

THE
ASSOCIATION OF KENYA INSURERS
CONSTITUTION

ASSOCIATION OF KENYA INSURERS

CONSTITUTION

AND

RULES AND REGULATIONS

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INTERPRETATION

Throughout this Constitution, in the Rules and Regulations, and in any other documents derived from the Constitution, unless the context otherwise requires: -

- **"The Association"** means the Association of Kenya Insurers, registered under the Societies Rules 1968 (Rule 5) and under Certificate of Exemption for Registration No. 2166 of 5th January 1988.
- **"The Constitution"** means the constitution of the Association adopted on **21st January 1998**, during a Special General meeting held at SerenaHotel and as modified or re-enacted from time to time thereafter;
- **The Board** means the Board of management of the Association from time to time pursuant to and in accordance with Article 10;
- **"Member"** means a member of the Association from time to time pursuant to and in accordance with Article 4;
- **"The Councils"** means the Life Insurance Council and the General Insurance Council;
- **"Forums"** means the Life Insurance Forum and the General Insurance Forum;
- **"The Executive Director"** means the Chief Executive of the Association for the time being or any other person from time to time appointed to perform the duties of Chief Executive;
- **"Group Chief Executive Officer"** means the highest ranking corporate officer, director, administrator, executive, executive officer or officer holding a similar position who presides over the overall management of a Holding Company of which a Member is a subsidiary";
- **"Holding Company"** means a company incorporated in Kenya whose main subsidiary is an insurance company which is a member and whose other subsidiary companies are in insurance related business;
- **"Clear days"** in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
- **"Long term business"** and **"general business"** have the meanings ascribed to them in the relevant section of the Insurance Act, 1984;

- **"Insurance Act"** means Insurance Act, 1984 (Chapter 487 of the laws of Kenya), as modified or re-enacted from time to time;
- **"Secretariat"** means the administrative headquarters of the Association;
- Reference to **"an Article"** is to an Article of the Constitution;
- Reference to masculine gender also denotes feminine gender and vice versa;
- **"General Meeting"** means an Annual General Meeting or Extraordinary General Meeting of the Association.
- **"Trustee"** means the person appointed by the Board to oversee, manage and administer property, land or buildings on behalf of the Association for its benefit and that of its members in pursuance of the objects of the Association.

THE ASSOCIATION OF KENYA INSURERS CONSTITUTION

1. NAME

The Association shall be known as "The Association of Kenya Insurers"

2. LEGAL NATURE OF THE ASSOCIATION

- a.** The Association shall be an association established for the objects and with the powers hereinafter set out. It shall be entitled to perform any legal act and of suing and being sued in any court of law in its own name, and may be represented in any contract, act or proceeding (including any legal proceeding) by the Board or by any person or persons duly authorised by the Board.
- b.** Any legal process may be served upon the Association by delivery thereof at the Secretariat to the Executive Director or to any officer duly authorised by the Board from time to time to accept service.
- c.** The liability of the members of the Association for the indebtedness of the Association shall be limited to the amount of any unpaid subscriptions or other debts due by them to the Association.

3. OBJECTS OF THE ASSOCIATION

The objects for which the Association was established are to bring together insurers transacting insurance business in Kenya for the purpose of: -

- a.** Protecting, promoting and advancing the common interests of members including the taking of such concerted measures as may be deemed expedient whenever the business of the members of the Association may be affected by the action or proposed action of any authority, organization, body or person; and to acting as a medium of consultation and communication with the Government;
- b.** Promoting agreement and co-operation among its members on matters of mutual interest and providing machinery for the examination and reconciliation of any differences;
- c.** Doing all such things as may be necessary, proper or advisable for the general advancement of insurance business or which may be necessary for or incidental or conducive to the attainment of any of the objects of the Association;
- d.** Promoting knowledge and a clearer understanding of insurance among all sections of the community;
- e.** Gathering and collating data, information and market-wide statistics from members of the Association, for the purpose of determining market trends and satisfying any other requirements set by the Board from time to time;

- f.** Consulting or co-operating with other associations or similar bodies within and outside Kenya in regard to matters of mutual interest and if deemed necessary obtaining affiliation with such associations;
- g.** Managing the assets and funds realized from contributions by Members and out of investments for the benefit of the Members.

4. MEMBERSHIP

- a.** Membership shall be open to any insurance company or reinsurance company registered and licensed under the Insurance Act to transact business in Kenya, which is admitted by the Board after making an application in writing in such form and giving such particulars as are required and such membership shall be ratified by a simple majority of the Members of the Association in a General Meeting. Members shall submit to the Secretariat copies of the annual licenses issued by the regulatory authority not later than thirty (30) days from the date of issue.

- b.** Membership shall terminate forthwith:-

- (i)** Upon a Member ceasing to be authorised by the appropriate regulatory authority to transact insurance business in Kenya;

- Or
 - (ii)** upon a Resolution being passed by the Board, and duly ratified by at least two-thirds of the Members present

and voting in a General Meeting, to revoke the membership of any Member;

Or **(iii)** upon a Member resigning from the Association by giving three (3) months' notice in writing to the Secretariat.

c. A member whose membership terminates for any reason whatsoever shall not be entitled to any refund of subscription paid and on termination, shall cease to have an interest in the funds or property of the Association.

d. A decision of the Board to suspend or expel a Member under paragraph b (ii) above may be reversed by the Association in General Meeting, upon representation by the member in writing, after approval by a simple majority of the Members present.

5. ASSOCIATE MEMBERSHIP

Notwithstanding Article 4, associate membership may be accorded upon such terms, conditions and stipulations as the Board may from time to time require, to companies, persons or bodies of persons not authorised by the supervisory authority to transact insurance business in Kenya. Such membership shall confer no voting or privileges reserved to membership.

6. SUBSCRIPTIONS

- a.** Every Member shall be required to pay annual subscription fees to meet the expenses (including estimated future expenses) of the Association or to meet any deficit in any financial year as shown in the audited accounts submitted to the General Meeting.
- b.** Notwithstanding the provisions of paragraph (a) above there will be a non-refundable entrance fee, which shall be determined by the Board from time to time.
- c.** Each Member shall subscribe to the funds of the Association such sum or sums as may from time to time be determined by the Board and approved by at least two-thirds of Members in General Meeting.
- d.** The Board shall give notice to every Member of the total amount of any subscriptions and of the amount payable by the Member and every Member shall pay such levy within thirty (30) days of the giving of such notice.
- e.** A member whose subscription or any payment duly notified by the Board is in arrears for thirty (30) days and who fails to pay the same after being called upon in writing to do so, at the discretion of the Board may be penalized or suspended from membership of the Association until such time as all subscriptions or contributions in arrears shall have been paid.

7. FUNDS

- a. The funds of the Association shall consist of such monies as may from time to time be subscribed by Members and shall include any interest accruing thereto and any investments. Such funds shall be invested in such manner, as the Board shall determine. The funds shall be utilised, as the Board thinks fit, or as directed by the Association in a General Meeting.
- b. The Board shall not borrow from, or lend any funds to, any parties except with the prior approval of the Association by a Resolution at a General Meeting.

8. LAND, BUILDINGS AND IMMOVABLE PROPERTY

- a. The Board shall cause the title to all land held by or in trust for the Association to be vested either in a Corporation entitled to act as custodian trustee or in not less than three(3) individuals appointed by the Board as trustees or in trustees incorporated under the Trustees (Perpetual Succession) Act appointed by the Board. Any Trustee appointed shall be effected by Resolution of the Board provided that the appointee shall execute a Deed of Declaration of Trust and /or such other deed or deeds as the Board shall require in order to implement the appointee's appointment as Trustee of the land.
- b. The Board may without assigning any reason by written direction remove any person from office as a Trustee of the land and the person so removed, unless that person shall be a corporation, shall forthwith cease to be a Trustee and such written direction shall be posted or delivered to him at his last known address or to him personally which posting or delivery shall constitute

service of such direction upon such person effective three (3) days after the date of posting or upon the date of delivery as the case may be. A corporation being a trustee may be removed in accordance with the terms as to its appointment and or removal which as at or prior to its appointment may have been agreed in writing between such corporation and the Board or in default of such agreement in accordance with the corporation's published terms and conditions as to acceptance of trusts current at the date of its appointment.

- c. An outgoing Trustee (whether he shall have retired voluntarily or be removed by the Board) shall forthwith execute and do all such transfers or other acts or things that may be necessary for vesting the land in the names of the new or continuing Trustees provided that in the case of a Trustee who shall have died or ceased to exist, then such obligations shall be fulfilled by such trustees personal representatives, liquidator or other representatives at law.
- d. Any corporation appointed to be a custodian trustee shall be engaged upon such terms as to appointment and removal as at or prior to its appointment as may be agreed in writing between such corporation and the Board or in default of such agreement in accordance with the corporations published terms and conditions as to acceptance of trusts current at the date of its appointment.
- e. Provided that he shall act in accordance with the lawful directions of the Board and in good faith, no Trustee shall be liable for any loss to the Association arising in consequence of the depreciation or loss of the land or by reason of any mistake or omission or of any other matter or thing except in the case of willful and

individual fraud and wrongdoing or personal conscious bad faith on the part of the Trustee who is sought to be made liable.

- f. Subject as aforesaid and provided that he shall have acted in good faith, the Association shall indemnify each Trustee and his personal representatives and estate and at all times shall keep the same indemnified from and against all actions, proceedings, losses, claims, demands, expenses, costs and damages whatsoever which may be incurred or suffered by him or to which he may be or become liable by reason of his appointment as Trustee of the land or by reason of anything lawfully done by him in such capacity. This indemnity shall apply and shall continue to apply notwithstanding the termination or discharge of his appointment as trustee.
- g. The Trustees may retain and reimburse themselves out of the Trust fund or income thereof for all proper and reasonable costs, charges and expenses incidental to the administration of the trust hereof or in relation thereto but shall not otherwise be permitted to charge for their services.
- h. The power of removing Trustees and appointing new and additional Trustees shall be exercisable by the Board.

