PERFORMANCE CONTRACT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF KENYA THROUGH THE CABINET SECRETARY - THE NATIONAL TREASURY

AND

BOARD OF DIRECTORS - INSURANCE REGULATORY AUTHORITY

FOR THE PERIOD

1ST JULY 2025 - 30TH JUNE 2026

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Preamble

This Performance Contract (hereinafter referred to as "Contract") is entered into between the Government of the Republic of Kenya (hereinafter referred to as "GoK") represented by Cabinet Secretary - The National Treasury of (together with its assignees and successors) of the one part and Board-Insurance Regulatory Authority (hereinafter referred to as the Board of Directors), (together with its assignees and successors) of P.O. Box 43505 - 00100 of the other part.

WHEREAS;

The Government is committed to ensuring that public offices are well managed and they are effective in delivering quality service to the public in line with the provisions of the Constitution of Kenya;

The Government recognizes that MDAs hold a key role in the implementation of the national priorities in order to improve the quality of life of the citizens and make Kenya globally competitive;

The purpose of this Performance Contract is to establish the basis for ensuring that efficient and effective services are delivered to Kenyans in line with the provisions of the Constitution. MDAs are required to adopt systems that enable innovativeness and adaptability of public services to the needs of users through automation and on-boarding of services on the e-citizen platform.

This Performance Contract therefore represents the basis for continuous performance improvement that meets the needs and expectations of the Kenyan people.

Therefore, the parties hereto agree as follows:

Part I: Statement of Responsibility by the Board of Directors

The Mandate of Insurance Regulatory Authority is to:

1. Regulate, supervise and promote the development of the insurance industry in Kenya.

It is our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio- economic development. It is our undertaking to ensure that the Insurance Regulatory Authority has a credible Strategic Plan and Performance Contract that will deliver the desired goals.

It is also our undertaking that we will perform our responsibilities diligently and to the best of our abilities to support the achievement of the agreed performance targets.

Part II: Vision Statement, Mission Statement and Strategic Objectives

(a) Vision Statement

An effective regulator of an inclusive and globally competitive insurance industry.

(b) Mission Statement

To promote development and stability of the insurance industry, and to protect insurance beneficiaries through effective regulation and supervision.

(c) Strategic Objectives

1. To promote a fair, safe, and stable insurance industry;

2. To protect policyholders and insurance beneficiaries;

3. To enhance customer experience;

4. To enhance inclusivity, coverage, access and uptake of insurance; and

5. To promote sustainable practices in the insurance industry.

Part III: Statement of Strategic Intent by the Board of Directors

In carrying out our duties, we intend to put all our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030 MTP IV, Bottom-up Economic Transformation Agenda (BETA), keeping in mind the specific priorities of the Insurance Regulatory Authority.

Bearing in mind the imperative of inclusivity, we will implement the following Strategic Intents during the Financial Year:

1. Protected policyholders and insurance beneficiaries;

2. Improved customer satisfaction;

3. Enhanced access and uptake of insurance; and

4. Alignment with the sustainability agenda.

Part IV: Commitments and Obligations of the Government

- Acknowledgement of receipt of correspondences and approval of requests are made within the timelines stipulated in the Citizens' Service Delivery Charter.

Part V: Reporting Requirements

Insurance Regulatory Authority will submit its Quarterly and Annual performance reports online in the prescribed format to the designated agencies as specified in the Performance Contracting Guidelines for the purpose of monitoring progress and annual performance evaluation.

Part VI: Duration of the Performance Contract

The Performance Contract will run for one financial year from 1st July 2025 - 30th June 2026.

