

CONF/INS/00/001/03

23rd August, 2013

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CIRCULAR NO. IC & RE 05/2013

CIRCULAR TO ALL INSURERS

APPLICATION FOR RENEWAL OF REGISTRATION FOR THE YEAR 2014

Pursuant to the provisions of section 188 of the Insurance Act, CAP 487, all insurers are required to apply for renewal of registration for the year 2014 latest by the 30th September 2013.

The application should be made in the prescribed form (FORM NO. INS 30-1), accompanied by the appendices thereto, to the extent applicable. The following requirements should be noted for compliance:

1. Appendices A to E should be prepared as at 31st August 2013.
2. In regard to items (a) to (d) in part A of appendix F, only the changes, if any, since the date of the last application for renewal of registration need to be furnished.
3. The statement of Admitted Assets and Admitted Liabilities to be furnished under item (g) of appendix F should be in form INS 41-1 and prepared as at 31st August 2013. It should be duly signed by the Principal Officer.
4. The basis of reserving referred to in item (h) of part A of Appendix F should refer to those policies currently in force.
5. The certificate(s) from the Central Bank of Kenya required under Section 32 of the Insurance Act should cover the current total deposits with CBK, standing in favor of the Insurance Regulatory Authority. Total deposits should not be less than 5% of the Total Admitted Assets as at 31st August 2013. Note that these deposits should be separated between long term and general insurance business.

6. You are required to submit under Section 75 of the Act a manual of premium rates in respect of all classes of general insurance business that you propose to charge with effect from 1st January, 2014. The rates submitted should be net of all discounts. A summary of the rates should also be given in Annexure 6. Rates that do not appear reasonable shall not be accepted in line with Section 75 of the Insurance Act.

Any application not accompanied by the said manual of premium rates shall be deemed to be incomplete.

7. In line with the provisions of Section 69 of the Act, please answer the following questions appropriately;
 - (a) Is the Managing Director of the insurer a Managing Director of any other insurer, bank or financial institution?
 - (b) Is an agent, and where the agent is a partnership or company, its partner, managing or other director, a director of the insurer?
 - (c) Is a Broker or its managing or other director, a director of the insurer?
 - (d) If answers to (a), (b) and (c) above are in the affirmative, please give full details.
8. Indicate how many expatriates are employed by your company and at what levels. Also indicate the total number of staff in your organization, broken down into levels and departments.

How many casual workers are engaged by your organization and for how long? Give the position as at 31st August 2013. Have you complied with Section 31(h) (ii)?

9. Has the insurer any binder agreements with Brokers or other parties? If the answer is in the affirmative, please give details and furnish copies of such agreements.
10. Has the insurer any management agreement with any person? If the answer is in the affirmative, please give full details and furnish copies of such agreements.

11. List the top five risks that your organization is exposed to and indicate their risk management action plans.
12. Provide a list of products discontinued for the last three years and products running at a loss during same period.
13. Is your organization part of a group? If yes, name all the members of the group indicating their relationship with your organization and the nature of business.
14. Have you resolved all the outstanding complaints, which have been raised by this office against your company during the year? Please give the position as at 31st August 2013.
15. Was your company charged any penalties during the year by the Authority or any other supervisory body? If Yes, give details.

You are required to forward a duly completed application form together with the renewal fee of Kes.150,000 in respect of an insurance company or Kes.250,000 in respect of a reinsurance company. In case the application is submitted late or rejected on the basis of incompleteness a penalty fee of Kes.150,000 for insurance companies and Kes.250,000 for reinsurance companies 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.

The application should be submitted to our **Records Management Office** on the **2nd floor, Zep Re Place, Longonot Road, Upper Hill** and acknowledged by stamping a copy of the forwarding letter. This is to ensure that the application is properly recorded as having been received within the statutory deadline of **30th September, 2013**.

A penalty equivalent to the registration fee shall become payable for late applications and the ones though submitted by the due date i.e. 30th September, 2013 are subsequently rejected on grounds of incompleteness.

Please note that the licensing process will be completed by 31st December, 2013 and those licensed will be published in the print media thereafter. You should therefore ensure full compliance so that your company is licensed on time.



SAMMY M. MAKOVE
CHIEF EXECUTIVE OFFICER & COMMISSIONER OF INSURANCE

Encls:

The following documents are available for downloading from our website at www.ira.go.ke

- Application Form INS 30-1 and appendices A to F.
- Annexure 1 - Particulars of Principal Officer.
- Annexure 2 - Outstanding Premiums Form.
- Annexure 3 - Particulars of Investments.
- Annexure 4 - Returns by Insurance Companies.
- Annexure 5 - Sources of Insurance Business.
- Annexure 6 - Premium Rates Summary