9. MEMBERSHIP OBLIGATIONS

- a. Members shall adhere to the obligations set out in paragraph (b) below and failure to do so shall entitle the Board to suspend or expel a Member in accordance with the provisions of the Constitution.
- b. The obligations referred to in paragraph (a) above are as follows:-

- (i) Members shall comply with the Constitution;
- (ii) Members shall not follow a course of conduct likely to bring the insurance industry or the Association into disrepute; and
- (iii) Members shall abide by such rules and regulations and codes of practice as approved, or any Resolutions passed by the Association or any other directives by the Board or any other organ of the Association.

C.

- (i) Members shall notify the Secretariat of any official changes in business names within thirty (30) days. Upon notification of such change of name the Secretariat shall accordingly amend the Member's name in the roll of Members.
- (ii) Where a member or members undergo a merger or demerger which results in the formation of a new company or companies, the new company or companies shall be required to notify the Secretariat of such changes in writing. The new company or companies shall further be required to file a formal application for membership of the Association and pay all the required fees.

The member registered under the new name shall thereafter be bound by the provisions of the Constitution and honour all obligations and liabilities undertaken or incurred under the previous name.

- (iii) The above provisions shall not apply to a Member who acquires and merges with another Member or other Members but retains its original business name or adopts as its new business name the name of the Member, or one of the other Members, so acquired.
- d.** Members shall undertake that all meetings and proceedings of the Association and all publications and circulars of the Association or its Councils and committees shall be private, confidential and privileged.

10. THE BOARD OF THE ASSOCIATION

- a** The business of the Association shall be managed by a Board who may exercise all such powers of the Association and do on behalf of the Association all such acts as may be exercised and done by the Association and are not required to be exercised or done by the Association in a General Meeting, subject nevertheless to the provisions of the Constitution and to such regulations (not being inconsistent with the provisions of the Constitution) as may be prescribed by the Association in a General Meeting; but no regulations made by the Association in a General Meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made.
- b** The Board, elected in accordance with the relevant provisions of the Constitution shall consist of 10 (ten) members. The members of the Board shall be: -

- (i) A chairman who shall also be the Chairman of the Association;
 - (ii) Five members who shall also serve on the General Insurance Council and one of whom upon election in accordance with Article 11 (b) assumes the position of Deputy Chairman of the Association;
 - (iii) Four members who shall also serve on the Life Insurance Council and one of whom upon election in accordance with Article 11 (c) assumes the position of Deputy Chairman of the Association;
- c** The Chairman of the Association and the other members of the Board shall be elected in accordance with Article 15(d).
- d** The Chairman of the Association shall hold office for one term of two years but shall not be eligible for re-election as Chairman until a period of two years after the expiry of that term. However, he may be elected as a member of the Board immediately after his first term as Chairman for a maximum of one term of two years, and may seek re-election thereafter in accordance with paragraph (g) and (h) below. Such outgoing Chairman shall immediately after his term as Chairman remain an ex-officio member of the Board, without voting rights, for a maximum period of two years.
- e** A Chairman shall retain office until the Association confirms the appointment of a successor pursuant to Article 15(d), or resigns, or vacates office under any other circumstances.

- f** If the position of Chairman falls vacant the Board shall appoint, by a ballot, either of the two deputy chairmen to act as Chairman until fresh elections are held at the next Annual General Meeting.
- g** Members of the Board shall serve for a term not exceeding two years, but they may be re-elected in accordance with these Articles to serve for a further term not exceeding two years.
- h** Any person who serves a continuous period of four years on the Board shall not be eligible for re-election until a period of two years after the expiration of that term.
- i** The Board may act notwithstanding any vacancy in their number and may meet together for the dispatch of business, adjourn and otherwise regulate their proceedings as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined by the Board, five members shall be a quorum.
- j** Any member of the Board or any co-opted member of a committee set up by the Board, who is an employee of a Member whose membership has terminated shall be deemed to have resigned as a member of the Board or of the Committee.

- k** Any member of the Board who resigns from or leaves the services of a Member, or ceases to be the Chief Executive Officer thereof, and who does not forthwith or soon thereafter take up the position of Chief Executive Officer of another Member, shall be deemed to have resigned from the Board and the Council, any committee, sub-committee, task force or any other organ of the Association to which he may have been elected or appointed.
- l** Matters arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
- m** All bona fide acts done at any meeting of the Board or of any committee thereof shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any member or that any of them had vacated office or were not entitled to vote, be as valid as if every member had been duly appointed, had continued to be a member and had been entitled to vote.

11. POWERS OF THE BOARD

- a.** The Board will be the executive organ of the Association and will be responsible for the general conduct of business and affairs of the Association and will exercise all such powers of the Association as are required by law or by this Constitution or by the Rules and Regulations subject however to the

discretion of the Association expressed by a Resolution in a General Meeting.

- b.** The chairman of the General Insurance Council, who will also be a Deputy Chairman of the Association, shall be elected by the Board from among the members of the Board elected in accordance with Article 15 (b) and (d) (ii).
- c.** The chairman of the Life Insurance Council, who will also be a Deputy Chairman of the Association, shall be elected by the Board from among the members of the Board elected in accordance with Article 15 (b) and (d) (ii).
- d.** The Board shall appoint, from among the Chief Executive Officers or Senior Officers of Members of the respective Forums, four persons to serve as members of the General Insurance Council and four persons to serve as members of the Life Insurance Council. The members so appointed by the Board as members of the Councils shall, within the Councils, have same powers and rights and be subject to the same obligations under the Constitution as the other members of the councils elected in accordance with Article 15 (b) and (d). Nominations to fill any vacancies of appointed members may, at the discretion of the Board, be obtained from the Forums, provided such vacancies shall be filled within (30) days from the date of the last Annual General Meeting.
- e.** The Board shall have power to co-opt members to fill any vacancies up to its permitted maximum of 10 (ten), provided

that such co-opted members would otherwise qualify for election as members of the Board in accordance with the provisions of the Constitution, and also qualify to serve on the Council on which a vacancy has arisen. Co-opted members of the Board shall be entitled to attend and vote at meetings of the Board and generally to perform all the functions of a member of the Board. A co-opted member of the Board shall hold office only until the next Annual General Meeting.

- f.** The Board may by a Resolution appoint and delegate its powers or any of its powers to either or both of the Councils, or to committees which may consist of members of the Board and/or other persons representing Members, and may define the duties and procedures of such committees.
- g.** For the purpose of conducting the business and carrying out the objects of the Association, the Board shall have the power to rent offices, to appoint and remove officials, and to obtain professional assistance on such terms and at such remuneration as may from time to time seem expedient to the Board.
- h.** In furtherance of the Objects of the Association contained in clause 3 hereof (the objects) but not otherwise the Board may exercise the following powers:
 - (i) Power to buy, take on lease or in exchange any property expedient or necessary for the achievement of the objects and to maintain and equip it for use;

- (ii) Power subject to any consents required by law to sell, lease or dispose of all or any part of the property of the Association;
- (iii) Power subject to any consents required by law and to the provisions of clause 7(b) hereof to borrow money and to charge all or any part of the property of the Association with the repayment of the money so borrowed;
- (iv) Power to ratify such acts and deeds of the Association or as shall have been carried out on its behalf in good faith provided that such acts or deeds shall substantively be compliant with this Constitution.
- (v) Power to do all such other lawful things as are expedient or necessary for the achievement of the Objects.

12. LIFE INSURANCE FORUM AND GENERAL INSURANCE FORUM

- a.** Members shall, if they transact long-term business, also be members of the Life Insurance Forum and/or, if they transact general business, members of the General Insurance Forum. The Forums shall in all respects be subordinate to the Association and to the Board.
- b.** Members shall join or leave the relevant Forum on their commencing or ceasing to write an appropriate class of business.

- c.** The affairs of the Forums shall be directed and coordinated by their respective Councils. The Forums shall be consultative bodies, which shall at all times act in an advisory capacity to the respective Councils. They will not have power to pass Resolutions, which are binding, on the Association, the Board or the Councils, but the Forums may through the Councils submit proposals or recommendations for consideration by the Board on any aspects of rules and regulations, code of practice or activities of the Association.
- d.** The Forums shall be free to convene, through the Councils, meetings of their members to deliberate on matters of common interest. At least one meeting for each Members Forum shall be convened by the Councils and held in each calendar year, and the Councils shall determine the agenda for such meetings.

13. LIFE INSURANCE COUNCIL AND GENERAL INSURANCE COUNCIL

- a.** The Life Insurance Council shall comprise the following:

 - (i)** A chairman elected by the Board in accordance with Article 11 (c).
 - (ii)** The three remaining members of the Board elected to serve on the Life Insurance Council in accordance with Article 15 (b) and (d) (ii).
 - (iii)** Four additional members appointed by the Board in accordance with Article 11(d).

