corporation copies of all its reinsurance treaties relating to its general insurance business which are in force at the commencement of these Regulations and those to be issued in future and any amendment thereto.

PART B LONG-TERM INSURANCE BUSINESS

1. For the purposes of section 145(1) of the Act, every insurer shall reinsure with Corporation 20% (twenty per Cent) of each policy of long-term insurance issued in Kenya by the insurer:

Provided that this percentage shall be reduced by 5 per cent (five per cent) every year thereby ceasing to apply on the 1st January, 2000.

2. The premium payable by an insurer to the Corporation respect of cessions made to the Corporation shall be pro-rata share of the premium actually received or received by the insurer from the insurer from the insured on the risk reinsured without any deduction whatsoever.

3. Liability of the Corporation in respect of the prescribed percentage of each policy reinsured with the Corporation shall commence simultaneously with that of the ceding insurer.

4. The Corporation shall pay the insurer a reinsurance commission at the following rates expressed as percentages of the premium payable by the insurer:

Serial Number	Class of Business	Reinsurance Commission Rate
01	BOND INVESTMENT BUSINESS	
		9% of first year's premium

	- Annual Premium Policy	7% of renewal premium
	- Single Premium Policy	7% of premium
02	INDUSTRIAL LIFE BUSINESS	
	Weekly premium	35% of first year's premium
		30% of renewal premium
	Monthly premium	20% of first year's premium
		15% of renewal premium
	Other premium	15% of first year's premium
		12% of renewal premium
03	ORDINARY LIFE BUSINESS	
	Term and Temporary Assurance	15% of premium upto maximum 10 years
	Any other assurance cover	55% of first year's premium
		25% of second year's premium
		10% of third to tenth year's renewal premium
	Single premium policy	7% of premium
04	SUPERANNUATION BUSINESS (INCLUDING GROUP LIFE POLICIES)	
	Endowment and whole life assurance	55% of first year's premium
		7½ of renewal premium
	Deferred Annuity and pure endowment assurance	9% of first year's premium
		7% of renewal premium
	Immediate annuity	7% of consideration
	Term assurance including permanent Health insurance	13% of premium
	Single premium policy and annuity	7% of premium
	Deposit administration	6% of amount deposited in first year by a new client

5. For the purposes of section 145(2) of the Act, every insurer shall reinsure with the Kenya Reinsurance Corporation every policy of long-term insurance issued in Kenya on the following basis

-

(i) in respect of any policy already issued or issued hereafter and which is subject to reinsurance on risk premium basis, twenty per cent (20%) of the excess after the ceding company's net retention

on the same terms and conditions offered to the most favored reinsurer in such reinsurance with effect from 1 January, 1999:

Provided that this requirement shall cease to apply on 31st December, 2020 or on the date the Kenya Reinsurance Corporation Limited is privatized, whichever is earlier.

(ii) in respect of any policy issued after the 1st April, 1979 and which is subject to reinsurance on original terms twenty per cent (20%) of the excess after the ceding company's net retention on the same terms and conditions offered to the most favored reinsurer under such reinsurance with effect from 1st January, 1999.

Provided that this requirement shall cease to apply on the 31st December, 2020 or on the date the Kenya Reinsurance Corporation Limited is Privatized, whichever is earlier.

6. Every insurer shall render to the Corporation not later than the 15th day of each month statements of mandatory cessions in such form as the Corporation may require. In respect of policies insuring sub-standard lives and those having sums insured in excess of a certain amount on any one life as may be indicated by the Corporation, the statements shall be required to be rendered separately in such form and within such time limit as may be required by the Corporation.

7. The Corporation shall be informed at least 30 days before any proposed alteration in the levels of a ceding company's net retention (i.e. liability after all reinsurances including compulsory cession) is to be put into effect.

8. Unless the Corporation agrees to any other arrangement, every insurer shall render to the Corporation quarterly statements of account within 60 days of the last day of March, June, September and December of each year in such form as the Corporation may require.

9. Settlements of the quarterly accounts shall be made at the time of rendering the accounts to the Corporation. Where an account shows a balance in favour of the insurer the Corporation shall settle such account within 7 days of confirmation of the account by the Corporation which shall in either case be within one month of receipt of accounts.

10. Every insurer shall submit to the Corporation copies of its treaties relative to long-term insurance business in force and those to be issued in future and any amendments thereto.

PART C – OTHER REINSURANCE BUSINESS

Subject to the provisions of Part A, B and C of this Schedule an insurer may place any other reinsurance with the Corporation on terms mutually acceptable to the Corporation and the insurer.

SIXTEENTH SCHEDULE

APPLICATION FOR *REGISTRATION/*RENEWAL OF REGISTRATION OF A BROKER

(*Delete whichever is not applicable)

All amounts in Kenya Shillings

A. APPLICANTS

1. Name:

2. Registered Office:

- Postal Address:
- Telegraphic Address:
- Telex Telephone:

3. Location of Offices:

- Principal:
(Give address)
- Branches at:

4. Incorporation:

Place Date:

Insurance Broking Business.....

- Date of first licence
- Date of commencement

5. Particulars of

- (i) Members of Board of Directors (Appendix A)
- (ii) Principal Officer, Company Secretary and other Senior Management Staff (Appendix B)
- (iii) Departmental staff (Appendix C)
- (iv) Auditors, Legal Advisers and Actuaries (Appendix D)
- (v) Members of insurance industry whose services were availed of during the year (including names of insurers with whom insurance business was placed) (Appendix E).

6. Bankers:

Name Address Since when

- 1.
- 2.
- 3.

7. (i) Is the applicant or a director or an employee of the applicant a director or employee or shareholder of an insurer or broker or agent or any other member of the insurance industry?

If so, give details specifying the name of the member, nature and extent of shareholding/interest.

(ii) Is any of the individuals or firms listed in Appendices D and E –

(a) a director or employee of the applicant or a related company?

(b) holding any shares in, debentures of or other interests with the applicant or a related company?

If the answer to any of the above questions is in the affirmative, give full particulars.

