

CHAPTER 487

INSURANCE

SUBSIDIARY LEGISLATION

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INSURANCE REGULATIONS, 1986

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[L.N. 312/1986, Corr. No. 43/1987, L.N. 52/1987, L.N. 146/1987, L.N. 349/1987, L.N. 542/1988, L.N. 180/1992, L.N. 124/1994, L.N. 189/1994, L.N. 372/1995, L.N. 87/1996, L.N. 169/1998, L.N. 75/1999, L.N. 172/1999, L.N. 108/2002, L.N. 91/2003, L.N. 40/2004, L.N. 65/2006, L.N. 99/2006, L.N. 2/2007, L.N. 135/2007, L.N. 97/2009, L.N. 85/2010, L.N. 154/2010, L.N. 51/2011, L.N. 57/2012, , L.N. 178/2014, L.N. 104/2015, L.N. 108/2016, L.N. 51/2017, L.N. 275/2017, L.N. 93/2019.]

REGULATIONS UNDER SECTION 180

PART I – PRELIMINARY

1. Citation

These Regulations may be cited as the Insurance Regulations, 1986.

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 (Cap. 486) whose shares are wholly owned by 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 businesses 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 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

5. Insurer’s application for registration

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.

[L.N. 51/2017, r. 2.]

6. Registration fees

The fee for registration as an insurer under section 30 shall be—

- (i) in the case of an insurer, one hundred and fifty thousand shillings; and

(ii) in the case of reinsurer, two hundred and fifty thousand shillings, and the same fee shall be payable for renewal registration under section 188(2).

[L.N. 189/1994, r. 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 sources of business (for example, insurance brokers, agents, own employees or direct selling) and the approximate per centage 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 or 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;

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- (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.

7A. Deposits for Insurers Registration

For the purposes of section 32 of the Act, deposits required to be kept with the Central Bank of Kenya shall be under lien in favour of the Insurance Regulatory Authority.

[L.N. 97/2009, r. 2.]

PART III – ADMITTED ASSETS AND ADMITTED LIABILITIES

8. Admitted assets and admitted liabilities

Deleted by L.N. 93/2019, r. 2

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

9. Classes of insurance business in respect of which separate accounts to be maintained

(1) An insurer carrying on insurance business, shall maintain separate accounts in respect of the following classes of insurance business—

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

(2) For the purposes of this regulation—

- (a) "annuity" means an insurance contract that provides for a series of guaranteed payments, either for a specified period of time or for the lifetime of one or more individuals;
- (b) "deposit administration" means an insurance plan for retaining retirement contributions made by employers in a special fund held by an insurer which shall be applied towards the purchase of annuities as employees retire;
- (c) "group credit insurance" means insurance purchased by a creditor on the life or health of debtors to pay off the creditor's debt in the case of the creditor's disability or death;
- (d) "permanent health insurance" means a long term insurance contract designed to provide a replacement income to a policyholder if the policyholder is unable to work due to illness or injury:

- (e) "personal pension" means a long term savings product where an individual shall contribute voluntarily and a lump sum shall be available upon that individual's retirement: and
- (f) "unit link and linked investment" means an insurance product that offers the benefit of insurance and investment in an integrated plan".

[L.N. 108/2016, L.N. 93/2019, r. 2.]

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 L.N 57/2012, r. 2;*
- (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.

[L.N. 57/2012, r. 2.]

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. Statements 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.

15. Minimum basis

For the purposes of section 58(3) of the Act, the calculation on the minimum 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.

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.

[L.N. 108/2016, r. 3.]

16. Actuary's certificate

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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

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—

- (a) *Deleted by L.N. 93/2019 r. 4*
- (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. 59-14;
 - (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 re-insurance treaties, Form No. INS. 59-6;
 - (v) particulars of brokers, reinsurers and re-insured under inward and outward reinsurance treaties, Form No. INS. 59-7;
 - (vi) particulars of insurance business not covered by any reinsurance arrangement, Form 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. 108/2002, r. 2, L.N. 57/2012, r. 3, L.N. 108/2016, r. 4, L.N. 93/2019, r. 4.]

18. Annual returns: general insurance business

For the purposes of section 59 of the Act, every insurer carrying on general insurance business shall, within six months after the end of the period to which they relate, lodge with the Commissioner, in respect of every financial year—

- (a) *Deleted by L.N. 93/2019, r. 5.*
- (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) and (vii)—
 - (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 re-insured under inward and outward reinsurance treaties, Form No. INS. 59-7;
 - (viii) particulars of insurance business not covered by any reinsurance arrangement, Form No. INS. 59-8;
 - (ix) statement of premium, Form No. INS. 59-9B;

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- (x) statement of commission, Form No. INS. 59-10B.
[L.N. 108/2002, r. 3, L.N. 57/2012, r. 4, L.N. 93/2019, r. 5.]

19. Annual returns: supplementary provisions

- (1) The statements required under regulations 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 regulations 17 and 18 the statements 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 shall, in addition to the signatures required under section 60 of the Act, by the insurer a certificate of authentication 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.
- (3) Subject to such conditions as the Commissioner may prescribe, insurance formalities or submission of documents under this regulation may be done through the use of information technology.

[L.N. 85/2010, r. 2, L.N. 57/2012, r. 5.]

PART V – MANAGEMENT AND EXPENSES

21. Management expenses

- (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.
- (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.

[L.N. 57/2012, r. 6.]

22. Restriction on 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.

[L.N. 108/2002, r. 4.]

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 (Cap. 405);
- (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 Thirteenth 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 centum 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 sections 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 within a specified term dating from the commencement of the policy exceeds 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 insured), 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 provision for a 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

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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 thereunder 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 provision 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 purpose by the insurer's actuary.

(e) *Policies providing for endowment insurance payable in instalments depending on survival with level premiums until the last instalment is paid*—

If an endowment insurance policy provides for payment of the sum assured by instalments depending on survival and full sum assured or any unpaid balance at death, premiums being payable at a level rate until the final 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 lumpsum on death or at maturity instead of instalments 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 this 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 proviso 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, cancelling or changing a nomination

An insurer may charge a policy-holder 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 an adjudication under section 112 of the Act shall be two percentum 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 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 re-insurance cessions

Payment by insurers to the Corporation in respect of re-insurance effected under Part XIV of the Act shall be made within the periods of payment specified in the Fifteenth Schedule.

PART X – INTERMEDIARIES, CLAIMS SETTLING AGENTS, INSURANCE SURVEYORS, MEDICAL INSURANCE PROVIDERS, LOSS ADJUSTERS, MOTOR ASSESSORS, INSURANCE INVESTIGATORS AND RISK MANAGERS

[L.N. 57/2012, r. 7.]

34. Forms of application for registration and renewal of registration of intermediaries, etc

(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.

(2) For the purposes of registration and renewal of registration of insurers under section 31 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 sections 153 and 188 of the Act, the registration certificates to be issued on registration shall be in the forms set out in the Twenty-second Schedule.

[L.N. 52/1987, r. 2, L.N. 57/2012, r. 7, r. 8, L.N. 275/2017, r. 2.]

35. Policy of professional indemnity for a broker

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.

[L.N. 57/2012, r. 9.]

36. 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 assessor, insurance investigator 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..

[L.N. 57/2012, r. 10.]

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37. Fees payable

The fees for registration and renewal of registration under sections 151(1)(d) and 188(2) of the Act shall be as follows—

	<i>KSh.</i>
Insurance broker	10,000
Risk manager	3,000
Motor assessor	3,000
Insurance investigator	3,000
Loss adjuster	3,000
Insurance surveyor	3,000
Medical insurance provider.....	10,000
Claims settling agent	3,000
Insurance agent	1,000
Corporate insurance agent	1,000

[L.N. 189/1994, r. 2, L.N. 57/2012, r. 11.]

38. 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 fact in his report and shall qualify the report if he fails to obtain all the information and explanations which are necessary for the purposes 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. 57/2012, r. 12.]

39. Bank guarantee for broker's registration

For the purpose of section 153(1) of the Act the form of guarantee which may be required of a broker by the Authority shall be 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 first registration of the broker and at the time of subsequent renewals, three million shillings.

Provided that a broker who is registered before the commencement of this provision shall provide the guarantee referred to herein within a period of eighteen months from the date of such commencement.

[L.N. 124/1994, r. 2, L.N. 75/1999, r. 2, L.N. 108/2002, r. 5, L.N. 65/2006, r. 2, L.N. 2/2007, r. 2, L.N. 97/2009, r. 3, L.N. 85/2010, r. 3.]

40. Returns by corporate persons under the Act

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 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.

[L.N. 85/2010, r. 4, L.N. 57/2012, r. 13.]

PART XI – ADVANCE PAYMENT OF PREMIUM

41. Advance payment of premium

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—

- (a) if the entire amount of premium is guaranteed to be paid by a bank licensed under the Banking Act (Cap. 488);
- (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. 91/2003, r. 2.]

42. Despatch 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 despatched to the insurer immediately upon the receipt thereof.

[L.N. 91/2003, r. 3.]

43. Relaxations

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 instalments provided that the instalment 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.

Insurance

[Subsidiary]

(c) *Policies issued on the basis of adjustable premiums—*

Risk 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 instalments 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 risks 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 instalment is higher than any other instalment by at least five *per centum* of the total premiums payable and each instalment 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 re-insurance 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. Fees 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 re-insurance business ceded abroad and re-insurance 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 re-insurance and general insurance business re-insurances, 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 during 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.

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 by crossed banker's draft drawn in favour of "The Permanent Secretary to the Treasury".

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".

[L.N. 97/2009, r. 4, L.N. 85/2010, r. 5.]

50. Specified investments

[Subsidiary]

A reference in 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 Schedules shall be construed as one with these Regulations.

[L.N. 312/1986.]

51. Monthly insurance training levy return

For the purposes of section 197A (2), the rates of Levy shall be—

- (a) in case of gross direct premiums written by such insurers, one per cent (1%); and
- (b) in case of reinsurance premiums paid or credited to a reinsurer outside of Kenya, five per cent (5%).

[L.N. 146/1987, r. 2, Corr. No. 43/1987, L.N. 180/1992, r. 2,
L.N. 124/1994, r. 3, L.N. 135/2007, r. 2, L.N. 97/2009, r. 5.]

52. Monthly premium tax return

For 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. 180/1992, r. 2, L.N. 124/1994, r. 3, L.N. 135/2007, r. 2.]

53. Annual premium tax return

For 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 a 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. 180/1992, r. 2, L.N. 124/1994, r. 3, L.N. 135/2007, r. 2.]

54. Monthly re-insurance premium tax return

For the purposes of section 197B (2), the rates of the levy shall be calculated at the rate of zero point two per cent (0.2%) of the gross direct premiums written by the insurer in respect of general insurance business.

[L.N. 124/1994, r. 4, L.N. 135/2007, r. 2.]

55. Annual premium tax return

For the purposes of section 197B (3), the form set out in the Twenty Third Schedule shall be in the form for the monthly insurance training levy return.

[L.N. 124/1994, r. 4, L.N. 135/2007, r. 2.]

56. Annual Insurance Training Levy return

For the purposes of section 197E, an insurer carrying on general 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, r. 3.]

[Subsidiary]

57. Payment of Insurance Training Levy

For the purposes of section 197E, the levy payable under section 197B shall be paid to the Insurance Training and Education Trust in such manner as may be prescribed by the Authority from time to time.

[L.N. 135/2007, r. 3, L.N. 57/2012, r. 14.]

58. Monies Payable to Fund

For the purposes of section 4(2), all monies payable into the Fund shall be paid to the Insurance Regulatory Authority in such manner as may be prescribed by the Authority from time to time.

[L.N. 135/2007, r. 3, L.N. 57/2012, r. 15.]

FIRST SCHEDULE

FORM INS. 30-1

Sections 30 and 188(2) and Regulations 5 and 48.]

[L.N. 51/2017, r. 3.]

All amounts in Kenya shillings

APPLICATION FOR REGISTRATION OF AN INSURER

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 Advisers and Actuaries (Appendix D)
- (v) Members of the insurance industry excluding insurers whose services were availed of during the current year (Appendix E)

Insurance

[Subsidiary]

FIRST SCHEDULE, FORM INS. 30-1—continued

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 the 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. AUTHORIZED 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	Number of Shares (2)	Amount per Share Sh. (3)	Total Amount (2)×(3) (4)	Total Number of share-holders (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)
(1)							
(a)							
(b)							

FIRST SCHEDULE, FORM INS. 30-1—continued

Type of Shares	Number of Shares (2)	Amount per Share Sh. (3)	Total Amount (2)x(3) (4)	Total Number of share-holders (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)
(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

Insurance

[Subsidiary]

FIRST SCHEDULE, FORM INS. 30-1—continued

C. Is assistance being taken or proposed to be taken from a broker or agent or any 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 up to 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

FIRST SCHEDULE—continued
APPENDIX A TO FORM INS. 30-1

PARTICULARS OF BOARD OF DIRECTORS

Name of Insurer: 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 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
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 shares. If additional shares are held in the names of any relatives (who are not directors themselves) of the director, 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 for?
 (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

Insurance

[Subsidiary]

FIRST SCHEDULE—continued

APPENDIX B TO FORM INS. 30-1

PARTICULARS OF MANAGEMENT STAFF

Name of insurer: As at 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 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)		
						Academic	Professional				(a)	(b)	(c)	Nature of Business	Name of Interest	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.

FIRST SCHEDULE, APPENDIX B—continued

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 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

Department	Name of Insurer:					As at 31st December, 20					Numbers 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

Insurance

[Subsidiary]

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 a separate statement.

APPENDIX D TO FORM NO. INS. 30-1

PARTICULARS OF AUDITORS, LEGAL ADVISERS AND ACTUARIES

Name of Insurer: As at 31st December, 20

		<i>Name of Firm</i>	<i>Address</i>	<i>Partners Names</i>	<i>Professional Qualifications</i>	<i>Since When</i>
AUDITORS	1.					
	2.					
	3.					
LEGAL ADVISERS	1.					
	2.					
	3.					
ACTUARIES	1.					
	2.					
	3.					

Date:

Principal Officer

APPENDIX E

PARTICULARS OF MEMBERS OF INSURANCE
INDUSTRY WHOSE SERVICES AVAILED OF

Insurance

[Subsidiary]

Name of Insurer: As at 31st December, 20

<i>Members of the Insurance Industry (Please See Note 1)</i>	<i>Name</i>	<i>Address</i>	<i>Nature of Work Handled</i>	<i>Shareholding or other Interest (Please See Note 2)</i>	<i>Registration Number</i>
(1)	(2)	(3)	(4)	(5)	(6)

Date:

Principal Officer

[Subsidiary]

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 insufficient, please use additional paper.
4. Please mention in column (6) the reference number of the registration under the Insurance Act, 1984.

APPENDIX F TO FORM NO. INS. 30-1

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 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 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 with 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 the 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 or 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).

Insurance

[Subsidiary]

- (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

[Section. 41(9), Regulation 8, L.N. 85/2010, r. 6.]

Deleted by L.N. 104/2015

THIRD SCHEDULE

PART A – GENERAL INSURANCE BUSINESS—CLASSES AND SUB-CLASSES

[S. 52 and Rule 10, L.N. 108/2002, L.N. 85/2010, r. 7, L.N. 51/2011, L.N. 57/2012, r. 16.]

Insurance

[Subsidiary]

<i>Serial Number</i>	<i>Class of Business</i>	<i>Brief Description of Class</i>	<i>Serial Number</i>	<i>Sub-Class of Business</i>
01	Aviation Insurance.	Aviation	010	Aviation
02	Engineering Insurance including Contractor's Risks, Machinery Breakdown, Erection All Risks and Consequential Loss from Breakdown.	Engineering	020	Contractor's All Risks
			021	Engineering Insurance—Others
03	Fire Insurance—Domestic Risks including Houseowners, Householders and other comprehensive package covers.	Fire—Domestic	030	Fire—Domestic
04	Fire Insurance—Industrial and Commercial Risks and consequential loss from fire insurance.	Fire—Industrial	040	Fire—Industrial
05	Liability Insurance—including public liability products' liability and professional indemnity.	Liability	050	Products' Liability
			051	Professional Indemnity
			052	Other Liability
06	Marine Insurance.	Marine	060	Marine Hull
			061	Marine Cargo
			062	Other Transit
07	Motor Insurance—Private Vehicles.	Motor—Private	070	Motor—Private
08	Motor Insurance—Commercial Vehicles.	Motor—Commercial	080	Motor—Commercial
09	Personal Accident Insurance.	Personal Accident	090	Personal Accident and Sickness
			091	Health/Medical Expenses Insurance (where separate policies are issued).
10	Theft Insurance including Burglary, Cash-in-Transit and Fidelity Guarantee.	Theft	100	Cash-in-Transit
			101	Fidelity Guarantee
			102	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

THIRD SCHEDULE, PART A—*continued*

<i>Serial Number</i>	<i>Class of Business</i>	<i>Brief Description of Class</i>	<i>Serial Number</i>	<i>Sub-Class of Business</i>
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	Bond Insurance
			141	Livestock Insurance
			142	Crop Insurance
			143	Any other 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 business 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 licence.

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 of 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, motor vehicles or 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.

[Subsidiary]

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 the 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.

09 Personal Accident Insurance business—means the business of effecting and carrying out contracts of insurance against risks of the persons insured sustaining injury as the result of an accident or an accident 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—means 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.

Insurance

[Subsidiary]

THIRD SCHEDULE—continued

FORM INS. 54-1

[L.N. 108/2002, r. 6, L.N. 51/2011, r. 2, L.N. 57/2012, r. 16.]

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.....												
		01	02	03	04	05	06	07	08	09	10	11	12	13
Class of Business	Aviation	Engin eering	Fire Dom estic	Fire Indust rial	Liability	Marine	Motor Private	Motor Comm ercial	Personal Accident	Theft	Workmen's Compensa tion	Medical Insurance	Miscell aneous	Total (01 to 13)
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													
Addition unexpired risk reserve carried forward	7													

Insurance

[Subsidiary]

THIRD SCHEDULE, FORM INS. 54-1—continued

	Aviation 01	Engin eering 02	Fire Dom estic 03	Fire Indus trial 04	Liability 05	Marine 06	Motor Private 07	Motor Comm ercial 08	Personal Accident 09	Theft 10	Workmen's Compensat ion 11	Medical Insurance 12	Miscell aneous 13	Total (01 to 13) 14
8 Net earned Premium (3+4+5-6-7)														
9 Claims paid														
10 Amount of claims outstanding at the end of the year														
11 Amount of claims outstanding at the beginning of the year														
12 Total claims incurred (9+10-11)														
13 Commissions														
14 Expenses of Management														
15 Total Expenses (13+14)														
16 Balance being underwriting profit or loss (8-12-15)														
17 Increase (decrease) in the fund (3-9-13)														

THIRD SCHEDULE, FORM INS. 54-1—continued

	Aviation 01	Engin eering 02	Fire Dom estic 03	Fire Indust rial 04	Liability 05	Marine 06	Motor Privats 07	Motor Comm ercial 08	Personal Accident 09	Theft 10	Workmen's Compensa tion 11	Medical Insurance 12	Miscel aneous 13	Total (01 to 13) 14
Investment income receivable before deduction of tax 18														
Other expenses (specify) 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														

Item numbers 3, 9, 13, 14, 15, 17, 18, 19, 20, 21 and 22 only need to be completed in respect of a class of business which is funded business and items 17, 21 and should be omitted in respect of the class of business.

..... Date Auditor Director Director Principal Officer

Insurance

[Subsidiary]

THIRD SCHEDULE—continued

FORM INS. 54-2

[L.N. 108/2002, r. 6.]

LONG-TERM INSURANCE BUSINESS-REVENUE ACCOUNTS

(To be completed in accordance with regulation 11 of the Insurance Regulations, 1986)

All Amounts in Kenya Shillings

Name of Insurer.....

Year Ending: 31st December, 20.....

Class of Business	Bond Investment	Industrial Life	Ordinary Life	Superannuation		Total
				Group Life	Pensions	
	31	32	33	34		
Gross Premium	1					
Reinsurance Premium	2					
Net Premium (1-2)	3					
Claims paid and 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 benefit payment (6+7+8)	9					

THIRD SCHEDULE, FORM INS. 54-2—continued

Class of Business	Bond Investment	Industrial Life	Ordinary Life	Superannuation		Total
				Group Life	Pensions	
	31	32	33	34		
Commissions	10					
Expenses of management	11					
Other expenses (specify)	12					
Total (10+11+12)	13					
Investment Income	14					
Investment expenses	15					
Transfer to (or from) Profit and Loss Account	16					
Increase or decrease in the fund (3-9-13+14-12+16)	17					
Insurance fund at the beginning of the year	18					
Insurance fund at the end of the year (17+18)	19					

..... Date Auditor Director Director Principal Officer

Insurance

[Subsidiary]

THIRD SCHEDULE, FORM No. INS. 54-4—continued

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			
less depreciation			
Computer equipment			
less depreciation			

Insurance

[Subsidiary]

THIRD SCHEDULE, FORM No. INS. 54-5—continued

PART B			
Furniture, fixtures, fittings and office equipment other than computer equipment less depreciation			
Fixed Assets Other* less depreciation			
Sub-Total (5)			
6. Investments			
(i) Securities issued by:			
—Government of Kenya*			
—Local Government authorities			
—State Corporations*			
—Other organizations			
Prescribed under section 50(3)(d) of the Act			
Sub-Total 6(i)			
	<i>Related Bodies Corporate</i>	<i>Other</i>	<i>Total</i>
(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)			

Insurance

[Subsidiary]

THIRD SCHEDULE, FORM No. INS. 54-4—continued

	<i>Related Bodies Corporate</i>	<i>Other</i>	<i>Total</i>
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 premium provisions			
Outstanding claims 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 (including related bodies) under reinsurance contracts			
Other amount due to insurers (not being related bodies)			
Debentures			
Other Loans			
—Secured			
—Unsecured			
Other*			
Sub-Total (11)			

7. Particulars of each item of expense or income, as the case may be, included in and which accounts for more than ten percentum 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 (L.N. 108/2002), furnish the break-up in the Form INS. No. 54-3 (L.N. 108/2002), 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 the 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 percentum 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 methods deemed by accountants practising in Kenya to be appropriate for insurers transacting business in Kenya.

FOURTH SCHEDULE

[Section 57(1)(b) and Reg. 12, L.N. 85/2010, r. 8, L.N. 108/2016, r. 5.]

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.

Insurance

[Subsidiary]

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 any 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 — Long-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:
 - (iv) a statement on the assumptions of development factors and ultimate loss ratios, expense rates and recoveries including a statement on the following matters:
 - (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

1. 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.

[Subsidiary]

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.