- b.** The General Insurance Council shall comprise the following:-
- (i)** a chairman elected by the Board from among the members of the Board elected in accordance with Article 11 (b).
 - (ii)** The four remaining members of the Board elected to serve on the General Insurance Council in accordance with Article 15 (b) and (d) (ii).
 - (iii)** Four additional members appointed by the Board in accordance with Article 11(d).
- c.** The Councils shall always act in the name of and under the auspices of the Board and shall always discharge the duties conferred upon them by the Constitution, or such other duties as may be delegated by the Board, under the direction and control of the Board.
- d.** The Councils shall have power to appoint and delegate powers to committees, which may draw membership from outside the Board and outside the Councils.
- e.** The terms of office and eligibility for re-election of all the members of the Councils shall be the same as for the members of the Board. The Councils shall have power to fill any vacancies on the same basis as set out for the Board in the Constitution for approval or ratification by the Board.

- f.** The Councils shall, directly or through committees appointed in accordance with paragraph (d) above, address, deliberate on and deal with matters of common interest for the respective Forums, and in accordance with the powers delegated to the Councils by the Board.
- g.** The Councils shall direct and organise such activities and meetings of their respective Forums as referred to in Article 12.
- h.** Any member of the Council or of a committee or sub-committee of the Council who is an employee of a Member whose membership has terminated shall be deemed to have resigned as a member of the Council, committee or sub-committee.

14. MINUTES

Minutes of General Meetings, of the Board and of the Councils and committees shall be kept in such a manner, as the Board shall direct.

15. GENERAL MEETINGS

- a.** A General Meeting of the Association shall be held in each calendar year at such time and place as may be fixed by the Board, but not later than 31st of March. This shall be known as the Annual General Meeting. Twenty-one clear days' notice of the Annual General Meeting shall be given to each Member.

- b.** All members of the Board, as provided in Article 10(b), shall be elected at the Annual General Meeting in accordance with paragraph (d) below.
- c.** Not less than fourteen days prior to sending out the notice convening the Annual General Meeting, the Secretariat shall send an advice to all Members stating the date upon which the notice convening the Annual General Meeting is to be sent to the Members, the number of vacancies on the Board and inviting the Members to nominate a person or persons for elections to the Board.
- d.** The nomination shall indicate the vacant positions to be filled as follows:-
 - (i)** Election for the Chairman of the Association, if vacant, and;
 - (ii)** For any other vacant position of a member of the Board, as provided in Article 10 (b) (ii) and (iii).
- e.** The Secretariat shall also state in the advice referred to in paragraph (c) above that any such nomination shall be returned so as to be received not later than seven days prior to the date set for the sending out of the notice convening the Annual General Meeting.
- f.** Where the Secretariat receives any nomination, which has been signed by a proposer and seconder among Members,

then the person or persons so nominated shall be proposed for election at the next Annual General Meeting and the proposed Resolution or Resolutions in respect thereof shall be included in the notice convening such meeting. It shall not be necessary for the Secretariat to send out the advice contemplated in this paragraph where there are no vacancies on the Board on a date falling seven days prior to the date on which such letter is due to be sent.

- g.** Only persons who are Chief Executive Officers of Members, or, as the case may be, Group Chief Executive Officers of Holding Companies, as defined in this Constitution, who have previously served as Chief Executive Officers of insurance Companies that are Members, shall qualify for nomination as members of the Board.
- h.** Extraordinary General Meetings may also be held at such other times as the Board may determine. If a requisition for an Extraordinary General Meeting is made, the Secretariat shall call such meeting, and the notice thereof shall be issued within seven days from the date when such requisition was received by the Secretariat.
- i.** Every such requisition as provided in paragraph (h) above shall be signed by at least twenty per cent of the registered number of the Members, and the object of the meeting so requisitioned shall be stated therein.

- j.** Subject to paragraph (k) below, not less than seven clear days' notice of each Extraordinary General Meeting shall be given, provided that in the case of an Extraordinary General Meeting at which any alterations in or additions to the Constitution are to be proposed not less than twenty one clear days notice shall be given.
- k.** The Board shall have power to summon an Extraordinary General Meeting at shorter notice for the purpose of considering and dealing with any matter, which in the opinion of the Board is a matter of urgency.
- l.** At all General Meetings, two-thirds in number of the Members shall constitute a quorum.
- m.** So far as possible and expedient, notice of the business of the General Meeting whether the Annual General Meeting or an Extraordinary General Meeting, shall be given by circular letter to every Member or in the notice convening the meeting.
- n.** With the permission of the chairman presiding at any General Meeting discussion may take place at such meeting without previous notice upon any subject of interest to the Association, but no action shall be taken upon any Resolution passed thereon without the concurrence of a further meeting.
- o.** The accidental omission to give any notice to or the non-receipt of notice of a meeting by any Member shall not invalidate the proceedings of the meeting.

16. REPRESENTATION OF MEMBERS AT GENERAL MEETINGS

Members shall be represented at General Meetings of the Association by the Chief Executive Officer of the company or by such other officer of the company as may be nominated in writing for this purpose by the Member, and the vote or votes of such officer on behalf of the company shall be accepted as valid.

17.VOTES AT GENERAL MEETINGS

Each Member shall be entitled at a General Meeting to one vote either by a show of hands or by secret ballot.

18.PROCEEDINGS AT GENERAL MEETINGS

- a.** The business that shall come before an Annual General Meeting shall be:-
 - (i)** Confirmation of the Minutes of the last Annual General Meeting and of any General Meeting;
 - (ii)** The Chairman's report;
 - (iii)** Discussion and adoption of the accounts for the year;
 - (iv)** Elections of members of the Board;
 - (v)** Appointment of Auditors;
 - (vi)** Any matter of which not less than seven days previous notice shall have been given to the Secretariat.
- b.** No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business.
- c.** If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if

convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum.

- d.** The Chairman of the Association shall preside as chairman at every General Meeting of the Association or, if there is no such Chairman or if he is not present within fifteen minutes after the time appointed for the holding of the meeting, or is unable to act, any Deputy Chairman of the Association may act, or if none of these options are practicable, then the members of the Board present shall elect one of their number to be chairman of the meeting.
- e.** The chairman may, with the consent of any General Meeting at which a quorum is present, and shall if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting may determine. Whenever a meeting is adjourned for two days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting as nearly as possible.
- f.** Save as aforesaid, under paragraph (e) above, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- g.** Except as provided by the Constitution no business shall be transacted at any adjourned meeting, as provided in paragraph

(e) above, other than the business which might properly have been transacted at the meeting from which the adjournment took place.

- h.** At all General Meetings a Resolution put to the vote of the meeting shall be decided by a show of hands unless, before or upon the declaration of the result of the show of hands, a vote by secret ballot is demanded by the chairman or by at least two Members, and unless a vote in such a manner is so demanded a declaration by the chairman of the meeting that a Resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against the Resolution.
- i.** A poll demanded in the manner aforesaid on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. If a poll is demanded in the manner aforesaid on any other question it shall be taken at such time and place and in such manner as the chairman may direct; and the result of the poll shall be deemed to be a Resolution of the meeting at which the poll was demanded.
- j.** The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which poll has been demanded.
- k.** In the case of an equality of votes, whether by a show of hands or by secret ballot, the chairman of the meeting at which the

show of hands takes place or at which the vote by secret ballot is demanded shall be entitled to a second or casting vote.

- I. If the General Meeting cannot proceed as a result of the intervention of a legal process:
 - (i) The outgoing Chairman shall act as the Interim Chairman for a period of thirty (30) days within which time elections shall be held; and
 - (ii) In the event that the elections cannot be held within such a period of thirty (30) days, a Board Meeting shall be convened within seven (7) days from the date of such General meeting for the purpose of electing an Interim Chairman, pending the holding of elections, for a period not exceeding sixty (60) days in the aggregate from the date of such General Meeting, on either of the following basis:
 - (a) Mandating the current Chairman or either of the two Deputy Chairman: or
 - (b) The Board nominating any one of its other members;
to act as the Interim Chairman.
 - (iii) Members of the Board whose term shall be due to expire shall continue to hold office in an acting capacity until elections are held in accordance with Section (i) or (ii) above.

19.INDEMNITY

The Board and every other officer or servant of the Association shall be entitled to be indemnified by the Association out of the funds of the Association against all costs (including legal costs and

disbursements), losses and expenses (including traveling expenses) which the Board or any such officer or servant may incur or become liable for by reason of any contract entered into or act or deed done or omitted to be done by the Board or such officer or servant in the discharge of their or his duties provided that losses for which an individual is sought to be made liable by reason of his fraud or dishonesty shall be excepted from the foregoing indemnity.

20. ACCOUNTS AND AUDIT

The Board shall cause proper accounting records to be kept at the Secretariat. At the Annual General Meeting there shall be submitted accounts for the previous calendar year, duly audited by auditors appointed at the corresponding meeting in the preceding year or, in the event of a casual vacancy meanwhile, appointed at a General Meeting of the Association.

21. DISSOLUTION

- a.** The Association may at any time after the date hereof be dissolved by a Resolution of the Association in a General Meeting passed by a majority of not less than three fourths of the Members present and voting at such a General Meeting. Such dissolution shall take effect from the date on which the said Resolution is passed or such later date (if any) as the said Resolution may provide.
- b.** Following the passing of a Resolution pursuant to paragraph (a) above and notwithstanding the dissolution of the Association the Board shall be entitled to exercise all such powers and to do all such acts as shall be necessary solely for

the proper and orderly winding-up of the business of the Association, including, without limitation, the power to require contributions from Members.

- c.** If there shall remain a surplus of the assets of the Association after the discharge of all liabilities the said surplus shall be distributed to the members in proportion to the amounts of the contributions paid by them respectively in the last preceding calendar year and otherwise at such time and in such a manner as may be determined by the Board.

22.ALTERATIONS

The Association in a General Meeting shall have power to make such alterations in or additions to the Constitution as may from time to time appear expedient, provided that at least 21 clear days' notice of the proposed alterations or additions is given to the Members and any other Resolutions for such alterations are passed by a majority of not less than three-fourths of the Members present and voting at such General Meeting.

