



## **INSURANCE REGULATORY AUTHORITY**

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### **Insurance Industry Quarterly Claims Statistics for the Period**

**April – June 2019**

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Prepared by

Insurance Regulatory Authority

August 2019



## **About Insurance Regulatory Authority**

The Insurance Regulatory Authority (IRA) is a State Corporation whose mandate is to regulate, supervise and promote the development of the insurance industry in Kenya. The key players regulated by IRA are insurance companies, re-insurance companies, insurance brokers, insurance agents, motor assessors, insurance investigators, insurance surveyors, loss adjustors, claim settling agents and risk managers.

All incorporated entities regulated under the Insurance Act are required to submit various periodic returns to the IRA. All direct insurers are required to submit their monthly summary of claims returns within fifteen (15) days after the end of the month to which the returns relate.

## **Reliance and limitations**

The information contained in this report has been obtained from the monthly summary of claims returns submitted to the Insurance Regulatory Authority, pursuant to the provisions of the Insurance Act, Cap 487, except where adjustments have been made in consultation with the affected insurers.

The publication of any summary of an insurer's return in a report does not necessarily mean that the returns so summarized have satisfied all the requirements of the Insurance Act, Cap 487, or that the Authority approves the accuracy of the contents of the returns.

Where necessary, figures have been adjusted to eliminate errors in totals due to rounding off.

## 1.0 Introduction

Both long term and general insurance business underwriters are required to submit monthly summary of claims returns to IRA through the electronic regulatory system (ERS).

These returns are submitted within 15 days from the end of the month to which they relate. All the insurers had submitted their monthly summary of claims returns for the second quarter of 2019 at the time of preparation of this report.

The quarterly claims statistics summarizes quarterly claims data into number of claims outstanding at the beginning of the quarter, action taken during the quarter and the number of claims outstanding at the end of the quarter. Further, under general insurance business, a distinction is made between liability<sup>1</sup> and non-liability claims.

### 1.1 Quarterly Claims Movements

The quarterly claims movements indicate the actions taken during the quarter which comprises of the following:

1. **Claims intimated** – this comprises of the number of claims that have been reported to the insurers during the quarter;
2. **Revived claims** – these are claims previously closed but have been revived by the policyholders (claimant) during the quarter;
3. **Claims paid** - these are the claims paid by the insurers during the quarter. The claims paid may include those outstanding at the beginning of the period; those intimated and revived during the quarter;
4. **Claims declined** – these are claims that the insurer has declined to pay during the quarter for various reasons per policy document or otherwise.

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<sup>1</sup> Liability Claims are third parties' claims while non liability claims are the insureds'/policyholders' claims.

5. **Claims closed as no claims** – these are notified claims for which the insurer makes provisions for liability but the liability does not cristalize during the quarter.
6. **Total number of claims actionable** – the sum of the number of claims paid, claims declined, claims closed as no claims and claims outstanding at the end of the quarter.

The **number claims outstanding at the end of the quarter** result from the above movements and are computed as:

- claims outstanding at the beginning of the quarter
- add claims intimated and revived during the quarter
- less claims paid during the quarter
- less claims declined and claims closed as no claims during the quarter.

## **1.2 Claims Movement Ratios**

These are ratios of the actions taken during the month in relation to total claims actionable /payable. They include claims declined ratio, claims closed as no claims ratio and claim settlement ratio.

### **1.2.1 Declined Claims Ratio**

This is the proportion of the number of claims declined in relation to the total number of claims actionable during the quarter.

In Q2 2019, the proportion of declined general liability claims increased to 0.04% compared to 0.02% recorded in Q1 2019. However, the proportion of declined general non-liability claims remained unchanged at 0.5% compared to Q1 2019.

For the long-term business the proportion of declined claims in Q2 2019 increased to 0.17% from 0.05% recorded in Q1 2019.

### **1.2.2 Claims Closed as no Claims Ratio**

This is the proportion of claims closed as no claims in relation to the total number of claims actionable during the quarter.

In Q2 2019, the proportion of general business liability claims closed as no claims increased to 2.2% compared to 1.2% observed in Q1 2019. The proportion of general business non-liability claims closed as no claims decreased marginally to 0.7% from 0.8% reported in Q1 2019.