8. Share Capital

Type of Share	Number of Shares (2)	Amount per Share (3)	Total Amount (3)
(a)			
(b)			
(c)			
(d)			
TOTAL			

FORMS NO. INS 150-1

	<i>Number of share</i>	<i>Amount per</i>	<i>Total Amount</i>	HOLDING BY KENYA CITIZENS, BY KENYA COMPANIES, BY KENYA PARTNESHIPS, BY THE GOVERNMENT

Type of share (1)	(2)	share sh. (3)	(2)x(3)) (4)	Total Numb er of share holder s (5)	Numb er of shares (6)	Total Amou nt (7)	Proporti on of Total voting Rights (8)
(a).....							
(b).....							
(c).....							
(d).....							
Total							

9. Business Particulars:

A. Business carried on/proposed to be carried on –

- (a) Classes of insurance business:
- (b) Nature of services provided in respect of insurance business:
- (c) Other business:

B. Number of Agents (employed or expected to be employed in the next 12 months):

Long-Term Insurance –
General Insurance –

Total _____

Please indicate name(s) of insurer(s) on whose behalf the agents are employed.

- 10. Date upto which Accounts made up:
- Date of submission of the Accounts report to the Commissioner:
- Date of last Annual General Meeting of shareholders:

Date of submission of minutes of the Annual General Meeting to the Commissioner

11. Professional Indemnity Insurance:

Insurer:

Policy Number:

Period from:

to:

Retroactive date:

Limit of Indemnity:

(Please enclose a true copy of the policy).

I hereby certify that the statements contained herein and in the documents submitted herewith required under the Insurance Act and the Insurance Regulations are true and accurate to the best of my knowledge and belief. *Any alterations in particulars stated herein or said documents will be promptly communicated to the Commissioner of Insurance.*

Signed on this

day 20

Principal Officer

APPENDIX A TO FORM No. INS 150-1
PARTICULARS OF BOARD OF DIRECTORS

Name of Broker: As at 31st December, 19

Serial Number	Full Name	Citizenship	Residential Address	Occupation	Date of Appointment	Number of shares held (See note 1 below)	COURT CONVICTION (See NOTE 2 BELOW)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (SEE ITEM 7(I) OF SIXTEENTH SCHEDULE)		
							(a)	(b)	(c)	Nature of Business	Name	Details of Interest
1												
2.....												
3.....												
4.....												

5.....														
6.....														

NOTES: 1. If the shareholding consists of two or more types of shares, details should be given separately of the type, number and total paid-up values of each type of sharers

If additional shares are held in the names of any relatives (who are not members of management staff themselves) of the members of management staff, particulars of the same should be given separately.

2. Has there been in the past –

(a) Any conviction of an offence involving fraud or dishonesty?

(b) Any adjudication as bankrupt or benefit taken of any law for the relief of bankrupt or insolvent debtors or compounding with creditors or assignment of remuneration for benefit of creditors?

(c) Finding to be of unsound mind by court of competent jurisdiction?

Please state “YES” or “NO” in the above form and if the answer is “YES” give details separately

3. If the space herein is insufficient, please use additional paper.

APPENDIX B TO FORM No. INS. 150-1
PARTICULARS OF MANAGEMENT STAFF

Name of broker: As at 31st December, 19

Serial Number	Full Name	Citizenship	Residential Address	Occupation	Date of Appointment	Number of shares held (See note 1 below)	COURT CONVICTION (See NOTE 2 BELOW)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (SEE ITEM 7(I) OF SIXTEENTH SCHEDULE)		
							(a)	(b)	(c)	Nature of Business	Name	Details of Interest
1												

2.....												
3.....												
4.....												
5.....												
6.....												

Date: *Principal Officer*

NOTES: 1. If the shareholding consists of two or more types of shares, details should be given separately of the type, number and total paid-up values of each type of sharers

If additional shares are held in the names of any relatives (who are not members of management staff themselves) of the members of management staff, particulars of the same should be given separately.

2. Has there been in the past –

(a) Any conviction of an offence involving fraud or dishonesty?

(b) Any adjudication as bankrupt or benefit taken of any law for the relief of bankrupt or insolvent debtors or compounding with creditors or assignment of remuneration for benefit of creditors?

(c) Finding to be of unsound mind by court of competent jurisdiction?

Please state “YES” or “NO” in the above form and if the answer is “YES” give details separately

3. If the space herein is insufficient, please use additional paper.

APPENDIX C TO FORM No. INS. 150-1
PARTICULARS OF DEPARTMENT STAFF

Name of Broker As at 31st December, 19

DEPARTMENT	NUMBER OF STAFF						Number of staff who are not Kenya
	Officers	Clerks	Stenographers/Typists	Messengers	Others	Total	

							citizens (Please see Note 2 below)
Underwriting							
Claims							
Administration							
Accounts							
Others (please specify)							
TOTAL							

Date: *Principal Officer*

- NOTES: 1. If any management staff listed in Appendix B is also included here, please indicate below as a note.
2. If any of the departmental staff is not a Kenya citizen, please give the name, citizenship and the date of expiry of the work permit in a separate statement.
3. If any of the departmental staff holds any professional qualifications, such as A.C.I.I., F.C.I.I., A.C.A., etc., please give the name and professional qualifications in a separate statement.

APPENDIX D TO FORM NO. INS 150-1

PARTICULARS OF AUDITORS, LEGAL ADVISERS AND ACTUARIES

	Name of Firm	Address	Partners' Names	Professional Qualifications	Since when
AUDITORS					

1.					
2.					
3.					
LEGAL ADVISERS					
1.					
2.					
3.					
ACTUARIES					
1.					
2.					
3.					

Date Principal Officer

APPENDIX E TO FORM NO. INS 150-1

PARTICULARS OF MEMBERS OF INSURANCE INDUSTRY

Member of the Insurance Industry (Please see Note 1 (1))	Name (2)	Address (3)	Nature of Work Handled (4)	Shareholding or other Interest (Please see Note 2) (5)	Registration Number (6)

Date: Principal Officer

NOTES: 1. State here broker, agent or any other capacity in which the Member is registered under [the Act](#).