PART B-FORMS															
Long Term Business															
SUMMARY AND VALUATION OF THE POLICIES AS AT															
57-1	PARTICULARS OF THE POLICIES FOR VALUATION						VALUATION ON BASES DESCRIBED								
	No of Policies	No of Lives	Sums Assured	Bonus	Annual Office Premiums	EPV of Benefits	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
Insurance Policies															
With Profits-Individual Business															
Life Assurance															
Annuities															
Personal Pensions															
Linked Investments															
Non-Linked Investments															

Insurance

[Subsidiary]

Accident									
Theft									
Workmens' Compensation									
Miscellaneous									
Medical									
Total									

FIFTH SCHEDULE

[Section 57(3) and Reg. 13, L.N. 108/2016, r. 6.]

PROVISIONS RELATING TO THE PREPARATION OF
STATEMENTS OF LONG —TERM 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.

NINTH SCHEDULE

[L.N. 51/2011, r. 4.]

NOTES TO FORM NOS. INS. 59-1 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.

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

FORM INS. 59-1A

STATEMENT OF PREMIUM INCOME *LONG-TERM INSURANCE BUSINESS *KENYA BUSINESS/OUTSIDE KENYA BUSINESS

*(Delete whichever is not applicable)

Name of Insurer,	Class of Business	Year ending 31st December, 20					Total
		Bond Investment	Industrial Life	Ordinary Life	Superannuation		
Serial Number		01	02	03	04		
1	Gross Direct Premium						
2	Inward Reinsurance premium						
3	Outward Reinsurance Premium						
4	NET PREMIUM (1+2-3)						

..... Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

FORM INS. 59-1B

[L.N. 51/2011, r. 4.]

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 31st December, 20

Class of Business	Aviation		ENGINEERING		Fire Domestic	Fire Industrial	LIABILITY			MARINE AND TRANSIT			Motor Private	Medical Insurance
	01	010	Car	Others	03	04	05	Products Liability	Others	06	Marine Cargo	Other Transit	07	08
Sub-Class of Business			020	021	030	040	050	051	052	060	061	062	070	070
1														
2														
3														
4														
5														
6														
7														
TOTAL (5+6)														

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-1B—continued

Class of Business	Aviation 01		ENGINEERING 02		Fire Domestic 03		Fire Industrial 04		LIABILITY 05			MARINE AND TRANSIT 06			Motor Private 07		Medical Insurance 08	
	Aviation 010	Car 020	Others 021	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof. Indus trial 051	Others 052	Marine Cargo 060	Other Transit 061	Marine Hull 062	Motor Private 070	Motor Private 070	Motor Private 070	Motor Private 070	Motor Private 070	Medical Insurance 08	
Sub-Class of Business																		
Premium reserved at the end of the year																		
—earned premium																		
—any other																		
TOTAL (8+9)																		
Earned premium for the year (4+7-10)																		

..... Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE, FORM INS. 59-1B—continued
STATEMENT OF PREMIUM INCOME GENERAL INSURANCE BUSINESS (KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*

Name of Insurer: (*Delete whichever is not applicable)

All amounts in Kenya Shillings.
Year ending 31st December, 20

Class of Business	Motor Commercial 08	Personal Accident 09		THEFT 10			Workmen's Compensation 11	MISCELLANEOUS 12				Grand Total 13	
		Personal Accident and sickness 090	Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risks others 102		Bond 120	Crop 121	Livestock 122	Any other 123		
Sub-Class of Business	Motor Commercial 080												
1 Gross direct premium													
2 Inward reinsurance premium													
3 Outward reinsurance premium													
4 Net premium (1+2-3)													
5 Premium reserved at the beginning of the year—earned premium													
6 —any other													
7 TOTAL (5+6)													

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-1B—continued

Class of Business	Motor Commercial	Personal Accident	THEFT			Workmen's Compensation	MISCELLANEOUS			Grand Total
	08	09	10			11	12			13
Sub-Class of Business	Motor Commercial	Personal Accident and sickness	Cash in Transit	Fidelity Guarantee	Burglary all risks others	Workmen's Compensation	Bond	Crop	Livestock	Any other
	080	090 091	100	101	102	110	120	121	122	123
Premium reserved at the end of the year										
—earned premium	8									
—any other	9									
TOTAL (8+9)	10									
Earned premium for the year (4+7-10)	11									

..... Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM INS. 59-2

[L.N. 51/2011, r. 4.]

STATEMENT OF INCURRED CLAIMS—INCIDENTS OCCURRING IN PREVIOUS YEARS
(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 Business	Aviation	ENGINEERING		Fire Domestic	Fire Industrial	LIABILITY			MARINE AND TRANSIT			Motor Private	Medical Insurance
	01	02	Others	03	04	05	06	07	08	09	10	11	12
Sub-Class of Business	Aviation	Car	Others	Fire Domestic	Fire Industrial	Products Liability	Prof. Industrial	Others	Marine Cargo	Other Transit	Marine Hull	Motor Private	Medical Insurance
	010	020	021	030	040	050	051	052	060	061	062	070	08
Gross direct business													
1 Claims paid													
2 Claims outstanding at end of:													
3 —current year													
4 —the preceding year													
Inward reinsurance business:													
5 Claims paid													
6 Claims outstanding at the end of:													
—current year													

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-2—continued

Class of Business	Aviation 01		ENGINEERING 02		Fire Domestic 03		Fire Industrial 04		LIABILITY 05				MARINE AND TRANSIT 06			Motor Private 07		Medical Insurance 08
	Aviation 010	Car 020	Others 021	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof. Industrial 051	Others 052	Marine Cargo 060	Other Transit 061	Marine Hull 062	Motor Private 070	Medical Insurance 08					
—the preceding year	7																	
Incurred claims (6+7-8)	8																	
Outward reinsurance business:																		
Claims paid	9																	
Claims outstanding at the end of:																		
—current year	10																	
—preceding year ..	11																	
Incurred claims (9+10-11)	12																	
Net Business																		
Claims paid	13																	
Claims outstanding at the end of:																		
—current year	14																	

NINTH SCHEDULE, FORM INS. 59-2—continued

Class of Business	Aviation 01		ENGINEERING 02		Fire Domestic 03		Fire Industrial 04		LIABILITY 05			MARINE AND TRANSIT 06			Motor Private 07		Medical Insurance 08
	Aviation 010	Others 021	Car 020	Others 021	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof. Industrial 051	Others 052	Marine Cargo 060	Other Transit 061	Marine Hull 062	Motor Private 070	Motor Private 070			
—the preceding year																	
Incurred claims (13+14+15)	16																

Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM INS. 59-3A

STATEMENT OF INCURRED CLAIMS—LONG-TERM INSURANCE BUSINESS (KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*

Name of Insurer: (*Delete whichever is not applicable)
 All amounts in Kenya Shillings
 Year ending 31st December, 20

Class of business Serial Number	Bond Investment		Industrial Life		Ordinary Life		Superannuation		Total
	01		02		03		04		
Gross direct business									
Claims paid		1							
Claims outstanding as at the end of:									
—Current year		2							

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-3A—continued

Class of business		Bond Investment	Industrial Life	Ordinary Life	Superannuation	Total
Serial Number		01	02	03	04	
3	—Preceding year					
4	Incurred claims (1+2-3)					
5	Inward reinsurance business					
	Claims paid					
	Claims outstanding as at the end of:					
6	—Current year					
7	—Preceding year					
8	Incurred claims (5+6-7)					
	Outward reinsurance business					
9	Claims paid					
	Claims outstanding as at the end of:					
10	—Current year					
11	—Preceding year					
12	Incurred claims (9+10-11)					
	Net Business					
13	Claims paid (1+5-9)					
	Claims outstanding at the end of:					
14	—Current year (3+7-11)					

NINTH SCHEDULE, FORM INS. 59-3A—continued

Class of business		Bond Investment	Industrial Life	Ordinary Life	Superannuation	Total
Serial Number		01	02	03	04	
—Preceding year (2+6-10)		15				
Incurred claims (4+8-12) or (13+14-15)		16				

..... Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

FORM INS. 59-3B

[L.N. 51/2011, r. 4.]

STATEMENT OF INCURRED CLAIMS—INCIDENTS OCCURRING IN PREVIOUS YEARS AND TOTAL INCURRED CLAIMS—GENERAL INSURANCE BUSINESS (KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*

Name of Insurer: (*Delete whichever is not applicable)

All amounts in Kenya Shillings.
Year ending 31st December, 20.....

Class of Business	Aviation	Engineering		Fire Domestic	Fire Industrial	Liability			Marine and Transit		Motor Private	Medical Insurance	
		01	02			03	04	05	06	07			08
Sub-Class of Business	Aviation	010	020	030	040	050	051	052	060	061	062	070	
			Car	Others	Fire Industrial	Products Liability	Prof. Industrial	Others	Marine Cargo	Other Transit	Marine Hull	Motor Private	
Incidents Occurring During the Current Year.													
Gross direct business													

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-3B—continued

Class of Business	Aviation 01		Engineering 02		Fire Domestic 03		Fire Industrial 04		Liability 05			Marine and Transit 06			Motor Private 07		Medical Insurance 08
	Aviation 010	Car 020	Others 021	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof. Industrial 051	Others 052	Marine Cargo 060	Other Transit 061	Marine Hull 062	Motor Private 070					
1 Claims paid																	
2 Claims outstanding at the end of the year																	
3 Incurred claims (1+2)																	
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:																	
10 Claims paid (1+4-7).																	

NINTH SCHEDULE, FORM INS. 59-3B—continued

Class of Business	Aviation 01		Engineering 02		Fire Domestic 03		Fire Industrial 04		Liability 05			Marine and Transit 06			Motor Private 07	Medical Insurance 08
	Aviation 010		Car 020	Others 021	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof. Industrial 051	Others 052	Marine Cargo 060	Other Transit 061	Marine Hull 062	Motor Private 070			
Sub-Class of Business																
Claims outstanding at the end of the year (2+5-8)																
Provision for incurred but not reported claims....																
Total incurred claims (10+11+12)																
Incident occurring in the previous years:																
Net incurred claims																
Total Incurred Claims (13+14)																
Eamed premium for the year.....																
Incurred claims ratio (15/16) x 100																

..... Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

FORM INS. 59-3B

STATEMENT OF INCURRED CLAIMS—INCIDENTS OCCURRING IN PREVIOUS YEARS AND TOTAL INCURRED CLAIMS—GENERAL INSURANCE BUSINESS (KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*

Name of Insurer: All amounts in Kenya Shillings.
 Year ending 31st December, 20

(*Delete whichever is not applicable)

Class of Business	Motor Commercial 08		Personal Accident 09		Theft 10			Miscellaneous 12			Grand Total 13
	Motor Commercial 080	Health 091	Cash in Transit	Fidelity Guarantee	Burglary all risks others	Workmen's Compensation 110	Bond 120	Crop 121	Livestock 122	Any other 123	
Incidents occurring during the current year:											
Gross direct business:											
1 Claims paid											
2 Claims outstanding at the end of the year											
3 Incurred claims (1+2)											
Inward reinsurance business:											
4 Claims paid											
5 Claims outstanding at the end of the year											
6 Incurred claims (4+5)											

NINTH SCHEDULE—continued

Class of Business	Motor Commercial 08	Personal Accident 09		Theft 10			Miscellaneous 12			Grand Total 13
		Personal Accident and sickness 090	Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risks others 102	Bond 120	Crop 121	Livestock 122	
Sub-Class of Business	Motor Commercial 080									
Outward reinsurance business:										
Claims paid 7										
Claims outstanding at the end of year 8										
Incurred claims (7+8) 9										
Net business:										
Claims paid (1+4-7) 10										
Claims outstanding at the end of the year (2+5-8) ... 11										
Provision for incurred but not reported claims 12										
Total incurred claims (10+11+12) 13										
Incident occurring in the previous years:										
Net incurred claims 14										

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

Class of Business	Motor Commercial 08	Personal Accident 09		Theft 10			Miscellaneous 12			Grand Total 13	
		Personal Accident and sickness 090	Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risks others 102	Bond 120	Crop 121	Livestock 122		Any other 123
Sub-Class of Business	Motor Commercial 080										
Total incurred claims (13+14)											
Earned premium for the year											
Incurred claims ratio (15/16) x 100											

Date: Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM INS. 59-4

[L.N. 51/2011, r. 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 Business	Aviation		Engineering		Fire Domestic	Fire Industrial/Industrial	Liability			Marine and Transit			Motor Private	Medical Insurance	
	01	010	02	020			021	030	040	050	051	052			060
Sub-Class of Business															
(A) Business which is not funded:															
Earned premiums (net).....															
1															
Incurred claims (net).....															
2															
Commission (net) ..															
3															
Management expenses															
4															
Total outgo (2+3+4)															
5															
Underwriting surplus or deficit (1-5)															
6															

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-4—continued

Class of Business	Aviation		ENGINEERING		Fire Domestic		Fire Industrial		LIABILITY			MARINE AND TRANSIT			Motor Private	Medical Insurance		
	01	010	02	020	03	030	04	040	05	050	051	052	06	060	061	062	07	08
Sub-Class of Business			Car		Others		Fire Industrial		Products Liability	Prof. Industrial	Others		Marine Cargo	Other Transit	Marine Hull			
(B) Business which is funded:																		
Net premiums written.....																		
Claims paid (net):																		
Incident occurring in previous year																		
—current year																		
—Total (8+9)																		
Total outgo (3+4+10)																		
Increase or decrease in the fund (7-11)																		

..... Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM INS. 59-4

STATEMENT OF UNDERWRITING BALANCES GENERAL INSURANCE BUSINESS (KENYA BUSINESS/OUTSIDE KENYA BUSINESS)*

Name of Insurer: All amounts in Kenya Shillings.
 Year ending 31st December, 20.....
 (*Delete whichever is not applicable)

Class of Business	Motor Commercial	Personal Accident		Theft			Workmen's Compensation			Miscellaneous			Grand Total
	08	090	091	Cash in Transit	Fidelity Guarantee	Burglary all risks others	Workmen's Compensation	Bond	Crop	Livestock	Any other	13	
Sub-Class of Business	Motor Commercial	Personal Accident and sickness	Health										
	080	090	091	100	101	102	110	120	121	122	123		
(A) Business which is not funded:													
Earned premiums (net) ...	1												
Incurred claims (net)	2												
Commission (net)	3												
Management expenses ..	4												
Total outgo (2+3+4)	5												
Underwriting surplus or deficit (1-5)	6												
(B) Business which is funded:													
Net premiums written	7												

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-4—continued

Class of Business	Motor Commercial 08		Personal Accident 09		Theft 10			Workmen's Compensation 11			Miscellaneous 12			Grand Total 13
	Motor Commercial 080	Health 091	Personal Accident and sickness 090	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risks others 102	Workmen's Compensation 110	Bond 120	Crop 121	Livestock 122	Any other 123			
Sub-Class of Business														
Claims 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

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM INS. 59-5

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	Total	Kenya	Total	Kenya	Outside Kenya	Total
	(1)	(2)	(4)	(5)	(7)	(8)	(9)
A. Commission/brokerage on Gross direct business							
B. Management Expenses							
Salaries							
Travelling Expenses							
Contribution to Staff							
Superannuation Provident Fund							
Staff Welfare Expenses (specify)							
DIRECTORS—Fees							
Other Expenses (Specify)							
Legal Expenses							
Auditor's Fees							
Actuary's Fees							
Medical Fees (for Long-term Business)							
Office—Rent							
Repairs							

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-5—continued

	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)
Electricity, Water									
Insurance Premium									
Office Machines (Specify)									
Hire and Maintenance Charges									
Depreciation Charge									
Repair Charges									
Publicity and Advertising									
Printing and Stationary									
Postage including telex/cable									
Telephone									
Bad debts written off									
Motor Vehicles									
Hire and maintenance charges									
Depreciation charges									
Repair charges									

NINTH SCHEDULE, FORM INS. 59-5—continued

	LONG-TERM INSURANCE BUSINESS			GENERAL INSURANCE BUSINESS			TOTAL BUSINESS		
	Kenya		Total	Kenya		Total	Kenya		Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Insurance premium									
Other expenses (Specify)									
Total Expenses of Management									
C. Total Actual Expenditure (A)+(B)									

Date:..... Auditor Principal Officer

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

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

FORM 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

Name of Insurer:		Year ending 31st December, 20.....	REINSURANCE TREATY LIMITS			Inception Date			
			Sub class of Business	Type of Treaty	MAXIMUM AMOUNT				
Class of Business	(1)	any one Risk (2)			any one Event (3)	percentage or Number of Lines (4)	Per Risk (5)	Per Event (6)	(7)

NINTH SCHEDULE, FORM INS. 59-5—continued

(*Delete whichever is not applicable)

Name of Insurer: Year ending 31st December, 20..... All amounts in Kenya Shillings

REINSURANCE TERMS		REINSURANCE PREMIUMS AND CLAIMS RECOVERIES FOR PRECEDING THREE YEARS							
Commission Minimum Premium Rate % (8)	Profit Commission Maximum Premium Rate % (9)	Minimum and Deposit Premium (10)	Rate of Brokerage % (11)	20		20			
				Premiums (12)	Claims (13)	Premiums (14)	Claims (15)	Premiums (16)	Claims (17)
			(11)		(13)	(14)	(15)	(16)	(17)

Date: Principal Officer

- 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 for 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. In case the estimated reinsurance premium for the current year is expected to be more than 25 per cent higher or lower than the preceding year, give the estimated amount in a separate note stating the reasons for the increase or decrease.

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

FORM INS. 59-7

REINSURANCE TREATIES – PARTICULARS ABOUT BROKERS AND INSURERS PARTICIPATING IN LONG-TERM/GENERAL INSURER BUSINESS INWARD/OUTWARD REINSURANCE*

Name of Insurer, All amounts in millions of Kenya Shillings.
 Year ending 31st December, 20.....
 (*Delete whichever is not applicable)

Class	Sub-Class covered	Type of treaty	BROKER(s)		INSURER(S) PARTICIPATING IN THE TREATY					
			Name	Address	Name	Address of registered Office	Shareholders' funds	Percentage shares in treaty	Since when on your reinsurance programme	If the treaty includes risks outside Kenya also, is it possible to ascertain premium in respect of such risks? If so, please state the basis
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Date: Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM 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 is not applicable)

Name of Insurer: All amounts in Kenya Shillings, Year ending 31st December, 20.....

Class of Business (1)	Sub-Class of Business (2)	MAXIMUM POSSIBLE LOSS IN RESPECT OF ANY ONE		Area/country in which risk is located (5)	Total premium written during the year (6)	Total claims paid during the year (7)	Reasons why reinsurance arrangement was not made (8)
		Risk (3)	Event (4)				
				(5)	(6)	(7)	(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.

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

FORM INS. 59-9A

STATEMENT OF REINSURANCE PREMIUM LONG-TERM INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS)

(*Delete whichever is not applicable)

Name of Insurer.....	Class of Business	Year ending 31st December, 20				Total
		Bond Investment	Industrial Life	Ordinary Life	Superannuation	
Serial Number		01	02	03	04	
Inward Reinsurance Premium—						
Treaty	1					
Facultative	2					
Total (1+2)	3					
Reinsurance Premium Ceded to Local Insurers by way of—						
Treaty	4					
Facultative	5					
Total (4+5)	6					
Overseas Insurers by way of—						
Treaty	7					
Facultative	8					
Total (7+8)	9					
Total Reinsurance Premium Ceded (6+9)	10					

All amounts in Kenya Shillings

NINTH SCHEDULE, FORM INS. 59-9A—continued

Serial Number	Class of Business	Bond Investment 01	Industrial Life 02	Ordinary Life 03	Superannuation 04	Total
	Mandatory Cessions—					
11	Under Section 145(1)					
12	Under Section 145(2)					
13	Total (11+2)					
14	Cessions to Africa Re					
	Total Reinsurance Premium—					
	Inward—					
	for KRC (3+13)					
	for Others (3)					
	Outward—					
	for KRC (10+14)					
	for others (10+13+14)					
15						
16						

Date: Auditor: Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE, FORM INS. 59-9B—continued

Class of Business	Motor Commercial/	Personal Accident		Theft			Medical Insurance	Miscellaneous			Total	
		08	09	10	11	12		13	14			
Sub-Class of Business	Motor Commercial/ 080	Personal Accident and sickness 080	Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risk others 102	Workers' Compensation 110	Bond 120	Crop 121	Live-stock 122	Any other 123	14
Facultative	5											
TOTAL (4+5)	6											
Overseas Insurer by way of Treaty ...	7											
Facultative	8											
Total (7+8)	9											
Total Reinsurance Premium ceded (8+9)	10											
Mandatory Cessions:												
—Under sec. 145(1)	11											
—Under sec. 145(2)	12											
Total (11-12)	13											

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-9B — continued

Class of Business	Motor Commercial	Personal Accident		Theft			Workmen's Compensation	Medical Insurance	Miscellaneous			Total
	08	09		10			11	12	13			14
Sub-Class of Business	Motor Commercial 080	Personal Accident and sickness 080	Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risk others 102	Workmen's Compensation 110		Bond 120	Crop 121	Live-stock 122	Any other 123
Cessions to Africa Re												
Total Reinsurance Premium:												
Inward												
—For others (3)												
Outward												
—For KRC (10+14)												
—For others (10+13+14)												

Date: Auditor: Principal Officer:

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM INS. 59—9B

STATEMENT OF REINSURANCE PREMIUM GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUT SIDE KENYA BUSINESS*)

All amounts in Kenya Shillings

Year ending 31st December, 20

(*Delete whichever is not Applicable)

Name of Insurer	Class of business	Aviation 01		Engineering 02		Fire domestic 03		Fire industrial 04		Liability 05			Marine and transit 06			Motor private 07	
		Aviation 010	Others 020	Car 021	Others 022	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof Industrial 051	Others 052	Marine Cargo 060	Other Transit 061	Marine Hull 062	Motor Private 070	Motor Private 070		
	Inward Reinsurance Premium:																
	—Treasury	1															
	—Facultative	2															
	—Total (1+2)	3															
	Reinsurance Premium Code to Local Insurers by Way of:																
	Treaty	4															
	Facultative	5															
	Total (4+5)	6															
	Overseas Insurers by way of:																
	Treaty	7															
	Facultative	8															

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

Class of business	Aviation 01		Engineering 02		Fire domestic 03		Fire industrial 04		Liability 05			Marine and transit 06			Motor private 07	
	Aviation 010	Others 020	Car 021	Others 021	Fire Domestic 030	Fire Industrial 040	Products Liability 050	Prof Industrial 051	Others 052	Marine Cargo 060	Other Transit 061	Marine Hull 062	Motor Private 070			
Sub-Class of Business																
Total (7+8)	9															
Total Reinsurance Premium Ceded (6+9)	10															
Mandatory cessions:																
—Under sec. 145(1)	11															
—Under sec. 145(2)	12															
—Total(11+12)	13															
Cessions to Africa Re	14															
Total Reinsurance Premium Inward:																
—For KRC. (3+3)	15															
Outward																
—For KRC.(10+14)	16															
—For others (10+13+14)																

Date: Auditor Principal Officer

NOTE: Read note in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM INS. 59-10A

STATEMENT OF COMMISSION LONG-TERM INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)

(*Delete whichever is not applicable)

Name of Insurer.		Year ending 31st December, 20				Total
Class of Business		Bond Investment	Industrial Life	Ordinary Life	Superannuation	
Serial Number		01	02	03	04	
<i>Commission in Respect of Direct Business</i>						
1	Inward Reinsurance Business					
2	—Treaty					
3	—Facultative					
4	Total (2+3)					
<i>Mandatory Cessions</i>						
5	—Under Section 145 (1)					
6	—Under Section 145 (2)					
7	Total (5+6)					
<i>Outward Reinsurance Business</i>						
8	—Local-treaty					
9	—Facultative					
10	Total (8+9)					

All amounts in Kenya Shillings.