23.BINDING EFFECT OF CONSTITUTION

Acceptance of membership shall constitute an agreement between the Member and the Association to be bound by and to comply with the Constitution (as altered, revoked or added to from time to time); such agreement to have effect from the date of admission and to terminate upon such Member resigning or being deprived of

membership or upon the termination of membership of such Member (but without prejudice to the provisions of Articles 2 and 4 (b)(iii), 7 and to any rights or claims which may have arisen or arise in respect of acts or omissions prior to such date).

24.NOTICES

A notice may be served on a Member by sending it through the post in a prepaid letter to the address of the Member as appearing in the records of the Association; and any notice to the Association may be served by sending it through the post in a prepaid letter addressed to the Secretariat. A notice shall be deemed to be given at the expiration of 48 hours after the prepaid envelope containing it was posted.

25.CONSTRUCTION

If any question arises as to the construction or interpretation of the Constitution or as to any matter arising thereof such question may be determined by the Board, and any such determination, whether express or implied from the proceedings of the Board, shall be conclusive and binding for all purposes, except as provided in Article 24.

26.ARBITRATION

If differences arise between the Association and any Member or Members as to the interpretation of any Article or provision of this Constitution, or, any other matter affecting members, the Board will

use its endeavour through its internal machinery to resolve the dispute.

In the event that an amicable solution cannot be found such differences shall independently of all other questions be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to two independent parties as arbitrators of whom one shall be appointed in writing by each of the parties within two calendar months after having been required to do so in writing by the other party. If the arbitrators do not agree they shall jointly appoint an umpire in writing. The umpire shall sit with the arbitrators and preside at their meetings and the conveyance of a ruling shall be a condition precedent to any right of action against the Association.

27.DATE OF COMMENCEMENT AND TRANSITIONAL PROVISIONS

- a.** The Constitution shall become effective after it is adopted by a Resolution of the Association at a General Meeting. Upon the coming into operation of this Constitution, the former constitution shall cease to have effect.
- b.** Notwithstanding the provisions of paragraph (a) above the Executive Committee of the Association as constituted under the legal provisions of the Association preceding adoption of the Constitution may remain in office for a period not exceeding six months from the date of the General Meeting at which the Constitution is adopted, provided that the elections for the Board and the Councils are not held at the same General

Meeting. The Executive Committee shall during that period discharge all the functions and duties of the Board except that Article 10 shall be inoperative.

- c.** Pursuant to paragraph (b) above and during the period provided in the same paragraph, the Association shall at an Extraordinary General Meeting hold elections for the Board as provided for in the Constitution. Provided that for the purpose of these transitional arrangements a maximum of a third of the members of the Executive Committee whose terms under the previous constitution of the Association shall not have expired shall join the Board, on the basis of a ballot at the General Meeting, and shall serve for a maximum of one term under the Constitution. Thereafter such members may be eligible for re-election in accordance with Article 10 (g).

Insurers on the roll of Members of the Association on the date of the General Meeting at which the Constitution is adopted shall be entitled to membership of the Association in accordance with Article 4, without any formalities. Provided that any Member who as at that date wishes to opt out will file a notice of withdrawal from the Association within, and which shall be effective after, thirty days from the date of adoption. Otherwise from the date the Constitution is adopted all Members hereby undertake that they shall be bound by all its provisions including any approved by the Association pursuant to Article 9 (b) (ii).

RULES AND REGULATIONS

ASSOCIATION OF KENYA INSURERS

RULES AND REGULATIONS

1. Objectives

The Rules and Regulations are intended to facilitate effective administration of the Association and to clarify mandates and authorities. In the event of any conflict or inconsistency between the provisions of these Rules and Regulations and the Constitution, the Constitution shall prevail in all respects.

2. Delegation of Powers & Internal Procedures (Schedule I)

The Board shall, in Schedule I of these Rules and Regulations, stipulate the powers it has delegated to the Councils and the powers it reserves for itself. Schedule I shall also specify the Technical Committees established within the Councils from time to time, and their respective mandates. The Board shall also set up committees, for which the Board may co-opt members from the Association's membership, to assist with the administration of its work.

3. Secretariat (Schedule II)

The Board shall set up a Secretariat to handle day-to-day matters concerning the Association. An Executive Director as the Chief Executive Officer of the Association will head the Secretariat. The duties and responsibilities of the Executive Director and the Secretariat, including the Secretariat's structure, shall form Schedule II of these Rules and Regulations, and any amendments shall be attached and numbered in sequence.

4. Code of Practice (Schedule III)

The Board shall set up a Code of Practice to apply to different categories of Members of the Association. Upon approval by the Board, the Code shall be ratified and adopted by the Association at a General Meeting, whereupon it shall form Schedule III of the Rules and Regulations. The Code shall comprise of: -

4.1 Enforcement of Membership Obligations

The Board shall establish a mechanism of monitoring compliance, handling complaints, and enforcing discipline

4.2 Self-Regulation Agreement

The Board shall formulate, as part of the Code of Practice, a Self-Regulation Agreement covering, but not restricted to, the following provisions: -

- 4.2.1** Expected minimum standards of underwriting;
- 4.2.2** Prohibition of business practices likely to undermine the common interests of insurers or to harm the long-term interests of insurance business;
- 4.2.3** Rules of practice intended to promote cooperation among Members and to safeguard their common interests, including but not limited to: -
 - Long Term Agreements;
 - Transferability of No Claim Discounts;
 - Knock for Knock Agreements (if considered desirable);
 - Central Life Registry;
 - Mandatory disclosure of loss ratios, as a prerequisite for submitting insurance quotation;
 - Regulating relations with insurance companies who are not members of the Association;
 - Compulsory filing with the Secretariat by Members, of copies of statutory licenses and data/information required to determine various market trends;
 - Enforcing prescribed credit terms and other agreed rules of agency with brokers/agents and setting out sanctions against defaulters.

4.3 Underwriting Understandings

The Board shall create an enabling environment – administratively and logistically – for willing groups of member companies to promote their business interests; provided the understandings reached will only have restricted application, amongst the signatories, and will not be contrary to the objectives and interests of the Association.

5. Procedures for Handling and Enforcing Discipline (Schedule IV)

The Board shall, in Schedule V of the Rules and Regulations, draw up detailed Procedures for Handling and Enforcing Discipline. Upon approval by the Board such procedures shall be ratified and adopted by the Association at a General Meeting as Schedule V of the Rules and Regulations.

6. Election Rules and Procedures (Schedule V)

The Board shall, in Schedule IV of these Rules and Regulations, draw up detailed Election Rules and Procedures. Upon approval by the Board such election rules shall be ratified and adopted by the Association at a General Meeting as Schedule IV of the Rules and Regulations.

7. Binding Effect of Rules and Regulations

7.1 The document embodying Rules and Regulations and the appendages (referred to as Schedules) shall remain in force unless and until the entire document or parts of it are abrogated, or until some sections of it are abrogated, or until some sections of it are amended, or until some other sections are added, by resolution(s) of the Association whereupon its replacement shall be adopted as the new Rules and Regulations, and or schedule, and such alterations or additions shall be appended in sequence under a separate section of the Rules and Regulations or schedule, to be known as 'Amendments'.

7.2. The Rules and Regulations and schedules thereof, shall have the effect and force conferred by **Article 9b. (iii)** of the Constitution.

SCHEDULE I OF

RULES AND REGULATIONS

THE BOARD & COUNCILS

DELEGATION OF POWERS

AND

DEFINITION OF ROLES

ASSOCIATION OF KENYA INSURERS
SCHEDULE I OF THE RULES AND REGULATIONS

THE BOARD AND COUNCILS

DELEGATION OF POWERS AND DEFINITION OF ROLES

1. POWERS OF THE BOARD

Notwithstanding the provisions of Section 11 of the Constitution, the Board shall exercise the powers conferred upon it under the Constitution as to the management of the Association, including defining mandates of, and delegating of powers to the Councils and to any committees or other organs that may be set up from time to time.

2. FUNCTIONS OF THE BOARD

2.1 Main Functions

The Board shall be directly responsible for the following functions of the Association: -

- 2.1.1** Determining the mandate and structure of the Councils and supervising their activities; promoting dialogue and co-operation between the Councils in accordance with Section 11 (f)
- 2.1.2** Determining the mandate and structure of the Secretariat, the terms of service of staff and supervising the Secretariat's activities in accordance with Section 11 (g)
- 2.1.3** Enforcement of the Code of Practice
- 2.1.4** Playing the role of spokesman for the Association in matters of common interest revolving around statute, national economic policy, trade practices, public policy, issues of concern in the media; with the assistance of the Councils, investigating and dealing with internal and external barriers to development of insurance business

- 2.1.5** Promoting knowledge of insurance by, and creating a positive image of insurance business within the community; including dissemination of knowledge and information through the media, and participating in community service activities
- 2.1.6** Pursuing professional and technical excellence amongst Members and their staff through promotion of technical education; including contributing towards efficient administration of the College of Insurance, collaborating with the Insurance Institute of Kenya, and working closely with similar bodies/institutions within and outside Kenya
- 2.1.7** Maintaining liaison with Federation of Kenya Employers, other representative bodies, professional and trade associations, in an endeavor to safeguard and promote the interests of Members
- 2.1.8** Regulating relations between the Association and bodies representing insurance brokers, other insurance intermediaries and reinsurance companies, as well as the insurance regulatory authority.

2.2 Role of Deputy Chairmen

The two Deputy Chairmen shall discharge, in rotation, all the duties of the Chairman whenever he is absent or is unable for any reason to discharge such duties. The order in which the Deputy Chairmen will rotate will be determined by the Board at its first properly constituted meeting.

