

CONF/INS/00/001/03

29th July, 2011

CIRCULAR NO. IB/07/2011

CIRCULAR TO ALL INSURANCE BROKERS:

RENEWAL OF REGISTRATION AS AN INSURANCE BROKER FOR THE YEAR 2012

In terms of Section 188 (2) of the Insurance Act, CAP. 487, you are required to apply for renewal of registration for the year 2012, latest by **30th September, 2011**. Please follow the procedure outlined hereunder:-

- (i) You should complete the application Form No. INS 150-1 along with the appendices A,B,C,D and E (copies of the Form and Appendices are enclosed) subject to the following:-
 - (a) The main Application Form and all the Appendices should be completed in all aspects and duly signed by the Principal Officer, whose name should be typed just below the signature.
 - (b) With regard to item 8B (paid-up share capital) of the main Form, please note to give the name, citizenship, and the number of shares owned by each shareholder. In case a shareholder is a corporate body, similar particulars should be given in respect of the shareholders of that company. You should take note of regulation 3(1) which defines "Kenya Citizen", in completing item No. 8.

(ii) The renewal fee of Kshs.10,000 shall be payable. In case the application is submitted late or rejected on the basis of incompleteness a penalty fee of Ksh.10,000 shall become payable in addition to the renewal fee. All payments shall be in either of the following modes:-

(a) Bankers Cheque payable to the Insurance Regulatory Authority.

(b) 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 submitted together with the application.

(iii) Issuing of a duplicate certificate or endorsements shall be subject to payment of Kshs.500 as provided for under Section 189(2) and Regulation 46 of the Insurance Act.

(iv) 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 the 31st December, 2011, forward the same to this office latest by 28th February, 2012 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, 2010 and 30th June, 2011 duly signed by an auditor and the Principal Officer.

(v) Section 153(1) and regulation 39 of the Insurance Act requires a broker to provide to the Insurance Regulatory Authority 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 (Ksh.3,000,000).

- (vi) Particulars of your Principal Officer should be filled in Form at Annexure III to this Circular and forwarded to this office along with your application for renewal of registration.
- (vii) Your attention is invited to Section 155 (1) and regulation 40 where you were required to submit annual audited accounts and statements together with auditor's report prepared under the companies Act, as at 31st December, 2010, latest by **30th April, 2011**. Audited accounts should be based on the calendar year.
- (viii) 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).
- (ix) Please note that section 191 (2) prohibits any person registered under the Act as an insurer, reinsurer or broker from carrying on in Kenya any business other than the business in respect of Which he is registered.
- (x) 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.
- (xi) You should maintain a client bank account kept separate from the office operations. This requirement applies to both categories.

You should forward your application marked for the attention of **Ms Anne Chelagat** so as to reach her on or before **30th September, 2011**.

The application should be handed over to her at our offices at Zep Re Place 2nd Floor, or it should be posted by registered post to be received before the deadline to avoid payment of a penalty.

SAMMY M. MAKOVE
CHIEF EXECUTIVE OFFICER & COMMISSIONER OF INSURANCE

Enclosures (Also available at www.ira.go.ke)

Copies of Form No. INS. 150-1.
Form No. INS. 151-1 and
Form No. INS. 153-2.
Annexure III.