Year ending 31st December, 20

Superannuation

Ordinary Life

Industrial Life

Bond Investment

01

02

03

04

Total

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

Serial Number	Class of Business	Bond Investment 01	Industrial Life 02	Ordinary Life 03	Superannuation 04	Total
11	Overseas—treaty					
12	—Facultative					
13	—Total (11+12)					
14	Total (10+13)					
Net Business						
15	—KRC (1+4+7-14)					
16	—Others (1+4-7-14)					

..... Date Auditor Principal Officer

NOTE: Read the notes in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE—continued

FORM INS. 59-10B

[L.N. 51/2011, r. 4.]

STATEMENT OF COMMISSION GENERAL INSURANCE BUSINESS
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)

(*Delete whichever is not Applicable)

All amounts in Kenya Shillings.

Name of Insurer.....	Year ended 31st December, 20.....																
	Aviation 01		Engineering 02		Fire Domestic 03		Fire Industrial 04		LIABILITY 05			MARINE AND TRANSIT 06			Motor Private 07		Medical Insurance 08
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	Medical Insurance 08				
Sub-Class of Business																	
Commission in Respect of:																	
Direct Business	1																
Inward Reinsurance Business:																	
— Treaty	2																
— Facultative	3																
Total (2+3)	4																
Mandatory Cessions:																	
— Under sec. 145(1) .	5																
— Under sec. 145(2) .	6																
Total (5+6)	7																

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-10B—continued

Class of Business	Aviation 01		Engineering 02		Fire Domestic 03		Fire Industrial 04		LIABILITY 05			MARINE AND TRANSIT 06			Motor Private 07		Medical Insurance 08	
	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					
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+13) 14																		
—Net Business:																		
—KRC (1+4+7+14) } 15																		
—Others (1+4-7-14) }																		

Date: Auditor Principal Officer

NOTE: Read note in the Ninth Schedule to the Insurance Regulations and comply.

NINTH SCHEDULE, FORM INS. 59-10B—continued
 STATEMENT OF COMMISSION GENERAL INSURANCE BUSINESS
 (KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)

Name of Insurer:
 All amounts in Kenya Shillings.
 Year ended 31st December, 20.....

Class of Business	Motor Commercial 08	PERSONAL ACCIDENT 09		THEFT 10		Workmen's Compensation 11	MISCELLANEOUS 12			Total 13		
		Personal Accident and sickness 080	Health 091	Cash in Transit 100	Fidelity Guarantee 101		Burglary all risk and others 102	Workmen's Compensation 110	Bond 120		Crop 121	Live-stock 122
Commission in Respect of:												
Direct Business	080											
Inward Reinsurance Business:												
—Treaty												
—Facultative												
Total (2+3)												
Mandatory Cessions:												
—Under sec. 145(1)												
—Under sec. 145(2)												
Total (5+6)												
Outward Reinsurance Business:												
—Local Treaty												
—Local Facultative												
Total (8+9)												

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-10B —continued

Class of Business	Motor Commercial 08	PERSONAL ACCIDENT 09		THEFT 10		MISCELLANEOUS 12			Total 13	
		Personal Accident and sickness 080	Health 091	Cash in Transit 100	Fidelity Guarantee 101	Burglary all risk and others 102	Bond 120	Crop 121		Live-stock 122
Sub-Class of Business	Motor Commercial 080									
—Overseas-Treaty	11									
—Overseas-Facultative ...	12									
Total (11+12)	13									
Total (10+13)	14									
—Net Business:	15									
—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.

Insurance

[Subsidiary]

NINTH SCHEDULE—continued

FORM INS. 59-11

STATEMENT OF LONG-TERM INSURANCE BUSINESS
(INDIVIDUAL/GROUP INSURANCES*)
(KENYA BUSINESS/OUTSIDE KENYA BUSINESS*)

(*Delete whichever is not applicable)

All amounts in thousands of Kenya Shillings.
Year ending 31st December, 20

Name of Insurer.	NEW LIFE INSURANCE BUSINESS IN RESPECT OF WHICH PREMIUM HAS BEEN PAID IN THE YEAR				TOTAL LIFE INSURANCE BUSINESS IN FORCE AT THE END OF THE YEAR				
	NUMBER OF		Sums Insured	Single premium	Yearly renewal premium income	NUMBER OF		Sums insured (inclusive of accrued bonuses)	Yearly renewal premium
	Policies (1)	Lives (2)				Policies (6)	Lives (7)		
CLASS OF BUSINESS									
Bond Investment									
Industrial Life									
Ordinary Life									
Superannuation—Permanent									
—Health									
—Others									
TOTAL									

Date:

Principal Officer

Insurance

[Subsidiary]

NINTH SCHEDULE, FORM INS. 59-11—continued

- NOTE:
1. Read the notes in the Ninth Schedule to the Insurance Regulation 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 INS. 59-12

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							

All amounts in thousands of Kenya Shillings.
Year ending 31st December, 20

NINTH SCHEDULE, FORM INS. 59-12—continued

	INDIVIDUAL BUSINESS			GROUP BUSINESS			
	Number of Policies	Sum Insured	Reversionary Bonus	NUMBER OF		Sum Insured	Reversionary Bonus
				Policies	Lives		
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	()						
11. 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 of 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.

Insurance

[Subsidiary]

TENTH SCHEDULE

[Section 70 and Reg. 21, L.N. 51/2011, r. 5, L.N. 57/2012, r. 17.]

PART A – LIMITATION OF EXPENSES OF MANAGEMENT

LONG TERM INSURANCE BUSINESS OTHER THAN INDUSTRIAL LIFE ASSURANCE BUSINESS

1. In the case of 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 percentum 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 percentum of all premiums received on other single premium policies during the year;
- (ii) ten percentum of all first year’s premiums and four percentum of all renewal premiums received during the year on policies granting deferred annuity in consideration of more than one premium;
- (iii) fifteen percentum of all premiums received during the year on policies under group life and superannuation schemes;
- (iv) one tenth of one percentum of the average of the total sums assured by policies on which no further premiums are payable (less reinsurances) at the beginning and end of the year;
- (v) five percentum 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:

<i>Duration of Business</i>	PER CENTAGE OF PREMIUMS LESS REINSURANCES RECEIVED DURING THE YEAR OTHER THAN PREMIUMS REFERRED TO IN ITEMS (i), (ii) AND (iii) ABOVE	
	<i>of First Year’s Premiums</i>	<i>of Renewal Premiums</i>
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		
(a) Is less than two hundred million shillings	90	25
(b) Is less than five hundred million shillings but not less than two hundred million shillings	90	24
(c) Is less than one thousand million shillings but not less than five hundred million shillings	90	23
(d) Is not less than one thousand million Shillings	90	22½

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

Insurance

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- (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 percentum 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 percentum 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 percentum.

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:

<i>Part of the Total Gross Premium Income of the Insurer written direct</i>	PER CENTAGE OF PREMIUMS APPLICABLE TO INSURER WRITING GENERAL INSURANCE BUSINESS FOR		
	<i>More than 5 years</i>	<i>5 Years or Less with gross Premium</i>	
		<i>Sh. 25m or more</i>	<i>Less than Sh. 25m</i>
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 percentum of the total net premium income.

Insurance

[Subsidiary]

FORM INS 70-1

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	
	Premiums or Sums Assured (1)	Permitted Amount (2)	Premiums or Sums Assured (3)	Permitted Amount (4)
1. <i>Five percentum</i> : of all premiums received during the year on policies granting an immediate annuity or a deferred annuity in consideration of single premium.....				
2. <i>Five percentum</i> : of all premiums received on single premium policies other than those referred to in (1) above				
3. <i>Ten percentum</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 percentum</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 percentum</i> : of all premiums received during the year on policies under Group Life and Superannuation Schemes				
6. <i>One-tenth of one percentum</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.....				
7. <i>Five percentum</i> : of all annuities paid during the year				
8. (i) In the case of an insurer who has transacted long term insurance business for more than five years... (a) 100% of first year's premiums received during the year..... (b) 30% of renewal premiums received during the year.....				
(ii) In the case of an insurer who has transacted long term insurance business for more than five years but less than eight years				
(a) 97½% of first year's premiums received during the year				

Insurance

[Subsidiary]

TENTH SCHEDULE, FORM No. INS. 70-1—continued

	BUSINESS IN KENYA		TOTAL BUSINESS	
	<i>Premiums or Sums Assured</i>	<i>Permitted Amount</i>	<i>Premiums or Sums Assured</i>	<i>Permitted Amount</i>
	(1)	(2)	(3)	(4)
(b) 27½% of renewal premiums received during the year.....				
(iii) In the case of insurer who has transacted long term insurance business for more than eight years but less than ten years.....				
(a) 95% of first year's premium received during the year.....				
(b) 25% of renewal premium received during the year.....				
(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.....				
(a) Is less than two hundred million shillings.....				
— 90% of first year's premium received during the year.....				
— 25% of renewal premium received during the year.....				
(b) Is less than five hundred million shillings but not less than two hundred million shillings.....				
— 90% of first year's premium received during the year.....				
— 24% of the renewal premium received during the year.....				
(c) is less than one thousand million shillings but not less than five hundred million shillings.....				
— 90% of first year's premiums received during the year.....				
— 23% of the renewal premiums received during the year.....				
(d) is not less than one thousand million shillings.....				
— 90% of first year's premiums received during the year.....				

TENTH SCHEDULE—*continued*

FORM INS 70-3

[L.N. 57/2012, r. 17.]

MAXIMUM PERMITTED EXPENDITURE: GENERAL INSURANCE BUSINESS

All amounts in Kenya Shillings

Name of Insurer Year ended 31st December, 20

			KENYA BUSINESS	TOTAL BUSINESS
	Premiums (1)	Premiums Amount (2)	Premiums (3)	Permitted Amount (4)
1. Gross premiums income written direct				
2. Actual amount of commission or other remuneration paid to insurance agents and brokers on procurement 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				

Insurance

[Subsidiary]

TENTH SCHEDULE—continued

FORM INS 70-3A

[L.N. 51/2011, r. 5.]

STATEMENT OF MAXIMUM PERMITTED AND ACTUAL COMMISSION OUTGO ON DIRECT BUSINESS GENERAL INSURANCE BUSINESS

Name of Insurer Year ending 31st December, 20

All Amounts in Kenya Shillings.

Serial Number (1)	Class of Business (2)	KENYA BUSINESS				OUTSIDE BUSINESS			
		Gross Direct Written Premium (3)	Maximum Permitted Commission		Actual Commission Outgo (6)	Amount which is Lower of (5) & (6) (7)	Gross Direct Written Premium (8)	Actual Commission Outgo (9)	(7)+(9) (10)
			% (4)	Amount (5)					
01	Aviation		10						
02	Engineering		20						
03	Fire-Domestic		20						
04	Fire-Industrial		25						
05	Liability		20						
06	Marine-Hull		10						
	Marine-Cargo		17½						
	Marine-Cargo and Others		17½						
07	Motor-Private		10						
08	Motor-Commercial		10						
09	Personal Accident		20						

TENTH SCHEDULE, FORM INS. 70-3A—continued

Serial Number (1)	Class of Business (2)	KENYA BUSINESS				OUTSIDE BUSINESS			
		Gross Direct Written Premium (3)	Maximum Permitted Commission		Actual Commission Outgo (6)	Amount which is Lower of (5) & (6) (7)	Gross Direct Written Premium (8)	Actual Commission Outgo (9)	(7)+(9) (10)
			% (4)	Amount (5)					
10	Theft		10						
11	Workmen's Compensation		20						
12	Medical Insurance								
13	Miscellaneous		10						
	TOTAL								

..... Date Auditor Principal Officer

NOTE: Commission shall include brokerage fee or other remuneration paid to an intermediary.

ELEVENTH SCHEDULE—*continued*

	20%	of second year's premium.
	5%	of 3 rd to 10 th 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.
	2%	of renewal 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

<i>Serial Number</i>	<i>Class of Business</i>	<i>Per centage of premium</i>
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%

[L.N. 108/2002, r. 7, L.N. 51/2011, r. 6, L.N. 57/2012, r. 18.]

TWELFTH SCHEDULE

[S. 88(1) and Regulation 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 premiums 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

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[Subsidiary]

in the sum of one shilling according to the contingency upon which the sum insured under the original policy 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 3½ 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 mortality 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 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 Regulation 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 the Twelfth Schedule or the amount payable at death if death were 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 6½ per centum per annum for contracts registered in terms of the Income Tax Act (Cap. 470) and 5 per centum per annum for all other contracts;

Insurance

[Subsidiary]

FOURTEENTH SCHEDULE, FORM No. INS. 111—continued

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

[Regulations 32 and 33, L.N. 349/1987, r. 2, L.N. 372/1995, r. 2, L.N. 169/1998, r. 2, L.N. 172/1999, r. 2, L.N. 40/2004, r. 2, L.N. 99/2006, r. 2, L.N. 154/2010, r. 2, L.N. 51/2011, r. 7, L.N. 178/2014.]

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 issued or renewed in Kenya by the insurer:

Provided that this per centage shall be reduced by 5 per cent (five per cent) every year thereby ceasing to apply on the 1st January, 2000.

[L.N. 372/1995, r. 2.]

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 re-insured without any deductions whatsoever.

3. Liability of the Corporation in respect of the prescribed percentage of each policy re-insured with the Corporation shall commence simultaneously with that of the ceding insurer.

4. Every insurer shall, other than for motor insurance and marine insurance businesses, 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. In the case of marine insurance business, every insurer shall render to the Corporation (a) 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.

Insurance

[Subsidiary]

The manner in which insurers will advise 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. Settlements of quarterly account in the case of insurance business other than motor

- (a) 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 per centages of the premiums payable by the insurer:

<i>Serial Number</i>	<i>Class of Business</i>	<i>Reinsurance Commission Rate</i>
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%
08	Motor-Commercial	15%
09	Personal Accident	25%
10	Theft	25%
11	Workmen's compensation	25%
12	Medical Insurance	
13	Miscellaneous	
	Bonds	15%
	Others	25%

[L.N. 51/2011, r. 7.]

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 per cent (20%) 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.

[L.N. 169/1998, r. 2, L.N. 172/1999, r. 2, L.N. 40/2004, r. 2, L.N. 99/2006, r. 2, L.N. 154/2010, r. 2, L.N. 178/2014, r. 2.]

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.

[Subsidiary]

PART B – LONG TERM INSURANCE BUSINESS

1. For the purposes of section 145(1) of the Act, every insurer shall reinsure with the Corporation 20% (twenty per cent) of each policy of long term insurance issued in Kenya by the insurer:

Provided that this per centage shall be reduced by 5 per cent (five per cent) every year thereby ceasing to apply on the 1st January, 2000.

2. In respect of any policy of endowment insurance or whole-life insurance or an allied class of insurance, the cessions under paragraph 1 shall be on a risk premium basis in accordance with the risk premium rates determined by the Corporation: the manual of risk premium rates and the table of amounts at risk shall be determined by the Corporation not less than three months prior to the date from which they are to be applied.

3. In respect of any other policy, the cessions under paragraph 1 shall be on the basis of the original terms of the policy, and the premium payable by an insurer to the Corporation shall be pro-rata share of the premium actually received or receivable by the insurer from the insured, on the risk reinsured, without any deduction whatsoever.

4. The liability of the Corporation in respect of the prescribed per centage of each policy reinsured with the Corporation shall commence simultaneously with that of the ceding insurer.

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 favoured 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 1st April, 1979 and which is subject to reinsurance on original terms twenty (20%) per cent of the excess after the ceding company's net retention on the same terms and conditions offered to the most favoured reinsurer in 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.

[L.N. 169/1998, r. 2, L.N. 172/1999, r. 2, L.N. 40/2004, r. 2, L.N. 99/2006, r. 2, L.N. 154/2010, r. 2, L.N. 178/2014, r. 2.]

6. For the purpose of section 145(2) of the Act, every insurer shall reinsure with the 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, 25 (twenty-five) per cent of the excess after the ceding company's net retention on the same terms and conditions offered to the most favoured reinsurer in such reinsurance; and
- (ii) in respect of any policy issued after the 1st April, 1979, and which is subject to reinsurance on original terms, 25 (twenty-five) per cent of the excess after the ceding company's net retention on the same terms and conditions offered to the most favoured reinsurer under such reinsurance.

7. 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 substandard 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.

8. The Corporation shall be informed at least 30 days before any proposed alteration in the terms of reinsurance treaties including the levels of a ceding company's net retention (that is, liability after all reinsurances including compulsory cession) are to be put into effect.

9. 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.

10. 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 the accounts.

11. 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.

[L.N. 349/1987, r. 2.]

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

FORM No. INS. 150-1

(Rule 34)

APPLICATION FOR *REGISTRATION/*RENEWAL OF REGISTRATION OF A BROKER

(*Delete whichever is not applicable)

All amounts in Kenya Shillings

A. APPLICANT

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

Insurance

[Subsidiary]

SIXTEENTH SCHEDULE, FORM No. INS. 150-1—*continued*

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:*

	<i>Name</i>	<i>Address</i>	<i>Since when</i>
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*

<i>Type of Share</i>	<i>Number of Shares</i>	<i>Amount per Share</i>	<i>Total Amount</i>
(1)	(2)	(3)	(4)
(a)			
(b)			
(c)			
(d)			
Total			

B. PAID UP

<i>Type of Share</i>	<i>Number of Share</i>	<i>Amount per Share Sh.</i>	<i>Total Amount (2) x (3)</i>	<i>Total Number of Share-holders</i>	HOLDING BY KENYA CITIZENS, BY KENYA COMPANIES, BY KENYA PARTNERSHIPS, BY THE GOVERNMENT		
					<i>Number of Shares</i>	<i>Total Amount</i>	<i>Proportion of Total Voting Rights</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(a)							
(b)							

Insurance

[Subsidiary]

SIXTEENTH SCHEDULE, FORM No. INS. 150-1—continued

Type of Share (1)	Number of Share (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		
					Number of Shares (6)	Total Amount (7)	Proportion of Total Voting Rights (8)
(c)							
(d)							
TOTAL							

9. Business Particulars:

A. Business carried on/proposed to be carried on—

- (a) Classes of insurance business:
- (b) Nature of service provided in respect of insurance business:
- (c) Other business:

B. Number of Agents: (employed or expected to be employed 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

Insurance

[Subsidiary]

SIXTEENTH SCHEDULE—continued
 APPENDIX A TO FORM NO. INS. 150-1
 PARTICULARS OF BOARD OF DIRECTORS

Name of Broker 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 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

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 additional shares are held in the names of any relatives (who are not directors themselves) of the Director, 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?

SIXTEENTH SCHEDULE, APPENDIX A—continued

- (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 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 at 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 1 below)	COURT CONVICTION (See Note 2 Below)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (See ITEM 7(f) OF SIXTEENTH SCHEDULE)			
						Academic	Professional				(a)	(b)	(c)	Nature of Business	Name	Details of Interest	
1.																	
2.																	
3.																	
4.																	
5.																	
6.																	

Date Principal officer

[Subsidiary]

SIXTEENTH SCHEDULE, APPENDIX B—continued

- 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 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 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 C TO FORM NO. INS. 150-1
 PARTICULARS OF DEPARTMENTAL 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)
	Officers	Clerks	Stenographers/Typists	Messengers	Others	
Underwriting						
Claims						
Administration						
Accounts						
Others (please specify)						
TOTAL						

Date:

 Principal Officer

Insurance

[Subsidiary]

NOTE

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 Broker: As at 31st December, 20

		<i>Name of Firm</i>	<i>Address</i>	<i>Partners' Names</i>	<i>Professional Qualifications</i>	<i>Since when</i>
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

Name of Broker: As at 31st December, 20

<i>Member of the Insurance Industry (Please See Note 1)</i> (1)	<i>Name</i> (2)	<i>Address</i> (3)	<i>Nature of Work Handled</i> (4)	<i>Shareholding or other Interest (Please see Note 2)</i> (5)	<i>Registration Number</i> (6)

Date:

Principal Officer

Insurance

[Subsidiary]

SIXTEENTH SCHEDULE, APPENDIX E—continued

- 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 a 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

1. Name:

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 directors if the applicant is a partner firm or a company.)

Insurance

[Subsidiary]

SIXTEENTH SCHEDULE, FORM No. INS. 150-2—continued

7. Business

Insurer	Number of policies introduced in the preceding year	
	Long term Insurance new policies renewals	General Insurance 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 Officer 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 as 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
*CLAIMS SETTLING AGENT/INSURANCE SURVEYOR/LOSS ADJUSTER/LOSS
ASSESSOR/RISK MANAGER

(*Delete whichever is not applicable)

All amounts in Kenya Shillings

A. APPLICANT

1. Name:

2. Registered Office:

—Postal Address:

—Telegraphic Address:

—Telex: Telephone:

3. Location of Offices:

—Principal:

Insurance

[Subsidiary]

SIXTEENTH SCHEDULE, FORM No. INS. 150-3—continued

(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:

- (i) Members of board of directors or Partners of the firm (Appendix A).
- (ii) Principal Officer, Company Secretary and other senior management staff (Appendix B).
- (iii) Departmental Staff (Appendix C).
- (iv) Auditors and Legal Advisors (Appendix D).
- (v) Members of the insurance industry whose services were availed of or to whom services were provided during the year (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 of 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 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, 20

Principal Officer

SIXTEENTH SCHEDULE—continued
 APPENDIX A TO FORM NO. INS. 150-3
 PARTICULARS OF BOARD OF DIRECTORS/PARTNERS

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 CONVICTION (See NOTE 2 BELOW)			INTEREST IN ANY MEMBER OF INSURANCE INDUSTRY (See ITEM 7(i) OF SIXTENTH 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 additional shares are held in the names of any relatives (who are not directors themselves) of the Director, 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 a court of competent jurisdiction?
- Please state "YES" or "NO" in the above form and if the answer is "YES" give full details separately.

[Subsidiary]

SIXTEENTH SCHEDULE, APPENDIX A—continued

- 3. If the space herein is insufficient, please use additional paper.
- * Enter the relevant description from the undermentioned:
claims settling agent/insurance surveyor/loss adjuster/loss assessor/risk manager.

