

INSURANCE REGULATORY AUTHORITY



CONF/IRA/00/007/01

2nd November 2010

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TO: Insurance Agents

Bancassurance Guidelines

Under section 3A of the Insurance Act, the Insurance Regulatory Authority is mandated to formulate and enforce standards and guidelines for the conduct of insurance business in Kenya. In pursuit of this mandate the Authority has issued the following Bancassurance guidelines :-

1. A bank desirous of selling insurance products shall establish an insurance agency which shall be its subsidiary. The insurance agency shall be a corporate entity and represent insurance companies licensed under the insurance Act. The insurance agency shall apply for a license in accordance with provisions of the insurance Act.
2. The insurance agency so licensed under paragraph 1 shall sell Individual Life Insurance products and or Non-Life Personal insurances only. Non-Life personal insurance is defined as all non-life insurance policies sold to or purchased by individuals and Small and medium sized enterprises (SME)for their own benefit as opposed to corporate entities.
3. Products (both Life and Non-Life) which have already been approved by the Authority but which have been repackaged to make them suitable for a banc assurance must be resubmitted for approval by IRA .

4. A copy of the agreement between the insurance agency and the insurance company, together with the details of the branding arrangements and the products to be sold shall be submitted to IRA for review and approval.
5. The insurance agency or the bank shall not induce or compel in any form, a prospect to buy an insurance product of its Principal. All prospects, including staff of the bank, should be allowed to decide out of their own volition, which insurance product they wish to buy and from which insurance company.
6. The insurance agency so licensed shall submit to IRA, at the end of every year, a report containing the number of policies sold during the year by product type and the premiums generated. The report shall be submitted within three months after the end of the financial year.
7. The insurance agency, for subsequent renewal application shall submit annual audited accounts for the previous year by the 30th April of the subsequent year.

You are required to conform to these guidelines in order to transact bancaassurance.


SAMMY M MAKOVE
COMMISSIONER OF INSURANCE & CHIEF EXECUTIVE OFFICER