2.3 Committees of the Board

2.3.1 Committees

The Board shall establish the following committees to operate under its direct supervision and control: -

- a.** Ethics & Self Regulation
- b.** Public Relations & External Liaison
- c.** Statutory & Legal Affairs
- d.** Secretariat Affairs & Investments
- e. Micro Insurance**

2.3.2 Convenors

The Convenors of the Committees shall be nominated by the Board from among the members of the Board, except that the Chairman of the Association shall not qualify to be a Convenor of any such Committee. The Chairman may however chair any ad hoc committees or task forces that may be set up by the Board from time to time.

The Convenors shall propose, for approval by the Board, other persons holding positions of Chief Executive, or other senior officers serving with member companies, to be co-opted as Committee members.

2.3.3 Terms of Reference

The Board will stipulate for each of its Committees the Terms of Reference conforming to the broad definitions of their roles, and such terms shall be derived from the respective functions of the Board they are directly or indirectly mandated to perform.

2.4 Annual Chief Executives Conference

The Board shall each year organize at least one conference to be attended by all Chief Executives of member companies to review the affairs of the Association, its Rules and Regulations(including Code of Practice), for the exchange of views on the state of the industry, and on economic, social and legislative trends.

Deliberations at the Chief Executives' Conference shall be guided by position papers to be presented by the Board, the Councils and the Secretariat. Resolutions passed at such a Conference shall guide the work of the Board and of the Association in general, and may also serve as a basis for formulating the future policy of the Association.

The Board may consider inviting external speakers.

The Board may also organize other special forums for Chief Executives to deliberate on other matters of common interest.

FUNCTIONS OF THE COUNCILS

The Councils shall at all times act in the name of and under the auspices of the Association, being responsible for such functions as are delegated to them by the Board. Broadly, the powers delegated to the Councils shall include the following: -

- 3.1** Address business growth and development issues, and any constraints, facing their respective business sectors
- 3.2** Promote technical cooperation among Members; advance technical skills and mutual understanding among Members through seminars, meetings and sharing of data on market trends
- 3.3** Enhance underwriting standards among Members, to take account of changing economic, legislative and social trends
- 3.4** Analyze and deal with legislative and statutory impediments to profitable expansion and growth of insurance business; present to the Board proposed amendments for submission and negotiation with relevant authorities
- 3.5** Create and promote a harmonious atmosphere in the competitive environment; act as a watchdog for the Board on implementation of the agreed self-regulation measures and in the observance of fair trade practices; report any breaches to the Board
- 3.6** The General Insurance Council shall establish the following committees, which shall be known as **Technical Committees**: -
 - a. Property & Engineering
 - b. Marine & Aviation
 - c. Accident
 - d. Motor
 - e. Motor Pool Winding Up
 - f. Medical Technical Committee
- 3.7** The Life Insurance Council shall establish the following committees, which shall also be known as **Technical Committees**: -
 - a. Individual Life

- b. Group Life
- c. Pensions

- 3.8** The Convenors of the Technical Committees will be appointed by the Councils from among the members of the Councils, and the Convenors will propose to the Councils names of persons, from among members of the respective Members Forums, to be appointed by the Councils as members of Technical Committees.
- 3.9** The Councils may recommend to the Board establishment of additional committees, or propose other changes in the structure of the Councils; and the Councils shall have the power to set up without reference to the Board, such sub-committees and working groups as they may deem necessary from time to time to assist the committees in discharging their functions.

MEETINGS – PROCEDURES

4.1 Recording Minutes

The Board, the Councils and all committees established with the authority of the Board shall each maintain a Minute Book. The Minute Books shall be maintained on their behalf by, and kept in the custody of the Secretariat, in which minutes of all properly convened meetings shall be recorded and duly signed by the person chairing the meeting. All minutes of each such organ of the Association shall be numbered in sequence and in such manner that each minute shall be seen to be distinct from any other. No meetings of any of the organs of the Association shall be held without proper representation of the Secretariat.

4.2 Meetings of the Board

- 4.2.1** The Board shall meet at such times as it may decide, provided that such meetings shall be held at intervals not exceeding One hundred and twenty (120) days.
- 4.2.2** The Executive Director shall be an ex-officio member of the Board, of all committees of the Board, and of the Councils.
- 4.2.3** The Secretariat shall provide secretarial services to all organs of the Association, including the Board.

- 4.2.4** At each meeting, written reports from the Councils shall be tabled detailing main issues deliberated upon by and within the Councils and seeking such approvals from the Board as are necessary under the Constitution and/or in accordance with the Rules and Regulations. The reports must reach the members of the Board seven days prior to the date of the meeting.
- 4.2.5** Similar reports to those referred to in **4.2.4** above shall also be submitted, and in like manner, by the committees of the Board.

4.3. Meetings of the Committees of the Board

- 4.3.1** The Committees shall have a minimum of seven (7) members.
- 4.3.2** The Committees shall hold meetings at such times as they shall decide provided that such meetings shall be held at intervals not exceeding **sixty (60) days**.
- 4.3.3** The **quorum** at such meetings shall be one half of the membership of each committee.

4.4. Meetings of the Councils

- 4.4.1** The Councils shall meet at such times as they may decide, provided that such meetings shall take place at intervals not exceeding sixty (60) days.
- 4.4.2** The Executive Director shall be an ex-officio member of the Councils and may attend meetings of the Technical Committees at his discretion.
- 4.4.3** The Convenors of the Technical Committees shall submit written reports through the Secretariat to reach the members of the Councils at least seven (7) days prior to the date of the next meeting of the Council.
- 4.4.4** The **quorum** at all meetings of the Councils and of the Technical Committees shall be **a half** of the membership of each Council or committee.

4.5 Meetings of the Technical Committees

- 4.5.1** The Technical Committees shall hold regular meetings at intervals not exceeding **forty–five (45) days**.
- 4.5.2** In carrying out their work, the committees shall receive research and technical support from officials of the Secretariat especially designated to perform such roles; such officials shall also act as secretaries at committee meetings.

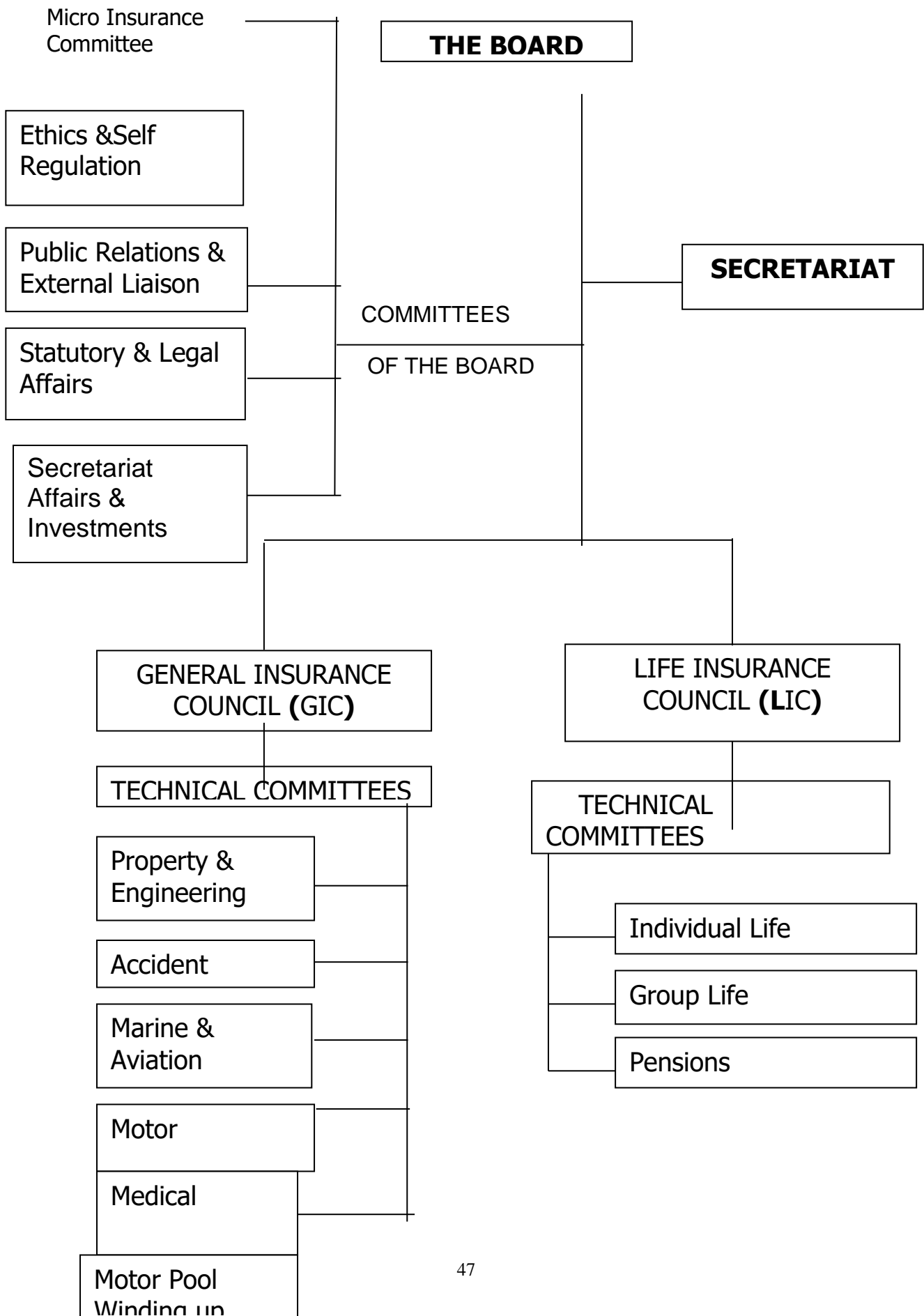
4.6 Minimum Attendance at all Meetings

- 4.6.1** Regular attendance at meetings will be a prerequisite for continued membership of the Board, the Councils, Committees of the Board, and Technical Committees. Absenteeism from three meetings consecutively, without justifiable cause, will result in automatic loss of membership. Irregular attendance could also, at the sole discretion of the Board or the Council concerned, result in loss of membership of the particular organ of the Association.
- 4.6.2** The Board shall be responsible for enforcement of the minimum attendance requirements for the Board itself, the Committees of the Board, and the Councils. The Councils, on the other hand, shall have similar authority in relation to the Technical Committees and any sub-committees or working groups that may be set up from time to time.