APPENDIX B TO FORM NO. INS. 150-3
PARTICULARS OF MANAGEMENT STAFF

As at 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 1 below)	COURT CONVICTION (See Note 2 below)			INTEREST IN ANY NUMBER OF INSURANCE INDUSTRY (See ITEM 7(i) OF FORM NO. INS. 30-1)		
						Academic	Professional				(a)	(b)	(c)	Nature of Business	Name	Details of Interest
1.																
2.																
3.																
4.																
5.																
6.																
7.																
8.																

Date: Principal Officer

Insurance

[Subsidiary]

NOTE

1. If the shareholding consists of two or 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 of 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.

* Enter the relevant description from the under-mentioned:
claims setting agent/insurance surveyor/loss assessor/risk manager.

APPENDIX C TO FORM NO. INS. 150-3

PARTICULARS OF DEPARTMENTAL STAFF

Name of* As at 31st 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 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 qualification in a separate statement.

* Enter the relevant description from the under-mentioned:
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

Insurance

[Subsidiary]

Name of* As at 31st December, 20

	Name of Firm	Address	Partner's Names	Professional Qualifications	Since when
AUDITORS					
1.					
2.					
3.					
LEGAL ADVISERS					
1.					
2.					
3.					
ACTUARIES					
1.					
2.					
3.					

Date: Principal Officer

* Enter the relevant description from the undermentioned:
 Claims settling agent/insurance surveyor/loss adjuster/loss assessor/risk manager.

APPENDIX E TO SIXTEENTH SCHEDULE

PARTICULARS OF MEMBERS OF INSURANCE INDUSTRY

Name of* As at 31st 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

SIXTEENTH SCHEDULE, APPENDIX E—*continued*

- 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).
- * Enter the relevant description from the undermentioned:
Claims settling agents/Insurance surveyor/loss adjuster/loss assessor/risk manager.
-

[Subsidiary]

SEVENTEENTH SCHEDULE
[L.N. 108/2002, r. 8 s. 151(1)(a) and Regulation 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. Indemnity limits

The indemnity limit for any one occurrence shall be ten million shillings or five per centum of the premium paid, whichever is the higher.

[L.N. 108/2002, r. 8.]

4. Excess

The maximum permitted excess shall be five thousand shillings or 0.5 per centum of the minimum limit of indemnity, whichever is higher, unless the Commissioner consents to a higher excess.

Insurance

[Subsidiary]

EIGHTEENTH SCHEDULE
 [Section. 151(1)(e) and Regulation 36.]
 STATEMENT OF BUSINESS OF A BROKER

FORM NO. INS. 151-1

All amounts in Kenya Shillings

Name of Broker: Year ending 31st December, 20

<i>Insurance Business</i>	<i>Number insurers</i>	<i>Number policies</i>	<i>Total brokerage earned</i>	<i>Total premium under the policies placed</i>	<i>Largest per centage brokerage from any one insurer</i>
	(1)	(2)	(3)	(4)	(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.

Insurance

[Subsidiary]

EIGHTEENTH SCHEDULE—continued

FORM INS. 151-2

[Section 151(1)(c) and Regulation 36]

STATEMENT OF BUSINESS OF AN AGENT

Name of Agents:	All amounts in Kenya Shillings						
	Year ending 31st December 20			Year ending 31st December 20			
Business (1)	Number of policies introduced (2)	Amount of premium under all policies introduced (3)	AMOUNT OF PREMIUM PENDING REMITTANCE TO INSURERS			Amount of Agency Commission earned (7)	Number of Insurers with whom business placed (8)
			Up to 30 days (4)	More than 30 days (5)	Total (6)		
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.

EIGHTEENTH SCHEDULE—continued

FORM INS. 151-3

[Section 151(1)(c) and Regulation 36]

STATEMENT OF BUSINESS OF A CLAIMS SETTLING AGENT/INSURANCE SURVEYOR/LOSS ADJUSTER/LOSS ASSESSOR/RISK MANAGER*

(*Delete whichever are not applicable)

Name: All amounts in Kenya Shillings
 Year ending 31st December, 20

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 (6)	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).

Insurance

[Subsidiary]

NINETEENTH SCHEDULE

[Regulation 39.]

Form of Guarantee

1. Name:

.....
 (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

..... (in
 (Name of 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

BUSINESS	Premium under business placed	PREMIUM DUE TO THE INSURERS PENDING FOR			PREMIUM DUE TO THE INSURERS AS AT THE END OF PROCEEDING HALF-YEAR	
		Up to 60 days	Over 60 days	Total (3+4)	Amount	Amount which is still pending
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Long term						
Insurance—Direct						
—Reinsurance						
TOTAL						

Insurance

[Subsidiary]

NINETEENTH SCHEDULE, FORM No. INS. 153-2—continued

BUSINESS	Premium under business placed	PREMIUM DUE TO THE INSURERS PENDING FOR			PREMIUM DUE TO THE INSURERS AS AT THE END OF PROCEEDING HALF-YEAR	
		Up to 60 days	Over 60 days	Total (3+4)	Amount	Amount which is still pending
(1)	(2)	(3)	(4)	(5)	(6)	(7)
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
 [Regulation 47.]

FORM No. INS. 201-1

(r. 47)

APPLICATION TO REMIT FUNDS OVERSEAS

Application No. All amounts 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, give the following details:
 - (a) Application
 - number
 - date
 - (b) Dates of sanction
 - by the Department
 - by the Central Bank

Insurance

[Subsidiary]

TWENTIETH SCHEDULE, FORM No. INS. 201-1—continued

- (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 minimise 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 be kept for Long term and General Insurance business and same be indicated by a prefix "LT" or "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/001/87 and GI001/87 for long term and general insurance business respectively. A fresh series should be started each year.

FORM No. INS. 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:						

Insurance

[Subsidiary]

TWENTIETH SCHEDULE FORM No. INS. 202-2—continued

<i>Remittance Overseas</i>	LONG TERM INSURANCE		GENERAL INSURANCE		TOTAL	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
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

Insurance

[Subsidiary]

TWENTY-FIRST SCHEDULE
SUMMARY OF CLAIMS

FORM INS. 203-1A

[L.N. 51/2011, r. 8.]

LONG-TERM INSURANCE BUSINESS

All amounts in Kenya Shillings
For the year ending 31st December, 20

Name of Insurer:	CLASS OF BUSINESS	Item	BOND INVESTMENT		INDUSTRIAL LIFE		ORDINARY LIFE		SUPERANNUATION		TOTAL	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	A. Claims outstanding at the beginning of the year	1										
	B. Claims Action During the Year:	2										
	Claims intimated	3										
	Claims revived (not included in (1) above)	3										
	TOTAL OF CLAIMS ON HAND (1+2+3)	4										
	Claims settled	5										
	Claims rejected	6										
	Claims filed as no claims	7										
	TOTAL OF CLAIMS DEALT WITH (5+6+7)	8										
	C. Claims revised or change in claims reserve during the year (4-8)	9										

TWENTY-FIRST SCHEDULE, FORM INS. 203-1A—continued

CLASS OF BUSINESS	Item	BOND INVESTMENT		INDUSTRIAL LIFE		ORDINARY LIFE		SUPERANNUATION		TOTAL	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
D. (i) Outstanding claims (included in (9) above) on which liability admitted but pending for— —not more than ninety days . —more than ninety days	10										
	11										
	12										
	TOTAL (10+11)										
(ii) Outstanding claims (included in (9) above) on which liability not admitted and pending for— —not more than ninety days . —not more than six months .. —more than six months	13										
	14										
	15										
	16										
	—TOTAL (13+14+15)										
E. Claims Subject of Court Cases Claims included in (1) above	17										
	18										
	19										
	20										

Insurance

[Subsidiary]

TWENTY-FIRST SCHEDULE, FORM INS. 203-1A —continued

CLASS OF BUSINESS	Item	BOND INVESTMENT		INDUSTRIAL LIFE		ORDINARY LIFE		SUPERANNUATION		TOTAL	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
F. Claims subject of arbitration											
Claims included in (1) above	21										
Claims referred to arbitration during the year	22										
Claims settled during the year	23										
Claims in arbitration (included in (9) above) (21+22+23)	24										
G. Outstanding recoveries in respect of settled claims pending for more than ninety days—											
(i) from local re-insurers	25										
(ii) from overseas re-insurers	26										
TOTAL (25+26)	27										

Date:

 Principal Officer

TWENTY-FIRST SCHEDULE—continued

FORM INS. 203-1B

[L.N. 51/2011, r. 8]

SUMMARY OF CLAIMS

GENERAL INSURANCE BUSINESS

All amounts in Kenya Shillings

For the year ending 31st December, 20.....

Name of Insurer.....	CLASS OF BUSINESS	AVIATION 01		ENGINEERING 02		FIRE DOMESTIC 03		FIRE INDUSTRIAL 04		LIABILITY 05		MARINE 06	
		Item	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
	A. Claims outstanding at the beginning of the year	1											
	B. Claims Action During the Year:	2											
	Claims intimated	3											
	Claims revived (not included in (1) above) ..												
	TOTAL OF CLAIMS ON HAND (1+2+3)	4											
	Claims settled	5											
	Claims rejected	6											
	Claims filed as no claims	7											
	TOTAL OF CLAIMS DEALT WITH (5+6+7)	8											

Insurance

[Subsidiary]

TWENTY-FIRST SCHEDULE, FORM INS. 203-1B—continued

CLASS OF BUSINESS	Item	AVIATION 01		ENGINEERING 02		FIRE DOMESTIC 03		FIRE INDUSTRIAL 04		LIABILITY 05		MARINE 06	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
C. Claims revised, or change in claims reserve during the year (4-8)	9												
D. (i) Outstanding claims (included in (9) above) on which liability admitted but pending for—													
—not more than ninety days	10												
—more than ninety days	11												
TOTAL (10+11)	12												
(ii) Outstanding claims (included in (9) above) on which liability not admitted and pending for—													
—not more than ninety days	13												
—not more than six months	14												

TWENTY-FIRST SCHEDULE, FORM INS. 203-1B—continued

CLASS OF BUSINESS	Item	AVIATION 01		ENGINEERING 02		FIRE DOMESTIC 03		FIRE INDUSTRIAL 04		LIABILITY 05		MARINE 06	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
—more than six months	15												
TOTAL (13+14+15)	16												
E. Claims Subject of Court Cases:													
Claims included in (1) above	17												
Claims referred to court during the year	18												
Claims settled during the year	19												
Claims in court (included in (9) above) (17+18+19)	20												
F. Claims subject of arbitration:													
Claims included in (1) above	21												
Claims referred to arbitration during the year	22												
Claims settled during the year	23												

Insurance

[Subsidiary]

TWENTY-FIRST SCHEDULE, FORM INS. 203-1B—continued

CLASS OF BUSINESS	Item	AVIATION 01		ENGINEERING 02		FIRE DOMESTIC 03		FIRE INDUSTRIAL 04		LIABILITY 05		MARINE 06	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Claims in arbitration (included in (9) above) (21+22+23)	24												
G. Outstanding recoveries in respect of settled claims pending for more than ninety days—													
(i) from salvager/third parties	25												
(ii) from local re-insurers	26												
(iii) from overseas re-insurers	27												
TOTAL (25+26+27)	28												

Date:

Principal Officer

TWENTY-FIRST SCHEDULE—continued
SUMMARY OF CLAIMS
GENERAL INSURANCE BUSINESS

Name of Insurer	CLASS OF BUSINESS	AVIATION 01		ENGINEERING 02		FIRE DOMESTIC 03		FIRE INDUSTRIAL 04		LIABILITY 05		MARINE 06		MOTOR PRIVATE 07	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	1														
	2														
	3														
	4														
	5														
	6														
	7														
	8														
	9														

Insurance

[Subsidiary]

TWENTY-FIRST SCHEDULE—continued

CLASS OF BUSINESS	Item	AVIATION 01		ENGINEERING 02		FIRE DOMESTIC 03		FIRE INDUSTRIAL 04		LIABILITY 05		MARINE 06		MOTOR PRIVATE 07	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
D. Outstanding claims (included in (9) above) on which liability admitted but pending for—															
—not more than ninety days	10														
—more than ninety days	11														
TOTAL (10+11)	12														
(i) Outstanding claims (included in (9) above) on which liability not admitted and pending for—															
—not more than ninety days ...	13														
—not more than six months ...	14														
—more than six months	15														
TOTAL (13+14+15)	16														

TWENTY-FIRST SCHEDULE—continued

CLASS OF BUSINESS	Item	MOTOR COMMERCIAL 8		PERSONAL ACCIDENT 9		THEFT 10		WORKMEN'S COMPENSATION 11		MISCELLANEOUS 12		TOTAL 13	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
E. Claims Subject of Court Cases	17												
	18												
	19												
	20												
	21												
F. Claims subject of arbitration	22												
	23												
	24												

Insurance

[Subsidiary]

TWENTY-FIRST SCHEDULE—continued

CLASS OF BUSINESS	MOTOR COMMERCIAL 8		PERSONAL ACCIDENT 9		THEFT 10		WORKMEN'S COMPENSATION 11		MISCELLANEOUS 12		TOTAL 13	
	Item	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
G. Outstanding recoveries in respect of settled claims pending for more than ninety days—												
(i) from local re-insurers	25											
(ii) from overseas re-insurers	26											
TOTAL (25+26)	27											

Date: Principal Officer:

Principal Officer:

TWENTY-FIRST SCHEDULE—continued

FORM INS. 203-2

[L.N. 51/2011, r. 8.]

MONTHLY SUMMARY OF CLAIMS

All amounts in Kenya Shillings
For the Month Ending:

Name of Insurer	BUSINESS	LONG-TERM INSURANCE		GENERAL INSURANCE	
		Number	Amount	Number	Amount
	(A) Claims outstanding at the beginning of the month	1			
	Claims intimated during the month	2			
	Claims revived during the month	3			
	TOTAL (1+2+3)	4			
	(B) Action during the Month				
	Claims settled	5			
	Claims rejected	6			
	Claims closed as "no claims"	7			
	TOTAL (5+6+7)	8			
	(C) Claims revised, or change in claims reserve during the year—				
	not more than ninety days	9			
	more than ninety days	10			
	TOTAL (9+10)	11			
	on which liability not admitted and pending for—				
	not more than ninety days	12			

Insurance

[Subsidiary]

TWENTY-FIRST SCHEDULE, FORM INS 203-2—continued

BUSINESS	LONG-TERM INSURANCE		GENERAL INSURANCE
	13	14	
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

[Regulation 34(2), L.N. 52/1987, r. 2, L.N. 97/2009, r. 6, L.N. 51/2017, r. 4, L.N. 275/2017, r. 3.]

REGISTRATION NO.

REGISTRATION AS AN INSURER/REINSURER

Registration is granted to (name)

of (address)

to carry on, in Kenya/outside Kenya, the following classes of insurance business:-

LONG TERM INSURANCE BUSINESS

Life Assurances/Annuities/Personal Pension/ Unit-linked and Linked Investment/Non-linked investment/Group Life/Group Credit/Permanent Health/Deposit Administration

GENERAL INSURANCE BUSINESS

Aviation/Engineering/Fire Domestic/Fire Commercial/Liability/Marine/Motor-Private/ Motor Commercial/Personal Accident/Theft/Work injury Benefits/Medical/ Micro-insurance/ Miscellaneous

.....

Subject to the provisions of the Insurance Act (Cap. 487).

Dated the, 20

P.O. BOX 43505, 00100
NAIROBI

.....
COMMISSIONER OF INSURANCE

Serial Number



REGISTRATION AS A RISK MANAGER

Registration is granted to
(name)

..... (address)

to operate as a risk manager in Kenya, subject to the provisions of the Insurance Act (Cap, 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20

P.O. BOX 43505
NAIROBI

.....
Commissioner of Insurance

Insurance

[Subsidiary]

REGISTRATION No.



EXPIRES ON 31st December, 20

REGISTRATION AS A LOSS ASSESSOR

Registration is granted to (name)
 (address)

to operate as a *loss assessor* in Kenya, subject to the provision of the Insurance Act (Cap. 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20

P.O. BOX 43505
 NAIROBI

.....
Commissioner of Insurance

REGISTRATION No.



EXPIRES ON 31st December, 20

REGISTRATION AS A LOSS ADJUSTER

Registration is granted to (name)
 (address)

to operate as a *loss adjuster* in Kenya, subject to the provisions of the Insurance Act (Cap. 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20

P.O. BOX 43505
 NAIROBI

.....
Commissioner of Insurance

REGISTRATION No.



EXPIRES ON 31st December, 20

REGISTRATION AS AN INSURANCE SURVEYOR

Registration is granted to (name)
 (address)

Insurance

[Subsidiary]

to operate as an insurance surveyor in Kenya, subject to the provision of the Insurance Act (Cap. 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20
P.O. BOX 43505
NAIROBI Commissioner of Insurance

REGISTRATION No.



EXPIRES ON 31st December, 20

REGISTRATION AS AN AGENT

Registration is granted to (name)
..... (address)

to operate as an agent in Kenya, subject to the provisions of the Insurance Act (Cap. 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20
P.O. BOX 43505
NAIROBI Commissioner of Insurance

REGISTRATION No.



EXPIRES ON 31st December, 20

REGISTRATION AS A BROKER

Registration is granted to (name)
.....(address)

to operate as a broker in Kenya, subject to the provisions of the Insurance Act (Cap. 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20
P.O. BOX 43505
NAIROBI Commissioner of Insurance

Insurance

[Subsidiary]

REGISTRATION No.



EXPIRES ON 31st December, 20

REGISTRATION AS A CLAIMS SETTLING AGENT

Registration is granted
 to (name)
 (address)

to operate as a *claims settling agent* in Kenya, subject to the provision of the Insurance Act (Cap. 487) and the conditions endorsed hereon.

CONDITIONS

Dated the, 20

P.O. BOX 43505
 NAIROBI

.....
Commissioner of Insurance

Insurance

[Subsidiary]

TWENTY-THIRD SCHEDULE

FORM No. INS. 197B-3

MONTHLY INSURANCE TRAINING LEVY RETURN

All Amounts in Kenya Shillings

Name of Insurer for the month ending, 20

Serial No.	Class of Insurance Business	Amount of Gross Direct Premium Written During the Month
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 houseowners, 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 vehicles	
08	Motor insurance—commercial vehicles	
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. class 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

Insurance

[Subsidiary]

TWENTY-FOURTH SCHEDULE

FORM No. INS. 197A-3

MONTHLY PREMIUM LEVY RETURN

All Amounts in Kenya Shillings

Name of Insurer for the month ending, 20

Serial No.	Class of Insurance Business	Amount of Gross Direct Premium Written During the Month
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 homeowners, 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 vehicles	
08	Motor insurance—commercial vehicles	
09	Personal accident insurance	
10	Theft insurance including burglary, cash-in-transit and fidelity guarantee	
11	Workmen's compensation and employer's liability insurance	
12	Miscellaneous insurance (i.e. class of business not included under those listed above)	
	Sub-total (ii)	
	Total (i) + (ii)	
	1.5% of (i) + (ii)	
	Penalty for late payment (add)	
	Total tax payable	

Date Principal Officer

Insurance

[Subsidiary]

TWENTY-FIFTH SCHEDULE

TWENTY-FIFTH SCHEDULE

[L.N. 180/1992, r. 2, L.N. 124/1994, r. 5, L.N. 135/2007, L.N. 57/2012, r. 19.]

FORM No. INS. 197E-1

(r.53(c)(i))

ANNUAL PREMIUM TAX RETURN

All amounts in Kenya shillings

Name of Insurer for the year ending 20

Serial No.	Class of insurance business	Amount of Gross Direct Premium Written During the Month												total
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
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 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													

TWENTY-FIFTH SCHEDULE, FORM NO. 197E-1—continued

Serial No.	Class of insurance business	Amount of Gross Direct Premium Written During the Month												total
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
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

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE

TWENTY-SIXTH SCHEDULE

FORM No. INS. 18-1

(s. 18(4))

LONG-TERM AND GENERAL INSURANCE BUSINESS

KENYA INSURANCE STATISTICS

SECTION A – STATEMENT OF POSITION

All amounts in Kenya Shillings
As at 31st December, 20

Name of Insurer			
<i>Description of Items</i>	<i>Long-Term Insurance Business</i>	<i>General Insurance Business</i>	<i>Total Insurance Business</i>
ASSETS:			
1. Cash in hand			
2. Balance with:			
2.1 Banks and other institutions inside Kenya			
2.2 Banks and other institutions outside Kenya			
3. Premiums outstanding with agents, brokers, clients			
4. Domestic investment:			
4.1 Government securities and bills			
4.2 Local Government securities			
4.3 All other			
5. External Investment:			
5.1 Government securities			
5.2 All other			
6. Loans and advances:			
6.1 Policy holders			
6.2 Public sector			
6.3 Private sector			

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

<i>Description of Items</i>	<i>Long-Term Insurance Business</i>	<i>General Insurance Business</i>	<i>Total Insurance Business</i>
7. Fixed assets:			
7.1 Offices occupied by the company			
7.2 Commercial buildings			
7.3 Residential buildings			
7.4 All other			
TOTAL ASSETS			
LIABILITIES:			
1. Share Capital Paid up:			
1.1 Kenyan			
1.2 Non-Kenyan			
2. Profit and Loss before Taxation			
3. Policy Liabilities:			
3.1 Life Fund (Actual/Estimates)*			
3.2 Claims outstanding			
3.3 Bonus payment			
4. Current Liabilities:			
4.1 Unexpired risk reserve			
4.2 Management expenses			
4.3 Unexpired premium reserve			
4.4 All other			
TOTAL LIABILITIES			

*Life fund should be shown at valuation in the year in which valuation takes place, and in other years as provided for in the books of the company.