Part VII: Signatories to the Performance Contract

For and on behalf of Insurance Regulatory Authority

Signature..... Date 18/09/2025

MR. MOSES NJENGA CHEGE

CHAIRPERSON - BOARD OF DIRECTORS

Signature..... Date 18/09/2025

MR AMBROSE NGARI

INDEPENDENT BOARD MEMBER

For and on behalf of the Government of the Republic of Kenya

Signature..... Date 09/10/2025

HON. FCPA JOHN MBADI NG'ONGO, EGH

CABINET SECRETARY

THE NATIONAL TREASURY

ANNEX I: PERFORMANCE CONTRACT MATRIX FOR INSURANCE REGULATORY AUTHORITY

S/no.	Performance Criteria	Unit of Measure	Weight (%)	Status Previous Year 2024/2025	Target (FY 2025/2026)
A	**Financial Stewardship**				
A1	Absorption of Allocated Funds (GoK)	%	5.00	100.00	100.0000
A2	Appropriation -In-Aid	Kshs.	2.00	2855589865.00	3156716727.0000
A4	Pending Bills Ratio	%	3.00	1.00	1.0000
	Weight Sub-total		**10.00**		
B	**Service Delivery**				
B1	Implementation of Citizens' Service Delivery Charter	%	4.00	100.00	100.0000
B2	Digitalization of Government Services	%	7.00	100.00	100.0000
B3	Resolution of Public Complaints	%	4.00	100.00	100.0000
	Weight Sub-total		**15.00**		
C	**Core Mandate**				
C54_1	Insurance Innovations Enhanced	No.	4.00	N/A	2.0000
C54_2	Health Insurance Promoted	Report	3.00	N/A	1.0000
C54_3	Insurance for MSME's Promoted	No.	5.00	1.00	1.0000
C54_4	Prudential Supervision Strengthened	Report	3.00	N/A	1.0000
C54_5	Ease of Doing Business	%	2.00	100.00	100.0000
C54_6	Insurance Industry Financial Performance Disclosed	%	4.00	100.00	100.0000
C54_7	Financial Integrity and Surveillance Improved	Report	4.00	N/A	2.0000
C54_8	Sustainability Practices Promoted	Report	5.00	N/A	100.0000
C54_9	Productivity Improvement	Index	3.00	1.85	1.8700
C54_11	Insurance Awareness Created	%	11.00	100.00	100.0000
C54_12	Market Conduct Supervision Improved	Report	3.00	N/A	1.0000

C54_13	Framework for Continuous Proficiency Developed	%	4.00	N/A	100.0000
C54_14	Capacity for the Insurance Industry Built	%	8.00	100.00	100.0000
C54_15	Strategic Plan Reviewed	Report	3.00	N/A	1.0000
C54_16	Legal Framework Strengthened	Report	3.00	N/A	1.0000
	Weight Sub-total		**65.00**		
D	**Implementation of Presidential Directives**				
D1	Implementation of Presidential Directives	%	2.00	100.00	100.0000
	Weight Sub-total		**2.00**		
E	**Affirmative Action in Procurement**				
E1	Access to Government Procurement Opportunities	Kshs.	2.00	40842237.60	107755461.6000
E2	Promotion of Local Content in Procurement	Kshs.	2.00	270493390.40	305546943.4000
	Weight Sub-total		**4.00**		
F	**Cross - Cutting**				
F1	Asset Management	%	1.00	100.00	100.0000
F2	Youth Internships/ Industrial Attachments/ Apprenticeships	No.	1.00	28.00	30.0000
F3	Competence Development	%	1.00	100.00	100.0000
F4	National Values and Principles of Governance	%	1.00	100.00	100.0000
	Weight Sub-total		**4.00**		
	Total Weight		**100.00**		

A. Financial Stewardship

A1 - Absorption of Allocated Funds(GoK)

The Board commits to utilize 100% of the allocated funds on programmes, projects and activities for which they were appropriated and planned for. The approved budget for FY 2025/26 amounts to Kshs. 1,908,070,715 comprising of the following:

	Source of Funds	Unit of Measure	Target	Completion Date
1.	Development budget	Kshs.	344500000.00	6/30/2026
2.	Recurrent budget	Kshs.	1563570715.00	6/30/2026

A2 - Appropriation -In-Aid

The Board commits to raise A-in-A amounting to Kshs. 3,156,716,727.00 from the following sources

	Source of Funds	Unit of Measure	Target	Completion Date
1.	Insurance Premium Levy	Kshs.	3066447727.00	6/30/2026
2.	License Fees	Kshs.	28269000.00	6/30/2026
3.	Interest Income	Kshs.	60000000.00	6/30/2026
4.	Miscellaneous	Kshs.	2000000.00	6/30/2026

A4 - Pending Bills Ratio

The Board did not incur any pending bills in FY 2024/25. In FY 2025/26, the Board commits to settle all its financial obligations and ensure that pending bills incurred, if any, do not exceed 1% of Kshs. 1,908,070,715 translating to Kshs. 19,080,707.15 of the FY 2025/26 approved budget.

