

# **THE ROLE OF IRA**

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## Who is IRA?

- ❑ IRA is a semi autonomous Government agency
- ❑ Formed in 1<sup>st</sup> May 2006 through the Insurance Amendments Act.
- ❑ Charged with regulating, supervising and developing the insurance industry in Kenya.

# Regulatory Structure

**GOVERNMENT  
(THE NATIONAL  
TREASURY)**

**INSURANCE REGULATORY  
AUTHORITY (IRA)**

**INSURANCE & REINSURANCE COMPANIES**

**INSURANC  
E  
BROKERS**

**INSURANC  
E AGENTS**

**MEDICAL  
INSURANC  
E  
PROVIDER  
S**

**OTHER  
INSURANC  
E SERVICE  
PROVIDER  
S**

**THE GENERAL PUBLIC**

# General Functions of IRA

- ❑ Regulate and supervise the insurance industry;
- ❑ Formulate and enforce standards;
- ❑ Licence all players;
- ❑ Protect the interests of policy holders and beneficiaries;
- ❑ Promote the development of the insurance industry;

# Why Supervise the Insurance Industry

- ❑ Insurance is a business of trust
- ❑ It is a promise, that must be kept
- ❑ Different Interests which must be managed by IRA:
- ❑ Why?
  - Policyholders expect benefits from the insurance fund
  - Investors/Shareholders expect profit from the same fund.

## Benefits of Supervision

- ❑ Stable insurance industry
- ❑ Better the image of the industry
- ❑ Increased public confidence
- ❑ Create competitive industry with resultant reduction in premium
- ❑ Increase access to insurance through education
- ❑ Increased savings
- ❑ Create investments & jobs

## Steps Taken By IRA to ensure stability

- ❑ Policy holders Compensation fund
- ❑ Insurance Fraud Investigation Unit
- ❑ Standardizing Insurance policies (all policies standardized by today)
- ❑ Many guidelines on conduct of insurance business have been issued (Anti-Money Laundering, claims, Intermediaries)
- ❑ Training Traffic police offices

# Insurance Fraud Investigation Unit (IFIU)

- ❑ Aimed at confronting insurance fraud
- ❑ Established in November 2011.
- ❑ Is a specialized unit of the CID
- ❑ Manned by 11 CID officer
- ❑ Investigates & prosecutes insurance related fraud.

# Standardizing Insurance policies

- ❑ Current insurance policies very complex
- ❑ The language used in small prints
- ❑ IRA steps to standardize policies
- ❑ All policies currently standardized
- ❑ Enables users read & understand
- ❑ Eases compliance with policy requirements

# Issuing Guidelines

- ❑ One of the guidelines issued by IRA is on claims
- ❑ People don't know how to lodge claims
- ❑ The claims guidelines are for insurers to follow when administering claims
- ❑ Upon admission of liability & signing the Discharge Voucher, payment in 90 days.
- ❑ If they fail to pay, complain to IRA

# Why Target the Church?

The Church, with its prevailing representation and infrastructure plays a leading role in economic development, in the following manner:

- **Education:** Major player in enhancing academic development in Kenya (source of labor).
- **Health:** Some of top health institutions: mostly in rural areas - Healthy & productive society
- **Peace-Unity:** Custodian of peace, stability, sanity & a voice of reason.
- **Employment:** Major employer, particularly for women and the youth.

# Conclusion

- The Government of Kenya appreciates the role the church plays in economic development
- Kenya is undergoing a lot of terrorist attacks, particularly targeting churches
- Building a church is costly to the society and takes time to finalize

# Conclusion

- The church can use insurance to reconstruct facilities damaged following terrorist attacks and other damages
- Insurance be used in case of theft of property damage, fire damage, old age benefits, medical costs, funeral cover etc.

**LET US NOT SUFFER BECAUSE OF  
LACK OF KNOWLEDGE**

**Insurance is real**

THANK YOU

Qs & As