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

SECTION B – PREMIUMS AND OTHER INCOMES RECEIVED

DESCRIPTION OF ITEMS	LONG-TERM INSURANCE BUSINESS					GENERAL INSURANCE BUSINESS			
	Ordinary Life Business	Industrial Life Business	Super-annuation Business	Bond Investment Business	Total	Aviation	Engineering	Fire Domestic	Fire Industrial
1. Gross Premium Written									
2. Less Reinsurances									
3. Less Refund of Premiums									
5. Net Premiums									
5. Other Income:									
5.1 Rent									
5.2 Interest									
5.3 Dividend									
5.4 All other									
5.5 Total Other Income									
6. Total All Income									

DESCRIPTION OF ITEMS	GENERAL INSURANCE BUSINESS								
	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	Workmen's Compensation	Miscellaneous	Total
1. Gross Premium Written									
2. Less Reinsurances									
3. Less Refund of Premiums									
4. Net Premiums									

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

DESCRIPTION OF ITEMS	GENERAL INSURANCE BUSINESS								
	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	Workmen's Compensation	Miscellaneous	Total
5. Other Income:									
5.1 Rent									
5.2 Interest									
5.3 Dividend									
5.4 All Other									
5.5 Total Other Income									
6. Total All Income									

SECTION C – CLAIMS AND OTHER EXPENSES PAID

DESCRIPTION OF ITEMS	LONG-TERM INSURANCE BUSINESS					GENERAL INSURANCE BUSINESS				
	Ordinary Life Business	Industrial Life Business	Superannuation	Bond Investment	Total	Description of Items	Aviation	Engineering	Fire Domestic	Fire Industrial
1. Claims by Death						1. Gross Claims				
2. Claims by Maturity										
3. Surrenders						2. Less Reinsurance				
4. Cash Bonuses										
5. Cash Benefits by Maturity						3. Net Claims				
6. Less Reinsurances										
7. Total										

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

DESCRIPTION OF ITEMS	LONG-TERM INSURANCE BUSINESS					GENERAL INSURANCE BUSINESS				
	Ordinary Life Business	Industrial Life Business	Superannuation	Bond Investment	Total	Description of Items	Aviation	Engineering	Fire Domestic	Fire Industrial
8. Other Expenses:										
8.1 Wages and Salaries										
8.2 Interest										
8.3 Rates on Property										
8.4 Commissions										
8.5 Rents										
8.6 All Other										
9. Total Other Expenses										
10. Total Net Claims and Expenses (7 + 9)										

	GENERAL INSURANCE—BUSINESS									
	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	Workmen's Compensation	Miscellaneous	Total	
1. Claims by Death										
2. Claims by Maturity										
3. Surrenders										
4. Cash Bonuses										
5. Cash Benefits by Maturity										
6. Less Reinsurances										
7. Total										

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

	GENERAL INSURANCE—BUSINESS									
	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	Workmen's Compensation	Miscellaneous	Total	
8. Other Expenses:										
8.1 Wages and Salaries										
8.2 Interest										
8.3 Rate on Property										
8.4 Commissions										
8.5 Rents										
8.6 All Other										
9. Total Other Expenses										
10. Total Net Claims and Expenses (7 + 9)										

SECTION D – PROFIT AND LOSS STATISTICS

Description of Items	Long-Term Insurance Business	General Insurance Business	Total Insurance Business
PART I – EXPENDITURE:			
1. Remuneration of Employees:			
1.1 Salaries and wages			
1.2 House Allowance			
1.3 Medical expenses			
1.4 Personal insurance (long-term)			
1.5 Contribution to pension, gratuities, provident fund, etc.			
1.6 N.S.S.F. contribution			
1.7 Leave allowance and passages			

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

Description of Items	Long-Term Insurance Business	General Insurance Business	Total Insurance Business
1.8 Directors' fees and allowances			
1.9 Other remuneration paid in kind (meals, uniform, house to office transport, other)			
TOTAL			
2. Operating Costs:			
2.1 Office rents			
2.2 Rates and parking charges			
2.3 Transport operating cost, travelling expenses and hotel accommodation			
2.4 Entertainments			
2.5 Rental of equipment			
2.6 Postage			
2.7 Telex, telephone, fax, etc.			
2.8 professional services, fees and expenses			
(i) Audit			
(ii) Legal			
(iii) Inspection			
(iv) Advertising			
(v) Bank charges			
(vi) Medical			
(vii) Computer services			
(viii) Actuarial fees			
(ix) Other			
Sub - Total			

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

Description of Items	Long-Term Insurance Business	General Insurance Business	Total Insurance Business
2.9 Water and conservancy			
2.10 Electricity			
2.11 Stores and other related supplies			
2.12 Publications and books (newspapers, periodicals, etc.)			
2.13 Maintenance and repairs of equipment			
2.14 Donation and subscriptions			
2.15 tax, service charges, stamp duty, licences, etc.			
2.16 Insurance (General)			
2.17 Miscellaneous expenses (other operational costs)			
TOTAL			
3. Interest Paid Out			
4. Bonus and Dividend Paid Out			
5. Reinsurance:			
5.1 Facultative			
5.2 Treaty			
6. Commission/Brokerage Paid and Outstanding			
7. Claims Paid and Outstanding			
8. Surrenders (Long-Term)			
9. Annuities			
10. Depreciation			
11. Provision for Bad Debts, etc.			
12. Increase in Unexpired Risk Reserves (U.R.R.)			
13. Actuarial Reserve Net Additions			
14. Balance for the Year Carried to Appropriation Account			
GRAND TOTAL			

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

Description of Items	Long-Term Insurance Business	General Insurance Business	Total Insurance Business
PART II: RECEIPTS:			
1. Premiums Written:			
1.1 New Policies			
1.2 Running Policies			
1.3 Total			
2. Reinsurance recoveries			
3. Interest Received			
4. Commissions Received			
5. Dividends Received			
6. Rents Received			
7. Total (2+3+4+5+6)			
8. Profit on Sales of Assets			
9. Other Receipts (N.E.C.)*			
10. Decrease in Unexpired Risk Reserve			
11. Other recoveries			
12. Balance being Profit/Loss for the Year Carried to Appropriation Account			
GRAND TOTAL			

* N.E.C.= Not elsewhere classified.

DESCRIPTION OF ITEMS	LONG-TERM INSURANCE BUSINESS			GENERAL INSURANCE BUSINESS			TOTAL INSURANCE BUSINESS		
	Mortgage	Other	Total	Mortgage	Other	Total	Mortgage	Other	Total
1. To Public Sector:									
1.1 Government									
1.2 Local authority									

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

DESCRIPTION OF ITEMS	LONG-TERM INSURANCE BUSINESS			GENERAL INSURANCE BUSINESS			TOTAL INSURANCE BUSINESS		
	Mortgage	Other	Total	Mortgage	Other	Total	Mortgage	Other	Total
1.3 Parastatal organization									
1.4 Total public sector									
2. To Private Sector:									
2.1 Enterprises:									
2.1 Agriculture and Forestry									
2.2 Fishing and Hunting									
2.3 Mining and quarrying									
2.4 manufacturing:									
2.4.1 Food									
2.4.2 Beverages and Tobacco									
2.4.3 Textile and footwear									
2.4.4 Furniture, timber and food products									
2.4.5 Paper printing									
2.4.6 Leather and rubber products									
2.4.7 Chemicals, non-metallic mineral products including petroleum products									
2.4.8 Metal product and machinery									
2.5 Building and construction									
2.6 Trade:									
2.6.1 Export									
2.6.2 Import									
2.6.3 Domestic									
2.7 Electricity and water									
2.8 Transport, storage and communications									

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

DESCRIPTION OF ITEMS	LONG-TERM INSURANCE BUSINESS			GENERAL INSURANCE BUSINESS			TOTAL INSURANCE BUSINESS		
	Mortgage	Other	Total	Mortgage	Other	Total	Mortgage	Other	Total
2.9 Real estate									
2.10 Financial Institutions:									
2.10.1 Hire purchase									
2.10.2 Others									
2.11 Other service									
2.12 Not elsewhere specified									
3. Private Households and Private Non-Profit making Institutions:									
3.1 Households									
3.2 Non-profit making institutions									
TOTAL PUBLIC AND PRIVATE									

SECTION F – DETAILS OF POLICIES

Description of Items	Long-Term Insurance Business	General Insurance Business	Total Insurance Business
1. LIFE POLICIES			
1.1 Number issued during period			
1.2 Sum assured			
1.3 Number issued and discontinued during period			
1.4 Sum assured			
1.5 Number discontinued but issued during previous period			
1.6 Sum assured			
1.7 Total number of policies in force			
1.8 Total sum assured			

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

Description of Items	Long-Term Insurance Business	General Insurance Business	Total Insurance Business
2. ANNUITIES			
2.1 Number granted during period			
2.2 Amount purchased			
2.3 Number discontinued			
2.4 Amount discontinued			
2.5 Total number of annuities in force			
2.6 Total sum assured			

SECTION G: BALANCE OF PAYMENTS (LONG-TERM INSURANCE BUSINESS)

DESCRIPTION OF ITEMS	AFRICA					All Other Countries	Total
	Uganda	Tanzania	Other PTA Countries	Other African Countries	Total Africa		
1. AMOUNTS RECEIVED FROM:							
1.1 Gross premiums (including reinsurance):							
(i) Life assurance							
(ii) Annuities							
1.2 Commissions							
1.3 Gross claims (including surrenders):							
(i) Life assurance							
(ii) Annuities							
1.4 Other:							
(i) Investment income							
(ii) Repayment of Loans							

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

DESCRIPTION OF ITEMS	AFRICA					All Other Countries	Total
	Uganda	Tanzania	Other PTA Countries	Other African Countries	Total Africa		
(iii) Reserve values							
(iv) Expenses							
(v) All other							
TOTAL							
2. AMOUNT PAID TO:							
2.1 Gross premiums (including reinsurance):							
(i) Life assurance							
(ii) Annuities							
2.2 Commissions							
2.3 Gross claims (including surrenders):							
(i) Life assurance							
(ii) Annuities							
2.4 Other:							
(i) Investment income							
(ii) Repayment of Loans							
(iii) Reserve values							
(iv) Expenses							
(v) All other							
TOTAL							

TWENTY-SIXTH SCHEDULE, FORM NO. INS. 18-1—continued

SECTION H – BALANCE OF PAYMENTS (GENERAL INSURANCE BUSINESS)

Description of Items	AFRICA					All Other Countries	Total
	Uganda	Tanzania	Other PTA Countries	Other African Countries	Total Africa		
I. AMOUNTS RECEIVED FROM:							
1. Gross premiums under direct insurance							
2. Interest							
3. Commissions							
4. Reinsurance premiums							
5. Reinsurance claims							
6. Claims under direct insurance							
7. Other							
TOTAL							
II. AMOUNT PAID TO:							
1. Gross premiums under direct insurance							
2. Interest							
3. Commissions							
4. Reinsurance premiums							
5. Reinsurance claims							
6. Expenses							
7. Other							
TOTAL							

Insurance

[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM No. INS. 18-1—continued

ANNUAL VALUE OF MOTOR THIRD PARTY LIABILITY CLAIMS AND PREMIUMS
(LAST 5 YEARS)

Year	1	2	3	4	5
VALUE OF PREMIUMS					
Value of Claims by type of damage:					
Death					
Personal injuries					
Accidental damage					
Fire					
Theft					
Property damaged					
Other					
TOTAL					
Claims per centage by type of damage:					
Death					
Personal injuries					
Accidental damage					
Fire					
Theft					
Property damage					
Other					
TOTAL					

Note.—Covers motor private and motor commercial classes.

SECTION J – NUMBER OF VEHICLES INSURED AND CLAIMS HANDLED
(LAST 5 YEARS)

Year	1	2	3	4	5
Number of vehicles insured					
Number of claims handled					
Death					
Personal injuries					
Accidental damage					
Fire					
Theft					
Property damage					
Other					
TOTAL					

Note.—Covers motor private and motor commercial classes.

COMMENTS (Please indicate here any departure from instructions and give information on any abnormal changes which may have taken place during the reporting year.

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[Subsidiary]

TWENTY-SIXTH SCHEDULE, FORM No. INS. 18-1—*continued*

I declare that the foregoing is made up from the information in the books of the company and to the best of my knowledge and belief it is correct.

Date: Name of Principal Officer:

Signature

NOTES ON THE TWENTY-SIXTH SCHEDULE

KENYA INSURANCE STATISTICS

(Please read these notes carefully before completing the form)

1. Period covered by the Return (Reporting year)

Statistics are required on a calendar year basis in accordance with the definition of "Financial Year" under the Act.

2. Long term Insurance Business

Please note that you are required to provide information on Statement of position, premiums and other incomes received, claims and other expenses paid, profits and loss statistics, loans and advances, details of policies, balance of payments, etc.

3. General Insurance Business

Information is required as in Long term Insurance Business above except for details of policies.

4. Statement of Position

Information on details of assets and liabilities of the company is required in this section separately for each class of insurance business.

Please note that total liabilities including share capital paid up must equal total assets. Share capital paid up should be broken-down into Kenya and Non-Kenya categories. Non-bonus charges accruing during the year features same things as out-standing premiums.

Information on Gross Fixed Capital Formation (G.F.C.F.) does not include purchase of second-hand goods (unless they are imported or existing buildings). Aggregation of G.F.C.F. is necessary for purposes of national accounts.

5. Premiums and Other Incomes Received

Statistics are sought by classes of insurance business, for example, ordinary life business, industrial life business, etc., for long term insurance business.

6. Claims and other Expenses Paid

Details required as in the section on premiums and other incomes received. Information is also sought on annuities for long term insurance business. Data must be provided for separate classes of insurance business.

7. Balance of Payments

Details provided should include all amount actually received from and paid to any foreign country. Information required is on gross amounts, i.e. without off-setting amounts received against amounts paid.

8. Total Business

All entries in the form should be in respect of insurer's total business.

9. Declaration, Certification and Authentication

Once the form is completed, a declaration must be made indicating that the information is obtained from the books of the company. Name and signature of the principal officer must be shown and the date.

Insurance

[Subsidiary]

FORM No. INS 197A-3(a)

(r. 53(b))

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 Premiums 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)	

Insurance

[Subsidiary]

TWENTY-SEVENTH SCHEDULE, FORM No. INS. 197A-3(a)—continued

<i>Serial Number</i>	<i>Class of insurance business</i>	<i>Amount of Re-insurance Premiums paid or credited to Re-insurance Business Outside Kenya</i>
	5% of (i) + (ii)	
	Penalty for late payment (add)	
	Total levy payable	

Date *Principal Officer*

Insurance

[Subsidiary]

TWENTY-EIGHTH SCHEDULE
[Regulation 53(c)(ii), L.N. 124/1994, r. 6, L.N. 135/2007.]

FORM No. INS. 197E-2

ANNUAL RE-INSURANCE PREMIUM TAX RETURN

All amounts in Kenya Shillings

Name of Insurer for the year ending 20

Serial No	Class of Insurance Business	Amount of re-insurance premiums paid or credited to re-insurance business outside Kenya												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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 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.													

TWENTY-EIGHTH SCHEDULE, FORM NO. INS 197E-2—continued

Serial No	Class of Insurance Business	Amount of re-insurance premiums paid or credited to re-insurance business outside Kenya												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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)													
	5% of (i) + (ii)													
	Penalty for late payment (add)													
	Total levy payable													

Auditor Principle Officer

Insurance

[Subsidiary]

TWENTY-NINTH SCHEDULE, FORM No. INS. 197E-3

[L.N. 135/2007, L.N. L.N. 57/2012, r. 20.]

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												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	total
	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													

Insurance

[Subsidiary]

TWENTY-NINTH SCHEDULE, FORM No. INS. 197E-3—continued

S.No.	Class of insurance business	Amount of Gross premium written during the month												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	total
	GENERAL INSURANCE BUSINESS													
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													
	1% of (i) + (ii)													
	Penalty for late payment (add)													
	TOTAL													

INSURANCE (STATISTICS) REGULATIONS, 1993

[L.N. 171/1993.]

1. These Regulations may be cited as the Insurance (Statistics) Regulations, 1993, and shall be deemed to have come into operation on the 1st January, 1992.
 2. Every insurer registered or authorized to carry on insurance business in Kenya shall prepare the statistics in accordance with the Twenty-sixth Schedule and four copies thereof duly authenticated and certified in the manner shall be deposited with the Commissioner within six months, after the end of the period to which they relate.
-

INSURANCE (POLICYHOLDERS' COMPENSATION FUND) REGULATIONS, 2010

ARRANGEMENT OF REGULATIONS

Regulation

1. Citation.
 2. Interpretation.
 3. Establishment of the Policyholders' Compensation Fund.
 4. Tenure of office of Board members.
 5. Validity of Board proceedings.
 6. Disclosure of interest.
 7. Delegation by the Board.
 8. Use of the seal of Board.
 9. Contributions.
 10. Directions to the Board.
 11. *Deleted.*
 12. Duty of the Board to determine and pay compensation
 13. Eligibility for compensation.
 14. Making a claim.
 15. Time limit for making a claim.
 16. Conditions of compensation.
 17. Limitations to compensation.
-

INSURANCE (POLICYHOLDERS' COMPENSATION FUND) REGULATIONS, 2010

[L.N. 86/2010, L.N. 199/2010, L.N. 78/2014, L.N. 91/2019]

1. Citation

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 incident or event that involves a risk or peril insured by a 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, evidences 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 insurance 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.

[L.N. 86/2010, L.N. 78/2014, r. 2.]

3. Establishment of the Policyholders’ Compensation Fund

(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 appropriated 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 to the Fund; and
- (f) monies received by the Board as reimbursement.

(3) The Board of Trustees may open separate accounts for general or long term insurance business as it may deem necessary.

[Subsidiary]

(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 Regulations.

[L.N. 86/2010, L.N. 78/2014, r. 3.]

4. Tenure of office of Board members

(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 of three years.

(2) The Minister may appoint members of the Board, other than an *ex officio* member, 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* member, 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 exceeding ten thousand shillings;
 - (iv) is incapacitated by prolonged physical or mental illness; or
 - (v) is otherwise unable or unfit to discharge his functions.

[L.N. 86/2010.]

5. Validity of 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.

[L.N. 86/2010.]

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 a meeting of the Board, have the disclosure recorded in the minutes of the meeting 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 purposes 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, that shall be read and be considered at the meeting.

[L.N. 86/2010.]

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 authorisation.

[L.N. 86/2010.]

8. Use of the seal of Board

(1) The fixing of the common seal of the Board on any document shall be authenticated by the signatures 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, authorize 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.

[L.N. 86/2010.]

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 a policyholder shall pay the contribution under paragraph (1), as the case may be, 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 policyholder in respect of the relevant policy issued to him by the authorized insurance company.

(4) Every insurer shall collect from its policyholder the contribution payable by the policyholder at the commencement of a policy issued to the policyholder and remit the contribution together with its own contribution to the Board, within thirty days of the issue or renewal of the policy.

(4A) An insurer who fails to pay its own contribution to the Board or who fails to account for or pay the contribution due from its policyholders (whether or not such contribution has been paid by the policyholder) shall, in addition to paying the contribution, be liable to pay a penalty of a sum equal to five per cent per month of the amount outstanding until the amount is paid in full.

(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 per cent (2½%) per month until the day return is filed.

(7) The Board may, through legal proceedings, recover from an authorized insurance company or its directors all sums due to it under this regulation.

[L.N. 86/2010, L.N. 199/2010, r. 2.]

10. Directions to the Board

The Minister may, from time to time, give directions 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 functions in accordance with the directions given by the Minister under this regulation.

[L.N. 199/2010.]

11. Insolvency of an insurance company

Deleted by L.N. 91/2019

[Subsidiary]

12. Duty of the Board to determine and pay compensation

(1) The Board shall, in consultation with the Minister, determine from time to time, the amount payable as compensation for different types or classes of insurance policies and pay such compensation to the policyholder 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 in any case, be earlier than the date of publication in the notice.

[L.N. 86/2010.]

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 the Regulations, unless the policy of 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 the 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.

[L.N. 86/2010.]

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 Trustee.

(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 a claim for compensation a policyholder shall—

- (a) observe utmost good faith by making a 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 paragraphs (1), (2) or (3).

[L.N. 86/2010.]

15. Time limit for making a claim

A policyholder who does not make a claim for compensation within two years of the insolvency of an authorized insurance company shall not be entitled to claim any compensation from the Board.

[L.N. 86/2010.]

16. Conditions of compensation

(1) The right of any policyholder to compensation under these Regulations shall be subject to compliance of the policyholder 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 insolvent 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 policyholder, may, if the Board so decides, be considered as payment, in whole or in part, of the compensation payable to the policyholder under the Act and these Regulations.

[L.N. 86/2010]

17. Limitations 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 authorized insurance company which is not, for the purposes of these Regulations, insolvent.

(2) For purposes of paragraph (1), the liability of an authorized insurance company towards a policyholder is duplicated by the liability of another authorized insurance company if the other company also has the liability, under the terms of any other Kenyan policy which on the date of the 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 an authorized 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.

[L.N. 86/2010.]

18. Revocation of L.N. 10 of 2004 The Insurance (Policyholders' Compensation Fund) Regulations, 2004, are revoked.

[L.N. 199/2010, r. 4.]

INSURANCE (INSURANCE APPEALS TRIBUNAL) RULES, 2013

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INSURANCE (INSURANCE APPEALS TRIBUNAL) RULES, 2013

[L.N. 111/2013.]

1. Citation

These Rules may be cited as the Insurance (Insurance Appeals Tribunal) Rules, 2013.

2. Interpretation

In these Rules, unless the context otherwise requires—

“**appeal**” means an appeal to the Tribunal;

“**appellant**” means the person entering an appeal, the advocate or duly authorized agent of that person;

“**Chairman**” means the Chairman of the Tribunal appointed as such under section 169(2) of the Act;

“**Company**” means the Kenya Reinsurance Corporation Limited;

“**member**” means a person appointed as a member of the Tribunal under section 169(2) of the Act;

“**memorandum**” means a memorandum of appeal presented under rule 10 of these Rules;

“**Secretary**” means the Secretary to the Tribunal appointed under rule 6(1) of these Rules;

“**Tribunal**” means the Insurance Appeals Tribunal established under rule 4.

3. Saving of the inherent Power of the Tribunal

Nothing contained in these Rules shall limit or otherwise affect the power of the Tribunal to make such orders as may be necessary for the ends of justice or to prevent the abuse of the process of the Tribunal.

4. Establishment of the Tribunal and Tenure of Office

(1) There shall be established a Tribunal to be known as the Insurance Appeals Tribunal for the purpose of hearing appeals under the Act.

(2) The Chairman and members of the Tribunal appointed under section 169(2) of the Act shall hold office for a term of three years but shall be eligible for re-appointment for one further term of three years.

(3) A person shall not be qualified to be appointed as the Chairman or a member of the Tribunal or if already appointed shall become disqualified if—

- (a) he is a director, officer, employee or shareholder whether directly or indirectly, of an insurer, broker, Medical Insurance Provider, insurance agent or any other member of the insurance industry;
- (b) has been adjudicated bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit;
- (c) has previously been involved in the management of an insurer that has collapsed.

(4) A member of the Tribunal may at any time resign his office by notice in writing addressed to the Cabinet Secretary.

(5) The Cabinet Secretary may cancel the appointment of the Chairman or a member of the Tribunal on the ground of his infirmity, incapacity or misbehaviour, or if a member is absent from three consecutive meetings of the Tribunal without leave of the Tribunal.

[Subsidiary]

(6) Subject to these Rules, the Tribunal may act notwithstanding a vacancy in its membership, and the presence or participation of a person not entitled to be present or participate in the proceedings of the Tribunal as a member shall not invalidate the proceedings.

