Insurance Regulatory Authority

Bima Bora kwa Taifa

IRA

STRATEGIC PLAN 2013–2018

REVISED JUNE 2016

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LIST OF ABBREVIATIONS AND ACRONYMS

AIO	–	African Insurance Organisation
CBK	–	Central Bank of Kenya
CC	–	Corporate Communication
CEO	–	Chief Executive Officer
CMA	–	Capital Markets Authority
CSI	–	Corporate Social Investment
FDI	–	Foreign Direct Investment
FSR	–	Financial Sector Regulators
GDP	–	Gross Domestic Product
GWP	–	Gross Written Premium
HCDA	–	Human Capital Development and Administration
IAIS	–	International Association of Insurance Supervisors
ICP	–	Insurance Core Principles
ICT	–	Information Communication Technology
IRA	–	Insurance Regulatory Authority
IT	–	Information Technology
KPI	–	Key Performance Indicator
M & E	–	Monitoring and Evaluation
MDAs	–	Ministries Departments and Agencies
MOU	–	Memorandum of Understanding
No.	–	Number
PESTEL	–	Political, Economic, Social, Technological, Environmental and Legal
PRD	–	Policy, Research and Development
PSV	–	Public Service Vehicle
QMS	–	Quality Management System
RBA	–	Retirement Benefits Authority
RBS	–	Risk Based Supervision
RRI	–	Rapid Result Initiatives
SASRA	–	Sacco Societies Regulatory Authority
SRF	–	Strategic Results Framework
SWOT	–	Strengths, Weaknesses, Opportunities and Threats
TNA	–	Training Needs Analysis
US$	–	United States Dollar

FOREWORD

On behalf of the Board of Directors, Management and Staff of the Insurance Regulatory Authority (IRA), I am happy to present to you the Authority's Revised Strategic Plan for the period 2013 – 2018.

With this revised plan, I see IRA playing an even greater role in supporting realization of the country's development agenda as set out in the Vision 2030. With an insurance penetration of 2.88% following the rebasing of GDP, there are significant prospects for growing the insurance industry in the long term especially if implementation of this strategy is undertaken to the latter.

Moving forward, the Authority will address identified insurance industry challenges while at the same time putting in place measures to enhance not only industry stability and access to insurance by the insuring population but ensure insurance continues to make significant contribution to national development.

On behalf of the Board of Directors, I wish to assure you of our commitment to full implementation of this revised strategic plan in line with the results framework put in place.

I therefore call upon all our stakeholders to walk with us on this transformational path as we break new ground and open up new opportunities and frontiers for development of the insurance industry in Kenya in line with our motto of *Bima Bora Kwa Taifa.*

Abdirahin Haithar Abdi
CHAIRMAN
BOARD OF DIRECTORS

PREFACE

Since inception of the Insurance Regulatory Authority, a number of milestones have been realized, Consequently, the insurance industry has come of age and is increasingly facing new and dynamic challenges which requires that we continuously reposition ourselves through strategy shifts.

The revised 2013 – 2018 strategic plan therefore presents us with a road map for the next two years and has been developed while keeping in mind these strategic shifts. Through this strategic plan, IRA aims to play an even greater role not only is regulating and supervising the insurance industry but more fundamentally ensuring protection of insurance beneficiaries.

This plan is therefore an embodiment of our collective promise to our stakeholders on the service delivery standards that they should expect from the Authority. As a product of a rethinking of our intentions and thematic focus, the development of this strategic plan was participatory, consultative and all inclusive. It is informed by experiences and lessons learnt in implementation of the 2013-2018 strategic plan in the last two and a half years. Analysis of strengths, weaknesses, opportunities and threats helped come up with key strategic issues that define the strategic focus for the next two years.

The key issues identified and which will form our programmatic focus for the next two years are industry stability, industry reputation, level of insurance penetration and access to insurance services, consumer protection and education; and building institutional capacity. To maintain focus on the strategic issues, three goals are identified as follows;

i. Promoting consumer education and protection.
ii. Promoting an inclusive, competitive and stable insurance industry.
iii. Offering quality customer service.

To ensure full implementation of the strategic plan, the implementation matrix will be translated into annualized work plans and cascaded to all staff. An appropriate monitoring and evaluation framework has been put in place to track progress in plan implementation.

May I take this opportunity to thank all those who were involved in realizing this revised strategic plan. We shall rededicate our efforts in ensuring achievement of set targets.

I do look forward to seeing results arising from full implementation of the revised strategic plan.

Sammy Makove
COMMISSIONER OF INSURANCE/CHIEF EXECUTIVE OFFICER

EXECUTIVE SUMMARY

Insurance Regulatory Authority is a statutory government agency established under the Insurance Act, CAP 487 of the Laws of Kenya to regulate, supervise and develop the insurance industry. The Authority has been implementing 2013– 2018 Strategic Plan for the last two and a half years and found it necessary to undertake a midterm review. The midterm review of the strategic plan was undertaken to ensure that necessary changes are incorporated based on the prevailing internal and external operating environment. The review entailed determination of the implementation status of the plan, environmental scanning and revision of the objectives, strategies and the key performance indicators. The plan takes cognizance of changes taking place in the country due to implementation of the 2010 Constitution and alignment of the plan with government aspirations as documented in the Kenya Vision 2030.

In developing the revised strategic plan, a participatory and all inclusive approach was adopted. This entailed interviews, review of various documents and workshops with the Board of Directors and Management.

An analysis of the Authority's past performance in the implementation of the plan and a scan of the operating environment were carried out focusing both on internal and external environment. The analyses resulted in the identification of the strengths, weaknesses, opportunities and threats as well as stakeholder rights and obligations. The situational analysis culminated in identification of strategic issues that are key in developing institutional goals over the plan period. The goals identified are to:

1. Promote consumer education and protection.
2. Promote an inclusive, competitive and stable insurance industry.
3. Offer quality customer service.

For each of the identified goals, strategic objectives were formulated and strategies to be pursued developed. The strategic objectives are as follows:

i. Settlement of claims admitted to be within 30 days.
ii. Complaints resolution within 30 days from 71% in 2015 to 90% by 2018, and the balance of the complaints to be resolved by the end of 90 days.
iii. Improve the insurance penetration from 2.9% in 2015 to 3.5%, insurance density from 25.3 US dollars to 38 US dollars by 2018.
iv. Reduce number of counties with a density of less than Kshs 2000 from 94% in 2015 to 70% in 2018.
v. Enhance the stability of the insurance industry
vi. Increase customer satisfaction from 68% in 2015 to 85% by 2018.

