

(Legislative Supplement No. 61)

LEGAL NOTICE No. 312

**THE INSURANCE ACT, 1984**

(No. 1 of 1985)

IN EXERCISE of the powers conferred by section 180 of the Insurance Act, 1984, the Minister for Finance makes the following Regulations:—

**THE INSURANCE REGULATIONS, 1986**

**PART I—PRELIMINARY**

- 1. These Regulations may be cited as the Insurance Regulations, 1986, and shall come into operation on the appointed date under section 1 of the Act. Citation and commencement.
  
- 2. These Regulations shall apply to all members of the insurance industry, *mutatis mutandis*, unless otherwise specified. Applicability.
  
- 3. (1) In these Regulations— Interpretation.
  - “Kenya citizen” means an individual, being a natural person, who is a citizen of Kenya;
  - “Kenya company” means a company, incorporated under the Companies Act whose shares are wholly owned by Kenya citizens; Cap. 486.
  - “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. For the purposes of the definition of “insurance business” in section 2 of the Act the following are declared not to be insurance business for the purposes of the Act— Excluded business.
  - (a) business undertaken by a person being a carrier, carrier’s agent, forwarding agent, wharfinger, warehouse man or shipping agent, relating only to his liability in respect of goods belonging to another person and in his possession or under his control for the purpose of carriage, storage or sale of those goods;
  - (b) business undertaken by a person, being an inn-keeper or lodging-house keeper relating only to his liability in respect of goods belonging to another person and in the possession or under

the control of a guest at the inn or lodging house of which the first-mentioned person is the inn-keeper or lodging-house keeper for safe custody.

## PART II—REGISTRATION OF INSURERS

Insurer's application for registration and renewal of registration.

5. The application for registration or renewal of registration as an insurer under section 30 of the Act, shall be submitted in Form No. INS. 30-1 in the First Schedule together with all the information required to be submitted in the appendices to that form specified in that schedule.

Registration fees.

6. The fee for registration as an insurer under section 30 of the Act, shall be one hundred thousand shillings and the same fee shall be payable for renewal of registration under section 188 (2).

Statements to be submitted under section 30 (k) of the Act.

7. 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 photo copy 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 percentage expected from each source;

- (d) a summary (that is to say a treaty slip) of reinsurance treaties arranged for each class of business containing all the terms and conditions;
- (e) copies 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;
- (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.

#### PART III—ADMITTED ASSETS AND ADMITTED LIABILITIES

8. (1) For the purposes of section 41 (9) of the Act the value and extent of the assets and liabilities shall be determined in accordance with the provisions of Part A of the Second Schedule.

Admitted assets and admitted liabilities.

(2) In the event of any dispute as to the valuation of any asset or liability, the Commissioner may refer the dispute to a panel of three or five persons at least one of whom shall be a member of the Institute of Surveyors of Kenya or an actuary as defined in section 2 of the Act or a person qualified to be appointed an auditor under section 161 of the Companies Act; and the Commissioner may direct that the costs or any part of the costs of such a dispute settlement process shall be borne by such party or parties as he may specify.

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**PART IV—ACCOUNTS, BALANCE SHEETS, AUDIT AND ACTUARIAL INVESTIGATIONS**

Classes of long-term insurance business in respect of which separate accounts to be maintained.

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

**LONG-TERM INSURANCE BUSINESS  
CLASSES OF BUSINESS**

<i>Serial No.</i>	<i>Brief Description of Classes</i>
31	Bond investment business
32	Industrial life assurance business
33	Ordinary life assurance business
34	Superannuation business

(2) For the purposes of these Regulations “superannuation business” means life assurance business, being business of, or in relation to, the issuing of or the undertaking of liability under superannuation, group life and permanent health insurance policies—

(a) that is vested in the trustees of a fund established or maintained by a person, being a fund the terms and conditions applicable to which provide for—

- (i) the payment of contributions to the fund by that person; and
- (ii) payments being made from the fund, on account of injury, sickness, retirement or death of the employees of that person or of a company in which that person has a controlling interest; or

(b) that was—

- (i) effected for the purposes of a superannuation or retirement scheme; or
- (ii) accepted by the person maintaining such a scheme for the purpose of the scheme.