5. Powers of the Chairman

(1) The Chairman shall have the power to give directions for—

- (a) furnishing of further particulars and supplementary statements;
- (b) filing and exchange of documents;
- (c) framing of issues; and
- (d) other directions as are necessary to enable the parties to prepare for the hearing or to assist the Tribunal to determine any issue.

(2) The Chairman, in matters before the Tribunal, shall have the same powers as vested in the Registrar of the High Court and shall exercise the power, *mutatis mutandis*, in accordance with the Civil Procedure Rules.

6. Tribunal Secretary

(1) The Cabinet Secretary shall appoint a person with relevant experience and competency in law, insurance, actuarial science, finance or economics as a Secretary to the Tribunal.

(2) Subject to the rules of confidentiality, the Secretary shall, in matters relating to appeals to the Tribunal and procedure therefore, comply with any general and special directions lawfully given by the Chairman.

(3) The Secretary shall, by notice in the Gazette, publish his address for the presentation of service of documents for the purposes of these Rules, and shall in the same manner publish any change in that address.

7. Presentation of appeals

(1) Every appeal under section 146 of the Act by an insurer aggrieved by a refusal of the Company under that section shall be entered by presentation of a memorandum of appeal, together with such number of copies as may be necessary, to the Secretary.

(2) Every appeal under section 173 of the Act by a person aggrieved by a decision of the Commissioner under that section, shall be entered by presentation of a memorandum of appeal, together with such number of copies as may be necessary, to the Secretary.

8. Fees

The fees prescribed by the Minister under section 169(6)(a) shall be as set out in the Schedule to these Rules.

9. Forms

In exercising its functions, the Tribunal shall have power to prescribe the forms and any other documents as it may deem necessary.

10. Memorandum of Appeal

A Memorandum of Appeal shall be signed by the appellant and shall set forth concisely under distinct heads, numbered consecutively, the grounds of appeal without any argument or narrative.

11. Memorandum to be accompanied by appellant's statement and fees

(1) Each copy of a memorandum shall be accompanied by a statement signed by the appellant setting out precisely all the facts on which the appeal is based and referring specifically to any documentary or other evidence which it is proposed to adduce at the hearing of an appeal, and there shall be annexed to the statement of facts a copy of the decisions appealed against and any other document referred to upon which the appellant proposes to rely on as evidence at the hearing of the appeal.

(2) The fee for presentation of a memorandum shall accompany the memorandum and shall be paid in favour of the Principal Secretary to the Treasury.

12. Service of Memorandum on Commissioner

Within three working days after the presentation of a Memorandum, the Secretary shall transmit to the Commissioner or the Company, as the case may be, a copy of the Memorandum, the statement of facts and any other documents annexed thereto.

13. Commissioner's dealing with Memorandum

(1) Where the Commissioner or the Company does not accept any of the facts of the appellant, the Commissioner or the Company, as the case may be, shall file with the Secretary a statement of facts within fifteen days after service thereof under rule 12, together with such number of copies as may be necessary and the provisions of rule 11 shall *mutatis mutandis* apply to that statement of facts.

(2) At the time of filing a statement of facts under paragraph (1), the Commissioner or the Company, as the case may be, shall serve a copy thereof together with copies of any documents annexed thereto, upon the appellant or any other interested party.

(3) If the Commissioner or the Company, as the case may be, does not desire to file a statement of facts under this Rule, the Commissioner or the Company shall forthwith give written notice to that effect to the Secretary and to the appellant, and in that case the Commissioner or the Company shall be deemed at the hearing of the appeal to have accepted the facts set out in the statement of facts of the appellant.

14. Notice to Chairman of Memorandum and Hearing Notice

(1) The Secretary shall forthwith after receipt of the Memorandum notify the Chairman of the receipt.

(2) The Chairman shall, after the Commissioner or the Company, as the case may be, has filed a statement of facts or has notified the Secretary that he or the Company does not intend to do so, fix a time, date and place for the meeting of the Tribunal for the purpose of hearing the appeal.

(3) The Secretary shall cause such notice of the time, date and place of the meeting to be served on the appellant and the Commissioner or the Company, as the case may be.

(4) The Secretary shall cause to be supplied to each member of the Tribunal a copy of the notice of hearing and of all documents received by him from the parties to the appeal.

(5) Unless the parties to the appeal otherwise agree, each party shall be entitled to not less than seven days' notice of the time, date and place fixed for the hearing of the appeal.

15. Interim relief and interlocutory application

(1) The appellant may make application to the Secretary that the Tribunal suspends operation of a decision of the Company or Commissioner which is subject of appeal.

(2) The Tribunal may determine the application on the basis of written presentation if the parties to the proceedings in the Tribunal agree in writing or it may direct the parties or any interested party to appear before it.

(3) The Tribunal shall notify the parties and the interested parties of its determination giving a statement of its reasons.

(4) All interlocutory applications made to the Tribunal shall be in such form as may be directed by the Tribunal, signed by the applicant, his advocate or a duly authorised agent, supported by an affidavit.

(5) A party served with an application as directed by the Tribunal, may file a Replying Affidavit or Grounds of Opposition.

(6) The Tribunal shall have the power to hear any party who desires to be heard despite failure to file Replying Affidavit or Grounds of Opposition.

[Subsidiary]

16. Amendment of Memorandum of Appeal

(1) An appellant may file with the Secretary a notice of amendment of the Memorandum at any time before the hearing.

(2) Leave to amend the Memorandum—

- (a) shall not be granted unless the Commissioner or the Company, as the case may be, has been afforded an opportunity to make representation on the proposed amendment;
- (b) may be granted on such terms, including terms as to costs as the Tribunal thinks fit.

(3) Where the Memorandum of Appeal is amended, the Secretary shall immediately notify any party or interested party to the appeal.

(4) The Commissioner or the Company or any other interested party may amend any response where the Memorandum of Appeal has been amended within such time as may be directed by the Tribunal.

17. Procedure at hearing of appeal

(1) At the hearing of an appeal the following procedure shall be observed—

- (a) the Commissioner or the Company, as the case may be, shall be entitled to be present or to be represented;
- (b) the appellant shall state the grounds of his appeal and may support it by any relevant evidence:

Provided that, except with the consent of the Tribunal and upon such terms as it may determine, the appellant may not at the hearing rely on any grounds of appeal other than a ground stated in the Memorandum and may not adduce any evidence of facts or documents unless those facts have been referred to in, and copies of those documents have been annexed to, the statement of facts of the appellant;

- (c) at the conclusion of the statement and evidence on behalf of the appellant the Commissioner or the Company, as the case may be, shall be entitled to make such submissions, supported by such relevant evidence, as may be necessary to support his case, and the provisions of the proviso to subparagraph (b) shall apply *mutatis mutandis* to evidence of facts and documents to be adduced by the Commissioner or by the Company;
- (d) the appellant shall be entitled to reply but may not raise any new issues or arguments in the reply;
- (e) the Chairman or any member of the Tribunal shall be entitled at any stage of the hearing to ask such questions of the appellant or the Commissioner or the Company, as the case may be, or any witness examined at the hearing as he considers necessary to the determination of the appeal;
- (f) a witness called and examined by either party may be cross-examined by the other party to the appeal and, if so cross examined, may be re-examined;
- (g) a witness called and examined by the Tribunal may be cross-examined by either party to the appeal;
- (h) the Tribunal may adjourn the hearing of the appeal for the production of further evidence or for other good cause, as it considers necessary, on such terms as it may determine;
- (i) the decision of the Tribunal shall be by a majority;
- (j) the proceedings of the hearing shall be maintained and the decision of the Tribunal recorded therein.

(2) The Tribunal may, for good and sufficient cause, and in particular where necessary or expedient in circumstances where publicity would prejudice the interests of justice, exclude from its proceedings persons other than the parties thereto and their legal representatives.

(3) In matters of procedure not governed by these Rules or the Act, the Tribunal may determine its own procedure.

18. Admissibility of documents

Except where the Tribunal in any particular case otherwise directs or where any party to the appeal objects, copies of documents shall be admissible in evidence:

Provided that the Tribunal may at any time direct that the original shall be produced notwithstanding that a copy has already been admitted in evidence.

19. Setting aside judgment, order or award

A judgment, order or award made *ex parte* under these Rules may, on application, be set aside on such terms as may be just.

20. Withdrawal of appeal or opposition

(1) The appellant may withdraw an appeal, and the Commissioner or Company may withdraw its opposition to an appeal, at any time before the hearing by giving notice in writing to the Secretary and the Secretary shall transmit the notice to the other party.

(2) At the hearing, the appellant may give notice to the Tribunal that it desires to withdraw the appeal in which case such appeal shall be deemed dismissed and thereupon the Tribunal shall bring the hearing to a close with such orders as may be just and accordingly notify parties to the appeal.

(3) At the hearing, the Commissioner or Company may give notice that it desires to withdraw its opposition to the appeal and thereupon continue with the proceedings without the opposition.

21. Costs

The costs of an appeal shall be costs in the discretion of the Tribunal and shall be taxed by the Registrar of the High Court in the same manner as the bills of costs in the High Court.

22. Appeal to the High Court

(1) Any party to the proceedings of the Tribunal who is dissatisfied with the decision of the Tribunal, if it involves a question of law, shall appeal to the High Court within one month from the date the decision is conveyed to him and the decision following such appeal shall be final.

(2) The Chief Justice may make Rules governing the making of appeals arising from the decision of the Tribunal and providing for the fees to be paid, the scale of costs of any such appeal, and the procedure to be followed therein, and until such Rules are made, and subject thereto, the provisions of the Civil Procedure Act (Cap. 21) shall apply as if the matter appealed against were a decree of a subordinate court exercising original jurisdiction.

23. Registers

The Tribunal shall cause to be kept and maintained a register on all disputes or appeals referred to the Tribunal containing the following particulars—

- (a) the names of the parties;
- (b) the appeal number;
- (c) date of filing the appeal;
- (d) the relief sought; and
- (e) the final determination or order and the date thereof.

24. Registries

(1) The principal registry of the Tribunal shall be at Nairobi.

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[Subsidiary]

(2) The Tribunal may establish such other sub-registries at such other places as and when it deems necessary.

25. Savings Provisions

(1) All the proceedings pending before the Tribunal immediately before the commencement of these Rules may be continued and concluded as if they had been commenced under or by virtue of these Rules.

(2) Every decree, order or award of the Tribunal which immediately before the commencement of these Rules had not been executed or enforced shall be executed or enforced in the same manner as if it were a decree or order of the Tribunal made in accordance with these Rules.

26. Revocation of L.N. 542/1988

The Insurance (Insurance Appeals Tribunal) Rules of 1988 are revoked.

SCHEDULE

[Rule 8.]

Filing fees: Ksh.

(a)	Filing of Memorandum of Appeal	10,000
(b)	Filing of Defence	1,000
(c)	Filing of interlocutory applications	1,000
(d)	Presentation of Statements of Facts	500
(e)	Filing of Affidavit	500
(f)	Certification of Documents (per page)	300

**INSURANCE (VALUATION OF TECHNICAL PROVISIONS
FOR GENERAL INSURANCE BUSINESS) GUIDELINES, 2017**

[L.N. 37/2017]

1. Citation

These guidelines may be cited as the Insurance (Valuation of Technical Provisions for General Insurance Business) Guidelines, 2017.

2. Interpretation

In these guidelines, unless the context otherwise requires—

"appointed actuary" means an actuary who is independent of the insurer or the related parties of the insurer and is approved by the Authority with the qualifications of an actuary as set out in section 2(1) of the Act;

"best estimate" means a value that reflects anticipated experience with no provision for risk of adverse deviation; and

"risk margin" means an amount included in a prudent estimate assumption that is intended to provide for estimation error and adverse deviation related to a corresponding anticipated experience assumption.

3. Key requirements

(1) An appointed actuary shall prepare a statement on the valuation of the insurer's insurance liabilities.

(2) For the purposes of these guidelines, an insurer's insurance liabilities shall include—

- (a) the insurer's outstanding claims liabilities; and
- (b) the insurer's premium liabilities.

(3) An insurer shall determine the appropriate valuation of insurance liabilities.

(4) Where an insurer rejects the appointed actuary's statement or adopts a valuation of insurance liabilities that is not in accordance with these guidelines, the insurer shall disclose in writing the following to the Authority prior to the finalisation of the insurer's financial statements—

- (a) the reasons for not accepting the appointed actuary's statements or for not determining the insurance liabilities in a manner that is consistent with these guidelines; and
- (b) the details of the alternative assumptions and methodologies used in determining the value of the insurance liabilities.

(5) For the purposes of this paragraph—

- (a) **"outstanding claims liabilities"** means claims incurred prior to the calculation date which have been reported but have not yet been settled or which have been incurred but have not yet been reported; and
- (b) **"premium liabilities"** means the cost of running off the unexpired portion of an insurer's policies composed of unearned premium reserve and unexpired risk reserve.

4. Valuation of premium reserves

(1) An insurer shall determine and disclose the value of its unearned premiums reserves for each class of business.

(2) An insurer shall, in determining the value of unearned premium reserves, apply the following methods—

- (a) "24ths" method (reserving on a monthly basis);
- (b) "365ths" method (reserving on a daily basis); and
- (c) any other method as may be approved by the Authority.

[Subsidiary]

(3) When determining unearned premium reserves, an insurer shall conduct a test of the adequacy of the reserves.

(4) Where the unearned premium reserves are inadequate, the insurer shall determine the premium deficiency reserves.

(5) The reserving method used by the insurer to determine the unearned premium reserves shall not be changed arbitrarily by the insurer.

(6) A reinsurer may apply the "8ths" method when reserving on a quarterly basis.

(7) The insurer shall calculate the reserve for the insurer's unexpired risks by estimating the claims expected to be incurred by the insurer after the valuation date on policies with unexpired exposure periods as at the valuation date, including the part of claims management expenses that relates to those claims in such an amount that the estimated value of those future claims exceeds the unearned premiums reserve.

(8) The reserve for unexpired risks shall be calculated and maintained separately for each class of insurance.

5. Valuation of claim reserves

(1) The reserves in respect of outstanding claims incurred and reported by the insurer shall be determined prudently by using case estimate method, average cost per claim method or any other methods recognised by the Authority.

(2) The insurer's reserves in respect of incurred but not reported claims shall be valued and determined prudently by using at least two of the following methods in accordance with the risk nature, risk distribution and experiential data of the insurance lines—

- (a) the chain-ladder method;
- (b) the average cost per claim method;
- (c) the Bornhuetter-Ferguson method;
- (d) Cape Cod method;
- (e) Stochastic Reserving methods;
- (f) the standard development method; or
- (g) any other method that may be approved by the Authority.

(3) An insurer that has been in existence for not more than three years may use the standard development method.

(4) The percentage of the insurer's net premiums during the year shall be applied when using the standard development method as provided in the appendix to these guidelines.

(5) The methods to be adopted by the insurer for the valuation of the claim reserves shall depend on—

- (a) the particular characteristics of the class of business;
- (b) the reliability of the available data;
- (c) the past experience of the insurer and the industry;
- (d) the robustness of the valuation models; and
- (e) consideration of materiality.

(6) The value of the insurer's claim reserves shall include an amount in respect of the anticipated claim adjustment expenses.

(7) When determining claim reserves, the insurer shall conduct a test on the adequacy of the reserves.

(8) Where the insurer's claims reserves are determined to be inadequate after conducting a test of adequacy of the reserves, the insurer shall determine the claims deficiency reserves margin and load the margin to the reserve.

(9) An insurer shall determine and disclose the value of its claims reserves for each class of business.

6. Reporting on reserves

- (1) The appointed actuary shall be in charge of determination of the insurer's reserves.
- (2) An insurer shall annually submit to the Authority reserves valuation report signed by the appointed actuary of the insurer.
- (3) The annual reserves valuation report shall contain the following—
 - (a) a statement that the applied method complies with these guidelines;
 - (b) an actuarial opinion on the reserving;
 - (c) a detailed description of the reserves valuation; and
 - (d) an explanation of special terms and concepts used in the report.
- (4) The description of the annual reserves valuation shall contain the following—
 - (a) the criteria used by the appointed actuary for division of insurance lines or categories and names of the insurance lines or categories;
 - (b) the completeness and accuracy of the data of different insurance lines or categories and a description of the problems these data may have;
 - (c) the actuarial method and model of valuation; if the actuarial method and model differ from those previously adopted, the reasons for making the change and the effects of the change on the reserves;
 - (d) any major assumptions of the actuarial method and model of valuation and the reasons for adopting such assumptions;
 - (e) any discrepancy between the actuarial result and the previous reserving and actuarial experience;
 - (f) the adequacy of reserving;
 - (g) in the case of the insurer's unearned premium reserves, a description of any changes concerning periodicity, basic premium rate, risk adjustment coefficient, loss ratio, expense ratio, surrender ratio and other factors of insurance lines; and
 - (h) in the case of the insurer's outstanding claims reserves, a description of any changes concerning the occurring rules of compensation cases, case closing rules, changing rules of average cost per claim, underwriting practices, claim settlement practices, ceding arrangements, additional cost increment and other factors.
- (5) The insurer shall submit to the Authority the insurer's quarterly reserve valuation reports signed by the head of the actuarial function and the principal officer of the insurer.
- (6) The insurer's quarterly reserve valuation report shall contain the following—
 - (a) a statement that the applied method complies with these guidelines;
 - (b) the reserve value per line of business; and
 - (c) any other information that may influence the value of the reserves.

7. Remedial measures

- (1) Where the Authority determines that an insurer has not met the requirements of these guidelines, the Authority may impose any or all the remedial measures to correct the situation in accordance with the provisions of the Act.
- (2) An insurer shall, within thirty days, inform the Authority if the insurer has breached or is likely to breach the prescribed capital requirements.
- (3) A notice by an insurer of the breach or potential breach of these guidelines shall state the remedial action taken or planned to be taken and the period when action shall be taken.
- (4) The level of supervisory intervention by the Authority to address a breach or potential breach of these guidelines shall be determined by the extent of the breach or potential breach.

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8. Administrative sanctions

Where the Authority determines that an insurer has not met the requirements of its directive, the Authority may impose any or all of the administrative sanctions under the Act to correct the situation, including—

- (a) prohibiting the insurer from declaring or paying dividends;
- (b) suspending, dismissing, disqualifying or revoking the appointment by the insurer of an individual in a position as a board member, member of the senior management or a key person in a control function;
- (c) imposing additional reporting requirements on the insurer;
- (d) declaring that a person may not take the office of appointed actuary or the head of the actuarial function of the insurer;
- (e) withdrawing or imposing conditions on the insurer's business license; and
- (f) taking any other action as may be necessary.

APPENDIX

Standard development method factors

No.	<i>Class of insurance business</i>	<i>Percentage of net premium written</i>
1.	Aviation	2%
2.	Engineering	5%
3.	Fire domestic	1%
4.	Fire industrial	1%
5.	Liability	5% - current year 3% - one year preceding the current year 1% - two years preceding the current year
6.	Marine	2½%
7.	Motor private	5%
8.	Motor commercial	5% - current year 3% - one year preceding the current year 1% - two years preceding the current year
9.	Motor commercial (PSV)	20% - current year 12 ½% - one year preceding the current year 5% - two years preceding the current year
10.	Personal accident insurance	5%
11.	Theft	5%
12.	Workmen's compensation	5% - current year 3% - one year preceding the current year 1% - two years preceding the current year
13.	Medical	3%
14.	Micro insurance	4%
15.	Miscellaneous	5%;

**INSURANCE (VALUATION OF TECHNICAL PROVISIONS
FOR LIFE INSURANCE BUSINESS) GUIDELINES, 2017**

[L.N. 38/2017, L.N. 82/2019.]

1. Citation

These guidelines may be cited as the Insurance (Valuation of Technical Provisions for Life Insurance Business) Guidelines, 2017.

2. Interpretation

In these guidelines, unless the context otherwise requires—

"appointed actuary" means an actuary who is independent to insurer or the related parties of the insurer and approved by the Authority with the qualifications of an actuary as set out in section 2(1) of the Act;

"best estimate" means a value that reflects anticipated experience with no provision for risk of adverse deviation;

"hedge" means actions taken to offset the impact of risks materialising;

"risk margin" means an amount included in a prudent estimate assumption that is intended to provide for estimation error and adverse deviation related to a corresponding anticipated experience assumption.

3. Key requirements

(1) An insurer shall submit an actuarial valuation report of its life insurance business at least once in every three months and at the end of the financial year.

(2) An appointed actuary shall be responsible for preparing the annual valuation of technical provisions.

(3) The head of actuarial function shall be responsible for preparing the valuation of technical provisions once in every three months.

(4) The insurer's technical provisions for life insurance business shall be composed of—

(a) best estimate liability; and

(b) the risk margin.

(5) The risk margins shall be prescribed by the Authority and the insurer shall modify the best estimate assumptions by the prescribed margins:

Provided that an assumption shall be increased or decreased, respectively, if such increase or decrease results to an increase in the liability of the class of policies concerned.

(6) Where the insurer's technical provisions are hedged or replicated by a financial instrument, the technical provisions shall be hedged or replicated by a financial instrument with a reliable market value where the value of the technical provisions shall be equal to the market value of the hedging or financial instrument:

Provided that a separate computation of the best estimate and risk margin on the value of the hedging or financial instrument shall not be required in determining the technical provisions.

(7) The actuary may adopt any other valuation method for the valuation of technical provisions:

Provided it shall not result in a value lower than the value obtained using the best estimate assumptions and prescribed risk margin.

(8) The method used by the actuary in calculating technical provisions and the assumptions of the valuation shall not vary from one year to the next without the prior approval of the Authority.

[Subsidiary]

(9) Where an insurer intends to adopt another valuation method other than the best estimate method for the valuation of technical provisions, the insurer shall seek the prior approval of the Authority and give—

- (a) the reasons for adopting the different valuation method; and
- (b) the details of the alternative assumptions and methodologies that the insurer shall rely on in determining the value of the technical provisions, including comparative results.

4. Valuation methodology

(1) Where an insurer is determining the value of the insurer's technical provisions, the insurer shall use a market consistent approach to the valuation which shall require that—

- (a) all assets shall be valued at the amount for which they could be exchanged between knowledgeable and willing parties in an arms' length transaction; and
- (b) all liabilities shall be valued at the amount for which they could be transferred or settled between knowledgeable and willing parties in an arms' length transaction.

(2) When an insurer values the insurer's technical provisions, no subsequent adjustment shall take account of the insurer's credit standing.

(3) An insurer shall use a mark-to-market approach in order to measure the economic value of assets and liabilities based on readily available prices in orderly transactions that are sourced independently.

(4) Where marking to market is not possible, mark-to-model techniques shall be used.

(5) In this paragraph—

- (a) "**mark to market**" means the practice of revaluing an instrument to reflect the current value of the relevant market variables; and
- (b) "**mark-to-model**" means any valuation technique which has to be benchmarked, extrapolated or otherwise calculated as far as possible from market input and where the insurer shall maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

5. Technical provisions

(1) The technical provisions shall correspond to the current amount an insurer may pay if the insurer was to transfer the insurer's insurance obligations immediately to another insurer.