There was a slight decline in the proportion of long term insurance business claims closed as no claims to 0.1% compared to 0.3% reported in Q1 2019.

### **1.2.3 Claims Settlement Ratio**

This is the proportion of the number of claims paid in relation to the total number of claims actionable during the quarter.

In Q2 2019, the claims settlement ratio for general liability claims increased to 8.2% compared to 7.8% observed in Q1 2019. Over the same period, the claims settlement ratio for general non-liability claims also increased to 67.4% compared to 66.2% observed in the previous quarter.

The claims settlement ratio for the longterm insurance business increased to 72.2% compared to 70.7% observed in the previous quarter.

The overall claim settlement ratio for the industry improved in Q2 2019 compared to the previous quarter.

## **1.3 Appendices**

Appendices 1, 2 and 3 show the companies' claims data for quarter two of 2019 categorized into general insurance business liability, general insurance business non-liability and long-term insurance business respectively:

Appendix 1: Analysis of liability claims (numbers) under general insurance business for the quarter ended 30th June 2019												
No	Name of Insurer	Claims outstanding at the beginning of the quarter	Claims intimated during the quarter	Claims revived during the quarter	Claims paid during the quarter	Claims declined during the quarter	Claims closed as no claims during the quarter	Claims outstanding at the end of the quarter	Declined claims ratio % (5/(4+5+6+7))	Claims closed as no claims ratio % (6/(4+5+6+7))	Claim settlement ratio %	
											Q2 2019 (4/(4+5+6+7))	Q1 2019 (11)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	AAR INSURANCE KENYA LIMITED	5	7	-	4	-	-	8	-	-	33.3	68.8
2	AFRICAN MERCHANT ASSURANCE	1,695	179	214	169	-	-	1,705	-	-	9.0	8.4
3	AIG INSURANCE COMPANY LIMITED	973	83	24	34	-	9	1,012	-	0.9	3.2	2.0
4	ALLIANZ INSURANCE COMPANY	126	29	6	2	-	29	153	-	-	1.3	6.0
5	APA INSURANCE COMPANY LIMITED	10,488	216	2,079	792	-	662	9,250	-	6.2	7.4	6.9
6	BRITAM GENERAL INSURANCE	3,132	742	-	956	-	-	2,918	-	-	24.7	20.1
7	CIC GENERAL INSURANCE COMPANY	7,223	773	825	1,008	-	-	6,988	-	-	12.6	7.7