The implementation plan is presented in chapter five. For each strategy, it identifies the expected outcomes, the activities, output indicators, timelines and the key implementing actors. This is followed by a monitoring and evaluation (M&E) framework in chapter seven. The M&E framework includes key performance indicators for tracking results.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Established in 2007, the Insurance Regulatory Authority (IRA), formerly Department of Insurance is a state corporation with a mandate to regulate, supervise and develop the insurance industry in Kenya. In execution of its mandate and in seeking to enhance the policy and regulatory environment for the insurance sector, the Authority works closely with various stakeholders locally, regionally and internationally. The aim of such partnerships is to promote the development of the sector while at the same time ensuring that the interests of policyholders and insurance beneficiaries are protected.

In doing this, the Authority does recognize that a well-functioning insurance industry is critical in socio-economic development of the country through protection of investments, enhancement of peace of mind of investors and citizens, mobilization of savings, provision of investment funds and enhanced living standards of the citizens.

1.2 THE NATIONAL DEVELOPMENT AGENDA

1.2.1 Role of the Insurance in National Development

Insurance industry contributes to national development through providing broader insurance products and services, fostering entrepreneurial attitudes, encouraging investment, innovation, market dynamism and competition, offering social protection alongside the state, releasing pressure on public sector finance; enhancing financial intermediation, creating liquidity and mobilizing savings.

As major institutional investors, insurers pool resources and channel them towards investment opportunities thereby facilitating firms to access capital which then contributes to national development.

1.2.2 Policy Framework

As one of the key pillars of the financial services sector, the insurance industry is indeed central to realization of financial services objectives as set out in the Vision 2030, a long-term development blueprint for the Country. With the aim of deepening financial services and enhancing access to and inclusion, the Vision 2030 recognizes that as the economy expands and disposable incomes rise, there will be growth in insurable assets thereby generating demand for insurance services.

To achieve this, the Vision 2030 emphasizes the need to improve efficiency and outreach of insurance service providers, which can be achieved through consolidation, public education campaign, and investment in new technology that will enable the sector widen its reach and coverage at minimal costs. In turn, this will result in increased contribution of insurance industry to the Gross Domestic Product (GDP).

1.2.3 Consumer Protection

With promulgation of the Constitution 2010 and enactment of the Consumer Protection Act 2012 among other laws, focus on the consumer has and will continue to considerably gain momentum. The implications of these changes is shifts in the nature of rights and responsibilities of a regulator viz a viz consumers of insurance services as regards access to information as well as standards of service delivery.

A central information problem that insurance consumers face is judging product quality due to the complexity of the contract, the contingent nature of many of the services provided (e.g. claims handling and payments) and the fact that services may be provided over time (e.g. investments). As a result, product quality is difficult to ascertain prior to purchase hence the need for regulatory oversight given implication of a consumer driven market and intermediation.

1.3 INSURANCE INDUSTRY OVERVIEW

1.3.1 Global Operating Environment

At the global level, the insurance industry has continued to operate under challenging economic environment which presents opportunities and incentives for innovation. This has resulted to new markets and businesses/products. In addition, new supervisory models are being adopted to effectively respond to the emerging challenges in the industry. For the insurance industry to remain competitive, the regulatory environment must effectively respond to the disruptive and changing market needs and supervisory models.

Consequently, the industry will continue to experience significant regulatory shifts in the coming years as a result of on-going initiatives at global, regional and national level. The International Association of Insurance Supervisors (IAIS) continues to develop global standards, principles and guidelines on a wide range of regulatory issues such as reinsurance, solvency, mutual recognition of different regulatory regimes and corporate governance. These initiatives seek a convergence of regulatory regimes and a reduction in conflicting and duplicative laws for insurers and reinsurers trading across borders.

In the international market, a shifting to a consumer driven market is evident. This has implications for insurance supervision and regulation as it requires a sharper focus on supervisory systems and practices in tandem with internationally accepted practices in order to continually cope with the changing environment.

1.3.2 Domestic Industry

The insurance industry in Kenya has continued to register significant growth prospects. The growth has been both quantitative and qualitative with increases in the number of industry players and range of services offered. The movement in the number of licensed industry players since 2007 is captured in Table 1.

Table 1: Number of insurance industry players since 2007

Industry player	Year							
	2007	2008	2009	2010	2011	2012	2013	2014
General insurers	20	19	20	21	24	24	24	24
Long term insurers	7	7	10	10	11	11	12	14
Composite insurers	17	17	14	16	12	12	12	12
Medical insurance providers	21	21	25	24	24	24	29	29
Re-insurers	2	2	2	2	3	3	3	3
Insurance brokers	190	149	156	161	169	170	187	198
Insurance agents	2,665	3,355	3,644	3,931	4,801	4862	4,631	5,155
Motor assessors	213	172	61	78	91	92	105	108
Insurance investigators	-	-	106	115	140	140	134	133
Insurance surveyors	30	19	20	26	27	27	27	24
Loss adjusters	23	18	19	21	21	21	22	25
Claims settling agents	1	2	1	2	3	1	2	2
Risk managers	8	6	7	10	10	10	8	8

Table 1 shows an increase in the number of insurance companies from 43 in 2007 to 49 in 2014. The number of insurance agents has almost doubled from 3,085 in 2007 to 5,155 in 2014.

An analysis of the insurance industry performance indicates that the gross direct premium income increased from Kshs 48 billion in 2007 to Kshs 157.73 billion in 2014. Table 2 shows a summary of key insurance industry performance indicators.

Table 2: Summary of key insurance industry performance indicators

Industry player	Year							
	2007	2008	2009	2010	2011	2012	2013	2014
Gross direct premium income	48.01	55.25	65.01	76.91	91.81	111.91	135.39	157.73
Net premium written	39.63	45.60	45.60	64.12	75.07	87.48	105.01	126.33
Claims incurred	22.09	23.20	29.08	35.26	53.75	29.5	34.17	42.68
Net commissions	5.50	7.25	8.71	10.27	6.33	6.8	7.2	14.33
Expenses of management	12.90	12.60	14.64	16.76	17.11	20.24	24.81	49.25
Underwriting results (General business)	0.24	0.87	0.40	1.27	2.42	3.11	3.4	1.60
Investments	114.59	123.62	113.45	177.52	153.17	240.13	296.34	355.01
Investment income	11.14	8.19	12.11	23.37	5.46	11.12	9.43	11.10
Operating profit/loss after taxation	3.55	3.35	3.42	7.63	6.91	13.1	20.24	17.23
Assets	146.54	154.45	178.40	223.49	222.70	366.25	366.26	430.54
Shareholder's funds	38.35	38.16	41.47	58.65	44.88	77.12	100.96	114.14

1.4 INSURANCE INDUSTRY CHALLENGES

Despite the significant growth of the industry, penetration remains at 3.1% as of year 2012 with an estimated insurance density of US$ 25.3.However, in 2015, the penetration ratio declined to 2.9% as a result of rebasing of the GDP. Going by the Sector Performance Standards 2009-2030, it is envisioned that the penetration ratio will grow to 5% by 2030.

