

Requirements for Licensing of a New Insurance Company:

a. Name of procedure

Licensing of new insurers. The Authority issues licenses for insurers to transact the following types of business:

1. Microinsurance business
2. Long term insurance business
3. General insurance business
4. Long term reinsurance business
5. General reinsurance business

b. Documents and criteria required to grant requested approvals

The licensing requirements of an insurer are detailed in Sections 27A, 30, and 31 of the Insurance Act and Regulation 7. The promoters of a new insurer first submit a proposal to the Authority. The submission should include the following:

1. A feasibility study report as outlined under Regulation 7 of the Insurance Regulations.
2. A certified copy of the published prospectus, if any.
3. Details of the promoters.

Additional information may be required based on the submission. Once the Authority is satisfied with the proposal, approval in principle for licensing of the proposed company is granted subject to compliance with the following requirements:

1. An applicant filled in the prescribed form (Form No. 30-1) together with the appendices.
2. Licensing fee of:
 - (a). KES 150,000 for an insurer,
 - (b). KES 150,000 for a micro insurer, and
 - (c). KES 250,000 for a reinsurer.
3. Certified copy of a certificate of incorporation and CR12 form from the Registrar of Companies.
4. Certified copy of the Articles and Memorandum of Association of the company.
5. Minimum paid up share capital as prescribed in the Insurance Act:
 - (a). Microinsurance business KES 50 million
 - (b). Long term insurance business of KES 400 million
 - (c). General insurance business KES 600 million
 - (d). Long term reinsurance business KES 500 million
 - (e). General reinsurance business KES 1 billion
6. Evidence that the promoters/shareholders have put in the required minimum paid-up share capital as above. This must be in the form of cash and confirmed by the external auditors.

7. Details of the shareholders and shareholding structure of the company.
8. Details of Directors, Principal Officer, and Management staff of the insurer for approval in line with Sections 27A, 31 and 68 of the Insurance Act.
9. A statement of all the classes of business the proposer intends to transact. The classes of business are prescribed in the schedules to the Insurance Act.
10. Specimen proposal and policy forms for all the classes of business the proposer intends to transact.
11. The premium rates the proposer intends to apply under each class of business during the year of licensing.
12. A certificate in connection with the long-term insurance business by an Actuary that the premium rates terms and conditions are sound and workable.
13. Proposed reinsurance arrangements and reinsurance strategy.
14. A certificate from Central Bank of Kenya specifying the amounts and details of deposits under section 32 of the Insurance Act (equivalent to 5% of the total assets).
15. The proposed contract documents with Insurance Agents and Brokers.
16. A statement of how the insurer intends to cover its initial administrative costs.
17. The name of the insurer should be in line with Section 190 of the Act and Regulation 15 (4) of the Microinsurance Regulations.

Once the applicant complies with all the requirements, the Authority grants the insurer a license to operate.

c. Timeframe required to complete application process:

Timeframe is approximately 60 days for each phase but varies based on completeness of the application documents.