8	CORPORATE INSURANCE COMPANY	342	24	-	27	-	12	327	-	3.3	7.4	2.9
9	DIRECTLINE ASSURANCE COMPANY	13,534	1,516	-	1,098	-	-	13,952	-	-	7.3	7.5
10	FIDELITY SHIELD INSURANCE	1,933	225	258	188	-	-	1,970	-	-	8.7	17.6
11	FIRST ASSURANCE COMPANY	2,319	759	-	185	-	580	2,313	-	18.8	6.0	6.8
12	GA INSURANCE LIMITED	7,777	699	382	326	-	-	8,150	-	-	3.8	2.8
13	GEMINIA INSURANCE COMPANY	7,099	1,623	1,232	474	-	-	8,248	-	-	5.4	4.3
14	HERITAGE INSURANCE COMPANY	5,278	443	1,199	264	42	124	5,291	0.7	2.2	4.6	4.7
15	ICEA LION GENERAL INSURANCE	9,864	288	587	398	1	231	376	0.1	23.0	39.6	4.9
16	INTRA-AFRICA ASSURANCE COMPANY	-	140	503	81	-	-	803	-	-	9.2	20.4
17	INVESCO ASSURANCE COMPANY	4,742	349	570	304	-	-	4,787	-	-	6.0	7.6
18	JUBILEE INSURANCE COMPANY	2,157	115	360	195	-	182	1,895	-	8.0	8.6	5.3
19	KENINDIA ASSURANCE COMPANY	6,205	848	-	482	-	-	6,571	-	-	6.8	14.1
20	KENYA ORIENT INSURANCE COMPANY	1,261	196	253	77	-	10	1,370	-	0.7	5.3	5.9
21	MADISON INSURANCE COMPANY	337	545	16	611	-	-	271	-	-	69.3	51.4
22	MAYFAIR INSURANCE COMPANY	2,193	726	-	528	-	-	2,391	-	-	18.1	16.3
23	METROPOLITAN CANNON GENERAL	5,859	308	-	145	-	463	5,559	-	7.5	2.4	1.9
24	MUA INSURANCE COMPANY	713	56	-	77	-	10	683	-	1.3	10.0	6.7
25	OCCIDENTAL INSURANCE COMPANY	2,610	219	-	143	-	11	2,675	-	0.4	5.1	6.0
26	PACIS INSURANCE COMPANY	2,193	70	255	199	-	25	2,039	-	1.1	8.8	11.5
27	PIONEER GENERAL INSURANCE	67	37	72	16	3	-	89	2.8	-	14.8	2.9
28	RESOLUTION INSURANCE COMPANY	201	46	(1)	23	-	-	224	-	-	9.3	15.5
29	SAHAM INSURANCE COMPANY	440	32	98	23	-	4	445	-	0.8	4.9	6.3
30	SANLAM GENERAL INSURANCE	1,027	45	199	143	-	109	984	-	8.8	11.6	24.2
31	TAKAFUL INSURANCE OF AFRICA	361	25	-	28	-	-	358	-	-	7.3	4.5
32	TAUSI ASSURANCE COMPANY	1,635	176	32	30	-	129	1,652	-	7.1	1.7	1.9
33	THE KENYAN ALLIANCE INSURANCE	95	107	76	100	-	-	102	-	-	49.5	39.7
34	THE MONARCH INSURANCE COMPANY	4,730	14	-	2	-	5	200	-	2.4	1.0	3.3
35	TRIDENT INSURANCE COMPANY	2,262	85	15	6	-	-	2,341	-	-	0.3	0.1
36	UAP INSURANCE COMPANY LIMITED	2,679	201	517	163	5	-	2,712	0.2	-	5.7	15.3
37	XPLICO INSURANCE COMPANY	2,760	457	31	170	-	-	3,047	-	-	5.3	4.5
	<b>Industry</b>	<b>116,315</b>	<b>12,403</b>	<b>9,802</b>	<b>9,471</b>	<b>51</b>	<b>2,566</b>	<b>103,859</b>	<b>0.04</b>	<b>2.2</b>	<b>8.2</b>	<b>7.8</b>