The low uptake of insurance continues to be attributed to factors such as; general lack of a saving culture among Kenyans, low disposable incomes for the majority of the population with close to 50% of Kenyans living below the poverty line, limited understanding of insurance among majority of the citizens and a negative perception of insurance especially with regard to settlement of claims, among others.

The other challenges facing the insurance industry include existence of insurance fraud cases that have the potential of crippling the industry, capitalisation levels, skills gaps in certain critical areas, limited investment in competitive recruitment, training and career development, and high number of insurance companies in relation to GDP levels leading to overcapacity and price wars.

1.5 ROLE OF IRA IN NATIONAL DEVELOPMENT

The regulatory oversight provided for in the Insurance Act enables IRA regulate, supervise and develop the insurance industry in Kenya while at the same time ensuring that the interests of policyholders are protected. By benchmarking with other regulators locally, regionally and internationally, the regulatory oversight provided by IRA fosters a culture of stability which in turn helps stimulate demand for insurance services. In turn, this will result in increased contribution of insurance sector to the country's GDP.

1.6 RATIONALE FOR THE REVIEW OF THE STRATEGIC PLAN

The Authority has been implementing the strategic plan (2013-2018) for the last three years.The review of the strategic plan was in line with the strategic plan monitoring and evaluation framework which had provided for a midterm evaluation. Additionally, the review of the strategic plan enabled the Authority to:

i. Take stock of the plan's implementation status;
ii. Rethink the strategic direction and document possible changes to the implementation plan for the remaining period;
iii. Rethink on ways of enhancing implementation of the strategic plan; and
iv. Provide an overall framework for prioritization and allocation of resources for the remaining planning period.

1.7 APPROACH AND METHODOLOGY

Board members and employees of the Authority were involved in the review of the strategic plan. The four perspectives of the Balanced Scorecard approach to planning (Financial, Customer, Internal Business Processes, and Learning & Growth) were taken into consideration in developing the revised strategic plan. Specifically the following steps were followed:

a) Review of available information for the purpose of understanding the Authority's Mandate, Vision, Mission, expected outputs and the progress in implementation of the Strategic Plan (2013-2018);
b) Review of the Government agenda and policy documents to understand the role of insurance and IRA in contributing to the achievement of the national development agenda as set out in the Kenya Vision 2030 and the Second Medium Term Plan (MTP);
c) Analysis of internal and external factors that may have impacted on the implementation of the Strategic Plan (2013 – 2018)to date; and
d) Development of a revised strategic plan by taking cognizance of available information from the analysis of all areas of the Authority's operations.

The approach entailed:

- Interviews with CEO, Heads of Divisions, management staff and other employees, a process that helped to get feedback on the implementation status of the strategic plan (2013-2018) and envisioned strategic direction;
- A Board and management workshop that deliberated on the content of the revised strategic plan; and
- A presentation of the revised Strategic Plan to the Authority's staff.

1.8 PLANNING ASSUMPTIONS

In developing this revised Strategic Plan, the following key assumptions were made:

- That the Government will continue to support the Authority in policy proposals and shifts in regulatory oversight and focus while at the same time approve budgetary requests in a timely manner;
- That the Authority shall be given latitude and independence by the Government to execute its regulatory oversight under the Constitution, the Insurance Act as well as any other legal frameworks applicable;
- That the stakeholders shall cooperate with the Authority in various programs and activities as set out in the stakeholder matrix;
- That there will be buy in and goodwill from policyholders, insurance beneficiaries and the general public; and
- That there shall be socio-economic and political stability in the country.

1.9 ORGANIZATION OF THE PLAN

This strategic plan consists of seven chapters:

Chapter one is the introduction, which covers the Insurance Regulatory Authority's background, Kenya's development agenda and the insurance industry, the rationale for the review of the strategic plan, planning assumptions, the methodology of reviewing the plan and organization of the plan.

Chapter two presents situational analysis covering evaluation of the Authority's strategic plan implementation status, achievements, challenges and lessons learnt.

Chapter three presents strategic analysis which covers the internal and external environment analysis, SWOT and stakeholder analysis.

Chapter four presents the strategic direction covering IRA's mandate, core functions, vision, mission, core values, strategic issues, goals, objectives and strategies.

Chapter five presents the implementation matrix for the next two years, which covers for each of the strategic objectives, the strategies, expected outcomes, activities, output indicators, time frame and implementing actors.

Chapter six covers the implementation structure and capacity which covers the staffing levels and financial resources requirement.

Chapter seven covers the mechanisms for monitoring and evaluation of the implementation process and the key performance indicators.

CHAPTER TWO

SITUATIONAL ANALYSIS

2.1 OVERVIEW

A review of the implementation status of the strategic plan for the period Jan 2013 to June 2016 was done.The mid-term review sought to establish performance levels as well as isolate factors affecting such performance, lessons learnt and areas of improvement. The review was based on three goals namely:i. Promote consumer education and protection;

ii. Promote an inclusive, competitive and stable insurance industry; and

iii. Offer quality customer service.

2.2 ACHIEVEMENTS

i. Promote Consumer Education and Protection

The strategic objectives identified under this goal were to enhance settlement of claims admitted to be within 30 days; enhance complaints resolution within 30 days from 63% in 2012 to 90% by 2018; and improve insurance awareness levels by 10% each year. During the period under review, the main achievements were:

i. Carried out of targeted inspections of high risk insurance companies;
ii. Segregated liability and non-liability claims and collection of relevant data;
iii. Undertook a baseline survey on claims settlement in the insurance industry;
iv. Automated the complaints handling processes;
v. Implemented Treating Customers Fairly (TCF) framework;
vi. Undertook baseline study on level of insurance awareness;
vii. Developed the consumer education strategy; and
viii. Used targeted multi-media public education campaigns –print, electronic and social media.

ii. Promote an Inclusive, Competitive and Stable Insurance Industry.

