

LEGAL NOTICE NO. 57

**THE INSURANCE ACT**  
*(Cap.487)*

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

**THE INSURANCE (AMENDMENT) REGULATIONS, 2012**

1. These Regulations may be cited as the Insurance (Amendment) Regulations, 2012.

Sub-  
Leg.

2. Regulation 11 of the Insurance Regulations, in these Regulations referred to as “the principal Regulations” is amended in paragraph (1) by deleting subparagraph (c).

3. Regulation 17 of the principal Regulations is amended—

(a) in paragraph (a), by deleting all the words appearing immediately after the word “auditor”;

(b) in paragraph (b)-

(i) by inserting the following new subparagraph immediately after subparagraph (vi)-

“(vii) statement of reinsurance premiums on long term business, Form No.INS 59-9A”; and

(ii) by re-numbering subparagraphs (vii) (viii), (ix) and (x) as (viii), (ix), (x), and (xi) respectively.

4. Regulation 18 of the principal Regulations is amended—

(a) in paragraph (a), by deleting all the words

appearing immediately after the word “auditor”; and

(b) in paragraph (b)(x), by deleting the word “reinsurance.”

5. Regulation 20 of the principal Regulations is amended in paragraph (1) by deleting the words “four” and “have printed thereupon.”

6. Regulation 21 of the principal Regulations is amended in paragraph (2) by deleting the word “six” and substituting therefor the word “four.”

7. Part X of the principal Regulations is amended in the heading—

(a) by inserting the words “MEDICAL INSURANCE PROVIDERS” immediately after the words “INSURANCE SURVEYORS”; and

(b) by deleting the words “LOSS ASSESSORS” and substituting therefor the words “MOTOR ASSESSORS, INSURANCE INVESTIGATORS.”

8. Regulation 34 of the principal Regulations is amended—

(a) in paragraph (1)—

(i) by deleting the words “loss assessors” and substituting therefor the words “motor assessors, insurance investigators”; and

(ii) by inserting the words “medical insurance providers” immediately after the words “insurance surveyors.”

(b) in paragraph (2)—

(i) by deleting the words “loss assessors” and substituting therefor the words “motor assessors, insurance investigators”; and.

- (ii) by inserting the words “medical insurance providers” immediately after the words “insurance surveyors.”

9. Regulation 35 of the principal Regulations is amended by inserting the words “or medical insurance provider” immediately after the word “broker”.

10. Regulation 36 of the principal Regulations is amended—

- (a) by inserting the words “medical insurance provider” immediately after the words “insurance surveyor”; and
- (b) by deleting the words “loss assessor” and substituting therefor the words “motor assessor, insurance investigator.”

11. Regulation 37 of the principal Regulations is amended—

- (a) by deleting the words “Loss assessor..... 3,000” and substituting therefor the words—

“Motor assessor .....3,000,  
Insurance investigator .....3,000”; and

- (b) by inserting the words “Medical insurance provider ..... 10,000” immediately after the words “Insurance surveyor.”

12. Regulation 38 of the principal Regulations is amended by inserting the words “an insurance provider” immediately after the words “a broker.”

13. Regulation 40 of the principal Regulations is amended by deleting the words “under companies Act and every broker” and substituting therefor the words “as may be prescribed by the Authority, from time to time.”

14. The principal Regulation are amended by deleting Regulation 57 and substituting therefor the following new regulation—

.57. 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.

15. The principal Regulation are amended by deleting regulation 58 and substituting therefor the following new regulation-

58 For the purpose 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.”

16. The Third Schedule of the principal Regulations is amended-

(a) in Part A-

(i) by inserting the following new class of business and sub-class of business immediately after item 12 -

Serial No.	Class of business	Brief description and class	Serial No.	Sub-class of business
13.	Micro-Insurance	Micro	130	Micro-insurance

(ii) by re-numbering item 13 as item 14; and

(iii) by re-numbering items 130 as item 140, item 131 as item 141, and item 132 as item 142 respectively.

(b) in Part B-

(i) by inserting the following new item immediately after item 12-

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.

(ii) by re-numbering item 12 as 13;

(c) in Part C, by deleting Form No. INS 54-3.

17. The Tenth Schedule of the principal Regulations is amended by deleting Form No.INS 70-3 and substituting therefor the following new Form-

FORM NO. INS 70-3

**MAXIMUM PERMITTED EXPENDITURE: GENERAL  
INSURANCE BUSINESS**

All amounts in Kenya Shillings

Name of Insurer Year ended 31<sup>st</sup> December, 20.....

			KENYA BUSINES S	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 .....				

**18.** The Eleventh Schedule of the principal Regulations is amended in Part B-

(a) by inserting the following new class of business immediately after class 11 –

“12 Micro-Insurance .....10%;

(b) by deleting the expression “20%” in item 12 and substituting therefor the expression “10%”; and

(c) by re-numbering items 12 as 13 and 13 as 14 respectively.

**19.** The Twenty-Fifth Schedule of the principal Regulations is amended in Form No.INS 197E – 1 by deleting expression “1.5%” appearing immediately after item 12 and substituting therefor the expression “1%”.

**20.** The principal Regulation are amended by deleting Twenty-Ninth Schedule and substituting therefor the following new Schedule-



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																									

Made on the 14th June, 2012.

ROBINSON GITHAE,  
*Minister for Finance.*



LEGAL NOTICE NO. 58

**THE INSURANCE ACT  
(Cap. 487)**

IN EXERCISE of the powers conferred by sections 23(2) of the Insurance Act, the Minister for Finance makes the following Order—

**THE INSURANCE (AMENDMENT OF SCHEDULE) ORDER, 2012**

1. This order may be cited as the Insurance (Amendment of Schedule) Order, 2012.