Claims Settlement Statistics for Q2 2019

Appendix 2: Analysis of non - liability claims (numbers) under general insurance business for the quarter ended 30th June 2019												
No	Name of Insurer	Claims outstanding at the beginning of the quarter	Claims intimated during the quarter	Claims revived during the quarter	Claims paid during the quarter	Claims declined during the quarter	Claims closed as no claims during the quarter	Claims outstanding at the end of the quarter	Declined claims ratio (%) (5/(4+5+6+7))	Claims closed as no claims ratio (%) (6/(4+5+6+7))	Claim settlement ratio (%)	
											Q2 2019 (4/(4+5+6+7))	Q1 2019
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	AAR INSURANCE KENYA LIMITED	23,548	91,864	-	89,385	273	4,140	21,614	0.2	3.6	77.4	73.3
2	AFRICAN MERCHANT ASSURANCE	1,843	548	170	483	1	-	1,907	0.0	-	20.2	20.5
3	AIG INSURANCE COMPANY LIMITED	1,583	1,114	246	1,010	-	125	1,562	-	4.6	37.4	36.5
4	ALLIANZ INSURANCE COMPANY	370	576	77	521	-	7	418	-	0.7	55.1	40.4
5	APA INSURANCE COMPANY LIMITED	3,668	2,788	3,761	2,519	-	487	3,450	-	7.5	39.0	40.4
6	BRITAM GENERAL INSURANCE	56,979	49,677	-	56,282	-	-	50,374	-	-	52.8	53.4
7	CIC GENERAL INSURANCE COMPANY	11,639	2,572	1,506	2,054	-	-	12,157	-	-	14.5	13.3
8	CORPORATE INSURANCE COMPANY	1,156	200	-	174	-	1	1,181	-	0.1	12.8	3.5
9	DIRECTLINE ASSURANCE COMPANY	91	56	-	48	-	-	99	-	-	32.7	31.6
10	FIDELITY SHIELD INSURANCE	3,199	1,688	1,440	2,163	-	-	2,724	-	-	44.3	49.6
11	FIRST ASSURANCE COMPANY	38,533	39,606	-	30,895	-	5,160	42,084	-	6.6	39.5	43.3
12	GA INSURANCE LIMITED	7,371	4,315	1,201	6,720	244	-	4,722	2.1	-	57.5	29.6
13	GEMINIA INSURANCE COMPANY	2,621	1,215	1,042	713	-	-	3,123	-	-	18.6	8.3
14	HERITAGE INSURANCE COMPANY	15,752	31,724	6,554	33,560	48	704	13,164	0.1	1.5	70.7	28.3
15	ICEA LION GENERAL INSURANCE	15,816	1,711	2,960	2,672	32	252	2,426	0.6	4.7	49.6	13.0
16	INTRA-AFRICA ASSURANCE COMPANY	-	312	372	195	-	1	599	-	0.1	24.5	51.3
17	INVESCO ASSURANCE COMPANY	1,157	64	93	109	-	-	1,112	-	-	8.9	8.5
18	JUBILEE INSURANCE COMPANY	220,842	910,380	1,395	872,289	-	1,381	257,554	-	0.1	77.1	80.8
19	KENINDIA ASSURANCE COMPANY	4,532	4,872	-	5,472	-	-	3,932	-	-	58.2	55.3
20	KENYA ORIENT INSURANCE COMPANY	7,789	839	1,051	260	24	174	8,170	0.3	2.0	3.0	8.0
21	MADISON INSURANCE COMPANY	28,808	64,681	768	63,953	3,362	-	26,174	3.6	-	68.4	68.4
22	MAYFAIR INSURANCE COMPANY	379	325	-	310	-	-	394	-	-	44.0	43.3
23	METROPOLITAN CANNON GENERAL	1,177	423	-	290	-	103	1,207	-	6.4	18.1	19.1
24	MUA INSURANCE COMPANY	951	241	-	291	-	43	858	-	3.6	24.4	21.9
25	OCCIDENTAL INSURANCE COMPANY	1,797	1,192	6	948	-	18	2,023	-	0.6	31.7	35.6
26	PACIS INSURANCE COMPANY	2,167	924	1,103	874	3	134	2,080	0.1	4.3	28.3	29.3
27	PIONEER GENERAL INSURANCE	174	450	1,062	369	3	-	252	0.5	-	59.1	68.9
28	RESOLUTION INSURANCE COMPANY	41,212	108,421	93	106,319	5,304	-	38,010	3.5	-	71.1	68.7
29	SAHAM INSURANCE COMPANY	36,631	31,552	680	30,862	726	277	31,284	1.1	0.4	48.9	36.1
30	SANLAM GENERAL INSURANCE	82,890	20,579	809	16,625	139	338	25,203	0.3	0.8	39.3	14.3
31	TAKAFUL INSURANCE OF AFRICA	409	187	3	143	-	28	425	-	4.7	24.0	22.1
32	TAUSI ASSURANCE COMPANY	692	415	119	272	-	111	724	-	10.0	24.6	22.6
33	THE KENYAN ALLIANCE INSURANCE	225	3,890	358	2,778	51	-	1,286	1.2	-	67.5	91.4
34	THE MONARCH INSURANCE COMPANY	8,296	1,962	499	802	18	1,190	8,196	0.2	11.7	7.9	46.0
35	TRIDENT INSURANCE COMPANY	48,589	1,341	119	2,096	-	10	47,824	-	0.0	4.2	2.4
36	UAP INSURANCE COMPANY LIMITED	2,124	1,479	1,924	1,850	22	-	1,731	0.6	-	51.3	35.5
37	XPLICO INSURANCE COMPANY	2,410	195	1	107	-	-	2,498	-	-	4.1	4.1
	<b>Industry</b>	<b>677,420</b>	<b>1,384,378</b>	<b>29,412</b>	<b>1,336,413</b>	<b>10,250</b>	<b>14,684</b>	<b>622,541</b>	<b>0.5</b>	<b>0.7</b>	<b>67.4</b>	<b>66.2</b>