2. Please give information of number and type of shares held, amount of shareholding and any other interest as per item 7(ii) of Sixteenth Schedule.

3. If the space herein is insufficient, please use additional paper.

4. Please mention in column (6) the reference number of the registration under [the Insurance Act](#), (Cap. 487).

FORM NO. INS 150-2

APPLICATION FOR *REGISTRATION/*RENEWAL OF REGISTRATION AS AN AGENT
(*Delete whichever is not applicable)

A. APPLICANT

2. Registered Office:

- Postal Address;
- Telegraphic Address
- Telex Telephone:

3. Is the applicant

- an individual YES/NO
- a partnership YES/NO
- a company incorporated under [the Companies Act](#)? YES/NO

What is the nationality of

- applicant
- partners in the firm
- shareholders of the Company?

If any of the above is not a Kenya citizen, please give his name and nationality.

4. Date of commencement of insurance agency work:

5. Qualifications and Work Experience

- A. Academic and professional qualifications of applicant:
- B. Number of insurers whom represented as agent:
- C. Number of years' experience as agent:
- D. Any other work experience?

6. A. Has the applicant ever been –

(a) convicted of any offence involving fraud or dishonesty?

Yes [] No []

(b) found to be of unsound mind by a court of competent jurisdiction?

Yes [] No []

B. Has the applicant during the past ten years been adjudicated bankrupt or taken the benefit of any law for relief of bankrupt or insolvent debtors or compounded with creditors or made any assignment of remuneration for the benefit of creditors

Yes [] No []

If the answer is in the affirmative, give details including dates.

(Note. – The question relates to partners and board of director if the applicant is a partner firm or a company)

7. Business Insurer

Number of policies introduced in the preceding year

FORM NO. INS 150-2

Long-term Insurance General Insurance

new policies renewals new policies renewals

- 1.
- 2.
- 3.
- 4.

Total

8. Does the applicant, or any of the partners (if it is a partnership firm or any of the directors or employees, hold any shares or have a controlling interest or is a director of any insurer, broker, or any other member of the insurance industry

If yes, give full particulars

9. Does the applicant render any service like underwriting claims settlement, etc, to any insurer?

If yes, please give particulars of the nature of service provided and remuneration received for the same.

10. Does the insurer apart from the agency commission pay any additional amount in the form of commission, profit commission, salary, reimbursement of office expenses or otherwise?

If yes, please give details

I hereby certify that the statements contained herein are true and accurate to the best of my knowledge and belief.

Any alterations in particulars stated herein will be promptly communicated to the Commissioner of Insurance.

Date Applicant

I/We (full name/names) being the Principal Officers of (name/names of insurer/insurers) hereby certify that (name of Applicant) is by training, experience, aptitude and character, a fit and proper person to be an insurance agent and has been appointed a such by (name/s of insurer/insurers) through an agreement/appointment letter.

Any changes in this form will be notified forthwith to the Commissioner of Insurance.

Date Principal Officer
Insurer

FORM NO. INS 150-3

APPLICATION FOR *REGISTRATION/*RENEWAL OF REGISTRATION AS A *CLAIMS SETTLING
AGENT/INSURANCE SURVEYOR/LOSS ADJUSTER/LOSS ASSESSOR/RISK MANAGER
(*Delete whichever is not applicable)

All amounts in Kenya Shillings

A. APPLICANT

2. *Registered Office:*

- Postal Address;
- Telegraphic Address
- Telex Telephone:

3. *Location of Offices*

- Principal
(give address)
- Branches at:
(give address)

4. Incorporation:

Status: *Individual/Partnership/Company

Place: Date:

Insurance business:

- Date of first licence;
- Date of commencement:

5. Particulars of

(i) Members of Board of Directors (Appendix A)

(ii) Principal Officer, Company Secretary and other Senior Management Staff (Appendix B)

(iii) Departmental staff (Appendix C)

(iv) Auditors, Legal Advisers and Actuaries (Appendix D)

(v) Members of insurance industry whose services were availed of during the year (including names of insurers with whom insurance business was placed) (Appendix E).

6. Bankers:

Name Address Since when

- 1.
- 2.
- 3.

7. (i) Does the applicant or a partner or director or an employee of the applicant directly or indirectly hold shares in or have any other financial or controlling interest in the affairs of any other member of the insurance industry?

(ii) Is any of the individuals or firms listed in Appendices D and E –

(a) a director or employee of the applicant or a related company?

(b) holding any shares in, debentures of, or other interests with the applicant or a related company?

If so, please give full particulars.

8. If the applicant is a company incorporated under [the Companies Act](#), Cap 486 give the total paid-up capital of the company.

9. Business particulars:

A. Number of years' experience in the capacity in which registration is sought –

B. Number of insurers for whom work done in the past –

C. Do you handle any other work –

- pertaining to insurance business?
- not pertaining to insurance business?

If the answer to the above is in the affirmative, give brief description of the work handled.

I hereby certify that the statements contained herein are true and accurate to the best of my knowledge and belief.

Any alterations in particulars stated herein must be promptly communicated to the Commissioner of Insurance.

Signed on this day of 19 Principal Officer

**APPENDIX A TO FORM No. INS 150-1
PARTICULARS OF BOARD OF DIRECTORS**

Name of*

As at 31st December, 20.....

Serial Number	Full Name	Citizenship	Residential Address	Occupation	Date of Appointment	Number of shares held (See note 1 below)	COURT CONVICTIONS (See NOTE 2 BELOW)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (SEE ITEM 7(I) OF SIXTEENTH SCHEDULE)		
							(a)	(b)	(c)	Nature of Business	Name	Details of Interest
1.....												
2.....												
3.....												
4.....												
5.....												
6.....												

Date

Principal Officer

NOTE:

1. If the shareholding consists of two or more types of shares, details should be given separately of the type, number and total paid-up values of each type of shares. If shares are held in the names of any relatives (who are not members of the management staff, particulars of the same should be given separately.

2. Has there been in the past -

(a) Conviction of an offence involving fraud or dishonesty?