In this goal, the strategic objectives were to improve insurance penetration from 3.1% in 2012 to 3.5% by 2018; enhance access of insurance services in the counties; and enhance stability of the insurance industry. For the period under review, key achievements were:

i. An increase of insurance penetration from 3.1% in 2012 to 3.45% in 2014.However, the insurance penetration dropped to 2.88% in 2015 due to rebasing of the GDP;
ii. Development of risk based capital guidelines;
iii. Inclusion of the minimum paid up capital in the Finance Act 2015; and
iv. Legal framework amendment to make it Risk Based Supervision (RBS) compliant.

(iii) Offering Customer Service

The strategic objective identified under this goal was to increase customer satisfaction from 79% in 2012 to 85% by 2018.The main achievements were:

i. An increase in customer satisfaction index from 79% in 2012 to 83.7% in 2013/14;
ii. Re-tooling of customer satisfaction questionnaire. However, due to this, there was a reduction in the customer satisfaction index from 83.7% in 2013/14 to 66.8% in 2014/15;
iii. Review of the Authority's operating procedures; and
iv. Implementation of the Quality Management System (QMS).

2.3 CHALLENGES

In the implementation of the Strategic Plan (2013–2018), the following challenges were encountered:

i. Low utilization of Information Communication and Technology (ICT) in the industry;
ii. Lack of data to facilitate timely evaluation and decision making;
iii. Cases of insurance fraud;
iv. Poor corporate governance practices within the industry;
v. Low levels of capitalisation of some insurance companies;
vi. Low penetration levels of insurance;
vii. High number of insurance companies in relation to GDP levels leading to overcapacity and price wars;
viii. Lack of clear career guidelines;
ix. Inadequate teamwork and silo approach to operational issues;
x. Bureaucracy in government;
xi. Inadequate enforcement of legal provisions;
xii. Inadequate legal and institutional framework to handle emerging issues such as new distribution channels (Bancassurance, brand assurance, travel agents), micro insurance, Takaful and PSV underwriting; and
xiii. Negative perception of insurance by the general public.

2.4 LESSONS LEARNT

Arising from the implementation of the Strategic Plan (2013– 2018), there is need for:

i. Teamwork and enhanced coordination of the Strategic Plan implementation;
ii. Deployment of a monitoring and evaluation framework;
iii. Timely generation and dissemination of industry statistics;
iv. Deepening of consumer education and awareness programs;
v. Full implementation of Risk Based Supervision (RBS) framework;
vi. Implementation of a knowledge management system; and
vii. Continuous training and exposure of IRA staff to modern regulatory and supervisory approaches and industry developments.

CHAPTER THREE

STRATEGIC ANALYSIS

3.1 ENVIRONMENTAL SCANNING

In the revised Strategic Plan, an analysis of the Authority's operating environment was undertaken. The analysis entailed assessment of the internal and external operating environments.

3.1.1 Internal environment analysis

Entailed identification of issues within IRA that positively (strengths) or negatively (weaknesses) affects performance. The aspects identified were as discussed below.

i. Financial resources

The Authority's ability to execute its functions is heavily dependent on the financial resources at its disposal. The financial resources of IRA are mainly generated from premium levies charged based on gross direct premium written by the insurance and re-insurance companies. Currently, the Authority has a strong financial base to support successful implementation of the revised Strategic Plan.

ii. Human resources

For effective implementation of the Authority's mandate, IRA considers human resource as the most valuable asset. The Authority has thus engaged a highly skilled workforce to spearhead its operations. However, the Authority lacks specialized skills in some functions like actuarial, risk management and ICT. The Authority will thus need to source for such skills to enable it effectively carry out its operations. In addition, IRA employees need to be trained on emerging models, processes and systems being used by other regulatory agencies.

iii. Information communication technology

The Authority takes cognizance of the role of ICT in enhancing effective and efficient execution of its mandate. Although IRA has made efforts to improve its ICT infrastructure and systems, these are not yet up to the required levels of modernization. The Authority will therefore need to adopt and implement the state of the art systems that shall directly impact on its effectiveness in attaining its mandate.

iv. Strategic linkages and alliances

IRA collaborates with international, regional and local bodies and associations that include Central Bank of Kenya (CBK), Sacco Societies Regulatory Authority (SASRA), Capital Markets Authority (CMA), Retirement Benefits Authority (RBA), International Association of Insurance Supervisors (IAIS), and African Insurance Organization (AIO) for purposes of sharing information and learning from best practices and cutting edge developments in other regulatory spheres

as well as in the insurance industry. However, the Authority has not been strong in ensuring implementation of the learnt best practices and will need to devise mechanisms that will result into implementation of such best practices.

v. Governance

IRA has a Board of Directors in place that is guided by the best governance practices in steering the Authority towards attainment of its mandate. The Board is envisioned to continue playing its fiduciary and oversight role by providing strategic direction and policy guidance to IRA.

3.1.2 External environment analysis

Analysis of the external environment identified factors outside IRA that may impact on the Authority positively (opportunities) or negatively (threats). The analysis was undertaken through a review of the political, economic, social, technological, environmental and legal (PESTEL) factors which are outside IRA's control as discussed below.

i. Political factors

The devolved governance system provided for in the 2010 Constitution have an impact on the operations of IRA. The Authority will need to put in place measures to ensure that its operations are felt both at the national and county levels. To this end, there is need for the Authority and other financial sector regulators to collaborate in enhancing awareness and access of services in the counties through various mechanisms such as Huduma centres and use of agency models.

ii. Economic factors

Kenya's economy recorded a real GDP growth rate of 5.8% in 2010, 6.1% in 2011, 4.6% in 2012, 5.7% in 2013 and 5.4% in 2014. Although the insurance penetration ratio declined to 2.9% in 2015 as compared to 3.45% in 2014 due to rebasing of the economy, the ratio is expected to grow in tandem with the projected local and global economic growth. However, the spiraling inflationary pressures, high unemployment, food shortages due to climatic changes and rising poverty levels have significant bearing on purchasing power of the general population. This coupled with emergence of new issues in insurance such as micro insurance, Takaful, expansion of new distribution channels have decisive influences on operations of IRA and the insurance industry.

iii. Social factors

Some of the socio economic factors that determine how people manage risks in Kenya are diseases, poverty levels and literacy levels. The low level of insurance penetration in Kenya has been attributed to, among others, lack of a saving culture among the citizens, low disposable incomes for the majority of the population, and limited financial understanding among majority of the citizens. To be able to reverse the trend and increase the penetration rate, IRA will need to put in place targeted measures that will see insurance penetration grow.

iv. Technological factors

In executing its mandate, the Authority takes cognizance of the advancements in technology being employed both within and without the insurance industry. Efficient and effective supervision, regulation and development of the insurance industry will therefore require adoption of the relevant technologies by the Authority.

v. Environmental (Ecological) factors

The effects of global warming and severe climatic changes have tended to affect food production in traditionally known food basket areas in Kenya. This coupled with potential risks arising from pollution, floods and earthquakes will define the way IRA operates during the reviewed strategic plan period.

vi. Legal and Administrative Factors

The legal environment in which IRA operates is likely to experience changes that may define the direction the Authority will take in its functions. While planning therefore, the Authority has taken into account possibility of such legislative changes. The proposed merger of financial sector regulators will have an impact on the operations of the Authority.

