

CONF/IRA/00/001/03

24th March, 2022

CIRCULAR NO.01/2022

**TO: ALL INSURERS
ALL INSURANCE AGENTS**

RE: MODEL AGENCY AGREEMENT BETWEEN INSURERS AND INSURANCE AGENTS

Reference is made to the Model Agency Agreement between insurers and insurance agents issued by the Authority on 25th June 2018.

Article 8 of the agreement requires insurers and insurance agents to agree on the commissions payable as consideration for the work done by the agent subject to the provisions of the eleventh schedule of the Insurance Act.

The Authority has noted an increase in the number of complaints by agents on non-payment of commissions in respect to tender business. Resolution of these complaints has been a challenge since in most of the cases there are no written agreements between the insurer and the insurance agent on how to transact the business.

This is therefore to require that all agents must sign agency agreements with the insurers as provided for under section 151(1A) of the Insurance Act.

Further, every agent should have an appointment letter from the insurer authorizing them to transact any business that attracts a commission payment of more than KES. 50,000.

Yours faithfully,



GODFREY K. KIPTUM

COMMISSIONER OF INSURANCE & CHIEF EXECUTIVE OFFICER