(b) Any adjudication as bankrupt or benefit taken of any law for the relief of bankrupt or insolvent debtors or compounding with creditors or assignment or remuneration for benefit of creditors?

(c) Finding to be of unsound mind by a court of competent jurisdiction? Please state "YES" or "NO" in the above form and if the answer is "YES" give full details separately.

3. If the space herein is insufficient, please use additional paper.

**APPENDIX B TO FORM NO. INS. 150-1
PARTICULARS OF MANAGEMENT STAFF**

Name of broker:

As a 31st December, 20.....

Serial Number	Full Name	Designation	Citizenship	Age	Residential Address	QUALIFICATION		Years of Experience	Date of Appointment	Number of shares held (See note 2 BELOW)	COURT CONVICTION (See Note 2 BELOW)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (See ITEM 7(i) OF SIXTEENTH SCHEDULE)		
						Academic	Professional				(a)	(b)	(c)	Nature of Business	Name	Details of Interest

1																				
.....																				
2																				
....																				
3																				
....																				
4																				
....																				
5																				
....																				
6																				
....																				
7																				
....																				
8																				
...																				

Date:

Principal Officer

NOTES:

1. If the shareholding consists of two or more types of shares, details should be given separately of the type, number and total paid-up values of each type of sharers. If additional shares are held in the names of any relatives (who are not members of management staff themselves) of the members of management staff, particulars of the same should be given separately.

2. Has there been in the past –

(a) Any conviction of an offence involving fraud or dishonesty?

(b) Any adjudication as bankrupt or benefit taken of any law for the relief of bankrupt or insolvent debtors or compounding with creditors or assignment of remuneration for benefit of creditors?

(c) Finding to be of unsound mind by court of competent jurisdiction?

Please state “YES” or “NO” in the above form and if the answer is “YES” give details separately

3. If the space herein is insufficient, please use additional paper.

**APPENDIX C TO FORM No. INS. 150-1
PARTICULARS OF DEPARTMENT STAFF**

Name of Broker As at 31st December, 20.....

DEPARTMENT	NUMBER OF STAFF						Number of staff who are not Kenya citizens (Please see Note 2 below)
	Office rs	Clerks	Stenographers /Typists	Messengers	Others	Total	
Underwriting							
Claims							
Administration							
Accounts							
Others (please specify)							
TOTAL							

NOTES:

1. If any management staff listed in Appendix B is also included here, please indicate below as a note.
 2. If any of the departmental staff is not a Kenya citizen, please give the name, citizenship and the date of expiry of the work permit in a separate statement.
 3. If any of the departmental staff holds any professional qualifications, such as A.C.I.I., F.C.I.I., A.C.A., etc., please give the name and professional qualifications in a separate statement.
- *Enter the relevant description from the undermentioned:
claims settling agent/insurance surveyor/loss adjuster/loss assessor/risk manager.

**APPENDIX D TO FORM NO. INS 150-3
PARTICULARS OF AUDITORS, LEGAL ADVISERS AND ACTUARIES**

Name of Broker

As at 31st December, 20.....

	Name of Firm	Address	Partners' Names	Professional Qualifications	Since when
AUDITORS					
1.					
2.					
3.					
LEGAL ADVISERS					
1.					
2.					
3.					
ACTUARIES					
1.					
2.					
3.					

Date:

Principal Officer

**APPENDIX EE TO SIXTEENTH SCHEDULE
PARTICULARS OF MEMBERS OF INSURANCE INDUSTRY**

Name of Broker

As at 31 December, 20.....

Member of the Insurance Industry (Please see note 1) (1)	Name (2)	Address (3)	Nature of Work handled (4)	Shareholding or other Interest (Please see note 2) (5)	Registration Number (6)

Date:

Principal Officer

- NOTES: 1. State here broker, agent or any other capacity in which the member is registered under the Act.
2. Please give information of number and type of shares held, amount of shareholding and any other interest as per item 7(ii) of Sixteenth Schedule.
3. If the space here is insufficient, please use additional paper.
4. Please mention in column (6) the reference number of the registration under the Insurance Act (Cap 487).

SEVENTEENTH SCHEDULE

(s. 151 (1) (a) and r. 35)

PROFESSIONAL INDEMNITY POLICY

1. Insured

The professional indemnity policy shall state the registered name of the broker protected by the policy.

2. Cover.

The policy shall cover –

- (a) losses arising from claims against the insured for breach of duty by negligence, error, omission dishonesty or fraud;

(b) against claims arising in connection with legal liability for loss of documents and costs of replacing or restoring documents.

3. The indemnity limit for any one occurrence shall be ten million shillings or five percentum of the premium paid, whichever is the higher.

4. The maximum period permitted excess shall be five thousand shilling or 0.5 per centum of the minimum limit of indemnity, whichever is higher, unless the Commissioner consents to a higher excess.

FORM NO. INS 151-1

(s. 151(1) (e) and r. 36)

**EIGHTEENTH SCHEDULE
STATEMENT OF BUSINESS OF A BROKER**

Name of Broker

All amounts in Kenya Shillings
Year ending 31st December, 19

Insurance Business	Number Insurers (1)	Number policies (2)	Total brokerage earned (3)	Total premium under the policies placed (4)	Largest percentage brokerage from any one insurer (5)
Long-Term Direct					
- Reinsurance					
TOTAL					
General					
Insurance-Direct					
- Reinsurance					
TOTAL					
TOTAL					

Date *Principal Officer*

NOTE: If the broker provides other services like underwriting and claims settlement to the insurers and insurance consultancy, risk management, pension management, etc. to his clients, a statement showing the nature of service, number of cases handled and the total amount of fees earned separately from insurers and clients should be enclosed.

FORM NO. INS 151-2

(s. 151(1)(c) and r. 36

STATEMENT OF BUSINESS OF AN AGENT

(1) Business	(2) Number of policies introduced	(3) Amount of premium under all policies introduced	AMOUNT OF PREMIUM PENDING REMITTANCE TO INSURERS			(7) Amount of Agency Commission earned	(8) Number of Insurers with whom business placed
			(4) Up to 30 days	(5) More than 30 days	(6) Total		
Long-Term							
General Insurance							
TOTAL ...							

