

**CONF/IRA/00/001/03**

**29<sup>th</sup> July, 2011**

**CIRCULAR NO. IB/MIP/06/2011**

**CIRCULAR TO ALL MEDICAL INSURANCE PROVIDERS:**

**RENEWAL OF REGISTRATION AS A MEDICAL INSURANCE PROVIDER FOR THE YEAR 2012**

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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 **30<sup>th</sup> 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 31<sup>st</sup> December, 2011 forward the same to this office latest by 28<sup>th</sup> February, 2012 duly signed by the Principal Officer.

The statement of outstanding premiums due by a broker Form No. 153-2 requires to be submitted as at 31<sup>st</sup> December, 2010 and 30<sup>th</sup> 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 nineteen 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 the Form in Annexure III to this Circular and forwarded to this office along with your application for renewal of registration.
- (vii) For the purposes of Section 151 (1) (a) of the Act, the policy of professional indemnity to be taken out by a Medical Insurance Provider 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).
- (viii) Your attention is invited to Section 155 (1) and regulation 40 where you are required to submit annual audited accounts and statements together with auditor's report prepared under the companies Act as at 31<sup>st</sup> December, 2010, latest by **30<sup>th</sup> April, 2011**. Audited accounts should be based on the calendar year.
- (ix) Medical Insurance Providers who manage funds are required to submit audit certificates as at 31<sup>st</sup> July, 2011 confirming that separate accounts are kept for clients' funds and a list of clients whose accounts they managed for year 2011.
- (x) A list of products that a Medical Insurance Provider is offering must be submitted along with the terms and conditions of the arrangements with their underwriters.
- (xii) You are reminded that Medical Insurance Providers are intermediaries hence not authorized to undertake insurance liability. Those therefore willing to undertake any insurance liability shall be required to apply for registration as medical insurers.
- (xi) Statements from major hospitals showing outstanding payments as at 31<sup>st</sup> August, 2011 are required to be submitted together with the application form.
- (xii) Where a Medical Insurance Provider is unable to place cover locally,

they should seek for approval under section 20 of the Insurance Act to place cover overseas. In those circumstances, evidence of lack of local capacity must be provided alongside the request.

- (xiii) Authorization letters issued to Medical Insurance Providers to place business overseas with International Medical Underwriters expires on 31<sup>st</sup> December 2011. Requests for further approvals to place cover overseas for the year 2012 should be submitted along with the application.
- (xiv) Medical Insurance Providers who place business overseas are required to submit certificates by their auditors as at **31<sup>st</sup> July, 2011** confirming the volume of business transacted with each overseas underwriter.
- (xv) It is the responsibility of the Medical Insurance Providers to ensure that insurance premium levy and training levy in terms of sections 197A and 197B of the Insurance Act is collected from the overseas underwriters on business placed with them. Medical Insurance Providers should submit a monthly return on all business placed overseas together with levies payable. Any overseas underwriter who has failed to pay the above levies by the application date, shall not be authorized to transact business in Kenya for the year 2012 and necessary steps shall be taken to recover the same.
- (xvi) Please note that under the provisions of section 191 of the Insurance Act, a registered person is not allowed to transact any other business other than the business in respect of which he is registered.
- (xvii) Please note that in case you also transact insurance business as an Insurance Broker, the operations for the two entities should be kept separate. The requirements for registration should be submitted separately for each category.
- (xviii) You should maintain a client bank account kept separate from the office operations account. This requirement applies to both categories.

You should forward your application marked for the attention of **Ms Anne Chelagat** to reach her on or before **30<sup>th</sup> September, 2011**. The application should be handed over to her at our offices at Zep Re Place 2<sup>nd</sup> 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 on [www.ira.go.ke](http://www.ira.go.ke))

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