(2) The technical provisions shall be the sum of the Best Estimate Liability and the Risk Margin.

(3) The insurer shall segment the insurance obligations into homogenous risk groups and at least by the line of business when calculating technical provisions.

(4) An insurer shall use actuarial and statistical methods in calculating the technical provisions that shall be proportionate to the nature, scale and complexity of the risk supported by the insurer.

6. Best estimate liability

(1) An insurer shall ensure that the best estimate liability corresponds to the probability weighted average of future cash flows taking account the time value of money.

(2) An insurer shall calculate best estimate liability using a prospective cash-flow gross premium valuation method.

(3) For the purpose of this paragraph "**gross premium valuation method**" means the method for placing a value on a life insurance company's liabilities that explicitly values the future office premiums payable, future expenses and also future discretionary benefits.

(4) An insurer shall calculate best estimate liability gross without deduction of the amounts recoverable from reinsurance contracts or other special purpose vehicles.

(5) The amounts recoverable from reinsurance contracts or other special purpose vehicles shall be calculated separately and disclosed as assets.

(6) An insurer shall use non-economic assumptions to compute the best estimate liability with no prudential margins and shall allow for all expected decrements and policyholder actions including lapses.

(7) An insurer shall take into account all relevant available internal and external data when arriving at the assumptions referred to in subparagraph (5).

(8) An insurer shall take into account future premiums up to the contract boundary which shall be the point at which an insurer can unilaterally terminate an insurance contract, refuse to accept a premium, vary the premium or the benefits in such a way that the premium fully reflect the risks insured.

(9) An insurer shall allow for future expenses needs to take account for overheads, directly attributable expenses and future expense inflation.

(10) The projection time horizon used in the calculation of the best estimate liability by an insurer shall cover the full time of all the cash inflows and cash outflows required to settle the obligations related to existing insurance and reinsurance contracts on the date of the valuation.

(11) In determining the best estimate liability the insurer shall consider the following cash inflows—

- (a) future premiums; and
- (b) future fund management charges or fees income.

(12) The cash inflows referred to in subparagraph (10) shall not take into account investment returns including interest and dividends.

(13) The cash outflows referred to in subparagraph (10) shall be divided between benefits to the policyholders or beneficiaries, expenses that will be incurred in servicing insurance obligations and other cash-flow items including taxation payments which are charged to policyholders.

(14) In determining the best estimate liability an insurer shall consider the following policyholder benefit cash outflows—

- (a) death benefits;
- (b) critical illness and disability benefits;
- (c) surrender benefits;
- (d) partial and full maturity benefits;
- (e) annuity payments; and
- (f) profit share commission payments.

(15) In determining the best estimate liability the insurer shall consider the following expense cash outflows—

- (a) administrative expenses;
- (b) investment management expenses;
- (c) claims management or handling expenses;
- (d) direct and override commissions which are expected to be incurred in the future;
- (e) overheads expenses;
- (f) premium levy and policyholder compensation levy; and
- (g) overhead expenses which shall include those related to general management and service functions which are not directly involved in new business or policy maintenance.

(16) In circumstances where the best estimate liability of technical provisions is negative for some individual contracts the insurer shall set to zero the value of the best estimate with respect to those individual contracts.

[Subsidiary]

(17) The cash-flow projection by an insurer shall be based on a policy-by-policy approach but reasonable actuarial methods and approximations may be used.

7. Group life business

An insurer shall value the insurer's group life business using methods prescribed for the valuation of technical liabilities for general business.

8. Unit-linked contracts

(1) The unit-linked liability shall be denominated partly in units and non-unit terms.

(2) The liability relating to the unit shall be the number of units allocated to the policy multiplied by the prevailing unit price as at the valuation date.

(3) The liability relating to the non-unit shall be the amount required to ensure that the insurer is able to purchase units in accordance with its contractual obligations, pay claims in excess of the unit liability and meet the insurer's continuing expenses without recourse to further finance.

(4) For the purpose of these guidelines, an insurance contract shall be deemed to be unit-linked if the value of the policy is linked directly to the market value of the underlying assets in a ring-fenced unit fund and policyholder pay-outs are not at the discretion of the insurer.

9. Discretionary participation or with-profit contracts

(1) The guaranteed funds in life insurance companies established to manage retirement savings or investment business shall be classified as discretionary participation business but index-linked or unit-linked business shall not be classified as discretionary participation business.

(2) An insurer shall take into account future discretionary benefits which are expected to be made, whether or not the payments are contractually guaranteed in calculating the best estimate of the discretionary participation business.

(3) Discretionary benefits shall include—

- (a) historic non-vesting claims bonuses as at the valuation date;
- (b) other non-vesting bonuses; and
- (c) future vesting and non-vesting bonuses assumed to be declared in the calculation of the technical provisions including—
 - (i) future benefits assumed to be payable in terms of policyholder reasonable benefit expectations; or
 - (ii) considerations relating to the fair treatment of policyholders.

(4) The distribution of future discretionary benefits shall be a management action and assumptions about the distribution shall be objective, realistic and verifiable, and shall, in particular, take the relevant and material characteristics of the mechanism for their distribution into account.

(5) The insurer shall value the distribution of future discretionary benefits using—

- (a) a retrospective or asset share type valuation method; and
- (b) the valuation of future policy related liabilities including—
 - (i) the cost of financial options and guarantees;
 - (ii) the cost of smoothing;
 - (iii) planned future benefit enhancements; and
 - (iv) non-contractual commitments arising out of treating customer fairly obligations;
- (c) for the purpose of this paragraph "**asset share valuation method**" means the accumulation of past premiums, less expenses and the cost of cover at the actual rate of return on the assets.

(6) The assumptions on the future returns of discretionary participation business should be consistent with the relevant risk-free interest term structure including where a risk-neutral approach for the valuation is used.

(7) For the purpose of this paragraph "**risk-neutral valuation approach**" means the valuation method where the current value of financial assets is equal to their expected payoffs in the future discounted at the risk-free rate.

10. Options and guarantees embedded in contracts

(1) An insurer shall be required to identify all contractual options and financial guarantees embedded in the insurer's contracts.

(2) An insurer shall be required to take account of the value of financial guarantees and any contractual options included in the insurer's contracts when the insurer calculates the insurer's best estimate liability.

(3) The best estimate of contractual options and financial guarantees shall—

- (a) capture the uncertainty of cash-flows; and
- (b) take into account the likelihood and severity of outcomes from multiple scenarios combining the relevant risk drivers.

(4) An insurer shall value the best estimate of contractual options and financial guarantees by using one or more of the following methods—

- (a) a stochastic approach using a market-consistent asset model including both closed form and stochastic simulation approaches;
- (b) deterministic projections with attributed probabilities; or
- (c) a deterministic valuation based on expected cash-flows in cases where the valuation method delivers a market-consistent valuation of the best estimate liability.

11. Economic assumptions

(1) An insurer shall apply the Government bond yield curve as the default for the risk-free term structure of interest rates,

(2) The risk-free term structure shall be used to discount the insurer's technical provisions.

(3) The insurer shall base the valuation discount rate term structure on the unadjusted term-dependent gross redemption yields published by the Nairobi Securities Exchange.

(4) In cases where the liability duration is longer than the term structure provided by the Nairobi Securities Exchange yield curve, the insurer shall assume that the yield curve shall remain flat from the latest term in the yield curve up to the point all liabilities expire.

(5) The insurer's investment expenses shall be allowed in the cash flows underlying the calculations of the insurer's technical provisions and not in the risk-free term structure of interest rates used to discount the technical provisions.

12. Risk margin

(1) The insurer's technical provisions shall consist of the best estimate liability and the risk margin.

(2) The purpose of the risk margin shall be to increase the insurer's technical provisions to the amount that would be paid by another insurer in order for that other insurer to take on the best estimate liability.

(3) The risk margin shall be used to increase the insurer's technical provisions to the amount that reflects the risk that the actual experience deviates from the best estimate assumptions.

(4) The Authority shall determine what risk margins shall be loaded onto the insurer's best estimate assumptions.

(5) The risk margins shall be as outlined in Appendix 2.

[Subsidiary]

13. Reporting on technical provisions

(1) Once in each year, an insurer shall submit to the Authority an actuarial valuation report signed by the appointed actuary of the company.

(2) The insurer's actuarial valuation report shall be prepared in accordance with the provisions of the Act.

(3) The actuarial valuation report shall contain—

- (a) a statement that the valuation method is in compliance with these guidelines;
- (b) an actuarial opinion on the valuation;
- (c) a detailed description of the actuarial valuation; and
- (d) an explanation of special terms and concepts in the report.

(4) The description of the annual actuarial valuation shall contain the following—

- (a) completeness and accuracy of the data of different insurance lines or categories and a description of the problems these data may have had;
- (b) major assumptions of the actuarial valuation and reasons for adopting those assumptions;
- (c) the variation between the actual result of the previous valuation and the actual experience;
- (d) adequacy of reserving; and
- (e) provision for expected allocations of profit to shareholders and the bonus rates declared for policyholders under section 46 of the Act.

(5) The insurer's quarterly valuation report shall contain the following—

- (a) a statement that the applied method complies with these guidelines;
- (b) the reserve value per line of business; and
- (c) any other information that may influence the value of the reserves.

14. Remedial measures

(1) Where the Authority determines that an insurer has not met the requirements of these guidelines, the Authority may impose any or all the remedial measures to correct the situation in accordance with the provisions of the Act.

(2) An insurer shall, within thirty days, inform the Authority if the insurer has breached or is likely to breach the prescribed capital requirements.

(3) A notice by an insurer of the breach or potential breach of these guidelines shall state the remedial action taken or planned to be taken and the period when action shall be taken.

(4) The level of supervisory intervention by the Authority to address a breach or potential breach of these guidelines shall be determined by the extent of the breach or potential breach.

15. Administrative sanctions

Where the Authority determines that an insurer has not met the requirements of a directive, the Authority may impose any or all of its administrative sanctions to correct the situation in accordance with the provisions of the Act including—

- (a) prohibit the insurer from declaring or paying dividends;
- (b) suspend, dismiss, disqualify or revoke the appointment of an individual in a position as a board member, member of the senior management or key person in a control function;
- (c) impose additional reporting requirements on the insurer;
- (d) declare that a person may not take the office of appointed actuary or the head of the actuarial function;
- (e) withdraw or impose conditions on the business license of the insurer; and

- (f) take any other action as may be necessary.

APPENDIX 1

Guidance note on best estimate assumptions

This guidance note provides an outline on how the best estimate assumptions can be determined for the purpose of computing the best estimate liability.

A. Mortality, longevity and morbidity/disability rates

- (1) The KE 07/10 base mortality rates will be used, with an appropriate adjustment, to reflect the company's own experience.
- (2) Where no reliable assumptions are available, the assumptions used can be based on the insurer's own experience, industry study or other relevant studies.

B. Withdrawals

- (1) The lapse rate should reflect the expected experience of both existing and potential policyholders and the actuary should perform a lapse investigation using the insurer's past data.
- (2) If a sufficient volume of relevant experience is not available, then experience from similar contracts or industry wide data may be used.

C. Expenses and commissions

- (1) The actuary should make an allowance for expenses to include acquisition costs, underwriting and administration costs, investment costs, claim settlement costs and any future expenses.

D. Investment return

- (1) The actuary should take into account the following regarding the future investment return assumption—
- (2) The extent of any investment guarantees included—
 - (a) nature of contract, e.g. non-profit, with-profit; and
 - (b) level of investment guarantee.
- (3) the size of the reserve built up under the contract—
 - (a) type of contract, e.g. term assurance, endowment assurance; and
 - (b) frequency of premium payment, e.g. single premium, regular premium.
- (4) The assumed rate of future investment return will depend on the mix of the assets held to match the liabilities.
- (5) Allowance should be made for any changes in the future economic environment.

E. Other assumptions

- (1) If a sufficient volume of relevant experience is not available, then experience from similar contracts or industry wide data may be used.
-

Insurance

[Subsidiary]

APPENDIX 2

Risk margins schedule

[L.N. 82/2019]

<i>Assumption</i>	<i>Prescribed margin as a percentage of the base assumption</i>
Mortality	10% increase in mortality for death assurances
Longevity	10% decrease in mortality for life assurances and annuities
Morbidity/disability	10% increase in inception rates 5% decrease in recovery rates
Lapses	25% increase or decrease in lapse rate depending on which alternative gives rise to an increase in the liability of the policy concerned
Interest rates	10% decrease
Surrenders	10% increase or decrease in surrender rates depending on which alternative gives rise to an increase in the liability of the policy concerned
Expenses	10% increase
Expense inflation	10% increase of the estimated escalation rate

INSURANCE (CAPITAL ADEQUACY) GUIDELINES, 2017

[L.N. 39/2017, L.N. 83/2019]

1. Citation

These guidelines may be cited as the Insurance (Capital Adequacy) Guidelines, 2017.

2. Interpretation

In these guidelines unless the context otherwise requires—

"minimum capital requirements" means the level of capital below which an insurer is regarded not viable to operate effectively;

"prescribed capital requirement" means the level of capital above which the Authority shall not intervene on capital adequacy grounds; and

"stress factors" means the assumptions that shall be applied by an insurer for the determination of capital that shall take into consideration the current and prospective impacts of an adverse outcome.

3. Objective and principles of the guidelines

(1) The objective of these guidelines is to ensure that insurers maintain a capital adequacy level that is commensurate to their risk profile.

(2) The principles of these guidelines are the—

- (a) allowance of greater flexibility for an insurer to operate at different risk levels in line with the insurer's business strategies;
- (b) explicit quantification of the prudential buffer level with the aim of improving transparency;
- (c) provision of incentives for insurers to put in place appropriate risk management infrastructure and adopt prudent practices;
- (d) promotion of convergence of international practices so as to enhance comparability across jurisdictions and reduce opportunities for regulatory arbitrage within the financial sector; and
- (e) provision of an early warning signal on the deterioration in capital adequacy level, hence allowing prompt and preemptive supervisory actions.

4. Responsibility

(1) An insurer shall maintain adequate capital at all times.

(2) An insurer shall develop and implement an internal capital management policy.

5. Capital adequacy

(1) An insurer shall assess capital adequacy level using the capital required and the capital available.

(2) An insurer shall meet the capital adequacy ratio at all times as required under the Act.

(3) An insurer shall promptly notify the Authority if the insurer falls below the required capital adequacy level.

(4) An insurer shall maintain a capital adequacy ratio of at least one hundred percent of the minimum capital prescribed under the Act.

(5) The prescribed capital for an insurer shall be two hundred percent of the minimum capital as required under the Act.

6. Capital required

(1) The capital required for an insurer shall be equivalent to the minimum capital required under the Act.

(2) For the purpose of determining the minimum capital requirement, the risk-based capital shall be determined in accordance with paragraph 12 of these guidelines.

[Subsidiary]

7. Capital available

The capital available to an insurer shall be divided into two tiers based on the following criteria—

- (a) whether it is paid up or not;
- (b) whether it is available immediately to absorb losses or not;
- (c) its ranking in liquidation of the insurer;
- (d) the extent of any obligation by the insurer to pay dividend or interest;
- (e) the period to the maturity or redemption of the capital of the insurer; and
- (f) the existence of any incentives for the insurer to redeem capital.

8. Tiers of capital

(1) The tier 1 capital of an insurer shall be the highest quality, most loss absorbent and permanent form of capital.

(2) The minimum capital required of an insurer shall be tier 1 capital.

(3) The tier 1 capital of an insurer is the aggregate of—

- (a) the issued and fully paid up ordinary shares of the insurer;
- (b) share premium;
- (c) statutory reserves maintained by the insurer; and
- (d) profits retained by the insurer.

(4) The tier 1 capital of an insurer shall be in the form of government bonds, treasury bills, deposits, cash and cash equivalents.

(5) The tier 2 capital shall consist of—

- (a) irredeemable preference shares issued by the insurer;
- (b) capital loan stocks and other similar capital instruments held by the insurer;
- (c) subordinated loans subject to approval by the Authority;
- (d) convertible preference shares issued by the insurer;
- (e) revaluation reserves for self-occupied properties and other assets owned by the insurer; and
- (f) general reserves held by the insurer.

9. Inadmissible assets

The capital available to an insurer that is not admissible for the determination of the insurer's capital adequacy shall be—

- (a) goodwill and other intangible assets in the name of or held by the insurer;
- (b) deferred tax assets of the insurer;
- (c) assets pledged to support the credit activities obtained by an insurer or for other purposes;
- (d) assets over their concentration limits;
- (e) all credit facilities granted by an insurer and secured by the insurer's own shares;
- (f) prepayments made by the insurer;
- (g) the fixed assets of the insurer;
- (h) the unsecured loans advanced by the insurer;
- (i) receivables from other insurers;
- (j) inventory; and
- (k) other assets held or owned by the insurer as may be determined by the Authority.

10. Investment concentration limits

(1) For the purpose of calculating a general insurer's capital adequacy, the general insurer shall apply the following concentration limit factors—

- (a) for deposits in any one financial institution or group of related companies, ten percent of total assets;
- (b) for shares of any one institution or group of related companies, ten percent of total assets;
- (c) for property, thirty percent of the total assets; and
- (d) for investment in related parties, ten percent of total assets.

(2) For the purpose of calculating a life insurer's capital adequacy, the life insurer shall apply the following concentration limit factors—

- (a) for deposits in any one financial institution or group of related companies, ten percent of total assets;
- (b) for shares of any one institution or group of related companies, ten percent of total assets;
- (c) for property, fifty percent of total assets; and
- (d) for investment in related parties , ten percent of total assets.

11. Valuation

(1) An insurer shall value assets using a market-consistent basis.

(2) For the purpose of determining the capital adequacy of an insurer, the market value of assets shall be—

- (a) in the case of an asset which is listed on a licensed securities exchange and for which a price was quoted on that securities exchange on the date as at which the value is calculated, the price last quoted for the asset; and
- (b) in any other case, the price which could have been obtained by the insurer upon a sale of the asset between a willing buyer and a willing seller dealing in an arms-length transaction, as estimated by the insurer.

(3) Where the Authority determines that there is over-estimation or under-estimation in the valuation of assets held by an insurer, the Authority may require an independent revaluation of the asset and the expense of the revaluation shall be met by the insurer.

(4) The Authority shall prescribe a valuation basis that an insurer shall apply when determining the liabilities of the insurer.

12. Determination of risk-based capital

The risk-based capital of an insurer shall be the square root of the sum of the squares of capital required for—

- (a) insurance risk;
- (b) market risk;
- (c) credit risk; and
- (d) capital required for operational risk, as provided in the following formula—

$$\sqrt{\text{Insurance risk}^2 + \text{market risk}^2 + \text{credit risk}^2}$$

+ Capital required for operational risk

[Subsidiary]

13. Capital required for insurance risk

(1) The capital required by an insurer to provide for insurance risk shall be for the purpose of cushioning the insurer against adverse experiences relative to the amount of technical provisions.

(2) An insurer writing general insurance business shall hold capital against fluctuations in the insurer's premium reserves and claim reserves.

(3) An insurer shall, for the purpose of calculating the capital required for insurance risk, use the risk factors set out in Appendix 2.

(4) The capital required by an insurer for insurance risk shall be computed as the value of the insurer's claim reserves multiplied by the risk factor plus the value of the insurer's premium reserves multiplied by the risk factors for each class of business.

(5) An insurer shall compute the claims reserves as a sum of the best estimate liability and the risk margin.

(6) An insurer shall compute the premium reserves as a sum of the best estimate liability and the risk margin.

(7) A general insurer shall, for the purpose of calculating the capital required for catastrophes, apply a charge of two percent of the previous year's net earned premiums.

(8) An insurer writing life business shall, where applicable, hold capital against adverse experiences resulting from the following risks—

- (a) mortality;
- (b) longevity;
- (c) morbidity;
- (d) disability;
- (e) expenses;
- (f) lapses; and
- (g) catastrophes.

(9) The life insurance liabilities risk factors shall be for the purpose of addressing the risk of under-estimation of the insurer's liabilities and adverse claims experience.

(10) The life insurance capital charge shall be equal to the adjusted value of life insurance liabilities computed using the parameters stipulated in Appendix 1 less the sum of the best estimate value of the life insurance liabilities and provision of risk margin for adverse deviation as shall be prescribed by the Authority. Capital required for insurance risk for life insurer shall be the square root of the sum of the squares of capital required for parameters stipulated in appendix 1 as provided in the following formula—

$$\sqrt{\text{Mortality}^2 + \text{Longevity}^2 + \text{Morbidity and Disability}^2 + \text{Expenses}^2 + \text{Lapses}^2 + \text{Catastrophe}^2}$$

(11) When an insurer computes its life insurance risk capital charges, the appointed actuary shall be required to determine and declare for each insurance product separately and to decrease or increase life stress factors according to the nature of the insurance product.

(12) The stress factors for major risks inherent in life insurance liabilities are set out in Appendix 1.

(13) For group life and group credit policies for which premium and claims liabilities have been reserved by an insurer, the applicable risk charges shall correspond to that as required for general insurance liabilities.

(14) For deposit administration and group pension savings plan offered by the insurer, a one percent risk charge shall be applicable to the fund amount.

14. Capital required for market risk

(1) The capital required by an insurer for market risk shall be for the purpose of cushioning against volatility in the market prices of assets held by the insurer used to back policyholder liabilities.

(2) The market risk capital charges shall be for the mitigation of the risk of financial losses arising from—

- (a) the reduction in the market value of assets held by an insurer due to exposures to equity, interest rate, property, currency risks;
- (b) non-parallel movements between the value of liabilities faced by the insurer and the value of assets held by the insurer backing the liabilities due to the fluctuation in interest rates in the market; and
- (c) concentration of exposures to particular counterparties or asset classes.

(3) An insurer shall, for the purposes of calculating the capital required for market risk, apply a capital charge to the balance sheet asset value.

(4) The capital required for market risk shall be square root of the sum of the squares of capital required for equity, property, interest rate and currency risks as provided in the following formula—

$$\sqrt{\text{equity risk}^2 + \text{property risk}^2 - \text{Interest rate risk}^2 + \text{currency risk}^2}$$

(5) An insurer shall apply the factors set out in Appendix 4 for the purpose of calculating the capital required for market risk.

(6) Equity risks are exposures to equity instruments including ordinary shares or similar instruments that exhibit market behaviour similar to equities.

(7) Property risks are exposures to immovable properties both for investment and for self-occupied purposes.

(8) Interest rate risks are exposures to interest rate related assets and liabilities including debt securities, commercial papers and debentures.

(9) The interest rate risk shall be computed for life insurance funds and general insurance funds with discounting factors.

(10) An insurer shall reduce the capital charge to address interest rate risks to the extent that the weighted average duration of the exposures in interest rate related assets match the weighted average duration of the insurance liabilities.