Date

Principal Officer

NOTE:

If the agent provides other services like underwriting and claims settlement to the insurers and insurance consultancy, risk management, etc, to his clients a statement showing the nature of

services, number of cases handled and the total amount of fees earned separately from insurers and the clients should be enclosed.

FORM NO. INS 151-3

(s. 151(1)(c) and r. 36)

**STATEMENT OF BUSINESS OF A CLAIMS SETTLING AGENT/INSURANCE SURVEYOR/LOSS
ADJUSTER/LOSS ASSESSOR/RISK MANAGER*
(*Delete whichever are not applicable)**

Class of Business (1)	NUMBER OF CASES HANDLED			AMOUNT OF FEES			Number of Insurers for whom cases handled (8)	Largest Percentage of cases for a single insurer (9)
	Already completed (2)	On hand (3)	Total (4)	Received (5)	Outstanding (7)	Total (7)		
TOTAL								

Date

Principal Officer

NOTES:

1. In case any assignments were handled on behalf of an overseas insurer, a statement giving the number and nature of such assignments, amount of fees received and name of the currency it was received should be enclosed.

2. The number of insurers in column (8) should not include the number of overseas insurers for whom work may have been done (see note 1 above).

(r. 39)

**NINETEENTH SCHEDULE
FORM OF GUARANTEE**

1.

(Name of Bank)

in this Guarantee referred to as "the Bank" hereby guarantees to the Commissioner of Insurance (in this Guarantee referred to as the Commissioner) that in the event of any insurance client of (Name of the Broker)

this guarantee referred to as the Broker) or any insurance company obtaining, while this Guarantee is in force, a court decree in respect of unsatisfied debts of the Broker to the insurance client or the insurance company, as the case may be, in respect of insurance business, which debt the client or the insurance company is unable to recover in any other way, the Bank will pay on demand to the order of the Commissioner the sum of

.....

(Amount of guarantee)

2. This Guarantee is a continuing Guarantee and may be revoked –

(a) with the consent in writing of the Commissioner; or

(b) after the expiration of twelve months after notice in writing of the intention of the Bank to revoke this Guarantee has been given to the Commissioner.

3. The revocation of this Guarantee does not release the Bank from, or affect, any liability of the

Bank under this Guarantee existing immediately before the revocation.

Dated at this day of 20

THE SEAL OF WAS AFFIXED
TO THIS GUARANTEE BY
IN THE PRESENCE OF

FORM NO. INS 153-2

STATEMENT OF OUTSTANDING PREMIUMS DUE BY A BROKER

All amounts in Kenya Shillings

Name of Broker Half-year ending 30th December,
20.....

(1) Business	(2) Premium under business placed	PREMIUM DUE TO THE INSURERS PENDING FOR			PREMIUM DUE TO THE INSURERS AS AT THE END OF PRECEEDING HALF-YEAR	
		(3) Up to 60 days	(4) Over 60 days	(3 4) Total	(6) Amount	(7) Amount which is still pending
Long-term						
Insurance-Direct						
Reinsurance						
TOTAL						

General						
Insurance-Direct						
Reinsurance						
TOTAL						
GRAND TOTAL						

Date:

Auditor

Principal Officer

NOTE: In case any premiums are outstanding for more than 60 days, a statement showing the name of insurer, amount of premium due, duration of pending amount, reasons for non-payment and when expected to be paid, be furnished along with this form.

**TWENTIETH SCHEDULE
APPLICATION TO REMIT FUNDS OVERSEAS**

Application No.

All amounts set in Kenya Shillings

A. APPLICANT

1. Name:
2. Address:
3. Registered as:

B. RECIPIENT

4. Name:
5. Address:

C. PARTICULARS OF TRANSACTION

6. Nature of transaction(s) leading to liability for remittance.

7. State whether any application was made on account of the same or similar transaction. If so, the following details:

(a) Application

- number
- date

- (b) Dates of sanction
 - by the Department
 - by the Central Bank

(c) Date on which remittance was effected;

8. State whether and if so, on the above account –

- (a) when and how much further payments may fall due,
- (b) what effort has been made to minimize the outflow of funds.

Date Principal Officer

NOTES:

(1) Copies of documents including statements of accounts, debit notes, etc. should be attached.

(2) Separate series to be kept for Long-Term and General Insurance business and same be indicated by a prefix “LT” of “GI” respectively. The application serial number must also show the calendar year, in which it is made, by a suffix to the number, e.g. the first application in 1987 should be numbered LT/001/97 and GI001/87 for long-term and general insurance business respectively. A fresh series should be started each year.

FORM NO. 202-2

QUARTERLY STATEMENT OF REMITTANCES OF FUNDS OVERSEAS AND CLAIMS/OTHER RECOVERIES FROM OVERSEAS

QUARTER ENDING 31ST MARCH/30TH JUNE/30TH SEPTEMBER/31ST DECEMBER, 20.....

Name of Insurer

All amounts in Kenya Shillings

Remittance Overseas	LONG-TERM INSURANCE	GENERAL INSURANCE	TOTAL

	Number	Amount	Number	Amount	Number	Amount
(a) During the Quarter:						
1. Applications made to the Department						
2. Applications approved by the Department						
3. Applications approved by the Central Bank						
4. Applications on which remittance effected						
(b) As at the end of the Quarter:						
5. Applications under correspondence						
6. Applications awaiting approval of the department						
7. Applications awaiting approval of the Central Bank						
8. Applications awaiting remittance of funds						
Total of B (4+5+6+7)						
(ii) Claims/other Receivers from Overseas:						
9. Amounts received during the quarter						
10. Amounts due but not received at the end of the current quarter						
11. Amounts due but not received at the end of the preceding quarter						

Total (9+10-11)							
-----------------------	--	--	--	--	--	--	--

Date:

Principal Officer

FORM NO. INS. 203-1A

**TWENTY-FIRST SCHEDULE
SUMMARY OF CLAIMS**

LONG-TERM INSURANCE BUSINESS

Name of Insurer: All amounts in Kenya Shillings For the year ending 31st December, 20.....