It is also recognized that the legislation processes tend to be lengthy thus hampering the Authority's quest to make necessary adjustments to the Insurance Act. Emanating from the foregoing, there will be need to put in place adequate measures to ensure less/limited disruptions to the insurance industry.

3.2 SWOT ANALYSIS

Arising from internal and external environment scan, the Authority's strengths, weaknesses, opportunities and threats were identified.

3.2.1 Strengths

i). Strong financial base;
ii). Legal framework;
iii). Sound governance structures; and
iv). Skilled and competent staff.

3.2.2 Weaknesses

ii). Limited reach across the counties;

ii). In-adequate processes of consumer protection;
iii). Insufficient skills in some functional areas, e.g. actuarial, risk management, ICT;
iv). Limited automation of processes;
v). Inadequate implementation of the performance management framework;
vi). Inadequate research to facilitate decision making on technical matters;
vii). In-adequate office space; and
viii). Delays in enforcing compliance with the regulatory framework.

3.2.3 *Opportunities*

i). Emerging trends in the insurance sector, e.g. Micro Insurance, Bancassurance, Takaful insurance;
ii). Collaboration with other national, regional and international bodies;
iii). Large uninsured population;
iv). Widening regional insurance market;
v). Technological advancement;
vi). Favorable socio-economic developments, e.g. oil and other minerals; and
vii). Collaboration among financial regulators in financial deepening and inclusion agenda.

3.2.4 *Threats*

i). Merging of financial regulators as a result of the establishment of the Financial Services Authority;
ii). Low appreciation of insurance among the public;
iii). Conservative insurance industry that is resistant to change;
iv). High levels of unemployment and poverty;
v). High inflation that erodes the consumption and saving power;
vi). Lack of innovation in the industry;
vii). Eroded/poor image of insurance industry;
viii). Unpredictable political arena;
ix). Terrorism and piracy;
x). Inadequate regulatory framework;
xi). Changes in government policies;
xii). Global changes in the regulatory environment; and
xiii). Lengthy legislation processes

3.3 STAKEHOLDER ANALYSIS

A stakeholder is any person, group or institution that has an interest in the activities of IRA. The Authority's stakeholders are varied and are as identified in Table 3.

Table 3: Key stakeholders

Stakeholder	Stakeholder Expectations	IRA Expectations
Government (National and County), Ministries Departments and Agencies (MDAs)	• Stability and development of the insurance industry • Statutory compliance • Implementation of Vision 2030 goals for the insurance industry • Transparency and accountability in use of their funds/donations	• Timely policy and legislative development • Provision of an enabling environment
Insurance Industry Players	• Well regulated industry • Accurate and up to date information • Integrity • Capacity building • Promotion of the insurance profession • Facilitation of an enabling environment	• Statutory compliance • Fair treatment of consumers • Fair competition • Self-regulation • Upholding professionalism • Insurance education
Service Providers	• Prompt payment for services and goods supplied as per agreements • Fairness and equal opportunity	• Quality and prompt service
Learning Research Institutions	• Accurate and up to date information • Promotion of the insurance profession	• Development of expertise in insurance related fields • Engage in insurance related research
Media	• Accurate and timely information	• Fair and accurate reporting • Support in consumer education
Financial sector regulators and relevant associations locally, regionally and globally	• Mutually beneficial collaboration • Effective capacity Development • Implementation of best practices	• Mutually beneficial collaboration • Effective capacity development
Policyholders, beneficiaries and general public	• Engage in promotion of awareness of insurance business • Consumer protection • Well-regulated and stable industry • Availability of suitable products • Employment opportunities.	• Increase use of insurance products/ services • Know their rights and obligations • Understand the relevant insurance policies
Board of Directors	• Transparency and Accountability	• Guidance and policy direction • Timely decision making
Staff	• Stable and progressive organization • Competitive terms and conditions of service • Efficiency and effectiveness in service delivery	• High Performance levels • Commitment to the IRA mandate • Demonstrate core values

CHAPTER FOUR

STRATEGIC DIRECTION

The strategic direction of the Authority comprises the mandate, vision, mission, core values, strategic objectives and strategies.

4.1 MANDATE

The Authority's mandate is to regulate, supervise and develop the insurance industry in Kenya.

4.2 CORE FUNCTIONS

The Authority's core functions as set out in the Insurance Act, 2015 are to:

i. Ensure the effective administration, supervision, regulation and control of insurance and reinsurance business in Kenya;
ii. Formulate and enforce standards for the conduct of insurance and reinsurance business in Kenya;
iii. Issue licenses to all persons involved in or connected with insurance business, including insurance and reinsurance companies, insurance and reinsurance intermediaries, loss adjusters and motor assessors, risk surveyors and valuers;
iv. Protect the interests of insurance policy holders and insurance beneficiaries in any insurance contract;
v. Promote the development of the insurance sector;
vi. Advise the Government on the national policy to be followed in order to ensure adequate insurance protection and security for national assets and national properties;
vii. Issue supervisory guidelines and prudential standards from time to time, for better administration of the insurance business of persons licensed under the Act;
viii. Share information with other regulatory authorities and to carry out any other related activities in furtherance of its supervisory role; and
ix. Undertake such other functions as may be conferred on it by the Act or by any other written law.

4.3 VISION

Our Vision is: *To be the leading insurance industry regulator.*

4.4 MISSION

Our mission is: *To effectively regulate, supervise, develop the insurance industry and protect insurance beneficiaries.*

4.5 CORE VALUES

Our core values are:

(a) Accountability: - We exercise prudence in use of public resources entrusted to IRA.
(b) Team Spirit: - We work effectively with others across functional lines to accomplish objectives.
(c) Transparency: - We promote openness and candidness.
(d) Integrity: - We will serve our customers in an impartial, effective and professional way with the highest ethical standards.
(e) Customer focus: - We are committed to achieving the highest levels of customer satisfaction.
(f) Creativity: - We believe in continuous improvements in the conduct of our business.

