

CFN/IRA/00/001/03
21st July, 2014

CIRCULAR NO. IC & RE. 10/2014

CIRCULAR TO ALL INSURERS

Zep-Re Place Longonot Road,
7th Floor, Upper Hill,
P.O. Box 43505 - 00100, Nairobi, Kenya.
Tel: +254 20 4996000,
Fax: +254 20 2710126,
E-mail: commins@ira.go.ke
Website: www.ira.go.ke

REINSURANCE PROPOSALS FOR YEAR 2015

In line with the provisions of section 29 of the Insurance Act, you are hereby required to submit to this office your reinsurance proposals for general and long term business for the year 2015 latest by **30th September 2014**.

The proposals should be forwarded together with the reinsurance statistics for the last five and a half years in the format provided in Forms I, II, and III which are attached.

Along with these forms, attached is a checklist (Form IV) for you to complete and return. All forms should be duly filled as incomplete forms will not be accepted. Note that if you propose to underwrite either direct or local facultative reinsurance aviation business, you are required to submit the reinsurance proposals for aviation.

Besides the above details, information on inward acceptances from outside Kenya (excluding Africa Re and PTA Re) is also required. The details required should be in respect of inward treaties being renewed and any new treaties for the year 2015 duly given in Form VI.

Please note that before submitting the above proposals, you are required to review your treaties and communicate the details to your reinsurers or reinsurance brokers. In cases where you have not agreed on terms, you are required to submit the proposed terms that you plan to negotiate with reinsurers.

For non-proportional treaties, the Minimum Deposit Premium (MDP) as a percentage rate of premium should not exceed 90% and where the premium rate is on sliding scale it should not exceed 100% on minimum rate.

You are further required to ensure that where you place reinsurance business with foreign reinsurers, such reinsurers are reputable, financially stable and with a minimum investment grade rating as indicated in the reinsurance guideline. In this respect you should submit the following in respect of your reinsurers:

- Copy of their rating certificate; and
- Copy of their certificate of registration (licence) from their respective regulators.

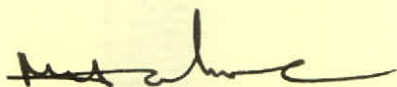
Ensure that all reinsurance treaties in respect of Long-Term insurance business written in Kenya are locally placed as advised in our circular dated 21st July, 2008.

Ensure also that the reinsurance arrangements are in line with your Reinsurance Management Strategy which was submitted to the Authority during the last renewal of registration. Note that any changes to the Strategy are filed with the Authority within the stipulated timelines as per the guideline on Reinsurance Arrangements.

The minimum premium rates filed with this office should be part of the treaty terms.

All the details requested above should be submitted to our **Records Management Office** on **2nd floor, Zep Re Place, Longonot Road, Upper Hill** latest by **30th September, 2014**. Every insurer is requested to discuss and finalize with us its 2015 reinsurance details by **Mid November, 2014** to facilitate renewal of registration for the year 2015. Thereafter, you will be required to provide documentary evidence that the 2015 reinsurance treaties are in place by **1st December, 2014**.

Please note to file your cover notes with us latest **31st December, 2014**.



SAMMY M. MAKOVE
CHIEF EXECUTIVE OFFICER & COMMISSIONER OF INSURANCE

Encls.

The following documents are available for downloading from the IRA website at www.ira.go.ke

- Form I
- Form II
- Form III
- Form IV
- Form V
- Form VI