Appendix 3: Analysis of long-term insurance business claims (numbers) for the quarter ended 30th June 2019												
No	Name of Insurer	Claims outstanding at the beginning of the quarter	Claims intimated during the quarter	Claims revived during the quarter	Claims paid during the quarter	Claims declined during the quarter	Claims closed as no claims during the quarter	Claims outstanding at the end of the quarter	Declined claims ratio (%) (5/(4+5+6+7))	Claims closed as no claims ratio (%) (6/(4+5+6+7))	Claim settlement ratio (%)	
											Q2 2019 (4/(4+5+6+7))	Q1 2019 (11)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	APA LIFE ASSURANCE COMPANY	418	1,081	-	1,041	6	24	428	0.4	1.6	69.4	60.6
2	BARCLAYS LIFE ASSURANCE	200	848	-	868	-	-	180	-	-	82.8	81.0
3	BRITAM LIFE INSURANCE COMPANY	3,287	13,641	-	14,015	-	-	2,913	-	-	82.8	80.1
4	CAPEX LIFE ASSURANCE COMPANY	13	546	1	556	-	-	3	-	-	99.5	97.4
5	CIC LIFE ASSURANCE COMPANY	1,344	1,618	260	1,359	9	-	1,595	0.3	-	45.9	55.3
6	CORPORATE INSURANCE COMPANY	420	447	-	624	-	-	366	-	-	63.0	59.8
7	FIRST ASSURANCE COMPANY	64	53	-	34	-	-	83	-	-	29.1	47.1
8	GA LIFE ASSURANCE LIMITED	-	2,148	-	2,145	-	-	3	-	-	99.9	100.0
9	GEMINIA INSURANCE COMPANY	562	22	-	29	-	-	555	-	-	5.0	4.4
10	ICEA LION LIFE ASSURANCE	574	14,843	-	14,799	-	-	618	-	-	96.0	96.2
11	JUBILEE INSURANCE COMPANY	2,017	10,601	40	10,463	14	45	2,096	0.1	0.4	82.9	80.4
12	KENINDIA ASSURANCE COMPANY	422	1,878	-	1,922	-	-	378	-	-	83.6	79.0
13	KENYA ORIENT LIFE ASSURANCE	26	26	-	33	-	-	19	-	-	63.5	52.7
14	LIBERTY LIFE ASSURANCE KENYA	7,509	2,436	-	3,002	117	-	6,826	1.2	-	30.2	26.1
15	MADISON INSURANCE COMPANY	1,526	5,530	-	5,151	-	-	1,905	-	-	73.0	78.4
16	METROPOLITAN CANNON INSURANCE	205	400	-	431	-	-	174	-	-	71.2	84.5
17	OLD MUTUAL ASSURANCE COMPANY	1,657	1,600	-	1,771	-	14	1,472	-	0.4	54.4	53.2
18	PIONEER ASSURANCE COMPANY	5,026	4,421	-	4,683	-	-	4,764	-	-	49.6	54.2
19	PRUDENTIAL LIFE ASSURANCE	989	954	-	1,009	-	-	934	-	-	51.9	59.6
20	SAHAM INSURANCE COMPANY	29	2	-	2	-	-	29	-	-	6.5	-
21	SANLAM LIFE INSURANCE LIMITED	1,336	3,998	-	3,992	21	37	1,284	0.4	0.7	74.8	71.7
22	TAKAFUL INSURANCE OF AFRICA	-	-	-	-	-	-	3	-	-	-	-
23	THE KENYAN ALLIANCE INSURANCE	81	1,066	-	1,064	-	-	83	-	-	92.8	92.5
24	THE MONARCH INSURANCE COMPANY	45	43	-	44	-	-	34	-	-	56.4	60.5
25	UAP LIFE ASSURANCE COMPANY	228	1,612	-	1,627	-	-	213	-	-	88.4	89.6
	<b>Industry</b>	<b>27,978</b>	<b>69,814</b>	<b>301</b>	<b>70,664</b>	<b>167</b>	<b>120</b>	<b>26,958</b>	<b>0.17</b>	<b>0.1</b>	<b>72.2</b>	<b>70.7</b>