RESOLUTIONS

- 5.1** All resolutions shall be passed and adopted in accordance with the Constitution. The Secretariat shall on behalf of and under the direction of the Board, maintain a separate record book, to be known as the **RESOLUTION BOOK**, in which all resolutions of the Association shall be recorded in sequence, giving references of the general meetings at which they were passed and the date they shall come into force.

STRUCTURE OF THE ASSOCIATION OF KENYA INSURERS



**SCHEDULE II OF THE
RULES AND REGULATIONS**

SECRETARIAT

THE ASSOCIATION OF KENYA INSURERS
SCHEDULE II OF RULES AND REGULATIONS
SECRETARIAT

1. OBJECTIVES

Pursuant to Article 3 of the Rules and Regulations, the Board will establish a Secretariat whose main objective will be to promote and co-ordinate the activities of the Association and provide administrative and technical support to the Board, the Councils and all other organs of the Association.

2. FUNCTIONS OF THE SECRETARIAT

- 2.1** To provide secretarial services for all meetings and to maintain and preserve all records of such meetings.
- 2.2** To provide technical support through research, analysis, studies, compilation of data and statistics.
- 2.3** To implement resolutions, decisions and recommendations of the Association.
- 2.4** To gather, collate and disseminate market-wide statistics
- 2.5** To supervise and monitor compliance by Members with the Code of Practice and channel complaints and grievances to the relevant organs of the Association.
- 2.6** To provide such services as central mailing box services for members and associates, administer issuance of certificates of insurance and discharge any other administrative functions for and on behalf of the Association.
- 2.7** To enhance the industry's image through positive media related activities.
- 2.8** To administer and process run-off accounts for Kenya Motor Insurance Pool or any other market facilities as may be decided by the Association from time to time.

- 2.9** To represent the Association at any meetings with other institutions or organisations where Members may have an interest and to articulate the views and concerns of the industry directly, only after seeking approval from the Board or the Councils on matters requiring the intervention of either the Board or Councils.
- 2.10** To perform any other duties on behalf of member companies as may be directed by the Board from time to time.

3. COMPOSITION OF THE SECRETARIAT

- 3.1** The Secretariat shall consist of an Executive Director and such other staff members as the Board may deem necessary.
- 3.2** The Executive Director and other Secretariat staff shall not be employees of a member.
- 3.3** Should the Executive Director not be able to perform any duty described herein or in the Code of Practice, the duty to perform shall fall to the next most senior employee by rank.
- 3.4** The Board will determine and review the organisation structure of the Secretariat from time to time. A formal organisation structure shall be adopted and appended to this schedule, and any amendments will be numbered in sequence.

4. APPOINTMENT OF STAFF

Appointments, promotions or termination of service of management staff, except for the Executive Director, will be by the Board on the recommendation of the Executive Director. The Board may delegate to any other organ the appointment, promotion and termination of other staff in the Secretariat.

The Executive Director will be appointed by the Board and his/her services may only be terminated by the Board. Members may file objections with the Board, giving reasons, regarding appointment or termination of services of an Executive Director, within thirty days of notice to this effect being issued by the Board.

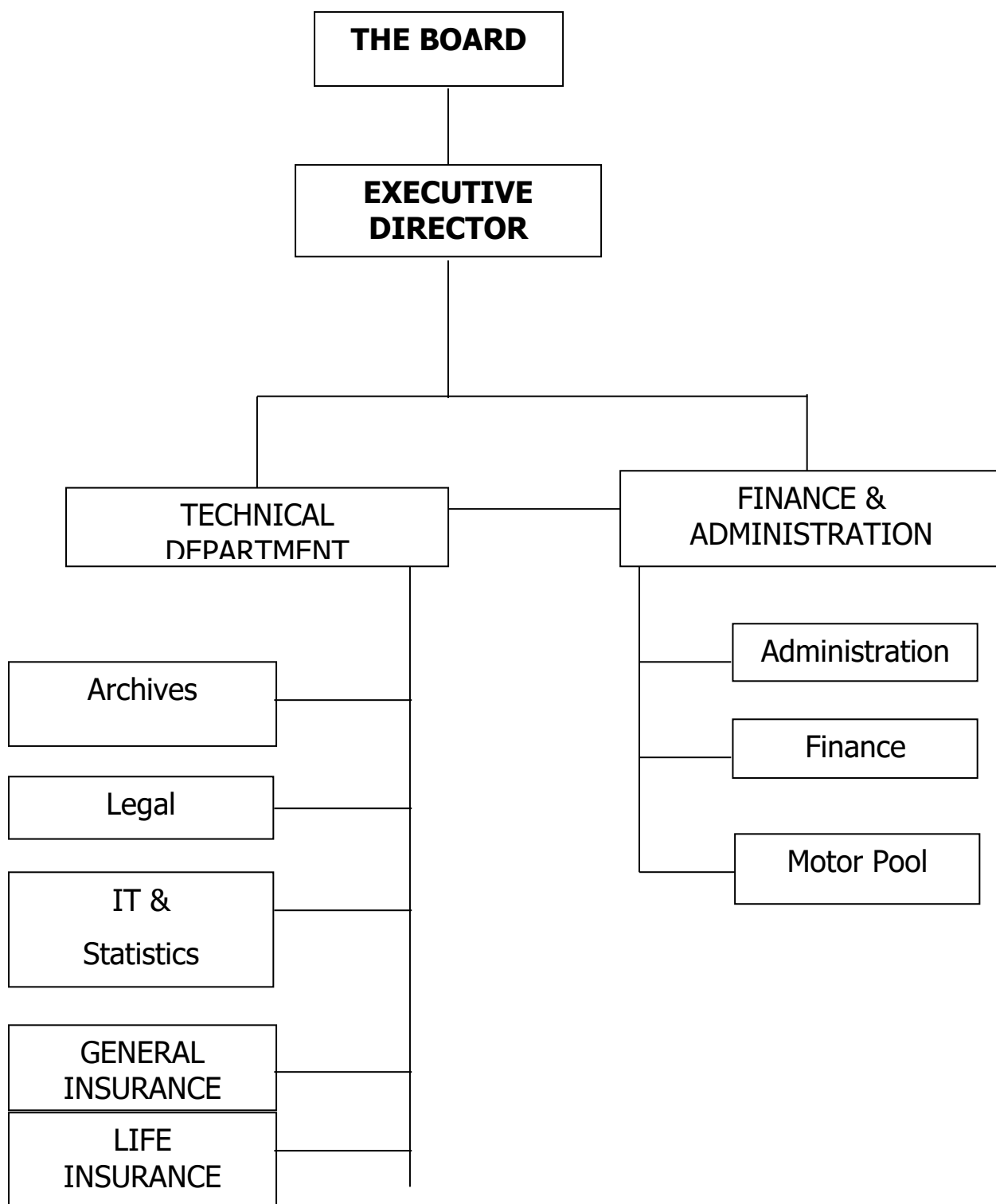
TERMS AND CONDITIONS OF SERVICE

The Board will determine and review the Terms and Conditions of Service for all staff in the Secretariat.

5. FINANCIAL YEAR

- 5.1** The Financial Year of the Secretariat shall be the calendar year unless otherwise resolved by the Annual General Meeting.
- 5.2** The Board shall cause to be kept such books of account and other books in relation thereto and to its undertakings, funds, activities and property as the Board may from time to time require to approve, and shall within a period of not more than two (2) months after the end of the year or within such longer period as the Board may approve, cause to be prepared and signed financial and audited statements of the Association by external auditors appointed at the preceding Annual General Meeting.

**SECRETARIAT
PROPOSED STRUCTURE**



**SCHEDULE III OF THE
RULES AND REGULATIONS**

CODE OF PRACTICE

THE ASSOCIATION OF KENYA INSURERS
SCHEDULE III OF RULES AND REGULATIONS

CODE OF PRACTICE

1. OBJECTIVES

The principle objectives of the Code of Practice are to promote underwriting discipline, protect and promote the reputation of insurers, promote cooperation among Members, avoid unhealthy competition and facilitate orderly expansion of insurance business in Kenya.

2. DECLARATION

Upon joining the Association, Members agree and accept to undertake the obligations contained in this Code of Practice or as modified or amended from time to time.