4.6 STRATEGIC ISSUES

Strategic issues are the key performance areas in which the Authority must excel in so as to realize the mission and vision and deliver value to stakeholders. They are therefore the pillars of excellence which the Authority will seek to focus on for the remaining plan period and are as follows:

a. Stability of the industry;
   i. Regulatory framework
   ii. Supervisory framework
b. Reputation of the insurance industry;
c. Penetration and accessibility;
d. Consumer protection and education; and
e. Institutional capacity.

4.6.1 Stability of the Industry

The Authority takes cognizance of the need to have a stable insurance industry in Kenya that will boost both investor and public confidence. Further, a stable insurance industry is envisioned to enhance competitiveness and promote insurance inclusiveness. To attain stability of the industry, the Authority intends to enhance its regulatory and supervisory roles through, among others, implementation of risk based supervision and review of the regulatory framework.

4.6.2 Reputation of Insurance Industry

The reputation of the insurance industry in Kenya has been eroded over the years as a result of both perceived and actual malpractices in the industry. The Authority has identified the eroded reputation as a major hindrance to growth of the industry hence creation of a positive image for the insurance industry is key for growth of the industry.

4.6.3 Penetration and Accessibility

The Vision 2030 has identified financial inclusiveness as a key component to attainment of the vision. As a way of pursuing insurance inclusiveness, IRA has identified penetration and accessibility as areas that will need to be improved for the insurance industry to grow. The Authority has thus formulated strategies that once implemented are envisioned to result into increased levels of market penetration and accessibility of the insurance products.

4.6.4 Consumer Protection and Education

One of the major hindrances to uptake of insurance products is the fear among consumers on the level of protection accorded to their interests. To allay the fear, the Authority has come up with strategies that will ensure insurance providers comply with set regulations and meet their end of the bargain as they fall due. Further, the Authority has identified awareness of insurance products by citizens as a key aspect to enhancing uptake of insurance products and has thus prioritized consumer education as one of the issues that will be pursued during the strategic period.

4.6.5 Institutional Capacity

In pursuit of the set goals and to ensure customers are satisfied, there will be need for streamlining the operations of the Authority and putting in place measures that will ensure customers are attended to in a timely and friendly manner. Further, the staff will need to be equipped with the necessary skills and facilities to increase motivation and productivity.

4.7 GOALS

A goal is broad a statement of the desired end result arising from implementation of the strategy. For purposes of this strategic plan, the goals were derived from the strategic issues.

The goals identified are as follows:

i. Promote consumer education and protection.
ii. Promote an inclusive, competitive and stable insurance industry.
iii. Offer quality customer service.

4.8 OBJECTIVES AND STRATEGIES

The Authority shall prioritize the following areas for implementation in the period 2016-2018:

Table 4: Objectives and strategies

Goal	Objective	Strategy
i. Promote consumer education and protection	i. Settlement of claims admitted to be within 30 days.	i. Review relevant provisions of the Insurance Act ii. Monitor and enforce relevant provisions of the Act. iii. Provide industry statistics on claims settlement iv. Introduce interest for delayed payment of admitted claims v. Introduce penalties for delayed payment of admitted claims
	ii. Complaints resolution within 30 days from 71%in 2015 to 90% by 2018, and the balance of the complaints to be resolved by the end of 90 days.	i. Improve consumer complaints handling processes ii. Institute standardized complaint handling processes within the industry iii. Reduce turnaround time for complaint resolution
ii. Promote an inclusive, competitive and stable insurance industry	i. Improve the insurance penetration from 2.9% in 2015 to 3.5%, insurance density from 25.3 US dollars to 38 US dollars by 2018	i. Encourage alternative channels of distribution ii. Improve awareness levels among the public iii. Promote entrenchment of insurance education in the national curriculum
	ii. Reduce number of counties with a density of less than Kshs 2000 from 94% in 2015 to 70%in 2018	i. Evaluate impact of the insurance agency model. ii. Re-design and grow insurance agency force within counties iii. Implement a framework to facilitate availability of insurance services in counties iv. Increase IRA's visibility at the counties
	iii. Enhance the stability of the insurance industry	i. Ensure compliance with risk based capital requirements ii. Enhance supervision of regulated entities (aspect, individual and entities)
iii. Offer quality customer service	i. Increase customer satisfaction from 68% in 2015 to 85% by 2018.	i. Leverage on use of ICT ii. Strengthen Human Capital effectiveness iii. Enhance customer management process iv. Ensure adequate office accommodation work environment, tools

CHAPTER FIVE

IMPLEMENTATION PLAN

This chapter presents the implementation matrix, which covers the strategic objectives, the strategies, activities, implementing actors, time frame, expected outcomes and output indicators.

STRATEGIC GOAL 1: PROMOTE CONSUMER EDUCATION AND PROTECTION

Objective 1: Settlement of claims admitted to be within 30 days

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
i) Review relevant provisions of the Insurance Act	Timely claims settlement	i. Re-introduce the Budget memorandum	Budget memorandum in place	Feb 2017	Legal
		ii. Lobby for adoption in the Finance bill	Inclusion in the Finance bill	April 2017	CEO
ii) Monitor and enforce relevant provisions of the Act	Timely claims settlement	i. Conduct on-site inspection	Inspection reports	Continuous	Technical
		ii. Follow up on implementation of legal provisions	Status report	Continuous	Technical
		iii. Take action on non-compliant industry players	No. of non-compliant players in which action has been taken	Continuous	Technical/Legal
iii) Provide industry statistics on claims settlement	Timely claims settlement	i. Analyse data on settlement of admitted claims	Settlement reports	Monthly	Technical
		ii. Publish claims payments statistics	Availability of claims settlement information on newspapers, industry and IRA publications, and website	Sept 2016 and Quarterly basis	Technical

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
iv) Introduce interest for delayed payment on admitted claims	Timely claims settlement	i. Determine the interest rate to be charged	Publication of applicable interest rate	Aug 2016	Legal/ Technical
		ii. Communicate the interest rate to insurance companies and policy holders	% of insurance companies and policy holders aware of the applicable rate	Sept 2016	Corporate Communication/ Technical
		iii. Enforce payment of interest rate on delayed amounts for admitted claims	No. of policy holders paid interest	Oct 2016 and Continuous	Technical Legal/ Technical
v) Introduce penalties for delayed payment on admitted claims	Timely claims settlement	i. Determine the rate to be charged	Amount of interest paid. Publication of applicable rate	Aug 2016	Corporate Communication/
		ii. Communicate the applicable rate to insurance companies	% of insurance companies and policy holders aware of the applicable rate	Sept 2016	Technical
		iii. Enforce the Act on penalty payment	% of insurance companies paying within 30 days Penalty amounts paid.	Oct 2016 and Continuous	Technical

Objective 2: Increase complaints resolved within 30 days from 71% in 2015 to 90% by 2018, and the balance of the complaints to be resolved by the end of 90 days.