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Pending Bills Ceiling as a proportion of approved budget	%	1.00	6/30/2026

B. Service Delivery

B1 - Implementation of Citizens' Service Delivery Charter

The Board commits to implement commitments enshrined in its Citizens' Service Delivery Charter and progressively improve customer experience by undertaking the following:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Citizens' Service Delivery Charter prominently displayed at the key entry / service delivery points in both English and Kiswahili. The size of the Charter will, at a minimum be three feet in width and four feet in height, i.e. (3'x4'), with a visible font size of the contents	%	10.00	9/30/2025
2.	Citizens' Service Delivery Charter customized to unique needs and conveniently accessed by customers by translating to braille and providing mechanisms for sign language, audio recordings and uploaded on the Authority's website	%	20.00	12/31/2025
3.	All Staff sensitized on the Citizens' Service Delivery Charter	%	20.00	9/30/2025

4.	Ensure conformity with commitments and standards in the Citizens' Service Delivery Charter by establishing compliance to the commitments stipulated in the Charter through undertaking quarterly monitoring, analyzing and compiling compliance quarterly reports	%	50.00	6/30/2026

B2 - Digitalization of Government Services

To accelerate the adoption of ICT solutions for ease of access, fast, cost effective, convenient and efficient delivery, the Board commits to undertake the following:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Core Services Identified and Prioritized for BPR	%	10.00	9/30/2025
2.	At least two (2) core services re-engineered end-to-end	%	35.00	3/31/2026
3.	Re-engineered service processes digitalized	%	35.00	6/30/2026
4.	All digitalized customer facing services onboarded onto the E-citizen platform, where applicable	%	20.00	6/30/2026

B3 - Resolution of Public Complaints

The Board commits to promptly address and resolve public complaints referred to the Authority directly or channeled through the Commission on Administrative Justice and undertake the following:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Resolution of all complaints received	%	70.00	6/30/2026
2.	Requests on access to information received processed	%	30.00	6/30/2026

C. Core Mandate

C54_1 - Insurance Innovations Enhanced

During the FY 2024/25, the Board supported the Government Pillar on Digital superhighway and Creative Economy by undertaking the insurance industry innovation survey. In the FY 2025/26, the Board commits to enhance innovation in insurance industry and commits as follows:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Policy advisory developed	No.	1.00	6/30/2026
2.	Insurance-focused engagement on innovation undertaken	No.	1.00	6/30/2026

C54_2 - Health Insurance Promoted

The Board commits to enhance the role of private health Insurance providers in supporting the Government Pillar on improved healthcare for all Kenyans by monitoring performance of medical insurance products approved from 1st January 2024 to 31st December 2025 as follows:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Performance of Medical Insurance Products monitored	Report	1.00	4/30/2026

C54_3 - Insurance for MSME's Promoted

The Board commits to support the Government Pillar on Micro, Small and Medium sized Enterprises (MSMEs) Economy by ensuring impactful public education as follows:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	One insurance training for MSMEs undertaken	Report	1.00	6/30/2026

C54_11 - Insurance Awareness Created

The Board commits to protect insurance consumers and beneficiaries and enhance insurance uptake through public education by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	IEC materials disseminated via five radio stations and three digital platforms	%	30.00	6/30/2026
2.	Two Insurance sensitization forums for youths and farmers undertaken	%	20.00	6/30/2026
3.	One Bima Mashinani held in Trans-Nzoia County	%	20.00	6/30/2026
4.	One Insurance open day held in Meru County	%	20.00	6/30/2025
5.	Four media briefs released	%	10.00	6/30/2026

C54_12 - Market Conduct Supervision Improved

The Board commits to improve market conduct supervision in the insurance industry by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Risk profiling of insurance companies conducted	Report	1.00	6/30/2026

