



GUIDANCE NOTE TO THE INSURANCE INDUSTRY

In the advent of the Corona Virus (COVID-19) and the resulting disruptions experienced by the public and the insurance sector, the Insurance Regulatory Authority hereby issues the following guidelines for continued business operations:

- (1) Insurers should expeditiously process and settle all claims and payments related to the COVID-19.
- (2) Insurers should pay last expense claims or death benefits arising out of coronavirus expeditiously even in case of delayed submission or absence of required documentation.
- (3) Insurers should not reject claims due to delayed reporting and challenges that may arise out of Government directives on coronavirus pandemic.
- (4) Insurers should submit to the Authority a temporary succession plan on the Board Chairman, Principal Officer and Key Control functions as part of the contingency measures aimed at ensuring that insurers operate at near normal level amidst the COVID 19 pandemic.
- (5) Insurers should conduct and submit to the Authority a stress and scenario testing, including updating of capital adequacy calculations and liquidity strains due to the exposure of balance sheet to the effects of COVID-19.
- (6) Insurers should ensure operational resilience and business continuity in the stressed situation including appointing a Senior Manager responsible for business continuity.
- (7) Insurers should put in place contingency measures to enhance customer service, such as deferral of payment of premium or renewal premium including considering offering premium holidays and payment of premiums in instalments.
- (8) Insurers should avail policyholders a 3-month grace period. The grace period may be over and above any contractual premium holidays already in place for existing policies.
- (9) Insurers should be proactive and clearly explain and communicate to their policyholders on the policy coverage and applicable exclusions.

- (10) Insurers should not introduce new product exclusions or change the product terms and conditions for the existing approved products without prior approval from the Authority.
- (11) Insurers considering making changes to their existing policies should follow the due procedure for making any changes in line with the product approval guidelines.
- (12) Insurers intending to suspend or withdraw some product offerings must seek prior approval from the Authority before such withdrawals or suspensions are implemented.
- (13) Insurers should communicate to existing policyholders which policies likely to be impacted by coronavirus e.g. travel insurance by giving the policyholder a reasonable expectation that cover would continue in future once the pandemic is managed.
- (14) Insurers should set up measures to support insurance agents and brokers in the current difficult business conditions brought about by the COVID-19 pandemic.
- (15) Insurers should encourage and provide online platforms for selling and offering insurance services to existing and new customers including access to dedicated telephone lines to handle complaints and grievances.

The Authority will continue to monitor the unfolding situation and advise accordingly as we look forward to post COVID-19 continuity.



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