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
i) Improve consumer complaints handling processes	Prompt resolution of Complaints	i. Educate public on their rights and complaints handling mechanisms	Level of awareness on complaints handling mechanisms	July 2016 and Continuous Oct 2016	Consumer Education/ Protection Technical
		ii. Review and implement pending recommendations in the gap analysis report	Implementation level of the gap analysis report	Oct 2017 and continuous	Consumer Protection
		iii. Implement Treating Customers Fairly Initiative	Number of days taken to resolve complaints	Oct 2017 and continuous	
		iv. Implement consumer complaints report	Number of complaints resolved within the time frame	Sept 2016 and continuous	Consumer Protection
ii) Institute standardized complaint handling processes within the industry	Quick complaint resolution Standardized complaint handling processes	i. Operationalize and adopt the ISO 10003 standard on complaints resolution	ISO 10003 Standards operationalized	August2016	Consumer Protection
		ii. Disseminate and implement the agreed standards to industry players	Awareness level among industry players	Dec 2016	Consumer Protection
			Implementation level of ISO 10003 Level of compliance with the standard	Sept 2016 and continuous	Consumer Protection
iii) Reduce turnaround time for complaint resolution	Prompt resolution of complaints	i. Assess capacity of the Consumer Protection Unit ii. Implement capacity assessment report recommendations	Capacity assessment report Level of implementation	Aug 2016 Dec 2016	Consumer Protection

STRATEGIC GOAL 2: PROMOTE AN INCLUSIVE, COMPETITIVE AND STABLE INSURANCE INDUSTRY

Objective 1: Improve the insurance penetration from 2.9% in 2015 to 3.5%, insurance density from 25.3 US dollars to 38 US dollars by 2018

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
i) Encourage alternative channels of insurance distribution	Increased uptake of insurance products	i. Follow up on publication of MI & Takaful regulations & guidelines	Publications of MI regulations	Oct 2016	Legal
		ii. Lobby for publication of MI & Takaful guidelines		Dec 2016	CEO
		iii. Implement recommendations of the Agency Task Force report, 2013	Identified alternative channels operationalized	July 2017 and continuous	Technical
ii) Improve insurance awareness levels among the public	Increased awareness and uptake of insurance	i. Develop and implement multimedia public education and awareness campaigns	Number campaigns Number of media used Awareness level	July 2016 and Continuous	Consumer Education
		ii. Carry out evaluation surveys of the public education and awareness programs	No of surveys reports	Continuous	PRD
		iii. Develop IEC materials	No of IEC materials Awareness level	August 2017 and Continuous	Consumer Education
iii) Promote entrenchment of insurance education in the national curriculum	Appreciation of insurance Enhanced insurance literacy	i. Lobby for inclusion of insurance in the curriculum	Curriculum in place	July 2017 and Continuous	Consumer Education
		ii. Follow up on implementation of curriculum	Implementation Level	Jan 2018and continuous	Consumer Education

Objective 2: Reduce number of counties with insurance density of less than Kshs 2000 from 94% in 2015 to 70% in 2018

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
i) Grow and develop insurance agency force within counties	Increased insurance penetration	i. Evaluate impact of the insurance agency model	Evaluation report	Oct 2016	PRD
		ii. Re-design the agency model	Updated model in place	Dec. 2017	Technical
		iii. Train agents in the remaining counties	No. of agents trained	July 2016 and Continuous	Technical
		iv. Licence trainees upon graduation	No. of agents licensed	Continuous	Technical
ii) Implement a framework to facilitate availability of insurance services in counties	Increased access to insurance services within the counties	i. Undertake a study on access to insurances services in the counties	Study report	Feb 2017	PRD
		ii. Develop a framework to facilitate access to insurance services in the counties	Insurance counties access framework in place	May 2017	Technical
		iii. Implement the framework	Level of implementation Ease of access to insurance services in the counties	July 2017 and Continuous	Technical
i) Increase IRA's visibility at the counties	Increased awareness of IRA	i. Undertake corporate awareness campaigns	Level of consumer awareness No. of campaigns No of adverts (TV/Radio)	Continuous	CC
		ii. Undertake corporate social investment	No of CSI events	Continuous	CC
		iii. Assess effectiveness of the CSR activities carried out	Assessment reports	Dec 2016	PRD
		iv. Implement survey recommendation on devolution of IRA services in the Counties	No. of Huduma centres offering financial sector services	June 2017 and Continuous	HCDA
		v. Implement communication strategy and brand recommendations	Level of implementation	June 2016 and Continuous	CC

Objective 3: Enhance stability of the insurance industry

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
i) Ensure compliance with risk based capital requirements	Higher capitalization	i. Assess companies level of compliance with RBC	Level of compliance	July 2017 and continuous	Technical
		ii. Implement penalties for non-compliant companies		Dec. 2017 and continuous	Technical
ii) Enhance supervision of regulated entities	Compliant insurance companies	i. Sensitize Insurance industry on RBS framework	No. of sensitization workshops held	Dec. 2016 and Continuous	Technical
		ii. Implement the RBS	Level of compliance	Jan 2016 and	Technical
	Enhanced consumer protection	iii. Lobby for publication of RBS guidelines	Level of RBS implementation Publication of RBS guidelines	Continuous Oct 2016	Technical

GOAL 3: OFFER QUALITY CUSTOMER SERVICE

Objective 1: Increase customer satisfaction from 68% in 2015 to 85% by 2018.