C54_13 - Framework for Continuous Proficiency Developed

The Board commits to enhance the knowledge and regulatory compliance of insurance intermediaries as follows:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Framework for Continual Education (insurance agents) developed	%	100.00	6/30/2026

C54_14 - Capacity for the Insurance Industry Built

The Board commits to enhance adoption of emerging trends in the insurance industry by conducting capacity building as follows:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Two engagements for insurance industry players undertaken	%	80.00	3/31/2026
2.	Seven Master of Science in Actuarial Management scholarships awarded to eligible applicants	%	20.00	9/30/2025

C54_15 - Strategic Plan Reviewed

The Board commits to re-align the 2023-2027 Strategic Plan to changing national development priorities and various policy directives by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Strategic Plan reviewed and approved	Report	1.00	12/31/2025

C54_16 - Legal Framework Strengthened

The Board commits to ensure a robust and responsive legal framework for regulating the insurance industry is developed by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Gap assessment on the legal framework to inform review of the Insurance Act undertaken	Report	1.00	12/31/2025

C54_4 - Prudential Supervision Strengthened

The Board commits to continuously strengthen Prudential Supervision in the insurance industry by monitoring the financial health and stability indicators as follows:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Financial health and stability indicators monitored	Report	1.00	6/30/2026

C54_5 - Ease of Doing Business

The Board commits to create a conducive environment for starting, operating, and sustaining insurance business to enhance ease of doing business by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Information on requirements for licensing of insurers published on the Authority's website	%	50.00	6/30/2026
2.	Eligible new Insurance Service Providers licensed within 15 days	%	50.00	6/30/2026

C54_6 - Insurance Industry Financial Performance Disclosed

The Board commits to disclose insurance industry financial performance by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Quarterly Insurance Industry Financial Reports (April 2025 - March 2026) published on the Authority's website	%	80.00	6/30/2026
2.	The 2024 Annual Insurance Industry Financial Report published on the Authority's website	%	20.00	9/30/2025

C54_7 - Financial Integrity and Surveillance Improved

The Board commits to enhance Supervision of Anti-Money Laundering/Combating the Financing of Terrorism/ Countering Proliferation Financing (AML/CFT/CPF) by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Money Laundering/Terrorist Financing (ML/FT) risk profiling for insurance companies conducted	Report	1.00	6/30/2026
2.	AML/CFT/CPF enforcement manual developed	Report	1.00	6/30/2026

C54_8 - Sustainability Practices Promoted

The Board commits to promote sustainability practices in the insurance industry by undertaking the following:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Sustainability reporting standard tool developed	%	80.00	6/30/2026
2.	Sustainability reporting standard tool disseminated	%	20.00	6/30/2026

C54_9 - Productivity Improvement

The Authority attained a productivity index of 1.85 in the FY 2024/25. In the FY 2025/26 the Board commits to improve the productivity index as follows:

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Productivity Index improved	Index	1.87	6/30/2026

D. Implementation of Presidential Directives

D1 - Implementation of Presidential Directives

The Board commits to implement the Presidential Directives enumerated in Annex IV and any other Directive(s) that may be issued:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Presidential Directives Implemented	%	100.00	6/30/2026

E. Affirmative Action In Procurement

E1 - Access to Government Procurement Opportunities

The total approved procurement budget is Kshs. 763,867,358.50, however, the Authority has a net procurement budget of Kshs. 359,184,872.00 available for the FY 2025/26 after deducting the running contracts amounting to Kshs. 404, 682,486.50 incurred in the FY 2024/25.
During the contract period, the Board commits to allocate and award a minimum of 30% translating to Kshs. 107,755,461.60 of the total procurement budget, amounting to Ksh. 359,184,872.00 to Youth, Women, and Persons with Disabilities and 2% of the 30% amounting to Kshs. 2,155,109.22 to Persons with Disabilities.

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Access to Government Procurement Opportunities	Kshs.	107755461.60	6/30/2026

E2 - Promotion of Local Content In Procurement

The total approved procurement budget including government procurement and running contracts is Kshs. 763,867,358.50. During the contract period, the Board commits to allocate and award a minimum of 40% translating to Kshs.305,546,943.40 towards the consumption of locally produced goods and services. In addition, the Authority will submit quarterly reports on the implementation of this performance indicator to the State Department for Industry.