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

10. 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.

Forms of accounts.

11. (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) the additional statement in respect of general insurance business, Form No. INS. 54-3;
- (d) the profit and loss account, Form No. INS. 54-4;
- (e) the balance sheet, Form No. INS. 54-5.

(2) The forms shall be prepared in accordance with the directions specified in Part D of the Third Schedule and such other directions as the Commissioner may from time to time in writing issue to members of the insurance industry.

12. 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.

Actuarial abstracts.

13. 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.

Statements of long-term insurance business.

14. 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.

Actuarial valuation of liabilities.

15. 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.

Minimum basis.

16. 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.

Actuary's certificate.

17. For the purposes of section 59 of the Act, every insurer carrying on long-term 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—

Annual returns: long-term insurance business.

- (a) a statement of admitted assets and admitted liabilities in Form INS. 41-1 in the Second Schedule signed by the principal officer and by auditor; and
- (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 reinsured under inward and outward reinsurance treaties, Form No. INS. 59-7;
  - (iv) particulars of insurance business not covered by any re-insurance arrangement, Form INS. 59-8;

- (vii) statement of reinsurance premium, Form No. INS. 59-9A;
- (viii) statement of commission, Form No. INS. 59-10A;
- (ix) statement of long-term insurance business, Form No. INS. 59-11;
- (x) statement of movement in long-term insurance business, Form No. INS. 59-12.

Annual returns: general insurance business.

18. 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) a statement of admitted assets and admitted liabilities in Form INS. 41-1 in the Second Schedule signed by the principal officer and an auditor; and
- (b) the following statements in the forms set out in 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 reinsured 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 reinsurance premium, Form No. INS. 59-9B;
  - (x) statement of reinsurance commission, Form No. INS. 59-10B.

Annual returns: supplementary provisions.

19. (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 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. (1) The four 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, have printed thereon 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:

Authentication and certification of accounts and statements.

"CERTIFIED ON THE ....., 19....  
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 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.

PART V—MANAGEMENT AND EXPENSES

21. (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.

Management expenses.

(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 six months of the period to which they relate, duly certified by the principal officer.

22. For the purposes of section 73 (2) of the Act, the maximum rates of brokerage, commission, fee or other remuneration payable by an insurer shall be those specified in the Eleventh Schedule in respect of the classes of business specified in that schedule.

Restriction on commission.

PART VI—POLICY TERMS

23. The following categories of contracts shall be exempt from the operation of section 78 of the Act, namely—

Exemption from the provision regarding avoidance of contracts of unlimited amounts.  
Cap. 405.

- (a) contracts of insurance covering the liability under the Insurance (Motor Vehicles Third Party Risks) Act;
- (b) contracts of insurance covering the liability of an employer to the employee under common law.

24. For the purposes of section 88 (1) of the Act, the rules on paid-up policies shall be those specified in the Twelfth Schedule.

Paid up policies.

Surrender values.

25. 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 Thirteenth Schedule.

Payment of interest on overdue premiums.

26. 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.

Paid up industrial life policies.

27. For the purposes of section 91 (4) of the Act the prescribed rules shall be those set out in the Twelfth Schedule.

Certain policies to which sections 88-92 do not apply.

28. 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 Twelfth Schedule; and for the purpose of that calculation the additional benefits shall be ignored, and the paid-up policy shall not provide any part of the additional benefits.

*(c) Option Policies—*

If a policy contains provision for the contract 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 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. 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.

Nomination  
of minors.

Fee for registering, cancelling or changing a nomination.

30. 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**

Fee for adjudication.