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
i. Leverage on use of ICT	Improved efficiency in Customer Service Delivery	i. Identify and integrate customer points of interaction	Customer interaction process integrated	July 2016	ICT
		ii. Enhance utilization of social media platforms	Presence in social media platforms	June 2016 and continuous	CC
		iii. Train staff on available ICT systems	Number of ICT trainings undertaken Number of staff trained and using available systems	Sept 2016 and continuous	ICT

Strategy	Expected outcome	Activity	Output indicator	Time frame	Implementing Actors
i) Strengthen human capital	Excellence in service delivery	i. Undertake competency development	Competency Level	July 2016 and continuous	HCDA
		ii. Implement organizational culture change initiatives	Level of implementation of change initiatives	July 2016 and continuous	HCDA
		iii. Implement recommendations of team building retreat reports	Recommendations implemented	Continuous	HCDA
		iv. Implement enhanced skill development program that include talent management	Level of implementation of talent management initiatives	July 2016 and continuous	HCDA
ii) Enhance customer management process	Improved efficiency in customer service delivery	i. Implement customer relationship management strategy	Strategy implementation level	Dec 2017 and Continuous	CC
		ii. Finalise policy on information management and sharing	Approved policy in place	July 2016	PRD
		iii. Implement policy on information management and sharing	Level of compliance with the policy	Sept 2016 and Continuous	Technical
		iv. Abide with QMS	Level of compliance with QMS	Continuous	Technical
		v. Undertake customer service surveys	Level of customer satisfaction	Annually	PRD
		vi. Implement survey recommendations	Level of implementation	Continuous	CC
iii) Ensure conducive work environment	Productive and satisfied employees	i. Undertake an evaluation of the required office space and equipment	Space and equipment requirement report	July 2016	HCDA
		ii. Implement evaluation report findings/recommendations	Adequate office space	Sept 2016 and continuous	HCDA
		iii. Undertake assessment of work environment	Work environment index	July 2016 and continuous	HCDA
		iv. Implement work environment report recommendations	Level of implementation of survey recommendations	August 2016 and continuous	HCDA

CHAPTER SIX

IMPLEMENTATION STRUCTURE AND CAPACITY

6.1 IMPLEMENTATION STRUCTURE

For effective implementation of this plan, there will be need for an organizational culture change program that emphasizes on teamwork and holistic approach to operational issues. This will result in functional synergies that are critical in the implementation of the plan. In addition, there will be need to leverage on available skill sets, use of modern technology, bench marking outcomes and human capital development. This will ensure the Authority remains focused on delivering on its mandate by adapting and being responsive to the insurance sector needs.

Further, implementation will involve cascading the plan to the various divisions, departments, sections and all staff, enforcing performance accountability through performance contracts and performance management. Equally important will be the need for the Authority to collaborate with various stakeholders in the implementation of the plan. Further, there will be need for developing a functional performance monitoring, evaluation and reporting framework.

6.2 IMPLEMENTATION CAPACITY

6.2.1 *Staffing Levels*

The Authority has 74 members of staff. The staff will be in charge of various aspects during the implementation of this revised plan.

6.2.2 *Financial Resources Requirement*

The plan will be financed by revenues generated from the premium levy in addition to other sources such as bilateral assistance from development partners. The Authority projects to spend approximately Kshs 908 Million (excludes capital expenses and staff emoluments) during the two years implementation period as indicated in Table 5:

Table 5: Projected Expenditure Requirements

Objective	2016/17 (Kshs Million)	2017/18 (Kshs Million)	Total Costs (Kshs Million)
Settlement of claims admitted to be within 30 days.	5	5.5	10.5
Complaints resolution within 30 days from 71% in 2015 to 90% by 2018, and the balance of the complaints to be resolved by the end of 90 days.	5.6	6.2	11.8
Improve the insurance penetration from 2.9% in 2015 to 3.5%, insurance density from 25.3 US dollars to 38 US dollars by 2018.	140	154	294
Reduce number of counties with a density of less than Kshs 2000 from 94% in 2015 to 70% in 2018.	9	10	19
Enhance the stability of the insurance industry	87	95.6	182.6
Increase customer satisfaction from 68% in 2015 to 85% by 2018.	186	204.2	390.2
Grand Total (Kshs Millions)	**432.6**	**475.5**	**908.1**

CHAPTER SEVEN

MONITORING AND EVALUATION

7.1 THE APPROACH

a) The Strategy will be translated into performance responsibilities for Heads of Division/Section and the commitment of the Management to the specific set annual targets will be required;

b) The Authority will develop detailed work plans against which performance will be evaluated on a regular basis;

c) Each Officer will extract specific targets, roles, responsibilities as per the work plan and the accountability of all will be required on a regular basis;

d) Specific drivers for the implementation of the Strategy will be identified and action plans prepared to address any bottlenecks that might arise. This will ensure conformity with all plan requirements with management expected to provide support;

e) The annual performance contracts signed between the Government and the Board of Directors of the Authority and whose implementation will be monitored and evaluated through the performance contracting cycle will be derived from the annual Action Plans to the Strategic; and

f) Management Committee meetings, chaired by the Chief Executive Officer, will be held on a regular basis to review progress over the implementation of the Strategic Plan.

7.2 THE FRAMEWORK

The following M & E framework will be put in place to ensure implementation of the strategic plan:

i. M & E champions will be appointed in all functional areas with the CEO and Heads of Divisions overseeing overall implementation of the strategy.

ii. The champions will hold quarterly meetings or as need may arise to review the status of the plan implementation.

iii. Quarterly and annual reports on progress in implementation of the plan will be generated and presented to management and the Board.

The Management will closely monitor actual performance to planned or targeted performance and take sufficient measures and actions to ensure attainment of set targets. Action Plans shall have sufficient detail to enable monitoring and evaluation of progress and milestones in implementing the Strategy for each Strategic Goal, Strategic Objective, Strategy and Activity.

Note: The key performance indicators in section 7.3 will provide guidance on more objective review of the progress of the strategic plan implementation.

7.3 KEY PERFORMANCE INDICATORS

Table 6 shows the projected key performance indicators (KPIs) for financial and non-financial targets set for the year 2013 to 2018.

Table 6: Key performance indicators

KPIs	2016	2017	2018
Percentage of admitted claims settled within 30 days (%)	22.8	40	60
Percentage of complaints resolved within 30 days	85	80	90
Awareness of Insurance/literacy (%)	67	74	81
Penetration (premium/GDP) (%)	2.9	3.3	3.5
Percentage of the population with insurance covers (Life)	21	23	25
Insurance density (US$)	34	37	40
Shareholder funds/total assets (%)	30	31	33
Average county density (Kshs)	2,781	3,500	4,103
Counties with a density of Kshs 2,000 and below (%)	94	80	70
Customer satisfaction (%)	68	75	85
Employee satisfaction (%)	75	78	80
Automation index (%)	74	80	90

7.4 AMENDMENT TO THE STRATEGIC PLAN

The Authority is committed to the implementation of the revised Strategic Plan as this will facilitate achievement of its mandate in an effective and efficient way.

However, an amendment of the Strategic Plan resulting from changes in government policy, regulatory changes locally, regionally or globally as well as any others changes will be done in line with the ISO Documented Procedures.

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