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Promotion of Local Content in Procurement	Kshs.	305546943.40	6/30/2026

F. Cross - Cutting

F1 - Asset Management

For prudent management of public assets, the Board commits to ensure adequate asset management structures and systems are in place by undertaking the following:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Verified and updated Assets Register maintained	%	30.00	6/30/2026
2.	Assets Ownership documents acquired	%	30.00	6/30/2026
3.	Idle Assets disposed	%	40.00	6/30/2025

F2 - Youth Internships/ Industrial Attachments/ Apprenticeships

The Board commits to engage 30 Youth on internships and industrial attachments for skills transfer, as follows:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Industrial Attachments	No.	18.00	6/30/2026
2.	Internships	No.	12.00	6/30/2026

F3 - Competence Development

The Board undertook the Institutional Skills Gap Analysis in the FY 2024/25. In the FY 2025/26, the Board commits to enhance skills and proficiency to address the career progression of individual employees and improve institutional performance by undertaking the following:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Staff Training Needs Assessment undertaken and annual staff training projections prepared	%	15.00	9/30/2025
2.	Identified skills gaps and training needs addressed	%	35.00	6/30/2026

3.	Employee Performance Management undertaken by: i) Individual employee's annual performance targets for FY 2025/26 set using the prescribed format by 31st July, 2025(10%) ii) Staff Performance Appraisal for all employees undertaken and the appraisal report for the FY 2024/25 compiled by 31st August, 2025(20%) iii) An action plan developed and the recommendations emanating from the staff appraisal reports implemented (20%)	%	50.00	6/30/2026

F4 - National Values and Principles of Governance

The Board commits to make national values and principles of governance a central rallying ingredient and theme in the planning and execution of national policies, programs, projects and activities for improved service delivery. During the contract period, the Board commits to:

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Implement the following four (4) commitments and submit an Annual Progress Report on implementation of the commitments & way forward captured in the 2024/25 Annual President's Report on National Values and Principles of Governance; i) Enhance the capacity of institutions and stakeholders in the promotion of national values and principles of governance ii) Enhance collaboration and partnership between the two (2) levels of Government to strengthen devolution iii) Upscale gender & disability mainstreaming in service delivery iv) Implement measures to enhance nationhood and national identity	%	40.00	6/30/2026
2.	Measures taken and progress achieved in the realization of National Values and Principles of Governance reported	%	60.00	7/15/2026

ANNEX III: PROJECT IMPLEMENTATION MATRIX

SNo	Project Name	Project Description	Location	Total Estimate Cost	Current Status (status of physical completion)	Allocation for FY 2025/2026	Expected Deliverables (Outputs) for FY 2025/2026
1.	NA	NA	NA	0.00	NA	0.00	0

ANNEX IV: PRESIDENTIAL DIRECTIVES MATRIX

SNo	Directive	Description	Date Issued	Timeline	Total Estimated cost	Allocation for FY 2025/2026	Key Deliverables for FY 2025/2026
1.	National Tree Growing Restoration campaign	National Tree Growing Restoration Campaign to grow 15 billion trees for restoration of 10.6 million hectares by 2032. This initiative is expected to increase the forest and tree cover from 12% to 30% by 2032.	12/21/2022	30-06-2026	2000000.00	2000000.00	i) Minimum allocated trees grown- 20,000 trees (70%); and ii) Key stakeholders mobilized to grow trees, in liaison with the State Department for Forestry (30%)
2.	Corruption Prevention	The Directive is in line with the provisions of section 9 (1) of the Anti-Bribery Act, CAP 79B and Anti-Bribery regulations and guidelines 2022 for the purpose of prevention of bribery and corruption in the public and private entities	6/30/2025	30-06-2026	0.00	0.00	i). Anti-Bribery and Corruption Mitigation Plan and Procedures developed (40%), ii). Corruption Mitigation Plan and Procedures implemented (40%), and iii). Capacity building on corruption prevention undertaken (20%)