



INSURANCE REGULATORY AUTHORITY

CONF/INS/00/001/03

16 July, 2015

CIRCULAR NO. IB/08/2015

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CIRCULAR TO ALL INSURANCE BROKERS:

RENEWAL OF REGISTRATION AS AN INSURANCE BROKER FOR THE YEAR 2016

As you are aware the Insurance Regulatory Authority has been endeavouring to provide quick, efficient and cost effective service delivery to its customers. The Authority has developed an electronic regulatory system (ERS) through which insurance brokers and medical insurance providers (MIPs) have been submitting monthly premium levy returns (where applicable) and annual returns. An additional feature has been integrated and brokers and MIPs can now be able to submit their application for renewal of registration through the ERS.

The system that was previously used to apply for licenses for brokers and MIPs will no longer be used. Consequently, applications for renewal of registration for the year ending 31st December, 2016 will be made through the ERS.

1. In terms of Section 188 (2) of the Insurance Act, CAP 487, you are required to apply for renewal of registration for the year 2016, latest by **30th September, 2015**. The renewal fee of Kes.10,000 shall be payable. In case the application is submitted late or rejected on the basis of incompleteness, a penalty of Ksh.10,000 shall become payable in addition to the renewal fee.
2. All payments shall be in either of the following modes:-

a. Bank deposit or direct transfers to:-

A/c Name:	Insurance Regulatory Authority
Account No:	0100306688400
Bank:	National Bank of Kenya
Branch:	Harambee Avenue

Branch Code: 12003

The deposit slip shall be scanned and submitted together with the application as an attachment.

b. Mpesa

The following procedure shall be followed for the payment of the registration fee/penalty using MPESA

- **Go to M-PESA on your phone**
- **Select Pay Bill Option**
- **Enter Business no. 830300**
- **Enter the brokers registration number e.g. IRA/06/123/01**
- **Enter the Amount e.g. 10,000.00**
- **Enter your M-PESA PIN and send**
- **You will receive M-PESA payment confirmation details. The transaction number and date of transaction shall be entered at the payment section of the Online Portal.**

3. Issuing of a duplicate certificate or endorsements shall be subject to payment of Kes.500 as provided for under Section 189(2) and Regulation 46 of the Insurance Act.
4. The statement of Business in Form No.151-1 is required to be submitted along with the application Form in terms of regulation 36. However, since the statement is required to show the position for the whole year as at 31st December, 2015, the same may be submitted latest by **28th February, 2016** duly signed by the Principal Officer.

The statement of outstanding premiums due by a broker in Form No. 153-2 requires to be submitted as at 31st December, 2014 and 30th June, 2015 duly signed by an auditor and the Principal Officer.

5. Section 153(1) and regulation 39 of the Insurance Act requires a broker to provide a security in the form of a bank guarantee as prescribed in form 153-1 in the nineteenth schedule or in the form of a two year government bond from the Central Bank of Kenya held in favour of Insurance Regulatory Authority, and the minimum amount of the guarantee shall be three million Kenya shillings (Kes.3,000,000). A duly signed bank guarantee form should be delivered to the Authority for safe custody.
6. For the purposes of Section 151(1)(a) of the Act, the professional indemnity policy to be taken out by an insurance broker shall be as prescribed in the

seventeenth schedule. The indemnity limit for any occurrence shall be at least ten million Kenya shillings (KShs.10,000,000). A copy of the current professional indemnity policy should be scanned and attached to the application.

7. Please note that section 191(2) of the Act prohibits any person registered under the Act as an insurer, reinsurer or broker from carrying on any business other than the business in respect of which he is registered.
8. Please note that in case you also transact insurance business as a Medical Insurance Provider the operations for the two entities should be kept separate. The requirements for registration should be submitted separately for each category.
9. Insurance Brokers are required to maintain a client bank account kept separate from the office operations.

The application for renewal of registration should be made online before the deadline of **30th September, 2015** to avoid the payment of a penalty.



SAMMY M. MAKOVE

CHIEF EXECUTIVE OFFICER & COMMISSIONER OF INSURANCE