(11) The amount of capital charges required by an insurer shall be the higher of the reduction in surplus under the increasing and decreasing rate scenario:

Provided that if the reduction in surplus is higher under the increasing scenario in one fund but higher under the decreasing scenario in another fund, then the dominant scenario at the company level should be selected and applied consistently to all funds:

Provided further that any resulting negative capital charges for each individual fund should be taken as zero.

(12) The yield to value of the securities under the base scenario should be the risk-free yield in the case of Government securities or the implied market yield for quoted securities or securities with similar characteristics.

(13) For the purposes of determining the interest rate risk charge, the base yield curve should be multiplied by (1 + stress-up), and (1 –stress-down) for the increasing and decreasing scenarios respectively.

(14) The stress up and stress down to be applied in determining the interest rate risk charge shall be twenty five percent.

[Subsidiary]

(15) An insurance fund which has exposures in currencies which are different from that of the liabilities will be subjected to a currency risk charge of eight percent on the net open position.

(16) For the purposes of calculating the capital charge for currency risks, the net balance sheet positions for exposures to each of the different currencies are converted into Kenya shillings at the spot exchange rates at the valuation date.

(17) The sum of the net short positions or the sum of the net long positions, whichever is higher, is then multiplied by the eight percent risk charge to arrive at the currency capital charge.

(18) The insurer's net position in each currency should be calculated by aggregating the following positions—

- (a) all asset items less liabilities; and
- (b) the value of all amounts to be received less the value of all amounts to be paid under unsettled spot transactions and forward foreign exchange transactions.

(19) For the purposes of these guidelines—

- (a) "**increasing or decreasing rate scenario**" means the increasing interest or decreasing interest rate on both the assets and liabilities to test the effect of surplus;
- (b) "**yield to value**" means the determination of the value of securities using the yield curve;
- (c) "**base scenario**" means the set of assumptions used to calculate the best estimates;
- (d) "**base yield curve**" means the yield curve for the Government bonds and treasury bills; and
- (e) "**spot exchange rate**" means the prevailing exchange rate at a particular time.

15. Capital required for credit risk

(1) The credit risk capital charge shall be for the purpose of cushioning an insurer against risk of losses resulting from counter-party default.

(2) An insurer shall, for the purpose of calculating the capital required for credit risk, apply the factors provided in Appendix 3.

16. Capital required for operational risk

(1) The operational risk capital shall be used by an insurer as the cushion against losses that may arise from failed processes, systems and people.

(2) The operational risk capital shall be computed as the higher of—

- (a) thirty percent of the square root of the sum of the squares of the capital required for insurance risk, market risk and credit risk; and
- (b) three percent of the previous year's gross earned premium.

17. Remedial measures

(1) Where the Authority determines that an insurer has not met the requirements of these guidelines, the Authority may impose any or all the remedial measures to correct the situation in accordance with the provisions of the Act.

(2) An insurer shall, within thirty days, inform the Authority if the insurer has breached or is likely to breach the prescribed capital requirements.

(3) A notice by an insurer of the breach or potential breach of these guidelines shall state the remedial action taken or planned to be taken and the period when action shall be taken.

(4) The Authority may enter into an agreement with the board of directors of an insurer requiring the insurer to rectify its deficiencies within a period directed by the Authority.

(5) The level of supervisory intervention by the Authority to address a breach or potential breach of these guidelines shall be determined by the extent of the breach or potential breach as indicated by the capital adequacy ratio.

18. Sanctions

(1) Where the Authority determines that an insurer has not met the provisions of these guidelines, the Authority may impose any or all of the following administrative sanctions to correct the situation in accordance with the Act, including —

- (a) require the insurer to invest in a specified manner;
- (b) restrict or prohibit the insurer from investing in certain asset classes or individual assets to safeguard insurance funds;
- (c) suspend, dismiss, disqualify or revoke the appointment of an officer of the insurer in a position as a board member, member of the senior management or key person in control function;
- (d) impose additional reporting requirements on the insurer;
- (e) restrict declaration and payment of dividends by the insurer;
- (f) withdraw or impose conditions on the business license of the insurer; and
- (g) take any other action as may be deemed necessary.

APPENDICES

APPENDIX 1

[L.N. 83/2019.]

(a) Insurance Risk Factor—Life insurance companies

Parameter	Stress risk factor
Mortality	6% increase of base mortality rates
Longevity	7% decrease of base mortality rates
Morbidity/disability	40% increase in morbidity/disability inception rates in the first year followed by 15% increase in morbidity/disability rates in subsequent years
Expenses	5% increase in best estimate assumption for expenses 1% increase in best estimate assumption for inflation
Lapses	15% increase in lapse rates for new business 5% increase in lapse rates for in force business
Interest rate	18% decrease
Catastrophe	An absolute increase in the rate of policyholders dying over the following year of 1.5 per mile.
Retirement savings business	
Parameter	Risk factor
Pension plans	1.0%
Deposit Administration	1.0%

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(b) Insurance risk factors — Life Reinsurance Companies

<i>Class of business</i>	<i>Life reserve risk—risk charge</i>
Ordinary life	3.5
Annuities	1.5%
Investment linked	1.5%

APPENDIX 2

[L.N. 83/2019]

(a) Insurance risk factors—General insurance companies and life insurance companies transacting group life and group credit business

<i>Classes of business</i>	<i>Premium reserve Risk charge</i>	<i>Claims reserve Risk charge</i>
Aviation	39%	29%
Engineering	8%	4%
Fire industrial	9%	6%
Fire domestic	3%	2%
Liability	9%	9%
Marine	7%	8%
Motor vehicle private – property damage	5%	5%
Motor vehicle private – liability	12%	12%
Motor vehicle commercial – property damage	3%	3%
Motor vehicle commercial – liability	13%	13%
Motor vehicle commercial – PSV – property damage	3%	3%
Motor vehicle commercial – PSV – liability	14%	14%
Personal accident	6%	9%
Theft	4%	4%
Workmen's compensation	18%	19%
Miscellaneous	8%	6%
Medical	15%	13%
Group life	10%	8%
Group credit	12%	10%

Insurance

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(b) Insurance risk factors—reinsurance Companies

<i>Classes of business</i>	<i>Premium reserve – risk charge</i>	<i>Claims reserve – risk charge</i>
Aviation	42%	26%
Engineering	9%	6%
Fire industrial	10%	6%
Fire domestic	5%	3%
Liability	13%	12%
Marine	12%	10%
Motor vehicle private – property damage	8%	7%
Motor vehicle private – liability	16%	15%
Motor vehicle commercial – property damage	6%	5%
Motor vehicle commercial	17%	16%

<i>Classes of business</i>	<i>Premium reserve – Risk charge</i>	<i>Claims reserve – Risk charge</i>
– liability		
Motor vehicle commercial – PSV – property damage	5%	5%
Motor vehicle commercial – PSV – liability	17%	16%
Personal accident	10%	12%
Theft	7%	6%
Workmen's compensation	20%	22%
Miscellaneous	8%	8%
Medical	15%	13%
Group life	10%	8%
Group credit	12%	10%

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APPENDIX 3

(a) Credit risk— Insurance and Reinsurance Companies capital charges

<i>Asset</i>	<i>Risk charge</i>
Government securities—National and County	0%
Foreign government bonds	5%
Corporations' and other organisations' bonds	12%
Term deposits	0%
Cash and cash balances	0%
Policy loans	0%
Secured loans—corporations and other organisations	10%
Secured loans—staff and individuals	30%
Investment in subsidiaries, associates and joint ventures	40%
Mortgages	30%
Secured loans to related parties	100%
Category 1—Reinsurers rated above A-	1.5%
Category 2— Reinsurers rated above BBB	10%
Category 3— Reinsurers rated below BBB	35%
Category 4— Reinsurers unrated	100%
Category 5— Reinsurers licenced under the Insurance Act	2.5%
Insurance receivables— amount outstanding for less than 30 days	30%
Insurance receivables— amount outstanding for over 30 days	100%
Reinsurance receivables— amount outstanding for less than 60 days	20%
Reinsurance receivables— amount outstanding for over 60 days	100%
Assets under Deposit Administration and Pension Plans	1.5%
Assets under Unit Linked	2.0%

APPENDIX 4

[L.N. 83/2019]

Market Risk—Insurance and Reinsurance Companies capital charges

<i>Equity risk</i>		<i>Risk charge</i>		
Listed ordinary shares on the Nairobi Securities Exchange		30%		
Listed ordinary shares in other regional securities exchanges		30%		
Listed preference shares on the Nairobi Securities Exchange		35%		
Listed preference shares on other regional securities exchanges		40%		
Unlisted shares or private equity		40%		
<i>Property risks</i>				
Land and self-occupied properties		40%		
Investment property		30%		
Real Estate Investment Trust		30%		
<i>Interest rate risk</i>				
<i>Scenario</i>	<i>Asset value</i>	<i>Liability value</i>	<i>surplus</i>	
Base interest rate				
Increasing interest rate				
Decreasing interest rate				
Interest rate risk capital				
<i>Currency risk</i>				
<i>Type of currency</i>	<i>Net on balance sheet position</i>	<i>Net forward position</i>	<i>Net long position</i>	<i>Net short position</i>
Total position				
Exposure				
Currency				8%

<i>Classes of business</i>	<i>Premium reserve</i>	<i>Claims reserve</i>		
<i>risk charge</i>	<i>Risk charge</i>	<i>Risk charge</i>	<i>Risk charge</i>	<i>Risk charge</i>
Currency				
risk capital charge				

INSURANCE (INVESTMENTS MANAGEMENT) GUIDELINES, 2017

[L.N. 45/2017]

1. Citation

These guidelines may be cited as the Insurance (Investments Management) Guidelines, 2017.

2. Interpretation

In these guidelines, unless the context otherwise requires—

"senior management" the principal officer and the direct reports.

3. Objectives

The purpose of these guidelines is to—

(1) ensure that the assets of insurers are managed in a manner that is consistent with insurers' risk profiles, liquidity needs and liability profiles;

(2) set out the expectations of the Authority regarding investment management which are consistent with international best practices and the Insurance Core Principles issued by the International Association of Insurance Supervisors;

(3) highlight guiding principles which are critical to insurers in establishing sound and prudent investment management practices; and

(4) ensure that the investments are made in a sound and prudent manner taking into consideration the following basic parameters of investment—

- (a) security, in which insurers shall invest in low-risk assets to ensure preservation of capital;
- (b) liquidity, in which insurers shall invest in assets that can easily be disposed of without affecting the price;
- (c) diversification, in which insurers shall invest assets in a wide range of instruments so as to spread the risk; and
- (d) return, in which insurers shall invest in instruments that generate high income while taking into consideration the associated risks.

4. Governance structures

An insurer shall develop an investment management framework which is supported by an effective and efficient governance mechanism.

5. Responsibility of the Board of Directors

(1) The roles and responsibilities of the board of directors with regard to an insurer's investment management shall be to—

- (a) develop the investment policy and ensure it is implemented;
- (b) regularly review the investment policy;
- (c) ensure that the investment management is handled by competent and experienced persons of integrity;
- (d) examine the reports on the quality and performance of the investment portfolio by having a clear understanding of the investments in which the insurer seeks to invest including their characteristics and related risks;
- (e) follow up on any activity, transaction or situation that is irregular or problematic;
- (f) ensure that internal control mechanisms are in place;
- (g) specify the content and frequency of investment management reports to be submitted to the board; and

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- (h) where the investment function is outsourced, the board shall bear the ultimate responsibility.

(2) The examination by the board in paragraph (1)(d) shall include an examination of the—

- (a) changes in investments and their performance in light of market trends and the insurer's risk profile;
- (b) major investment positions taken as well as the depreciation and write-off of investments; and
- (c) investments issued or guaranteed in connection with transactions between affiliated legal persons or associates as they could constitute a source of conflict of interests.

6. Responsibility of senior management

The roles and responsibilities of senior management with regard to insurer's investment management shall be to—

- (a) implement the insurer's investment policy;
- (b) develop and implement procedures with respect to investment activities;
- (c) periodically analyse and assess the quality and performance of individual investments as well as the overall portfolio and report to the board of directors on a regular basis and upon request; and
- (d) establish internal control mechanisms to ensure that investments comply with the insurer's policies and procedures and with statutory and regulatory requirements.

7. Responsibility of the risk management function

The roles and responsibilities of the risk management function with regard to an insurer's investment management shall be to—

- (a) monitor adherence to the approved investment policy and regulatory obligations;
- (b) note and promptly report breaches in adhering to the approved investment policy or regulatory obligations;
- (c) review risk management activities with regard to investments; and
- (d) ensure that the investment policy is aligned to the overall risk management policy of the insurer.

8. Responsibility of audit function

(1) An insurer shall conduct an audit of the insurer's investment activities for the timely identification of internal control weaknesses or deficiencies in the insurer's management information systems.

(2) Where the audit is performed internally, it must be independent of the officers responsible for implementing the insurer's investment policy.

(3) The roles and responsibilities of the internal audit function with regard to an insurer's investment management shall be to—

- (a) evaluate the independence and effectiveness of the insurer's investment management functions;
- (b) periodically review the insurer's asset portfolio to ensure that it is consistent with the insurer's investment policies and procedures as well as regulatory obligations;
- (c) monitor adherence to the approved investment policy and regulatory obligations;
- (d) give assurance that the insurer's investments are secure and are made and kept in the name of the insurer; and

- (e) assess the effectiveness of the internal controls.

9. Internal controls

- (1) An insurer shall design and implement effective internal controls.
- (2) An insurer shall establish adequate systems of internal control to ensure that assets under its control are managed in accordance with the insurer's overall investment policy and statutory and regulatory requirements.
- (3) The internal controls of an insurer shall include segregation of duties, approvals, verifications and reconciliations.
- (4) The internal controls with respect to investment shall include—
- (a) concentration limits;
 - (b) valuation and recording of investments in accordance with generally accepted accounting principles. special attention should be paid to investments used for arbitrage trading and hedging purposes;
 - (c) responsibilities of depositories and the terms and conditions of custodial arrangements;
 - (d) cash flows generated through investments such as income, repurchase and redemptions at maturity; and
 - (e) reporting on investments.

10. Investment manager

- (1) Where an insurer uses services of an investment manager, the manager shall be qualified and competent to carry out the assigned task.
- (2) The insurer shall monitor the work of the investment manager to ensure that the insurer's strategy is being adhered to.

11. Management of investments

An insurer shall, in managing its investments, develop—

- (a) an investment policy;
- (b) systems that allow the identification, measurement and assessment of investment risks and the aggregation of these risks at different levels;
- (c) adequate procedures for the measurement and assessment of investment performance;
- (d) adequate and timely internal communication of information on investment activities;
- (e) procedures to identify and control the dependence on and vulnerability of the insurer to key personnel and systems;
- (f) procedures for any changes of the investment strategy should be specified;
- (g) internal controls, such as segregation of duties, approvals, verifications and reconciliations;
- (h) internal procedures to review the appropriateness of the investment of the investment policies and procedures; and
- (i) rigorous and effective audit procedures and monitoring activities to identify and report weaknesses in investment controls and compliance.

12. Investment policy

- (1) An insurer's investment policy shall set the principal parameters within which the insurer shall manage its investment activities.
- (2) The policy shall be sufficiently supported to ensure effective management particularly in respect of situations where the risk is considered to be high.
- (3) The investment policy shall address the following elements—

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- (a) insurer's risk appetite and tolerance levels;
- (b) the scope of investment risks including market risk, insurance risk, credit risk, liquidity risk and operational risk;
- (c) types and characteristics of the investments;
- (d) expected returns and the purpose of the investments such as liquidity, matching, pledging of collateral, hedging and trading;
- (e) concentration limits;
- (f) investments decision criteria, standards and other parameters;
- (g) processes relating to intra-group management of investment activities;
- (h) procedures for analysing and evaluating investments when deciding to make an investment and when carrying out a transaction;
- (i) accountability for all investment transactions;
- (j) investment authorisation criteria and limits;
- (k) asset-liability matching;
- (l) monitoring and control of investments; and
- (m) any other element that the Authority may direct.

13. Asset-liability management

(1) An insurer shall hold sufficient assets to support their liabilities including technical provisions and capital requirements.

(2) An insurer shall develop an asset-liability management policy which should be appropriate to the nature, scale and complexity of the insurer's operation.

(3) An insurer shall invest in portfolios well diversified across different asset classes and within particular asset class.

(4) An insurer's investment decisions should be guided by portfolio perspective rather than individual asset-return or risk characteristics.

(5) An insurer shall put in place effective procedures for monitoring and managing their asset or liability positions to ensure that their investment activities and asset positions are appropriate to settle their liabilities when they become due.

14. Investment procedures

(1) An insurer shall develop and maintain documented investment procedures that are subject to effective oversight.

(2) The investment management procedures shall allow an insurer to manage its investment activities properly particularly with respect to acquisitions or disposals.

(3) Investment decisions shall be based on analyses and valuations that take into account in particular the insurer's investment risk tolerance levels and expected returns.

(4) Investment decisions shall be supported with full documentation.

(5) An insurer shall evaluate and understand the source, scope and types of risks associated with an investment activity.

(6) An insurer shall implement adequate procedures for the management of investment risks while giving consideration to the interrelationships and interdependencies between the risks to which the insurer is exposed.

(7) An insurer shall use adequate methods to measure the insurer's risk exposure and establish techniques for mitigating the risks.

(8) An insurer shall consider various internal and external factors that are likely to affect the risks it is exposed to, the risk tolerance levels, its objectives, the general economic climate, interest rates, legal and regulatory requirements.

(9) An insurer shall establish reporting mechanism so that the risks encountered are communicated to all parties involved in its investment activities.

(10) An insurer shall determine the value of its investments in an objective manner and ensure that the information used to do so is reliable.

(11) An insurer shall establish investment analysis tools for analysing—

- (a) the nature, characteristics and liquidity of the insurer's investments; and
- (b) the degree of exposure by the insurer to various risks for each type of investment and for the investment portfolio as a whole particularly in light of concentration limits.

15. Concentration limits

(1) An insurer shall set concentration limits in light of its capital requirements and shall cover all its exposures in particular with respect to issuers and counterparties.

(2) The concentration limits should be expressed in relation to the following parameters among others—

- (a) types of investments and their attributes including risk, returns, maturities, security, subordination, conversion features and complexity;
- (b) liquidity and transferability of the securities;
- (c) geographic zones and industry sectors; and
- (d) counterparties.

(3) An insurer shall, for the purposes of calculating the capital adequacy, apply the following concentration limit factors in case of a general insurer—

- (a) deposits in any one financial institution or group of related companies shall be ten percent of total assets;
- (b) shares of any one institution or group of related companies shall be ten percent of total assets;
- (c) property shall be thirty percent of total assets; and
- (d) investment in related parties shall be ten percent of total assets.

(4) An insurer shall, for the purposes of calculating the capital adequacy, apply the following concentration limit factors in the case of a life insurer—

- (a) deposits in any one financial institution or group of related companies shall be ten percent of total assets;
- (b) shares of any one institution or group of related companies shall be ten percent of total assets;
- (c) property shall be fifty percent of total assets; and
- (d) investment in related parties shall be ten percent of total assets.

16. Intra-group management

(1) Where an insurer is part of a group of companies the insurer shall manage its investments in accordance with the framework established for the group.

(2) Where an insurer is part of a group of companies, investment procedures shall be established for the insurer and shall stipulate how risk associated with the investment of other entities within the group is managed.

(3) The procedures shall cover certain situations that could entail greater risks for one or more entities within the group or for the group as a whole.

(4) Where an insurer outsources management of investment to a specialised entity within the group or to an outside service provider, the insurer shall maintain responsibility for ensuring that the risks related to its investments are managed in a sound and prudent manner.

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(5) An insurer shall ensure that its investments are secure and are made and kept in the name of the insurer.

17. Monitoring and control of investments

(1) An insurer shall monitor and control their investment portfolio effectively and efficiently.

(2) An insurer shall establish management practices to properly monitor and control its investments both individually and on a portfolio basis.

(3) An insurer shall put in place adequate systems of internal control to ensure that investment activities are supervised.

(4) An insurer shall analyse and assess its portfolio on a regular basis to ensure quality and performance of its investments.

(5) An insurer shall adjust and monitor the selection of investments, particularly when material discrepancies arise with respect to actual versus expected returns or a significant change takes place regarding the risk associated with one or more investments.

(6) An insurer shall ensure that the investment portfolio is diversified to mitigate investment risks.

(7) An insurer shall prepare regular and timely reports which describe the company's exposure which shall report on the—

- (a) details of and comments on investment activity during the period and comparison with corresponding previous period;
- (b) details and values of invested assets by type;
- (c) an analysis of credit exposures by counterparties;
- (d) details of any regulatory or internal limits breached in the period and the actions taken thereto;
- (e) status of asset-liability matching;
- (f) planned future activity; and
- (g) details of positions of assets and liabilities.

18. Scenario analysis and stress-testing

(1) An insurer shall routinely carry out scenario analysis and stress-testing so as to identify vulnerabilities and assess their impact.

(2) An insurer shall consider appropriate assumptions, design scenarios and carry out stress-testing in order to assess the impact of adverse market conditions on its investments while taking into consideration the risks associated with the investments such as interest rate risk, liquidity risk, foreign exchange risk, credit risk and counterparty risk.

(3) The scenario analysis and stress-testing shall be discussed among the board of directors, senior management and staff assigned to manage the insurer's investments. This shall be supported by appropriate documentation.

(4) Where an insurer identifies any vulnerability that could impact on its investment, the insurer shall take appropriate action.

19. Enforcement

Where the Authority determines non-compliance with the provisions of these guidelines, it may take any intervention prescribed in the Act.

20. Remedial measures

(1) Where the Authority determines that an insurer has not met the requirements of these guidelines, the Authority may impose any or all the remedial measures to correct the situation in accordance with the provisions of the Act.

(2) An insurer shall, within thirty days, inform the Authority if the insurer has breached or is likely to breach the prescribed capital requirements.

(3) A notice by an insurer of the breach or potential breach of these guidelines shall state the remedial action taken or planned to be taken and the period when action shall be taken.

(4) The level of supervisory intervention by the Authority to address a breach or potential breach of these guidelines shall be determined by the extent of the breach or potential breach.

21. Administrative sanctions

Where the Authority determines that an insurer has not met the provisions of these guidelines, the Authority may impose any or all of the administrative sanctions to correct the situation in accordance with the Act, including—

- (a) require an insurer to invest in a specified manner;
 - (b) restrict or prohibit an insurer from investing in certain asset classes or individual assets to safeguard insurance funds;
 - (c) suspend, dismiss, disqualify or revoke the appointment of an individual in a position as board member, member of the senior management or key person in a control function;
 - (d) impose additional reporting requirements;
 - (e) withdraw or impose conditions on the business license; and
 - (f) take any other action as may be deemed necessary.
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