31. The fee to be charged and collected for an adjudication under section 112 of the Act shall be two per centum of the sum assured of the policy in dispute or one hundred shillings, whichever is the greater amount.

**PART IX—MANDATORY REINSURANCE CESSIONS**

Mandatory cessions.

32. 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.

Payment of reinsurance cessions.

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

**PART X—INTERMEDIARIES, CLAIMS SETTLING AGENTS, INSURANCE SURVEYORS, LOSS ADJUSTERS, LOSS ASSESSORS AND RISK MANAGERS**

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

34. The forms set out in the Sixteenth Schedule shall be used by brokers, agents, risk managers, loss assessors, loss adjusters, insurance surveyors and claims settling agents when applying for registration under the Act and shall be submitted together with the appendices thereto prescribed in that schedule.

Policy of professional indemnity for a broker.

35. For the purpose of section 151 (1) (a) of the Act, the policy of professional indemnity insurance to be taken out by a broker shall be as prescribed in the Seventeenth Schedule.

Statement of business.

36. For the purposes of section 151 (1) (c), every agent, broker, claims settling agent, insurance surveyor, loss adjuster, loss assessor 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.

Fees payable.

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

	<i>Sh.</i>
Agent	500
Broker	5,000
Claims settling agent	1,000
Insurance surveyor	1,000
Loss adjuster	1,000
Loss assessor	1,000
Risk manager	1,000

38. For the purposes of section 151 (1) (e) of the Act, a broker 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—

Other documents.

- (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.

39. For the purposes of section 153 (1) of the Act the form of guarantee which may be required of a broker by the Commissioner shall be as set out in Form 153-1 in the Nineteenth Schedule and the amount of the guarantee shall be, at the time of the first registration of the broker under the Act, one hundred thousand shillings and at the time of subsequent renewals, 25 per centum of the total amount of outstanding premium due from the broker to all insurance companies in Kenya as at the 30th June previous to the date of application for renewal of registration.

Bank guarantee for broker's registration.

40. 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 six 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 under the Companies Act and every broker 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

Returns by corporate persons under the Act.

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outstanding as at 30th June and 31st December of every year in respect of risks placed with the insurers before the respective dates and also separately, in respect of risks placed more than sixty days prior to the respective dates, in Form No. INS. 153-1 in the Nineteenth Schedule.

#### PART XI—ADVANCE PAYMENT OF PREMIUM

Advance payment of premium.

41. 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—

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(a) if the entire amount of premium is guaranteed to be paid by a bank licensed under the Banking Act before the end of the calendar month next succeeding the month in which the risk is assumed, if the premium due is not paid by the insured before that date;

(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 before the end of the calendar month next succeeding the month in which the risk is assumed, if the premium due is not paid by the insured before that date.

Despatch of premium.

42. 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 within seven days of the receipt thereof or within such extended time as the insurer may permit but in no case shall the period exceed thirty days from the receipt thereof.

Relaxations.

43. 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.

(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 reinsurance contracts.

#### PART XII—GENERAL PROVISIONS

Folio copies.

44. 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.

Inspection fees.

45. The fee for inspection of a register under section 185 of the Act shall be ten shillings.

Fees for duplicate certificates.

46. The fee for a duplicate certificate under section 189 (2) of the Act shall be five hundred shillings.

#### PART XIII—SUPPLEMENTARY PROVISIONS

Application for remittance.

47. 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 Form No. INS. 201-2 in the Twentieth Schedule showing, separately in respect of reinsurance business ceded abroad and reinsurance business accepted from abroad and also separately in respect of long-term insurance business reinsurance and general insurance business reinsurances, the total amount (in equivalent Kenya shillings) remitted abroad and the total amount of recoveries (in equivalent Kenya shillings) made from foreign reinsurers and insurers 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.

Claims.

48. 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;

- (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. 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".

Manner of  
payment of  
fees.

50. 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.

Made on the 28th November, 1986.

**GEORGE SAITOTI,**  
*Minister for Finance.*