CLASS OF BUSINESS	LIFE ASSURANCE		ANNUITIES		PERSONAL PENSIONS & DEPOSIT DEMONSTRATION		GROUP CREDIT		PERMANENT HEALTH		UNLINKED, LINKED & NON-LINKED INVESTMENTS		TOTAL CURRENT YEAR		
	Serial number	31	32	33	34	35	36								
	Items	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount

<p>A. Claims outstanding at the Beginning of the year... Claims intimated... Claims revived (not included in (1) above TOTAL OF CLAIMS ON HAND (1+2+3) Claims settled Claims rejected... Claims filed as no claims TOTAL CLAIMS DEALT WITH (5+6+7) C. Claims revised or change in claims reserve during the year(4</p>	<p>1</p>							
---	----------	--	--	--	--	--	--	--

-8) D. (i) Outstanding claims (included in (9) above) on which liability admitted but pending for- more than ninety days... ... Total (10+11)											
--	--	--	--	--	--	--	--	--	--	--	--

**SUMMARY OF CLAIMS
LONG-TERM INSURANCE BUSINESS**

Name of Insurer: All amounts in Kenya Shillings For the year ending 31st December,
20.....

CLASS OF BUSINESS	Items	BOND INVESTMENT		INDUSTRIAL LIFE		ORDINARY LIFE		SUPERANNUATION		TOTAL	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
(ii) outstanding claims (included in (9) above) on which liability not admitted	13										
	14										
	15										

and pending for-											
Not more than ninety days											
Not more than six months											
More than six months											
TOTAL (13+14+15)	16										
(E.) Claims subject of court cases	17										
	18										
Claims included in (1) above	19										
	20										
Claims referred to court during the year											
.....											
Claims settled during the year											
Claims in court											

(included in (9) above (17+18+19))											
F. Claims subject of arbitration	21										
	22										
Claims included in (1) above	23										
....	24										
Claims referred to arbitration during the year											
Claims settled during the year											
Claims in arbitration (included in (9(above) 21+22+23).....)											
G. Outstanding recoveries in respect of settled claims pending	25										
	26										

for more than ninety days-											
(i) From local reinsurers											
(ii) From overseas reinsurers											
TOTAL (25+26)	27										

Date:

Principal Officer:

FORM NO. INS. 203-1B

Name of Insurer

For the year ending 31st December 20.....

CLASS OF BUSINESS	Items	MOTOR COMMERCIAL 01		PERSONAL ACCIDENT 02		THEFT 03		WORKMEN'S COMPENSATION 04		MISCELLANEOUS 05		TOTAL 06	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
A. Claims outstanding at the Beginning of the year	1												
	2												
	3												

B. Claims action during the year	4												
	5												
Claims revived (not included in (1) above	6												
	7												
TOTAL OF CLAIMS ON HAND (1+2+3)	8												
Claims settled Claims rejected..... Claims filed as no claims.....	9												
	10												
	11												
C. claims revised or change in claims reserve during the year(4-8)	12												
Outstanding claims (included in (9) above) on which liability admitted but pending for- -not more than ninety days..... -more than ninety days.....													
TOTAL (10+11)													

**SUMMARY OF CLAIMS
GENERAL INSURANCE BUSINESS**

Name of Insurer

All amounts in Kenya Shillings
For the year ending 31st December
20.....

CLASS OF BUSINESS		MOTOR COMMERCIAL 08		PERSONAL ACCIDENT 09		THEFT 10		WORKMEN'S COMPENSATION 11		MISCELLANEOUS 12		TOTAL 13	
		Number	Amount	Number	Amount	Amount	Amount	Number	Amount	Number	Amount	Number	Amount
(ii) outstanding claims (included in (9) above) on which liability not admitted and pending for –	13 14 15												
Not more than ninety days													
Not more than six months													
More than six months													
TOTAL (13+14+15)	16												
E. Claims subject of court cases	17												
Claims included in (1) above	18 19												
Claims referred to court during	20												

the year													
Claims in court (included in (9) above (17+18+19)													
<i>F. Claims subject of arbitration</i>	21												
	22												
Claims included in (1) above ...	23												
Claims referred to arbitration dating the year 'claims settled during the year	24												
Claims in arbitration (included in (9) above) 21+22+23)													
G. Outstanding recoveries in respect of settled claims pending for more than ninety days -	25												
(i) from salvage/third parties	26												
(ii) from local Ire insurers	27												
(iii) from overseas reinsurers													

TOTAL 25+26+27	28												

FORM NO. INS 203-2

MONTHLY SUMMARY OF CLAIMS

All amounts in Kenya Shillings

Name of Insurer

For the Month Ending

BUSINESS		LONG-TERM INSURANCE		GENERAL INSURANCE	
		Number	Amount	Number	Amount
(A) Claims outstanding at the beginning of the month	1				
	2				
	3				

TOTAL	4				
(B) Action during the Month	5				
Claims settled	6				
Claims rejected	7				
Claimed closed as "no claims"					
TOTAL (9+10)	8				
(C) Claims revised or change in claims reserve during the yeon which liability admitted and pending for -	9				
Not more than ninety days	10				
More than ninety days					
TOTAL (9+10)	11				
on which liability not admitted and pending for					
not more than ninety days	12				
not more than six months	13				
more than six months	14				
TOTAL (12+13+14)	15				
GRAND TOTAL (11+15)	16				

Date:

Principal Officer

TWENTY -SECOND SCHEDULE

r.34(2)

REGISTRATION NO.



EXPIRES ON
31ST December, 20.....

REGISTRATION AS AN INSURER

Registration is granted to

..... (name)

of..... (address)

to carry on, in Kenya/outside Kenya, the following classes of insurance business ---

LONG TERM INSURANCE BUSINES

Bond Investment/Industrial Life/ Ordinary life/Superannuation

GENERAL INSURANCE BUSINESS

Aviation/ Engineering/ Fire Domestic/Fire Commercial/ Liability/ Marine/ Motor-Private/Motor Commercial /Personal Accident/ Theft /Workmen’s compensation/Miscellaneous/

.....

Subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20.....

P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

TWENTY –SECOND SCHEDULE (contd)

REGISTRATION NO.



EXPIRES ON
31ST December, 20

REGISTRATION AS A RISK MANAGER

Registration is granted to

..... (name)

of..... (address)

to operate as a *risk manager* in Kenya subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon, for a period of twelve months ending 31st December 20.....

CONDITIONS

Dated the, 20.....

P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

REGISTRATION NO.



EXPIRES ON
31ST December, 20.....

REGISTRATION AS A LOSS ASSESSOR

Registration is granted to

..... (name)

of..... (address)

to operate as a *loss assessor* in Kenya subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon, for a period of twelve months ending 31st December 20.....

CONDITIONS

Dated the, 20.....
P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

REGISTRATION NO.



EXPIRES ON
31ST December, 20.....

REGISTRATION AS A LOSS ADJUSTER

Registration is granted to

..... (name)

of..... (address)

to operate as a *loss adjuster* in Kenya subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon, for a period of twelve months ending 31ST December 20.....

CONDITIONS

Dated the, 20.....

P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

REGISTRATION NO.



EXPIRES ON
31ST December, 20.....

REGISTRATION AS AN INSURANCE SURVEYOR

Registration is granted to

..... (name)

of..... (address)

to operate as an *insurance surveyor* in Kenya subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon, for a period of twelve months ending 31st December 20.....

CONDITIONS

Dated the, 20.....

P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

REGISTRATION NO.



EXPIRES ON
31st December, 20.....

REGISTRATION AS AN AGENT

Registration is granted to

..... (name)

of..... (address)

to operate as an *agent* in Kenya subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon, for a period of twelve months ending 31st December 20.....

CONDITIONS

Dated the, 20.....

P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

REGISTRATION NO.



EXPIRES ON
31ST December, 20.....

REGISTRATION AS A BROKER

Registration is granted to

..... (name)

of..... (address)

to operate a *broker* in Kenya subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon, for a period of twelve months ending 31st December 20.....

CONDITIONS

Dated the, 20.....

P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

REGISTRATION NO.



EXPIRES ON
31ST December, 20.....

REGISTRATION AS CLAIMS SETTLING AGENTS

Registration is granted to

..... (name)

of..... (address)

to operate as a *claim settling agent* in Kenya subject to the Provision of the Insurance Act(Cap. 487) and the conditions endorsed hereon, for a period of twelve months ending 31st December 20.....

CONDITIONS

Dated the, 20.....

P.O. Box 43505, 00100,
NAIROBI

.....
Commissioner of Insurance

FORM NO.INS 197B-3

TWENTY-THIRD SCHEDULES
MONTHLY INSURANCE TRAINING LEVY RETURN

Name of insurer For the month ending, 20..... All amounts in Kenya shillings

<i>Serial Number</i>	<i>Class of insurance business</i>	<i>Amount of Gross Direct premium written during the month</i>
A	LONG-TERM INSURANCE BUSINESS	
31	Life Assurance...	
32	Annuities.....	
33	Personal Pensions & Deposit Administration...	
34	Group Life	
35	Group Credit	
36	Permanent Health	
37	Uni Linked, Linked & Non-Linked Investments	
	Sub-total (i)	
B	GENERAL INSURANCE BUSINESS	
01	Aviation insurance	
02	Engineering insurance including contractor's all risks machinery breakdown, erection all risks and consequential loss from machinery breakdown.....	
03	Fire insurance domestic risks including house owners, householders and other comprehensive package covers.	
04	Fire insurance industrial and commercial risks and consequential loss from fire insurance.	
05	Liability insurance-including public liability, products liability and professional indemnity	
06	Marine insurance	
07	Motor insurance-private vehicle	
080	Motor insurance - commercial vehicle	
081	Motor insurance- commercial PSV	
09	Personal accident insurance	

10	Theft insurance including burglary, cash in transit and fidelity guarantee	
11	Workmen's compensation and other employer's liability insurance	
12	Miscellaneous insurance (i.e. classes of business not included under those listed above)	
	Sub-total (ii)....	
	Total (i)+(ii) ...	
	0.2% of (i) + (ii)	
	Penalty for late payment (add)....	
	Total insurance training levy payable	

Date

Principal Officer

FORM NO.INS 197A-3

**TWENTY-FOURTH SCHEDULE
MONTHLY PREMIUM LEVY RETURN**

Name of insurer For the quarter ending, 20 All amount in Kenya shillings

<i>Serial Number</i>	<i>Class of insurance business</i>	<i>Amount of Re-insurance premium paid or credited to Re-insurance Business Outside Kenya</i>
A	LONG-TERM INSURANCE BUSINESS	
31	Bond investment business.....	
32	Industrial life assurance business	
33	Ordinary life assurance business	
34	Superannuation business	
	Sub-total (i)	
B	GENERAL INSURANCE BUSINESS	
01	Aviation insurance	
02	Engineering insurance including contractor's all risks machinery breakdown, erection all risks and consequential loss from machinery breakdown.....	
03	Fire insurance domestic risks including house owners, householders and other comprehensive package covers.	

04	Fire insurance industrial and commercial risks and consequential loss from fire insurance.	
05	Liability insurance-including public liability, products liability and professional indemnity	
06	Marine Insurance	
07	Motor insurance-private vehicle	
08	Motor insurance-commercial vehicle	
09	Personal accident insurance	
10	Theft insurance including burglary, cash in transit and fidelity guarantee	
11	Workmen's compensation and their employer's liability insurance	
12	Miscellaneous insurance (i.e. classes of business not included under those listed above)	
	Sub-total (ii)...	
	Total (i)+(ii)	
	0.2% of (i) + (ii)	
	Penalty for late payment (add).....	
	Total insurance levy payable	

Date.....

