

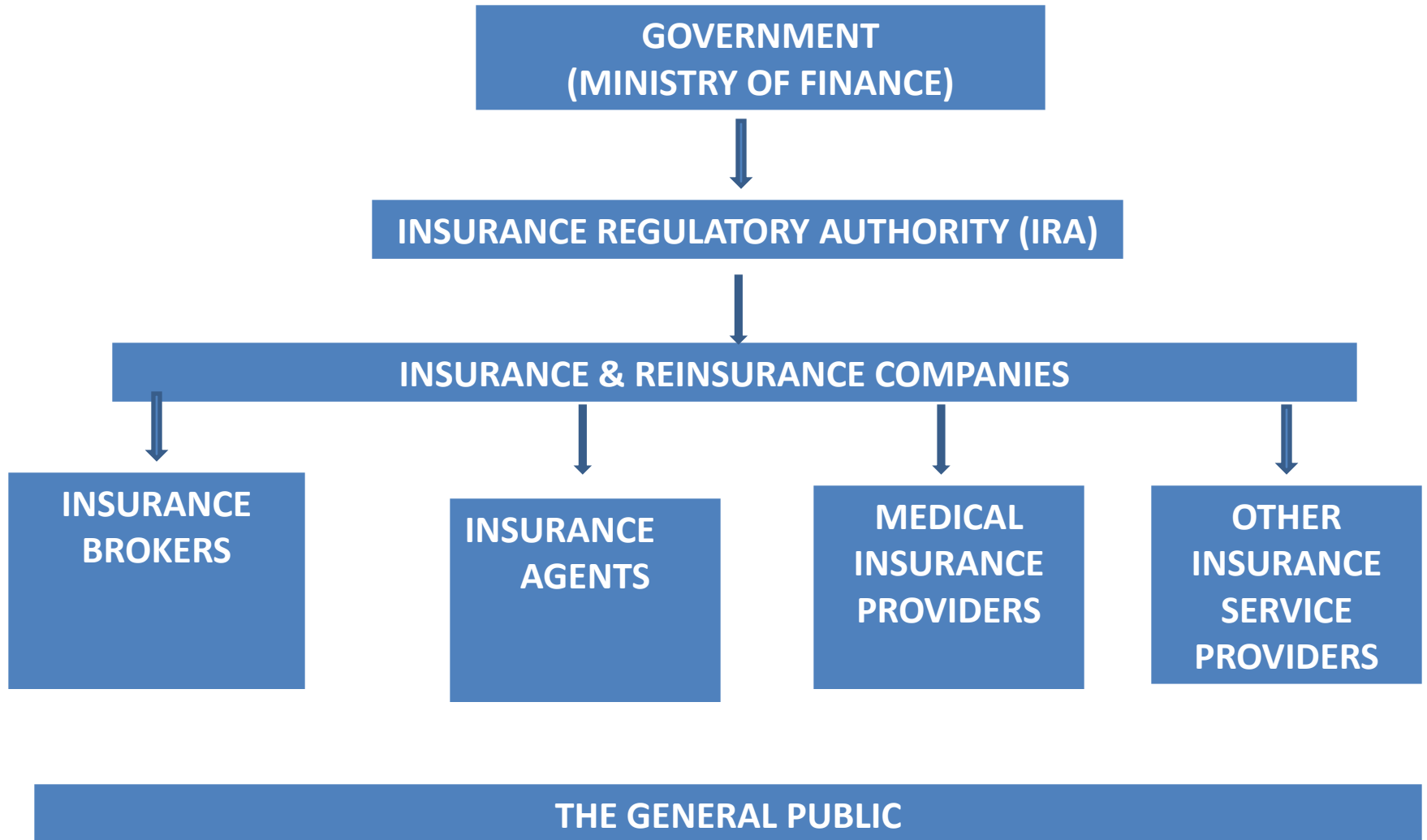
THE ROLE OF IRA IN THE DEVELOPMENT OF THE INSURANCE INDUSTRY IN KENYA

27-29 NOVEMBER, 2012

Introduction

- An autonomous government institution through an Act of Parliament and became effective on 1st May 2007.
- Charged with the responsibility of regulating the insurance industry in Kenya.
- Was formerly the Department of Insurance then headed by Commissioner of Insurance

Structure of IRA



Functions of IRA

- Ensure effective administration, supervision, regulation and control of insurance
- Formulate and enforce standards
- Issue Licences to all persons
- Protect the interests of insurance policy holders and insurance beneficiaries
- Promote the development of the insurance sector;
- Adviser to the Government on national policy

IRA Strategies

- Develop interventions mechanisms to deter malpractices
- Ensure prompt settlement of claims
- Deter Fraud
- Improve efficiency in handling of complaints
- Enhance public awareness and perception
- Standardize policy wordings

The Insurance Act

- Currently the insurance industry in Kenya is regulated under the Insurance Act, Cap 487 Laws of Kenya.
- Is currently under review.
- A Risk based/Principle based regulatory approach is in the making
- Forward looking and principles-based legislation
- Flexible
- Uses early warning systems
- Supervisors use judgment to assess risk and quality of management

Consumer Education

- IRA has established a consumer education section within its Policy Research and Development Division
- Charged with consumer education & creating public awareness

Challenges facing the consumer

- Both Governments and financial service providers are increasingly shifting financial risks to individuals and households e.g. from defined benefit to defined contribution retirement plans, use of excess/deductible, unit-linked products and pure investment insurance products.
- Financial products are becoming more and more complex to understand.
- An increase in the number of financial products to choose from.

Challenges facing the consumer

- Growing threat of longevity. The risk of living longer in retirement and the growing number of these people is a major concern to both Governments and employers.
- Convergence of regulation in the financial service sector with new financial products cutting across the spectrum of financial regulators such as pension, insurance, banking and capital markets leaving the consumer confused as to whom to turn to.

What IRA is doing

- Improving consumer knowledge, understanding, skills, attitudes and behavior
- Inform consumers how and where to complain.
- Make consumers aware of their contractual rights and obligations.

THANK YOU

Q & A