

CFN/IRA/00/001/03

22nd August, 2013

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CIRCULAR NO. MIP/06/2013

CIRCULAR TO ALL MEDICAL INSURANCE PROVIDERS:

RENEWAL OF REGISTRATION AS A MEDICAL INSURANCE PROVIDER FOR THE YEAR 2014

In terms of Section 188(2) of the Insurance Act, CAP. 487, you are required to apply for renewal of registration for the year 2014, latest by **30th September, 2013**. Please follow the procedure outlined hereunder:-

- (i) You are required to access the IRA Online Portal www.online.ira.go.ke to apply for renewal of your registration. Please note to use the registration number as it appears in the 2013 certificate of registration e.g. if the registration number is IRA/12/123/01, then the username will be 123. The National ID or Passport Number of the principal officer will be the password e.g. If the ID number is 12345678, then the password will be 12345678.
 - a. Once you access the portal, please go to “my details” and confirm that the details are correct. To amend or change the details please go to “change of particulars” and make the necessary changes.
 - b. The main Application Form is structured into various modules which must be duly completed before submission.
 - c. With regard to the information on paid-up share capital of the MIP, 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.
- (ii) The renewal fee of Kes.10,000 shall be payable. In case the application is submitted after the deadline for renewal or rejected on the basis of incompleteness and resubmitted after the deadline, a penalty fee of

Kes.10,000 shall become payable in addition to the renewal fee. All payments shall be in either of the following modes:-

- (a) 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 scanned and submitted together with the application as an attachment.

- (b) Mpesa

The following procedure shall be followed for the payment of the registration fee/Penalty Fee using MPESA

- **Go to M-PESA on your phone**
- **Select Pay Bill Option**
- **Enter Business no. 830300**
- **Enter the MIP registration number e.g. IRA/12/123/2013**
- **Enter the Amount e.g. 10,000**
- **Enter your M-PESA PIN and send**
- **You will receive M-PESA payment confirmation details. The transaction number (e.g. DS05UH420) and date of transaction shall be entered at the payment section of the Online Portal.**

(iii) Issuing of a duplicate certificate or endorsements shall be subject to payment of Kes.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 **31st December, 2013** forward the same to this office latest by **28th February, 2014** duly signed by the Principal Officer.

The statement of outstanding premiums due by a broker Form No. 153-2 should be submitted as at 31st December, 2012 and 30th June, 2013, duly signed by an auditor and the Principal Officer. The details in the statement shall be entered into the application and the signed hard copy


scanned and attached to the application.

- (v) Section 153(1) and regulation 39 of the Insurance Act requires a Medical insurance provider to provide to the Insurance Regulatory Authority a security in the form of a bank guarantee as prescribed in Form 153-1 in the nineteenth schedule or in the form of a two year government bond from the Central Bank of Kenya held under lien in favour of the Insurance Regulatory Authority, and the minimum amount of the guarantee shall be three million Kenya Shillings (Ksh.3,000,000). A copy of the duly completed guarantee form should be scanned and attached to the application and the original delivered to the Authority for safe custody.
- (vi) For the purposes of Section 151(1) (a) of the Act, the professional indemnity policy 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 (Kes.10,000,000). A copy of the current professional indemnity policy should be scanned and attached to the application.
- (vii) 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 31st December, 2013, latest by **30th April, 2014**. Audited accounts should be based on the calendar year. Hard copies of the accounts should be submitted to the Authority.
- (viii) Medical Insurance Providers who manage funds are required to attach audit certificates as at 31st July, 2013 confirming that separate accounts are kept for clients' funds and a list of clients whose accounts they managed for the year 2013.
- (ix) A list of products that a Medical Insurance Provider is offering must be attached to the application along with the terms and conditions of the arrangements with their underwriters.
- (x) Statements from major hospitals showing outstanding payments as at 31st August, 2013 are required to be attached to the application together with the application form.
- (xi) 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.
- (xii) Authorization letters issued to Medical Insurance Providers to place business overseas with International Medical Underwriters expires on

31st December 2013. Requests for further approvals to place cover overseas for the year 2014 should be submitted along with the application in form of a letter.

- (xiii) Medical Insurance Providers who place business overseas are required to attach certificates by their auditors as at **31st July, 2013** confirming the volume of business transacted with each overseas underwriter.
- (xiv) 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 2014 and necessary steps shall be taken to recover the same.
- (xv) 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.
- (xvi) 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.
- (xvii) You should maintain a client bank account kept separate from the office operations account. The client account shall be audited annually by an auditor and an auditor's certificate attached to the application for renewal. This requirement applies to both categories.

The application for renewal should be made online before the deadline of **30th September, 2013** to avoid the payment of a penalty.



SAMMY M. MAKOVE
CHIEF EXECUTIVE OFFICER & COMMISSIONER OF INSURANCE