Principal Officer

FORM NO. 197E-1

**TWENTY-FIFTH SCHEDULE
ANNUAL PREMIUM LEVY RETURN**

Name of Insurer for the year ending, 20All amounts in Kenya shillings

S. N o	Class of insurance business	Amount of Gross premium written during the month												
		Ja n	Fe b	Ma r	Ap r	Ma y	Ju n	Ju l	Au g	Se p	Oc t	No v	De c	tota l
A	LONG -TERM INSURANCE BUSINESS													
31	Bond investment business													

32	Industrial life assurance business													
33	Ordinary life assurance business													
34	Superannuation business													
	Sub-total													
B	GENERAL INSURANCE BUSINESS													
01	Aviation insurance													
02	Engineering insurance including contractors all risks machinery breakdown, erection all risks and consequential loss from machinery breakdown....													
03	Fire insurance domestic risks including house owners, householders and other comprehensive packages covers.													
04	Fire insurance industrial and commercial risks and consequential													

	loss from fire insurance.													
05	Liability insurance-including public liability, products liability and professional indemnity													
06	Marine Insurance													
07	Motor insurance-private vehicles													
08	Motor insurance-commercial vehicle													
09	Personal accident insurance													
10	Theft insurance including burglary, cash in transit and fidelity guarantee													
11	Workmen's compensation (i.e. classes of business not included under those listed above)													
12	Miscellaneous insurance (i.e. classes of business not													

included under those listed above)														
Sub-total (ii)....														
1% of (i) +(ii)														
Penalty for late payment (add).....														
Total levy payable														

Auditor

Principal Officer

FORM NO. INS 197A-3 (a)

(r.53 (b))

**TWENTY-SEVENTH SCHEDULE
QUARTERLY RE-INSURANCE PREMIUM LEVY RETURN**

Name of Insurer for the month ending, 20 All amounts in Kenya shillings

<i>Serial Number</i>	<i>Class of insurance business</i>	<i>Amount of Re-insurance premium paid or credited to Re-insurance Business Outside Kenya</i>
A	LONG-TERM INSURANCE BUSINESS	
31	Bond investment business.....	
32	Industrial life assurance business	
33	Ordinary life assurance business	
34	Superannuation business	
	Sub-total (i)	
B	GENERAL INSURANCE BUSINESS	
01	Aviation insurance	

02	Engineering insurance including contractor's all risks machinery breakdown, erection all risks and consequential loss from machinery breakdown.....	
03	Fire insurance domestic risks including house owners, householders and other comprehensive package covers.	
04	Fire insurance industrial and commercial risks and consequential loss from fire insurance.	
05	Liability insurance-including public liability, products liability and professional indemnity	
06	Marine Insurance	
07	Motor insurance-private vehicle	
08	Motor insurance-commercial vehicle Motor insurance- Commercial PSV	
09	Personal accident insurance	
10	Theft insurance including burglary, cash in transit and fidelity guarantee	
11	Workmen's compensation and their employer's liability insurance	
12	Miscellaneous insurance (i.e. classes of business not included under those listed above)	
	Sub-total (ii)...	
	Total (i)+(ii)	
	5% of (i) + (ii)	
	Penalty for late payment (add).....	
	Total levy payable	

Date Principal Officer

FORM NO.INS 197E-2

**TWENTY-EIGHTH SCHEDULE
ANNUAL REINSURANCE PREMIUM LEVY RETURN**

<i>S. N o</i>	<i>Class of insurance business</i>	<i>Amount of Gross premium written during the month</i>

A	LONG -TERM INSURANCE BUSINESS	Ja n	Fe b	Ma r	Ap r	Ma y	Ju n	Ju l	Au g	Se p	Oc t	No v	De c	tota l
31	Bond investment business													
32	Industrial life assurance business													
33	Ordinary life assurance business													
34	Superannuat ion business													
	Sub-total													
B	GENERAL INSURANCE BUSINESS													
01	Aviation insurance													
02	Engineering insurance including contractors all risks machinery breakdown, erection all risks and consequential loss from machinery breakdown....													
03	Fire insurance domestic risks including house owners, householders and other comprehensive													

	packages covers.													
04	Fire insurance industrial and commercial risks and consequential loss from fire insurance.													
05	Liability insurance-including public liability, products liability and professional indemnity													
06	Marine Insurance													
07	Motor insurance-private vehicles													
08	Motor insurance-commercial vehicle													
09	Personal accident insurance													
10	Theft insurance including burglary, cash in transit and fidelity guarantee													
11	Workmen's compensation (i.e. classes of business not													

	included under those listed above)													
12	Miscellaneous insurance (i.e. classes of business not included under those listed above)													
	Sub-total (ii)....													
	1.5% of (i) +(ii)													
	Penalty for late payment (add).....													
	Total levy payable													

Name of insurer For the year ending, 20..... All amounts in Kenya shillings

FORM NO.INS 197E-3

(r. 56)

**TWENTY-NINTH SCHEDULE
ANNUAL TRAINING LEVY RETURN**

Name of insurer For the year ending, 20..... All amounts in Kenya shillings

S. No	Class of insurance business				Amount of Gross premium written during the month									
	GENERAL INSURANCE BUSINESS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	total
01	Aviation Insurance													
02	Engineering insurance including contractors all risks machinery breakdown, erection all risks and consequential loss from machinery breakdown.....													
03	Fire insurance domestic risks including house owners, householders and other comprehensive packages covers													
04	Fire insurance industrial and commercial risks and consequential loss from fire insurance.....													
05	Liability insurance including public liability, products													

	liability and professional indemnity.....													
06	Marine Insurance													
07	Motor Insurance- Private vehicles													
08	Motor Insurance- Commercial vehicle													
09	Personal accident insurance....													
10	Theft insurance including burglary, cash in transit and fidelity guarantee.													
11	. Workmen's compensation(i.e classes of business not included under those listed above)													
12	Medical													
13	Miscellaneous Insurance (i.e classes of business not included under those listed above)													
	Sub-total (ii)....													
	1% of (i) +(ii)													
	Penalty for late payment (add).....													

	TOTAL																			
Auditor.....										Principal Officer										