3. GENERAL RULES OF CONDUCT

Members agree that they will: -

- 3.1** conduct their business affairs with utmost good faith and integrity;
- 3.2** not engage in business practices, conduct or any acts likely to bring the insurance industry into disrepute;
- 3.3** not make or issue or cause to make or issue statements, or engage in any activities, which may be damaging to the reputation and integrity of other Member(s), or to any other member(s) of the insurance industry at large;
- 3.4** not engage in unfair business practices in the course of soliciting or whilst endeavoring to attract or acquire business held by other Member(s); any aggrieved Member shall be entitled to file a complaint with the Secretariat for consideration by the relevant organ of the Association;
- 3.5** abide by guidelines or directives issued by the Board regarding publication or communication of information to the media which may in the opinion of the Board have undesirable consequences on the well being of the insurance industry;

- 3.6** not be involved or associated with publications or advertisements or any promotional materials or other documents or articles containing statements, figures or claims that are not factual, or facts which are misleading, or contents which are offensive;
- 3.7** at all times, honour their obligations under insurance policies they have issued and shall not, without justifiable cause, unreasonably delay in remittances or payments to parties legally and/or properly entitled to indemnity, compensation or other form of settlement;
- 3.8** as far as possible, implement technical recommendations issued by the Association through its properly constituted organs on underwriting practice, and shall file with the Secretariat written objections giving reasons within a reasonable time, if they are unable to implement such recommendations; if no such objections are received, it will be assumed that the Member has agreed to adopt such recommendations;
- 3.9** strictly comply with all resolutions of the Association;
- 3.10** not allow disputes or disagreements between them to result in litigation or in any way to move into the public domain before giving the Board an opportunity to mediate and/or arbitrate; notices shall be filed with the Secretariat by either party or both or all parties, giving the fullest possible details of the dispute.
- 3.11** members agree to abide by such guidelines issued by the Board to ensure sound and sustainable conduct of business by members.
- 3.12** members shall be required to keep in safe custody at all times all insurance certificates to prevent theft, misuse or abuse of the same. In the event of any loss of such documents members shall be required immediately to report the matter to the Secretariat as well as all relevant authorities including placing a public notice in two daily newspapers of wide circulation.

4. SELF REGULATION AGREEMENT

4.1 Setting Minimum Standards of Underwriting

4.1.1 The Board may from time to time introduce measures to prohibit curb or curtail unethical or undesirable underwriting practices likely to undermine the integrity of the insurance industry or to cause damage to or harm the common interests of members or of the insurance business as a whole. Such measures shall be adopted in the form of Resolutions.

4.2 Rules of Cooperation – Mandatory

4.2.1 Filing of Data and Statistics with Secretariat

The Board, either directly or through its Committees, or through the Councils, or through the technical committees, shall from time to time require statistics, data, or details to be submitted by all Members to facilitate research and analysis to be carried out on loss ratios, market trends or for any other purposes, at the discretion of the Board. All Members shall supply the information in the required format and within the specified time limit. If compliance is not possible, written explanations or objections shall be filed with the Secretariat before the expiry date of such notice.

The Association reserves the right to renew its demand for the information to be filed if the reasons given for non-compliance are considered to be unacceptable, in which case, Member(s) who had filed such objections or reservations shall be required to comply.

4.2.2 Acceptance of Risks - Conditions

It will be a condition precedent to any Member submitting an insurance quotation either through an intermediary or direct to a proposer: -

4.2.2.1 to obtain disclosure of the identity of the proposer;

4.2.2.2 not to accept business or engage in any insurance transactions with intermediaries not licensed to transact business for the class or type of business they intend to place, by the appropriate statutory regulatory authority; the onus shall at all times be on the Member to ascertain that such intermediaries are so licensed;

4.2.2.3 Members shall not accept business or engage in any transactions with insurance intermediaries found by the Association to have engaged in any unethical conduct. Members shall immediately upon becoming aware of such misconduct notify both the Secretariat and the Insurance Regulatory Authority accordingly, giving the appropriate supporting evidence and detail.

4.2.3 Enforcement of Premium Payment Conditions

4.2.3.1 Premium shall be paid in accordance with the statutory provisions in force from time to time.

4.2.3.2 The Board may require all Members to file with the Secretariat details of premiums owed by policyholders and/or intermediaries, over the prescribed premium payment period, at such times and in such a form as the Board may decide;

4.2.3.3 The Board may impose such sanctions as it may deem fit against defaulters, and all Members shall enforce such sanctions; defaulters may include Members, intermediaries or policyholders;

4.2.3.4 A Member who declines to renew an insurance policy or insurance policies due to non-payment of premium shall notify the Secretariat on the prescribed format; such a notice shall reach the Secretariat prior to the date(s) renewal would have fallen due;

4.2.3.5 A Member who serves notice of cancellation of a policy due to non-payment of premium shall simultaneously notify the Secretariat;

4.2.3.6 The Secretariat shall immediately circulate to all Members notices served under **paragraphs 4.2.4.4** and **4.2.4.5** above; thereafter, no Member shall accept or continue to write risks affected by such notices before the debt owed to the member serving notice is discharged in full or in a manner acceptable to such a Member; discharge of such debt shall be communicated to Members by the Secretariat, in writing, upon receipt of notification by the Member who had originally served notice.

4.2.4 Letters of Reference

4.2.4.1 Policyholders shall, on request, be entitled to letter of reference from their previous insurers, where such insurers are also Members, detailing class of business, policy number, period of insurance, loss ratios (including claims paid); Members shall issue such a letter, duly signed by a named authorized official, within a reasonable time.

4.2.4.2 Similarly, letters of No Claim Discount (NCD) shall be issued by a named authorized official, on request, to motor policyholders by Members, in their capacity as previous insurers, subject to the following conditions: -

- a.** the NCDs shall be those actually allowed on, and netted off from gross premium rates;
- b.** Letters of NCD shall not be issued if premium was charged on a basis other than is generally understood to be NCD basis; in such a case, a general letter of reference, in accordance with **condition 4.2.4.1** above, shall be issued;
- c.** a letter of NCD shall only be issued in favour of the actual policyholder who is an individual (not a corporate entity); for corporate entities, letters of NCD shall not be issued on individual vehicles, if more than one vehicle is insured under a particular

policy; instead, such letters shall include all vehicles on the policy schedule at the expiry date;

- d. Any NCD entitlement due to insured corporate entities shall not be transferable to individual employees of such entities; letters of recommendation, however, may be issued, upon request in writing by the insured corporate entity, to an employee for the duration that a particular insured vehicle has been allocated to him by his employer for his own exclusive use, and Members shall accept or reject such letters at their (Members') sole discretion.

4.2.5 Obligations under Motor Insurance Contracts

In addition to the obligations relating to the letters of NCD, summarised in **Section 4.2.5** above, the following requirements shall apply: -

- 4.2.5.1** Issuance of a motor insurance certificate shall presuppose that an insurance policy is in force; a policy document, if not already in existence, shall be issued by a Member within sixty (60) days of a certificate being issued.
- 4.2.5.2** A Member intending to recover a motor claim against another Member shall quote the policy number and/or the relevant insurance certificate number. Provided that as long as the insurance certificate quoted was in force at the time of the incident giving rise to the claim, that shall, for the purpose of lodging a claim, constitute sufficient evidence of the existence of an insurance policy.
- 4.2.5.3** A Member shall not be absolved from motor policy liability incurred by another Member merely on the basis that the policyholder has not reported the incident giving rise to the alleged incident as long as ample proof can be produced by the Member seeking recovery, in a manner or form prescribed by the Board, that such an incident did take place.

4.2.6 Survey of Risks

4.2.6.1 Members shall at their own cost arrange surveys, by surveyors approved by the surveyors Board, of fire and engineering risks where the sums insured exceed such limits as shall be determined by the Board from time to time.

4.2.6.2 The surveys shall take place at intervals not exceeding four years whether such risks change hands or not. However, if a risk changes hands within two years of the last date of the survey, the cost thereof will be shared between the Member who has taken over the risk and the Member who was previously on risk.

4.2.6.3 The onus will be on the Member taking over a risk to ascertain the dates the last survey was carried out, obtain details of outstanding recommendations and ensure that the programme set by the surveyor for implementation is complied with by the insured.

4.2.6.4 The Member who was the previous insurer shall, within sixty days from the expiry of the policy, provide to the Member who shall have taken over the risk copies of the last survey reports and an update on the implementation of recommendations.

4.2.6.5 New risks being insured for the first time, and falling within the category defined in **Section 4.2.6.1** above shall be surveyed within twelve months from the date of inception of cover; the onus being on the Member issuing the policy to cause such a survey to be carried out.

4.2.6.6 A risk also falling within the category defined in **Section 4.2.7.1** and which undergoes major changes in the physical structure and/or extension, shall be resurveyed within twelve months after the date of completion of the works; the onus to arrange the survey shall be on the Member insuring the risk within the last six months of the aforesaid period.

4.2.6.7 The Board may require similar or other types of surveys and risk management measures to be undertaken by Members on any classes of insurance and compliance shall be on the same basis as provided in the first four paragraphs above.

4.3 Rules of Cooperation - Voluntary

4.3.1 Underwriting Understandings

4.3.1.1 Members may enter into agreements as a group or as groups to promote business cooperation among themselves provided the agreements, or understandings, as the case may be, shall not be contrary to the objectives or common interests of the Association.

4.3.1.2 Full details of such agreements or understandings shall be filed with the Secretariat and the commencement date shall be thirty (30) days after receipt of the documents by the Secretariat, provided no objections shall have been submitted to the parties concerned by the Secretariat on behalf of the Board or of the Council(s).

4.3.2 Exchange of Information

Individual Members may exchange information directly on matters of mutual or common interest, provided such exchange shall not have a negative effect on, and is not contrary to, the objectives or common interests of the Association.

4.4 Collaboration with Non-Member Insurers

4.4.1 The privileges and rights conferred upon Members by this Code of Practice and the basis of cooperation shall not be enjoyed by an insurer who is not a Member, through facilitation of any kind by a Member. The non-member to whom this prohibition applies shall mean a Kenyan registered insurance company who, but for failure to apply for membership of the Association or to meet the set membership criteria, or having been suspended or expelled from the Association, would otherwise be a Member.

4.4.2 The prohibition on collaboration mentioned in **4.4.1** above shall not apply to insurance companies not registered in Kenya and whose place of domicile is outside Kenya. Members under such circumstances shall be free to enter into agreements or arrangements with such insurers, provided the terms are in conformity with those stipulated in this Code of Practice and that such cooperation is not prejudicial to the interests of the Association or in breach of any statutory provisions.

4.5 Appointment of Intermediaries, Assessors, Adjusters, Surveyors etc.

The Board may, of its own accord, or on the advice of the Councils, issue orders prohibiting Members from collaborating or utilizing the services of or in any other manner having business dealing with any insurance broker, insurance agent, loss assessor, loss adjuster, investigator or any other firm, company, organization or person, providing professional services to the insurance industry if they are found to be engaged in criminal activities.

4.6 Outstanding Facultative Insurance Premium

Members agree to remit outstanding facultative premiums within three months after the reconciliation exercise is over and the amount owing is agreed upon.

4.7 Public Display of Proof of Membership

- 4.7.1** The Board shall determine the manner in which Members shall incorporate in their letter headed paper used for external communication the insignia or logo or such other mark or designation representative of the identity of the Association as proof of their membership.
- 4.7.2** The above provision shall be effective not later than six months from the date the Constitution is adopted.
- 4.7.3** Anyone who ceases to be a Member of the Association shall initially, as a temporary measure, forthwith cause to be obliterated or erased from his stationary, including letter headed paper, the official Association membership designation denoting membership, and to ensure that not later than six months thereafter, the official Association designation is no longer included in the printed stationary and/or letter headed paper.

**SCHEDULE IV OF THE
RULES AND REGULATIONS**

**PROCEDURES FOR HANDLING AND
ENFORCING DISCIPLINE**

THE ASSOCIATION OF KENYA INSURERS

SCHEDULE IV OF RULES AND REGULATIONS

5. PROCEDURES FOR HANDLING COMPLAINTS AND ENFORCING DISCIPLINE

5.1 Handling Complaints

5.1.1 The Secretariat will wherever possible acknowledge in writing, within twenty-four (24) hours, receipt of written complaints on alleged breaches of the Constitution and non-compliance with any Resolution or with the Code of Practice.

5.1.2 Simultaneously, the Secretariat will write to the Member against whom a complaint has been filed-:

5.1.2.1 giving the Member a brief outline of the nature of the complaint;

5.1.2.2 where appropriate, giving the name of the complainant;

5.1.2.3 asking the Member to respond in writing within five (5) working days from the date of the letter from the Secretariat.

5.1.3 If the Member being called upon to defend himself confirms, or the Secretariat deduces from the written explanation that there is a breach, the Secretariat shall ask such a Member to take the necessary steps, within seven (7) days, to rectify the position.

5.1.4 If the Member fails to respond within the stipulated period (either under paragraph 5.1.2. or 5.1.3 above) the Secretariat will notify the Convenor of this Committee immediately in order:-

- a) that an emergency Meeting can be convened within seven (7) working days wherever possible from the expiry date of the notice period referred to in 5.1.3 above; or

- b) alternatively in order that the Convenor can take any other steps stipulated in these procedures.

At the same time, the Secretariat will advise the Member who had filed the complaint accordingly.

5.1.5 If, in pursuance of paragraph 5.1.4, the Convenor, in his discretion (except for breaches failing under paragraph 5.6 below), determines that the offence is not of a serious nature he will:-

- a) endeavour to secure the commitment of the offending party to comply or to desist from any further breach;
- b) Refer the matter to the Committee if his efforts fail to yield positive results.

5.1.6 Non-compliance with Resolutions or measures which are specifically provided for (as opposed to those expressed in general terms) in the Code of Practice shall be treated as serious offences, to be dealt with by the Committee.

5.1.7 The Committee may, upon deliberating on matters falling under paragraph 5.1.6 above, issue warnings in writing; and will consider, at subsequent meetings, to institute more severe measures (prescribed herein) in the event of persistent or repeated non-compliance.

5.2 Disciplinary Measures

5.2.1 Members will be summoned in writing by the Secretariat to appear before the Committee, with the Committee's express authority, after the relevant procedures outlined in Section 5.1 above have been implemented.

5.2.2 Such notice shall wherever possible be not more than seven (7) Working days.

5.2.3 The Member so summoned shall be represented by his Chief Executive, and in the absence of the Chief Executive by the next highest-ranking Officer who nevertheless will produce a specific letter of authority from the Member.

5.2.4 A Member who for whatever reason, upon being so summoned, fails to appear before the Committee, shall

automatically have penalties imposed on him in the manner prescribed in paragraph 5.2.7 herein below.

5.2.5 If the Committee is satisfied with the explanation given by the Member called to defend himself at the Meeting, it will instruct the secretariat to advise the two parties to the dispute accordingly within seven (7) working days.

5.2.6 In the event that the complaint is found to be without basis, the Committee may deem it appropriate to caution, in writing, the Member filing the complaint.

5.2.7 In the event that a Member fails to appear before the Committee, or if the Committee upon interviewing a Member finds that the breach he is accused of is likely to result in unfair loss of business or non-recovery of debts owed to the Complainant, the Committee shall:-

5.2.7.1 Instruct the Member so summoned to take the necessary steps within a specified period to comply with the Resolution the breach of which has given him undue advantage over the complainant. This will entail either:-

- a) immediately serving notice to irrevocably revise the terms of the insurance contract (to conform with any AKI prescribed thresholds); or
- b) formally serving notice, of and eventually, going off cover; or
- c) facultatively ceding back to the previous insuring Member the policies concerned on the original terms (with the Member in default bearing the loss resulting from the difference in rates and terms); or
- d) taking any other appropriate procedure of rectification acceptable to the Committee.

5.2.7.2 in the event that the Member so summoned fails to comply with 5.2.7.1 above, impose on the Member appropriate penalties prescribed in 5.2.9 below. Such penalties will be imposed by the Secretariat without further

reference to the Member or to the Committee (unless the Secretariat is instructed otherwise, beforehand, by the Committee).

5.2.8 For breaches of General Rules of Conduct (defined in Section 3 of the Code of Practice) or in the event of a Member being accused of any other infringements, or of having acted contrary to the letter or spirit of the Constitution (other than specific Resolutions or other parts of the Code of Practice), the Committee will use its discretion in determining the penalties to be imposed, and if need be seek guidance from the Board whenever deemed necessary.

5.2.9 If, after exhausting the preliminary procedures summarised above non-compliance persists, the Committee shall impose the relevant sanctions or penalties, as follows:-

5.2.9.1 for breaches of the nature stipulated in 5.2.7 above the Secretariat will write to the non-compliant Member advising him:-

a) that the Committee has found him in breach of the relevant Resolution or section of the Code of Practice;

b) that all the Members of the Association are being advised accordingly, with instruction to desist from any form of business exchange with the Member, which will include:-

- i) ceding or accepting facultative placements;
- ii) participating in any insurance programme on co-insurance basis with such a Member;
- iii) exchanging details relating to loss ratios; or
- iv) exchanging any other underwriting information;

c) that the Committee has referred the matter to the Board to consider suspending or expelling the Member from the Association, unless the Member formally seeks audience with the Committee, within fourteen (14) days from the date of the letter, to adduce acceptable

evidence of due compliance, and to tender a written apology to the Committee;

- d)** that if the Member does not exercise the option stated in 5.2.9 above his representatives shall forthwith remain suspended as members of any of the organs of the Association on which they may be serving, including Technical Committees, the Councils, the Forums, Committees of the Board, and the Board pending the final decision of the Board.

5.2.9.2 If the accused Member satisfies the above condition the Committee shall:-

- a)** lift the sanctions stipulated in 5.2.9.1 (a), (b) and (c) and advise all Members accordingly; and
- b)** in addition impose a penalty of an amount not exceeding Kshs.250,000/=, but which shall not be less than Kshs.50,000/=

5.2.9.3 For other breaches of the Constitution or of the General Rules of Conduct the Committee will in its discretion determine the degree of seriousness and impose penalties and/or take other measures similar to the ones listed in Section 5.2.9 above or any other steps considered appropriate, within the mandate of the Committee.

5.2.9.4 Acts of default or breach punishable by suspension of membership of or expulsion from the Association of a Member will be referred by the Committee to the Board for action. In the event of suspension or expulsion of any Member the Secretariat shall inform the Commissioner of Insurance accordingly.

5.2.9.5 For purposes of arbitrating disputes or handling complaints the Ethics & Self-Regulation Committee will constitute itself into the Association's Compliance & Disciplinary Committee. It will have a quorum of five members, with the Association's Chief Executive as an ex-Officio member, and will otherwise be guided by the terms of reference and rules of procedure of the Ethics & Self-Regulation Committee.

5.3 Right of Appeal

Letters communicating disciplinary measures or other sanctions imposed by the Association shall be faxed by the Secretariat to the Member concerned within twenty four (24) hours of the date the Resolution is passed and such letters shall thereafter be hand-delivered. Any Member who is aggrieved under these rules, may within a period of five (5) working days from the date such a letter is faxed (or within such extended period as the Board may allow) appeal to the Board and where a member does so, no action will be deemed to have been taken until the appeal has been heard.

SCHEDULE V OF
RULES AND REGULATIONS
ELECTION RULES AND PROCEDURES

THE ASSOCIATION OF KENYA INSURERS
SCHEDULE V OF RULES AND REGULATIONS
ELECTION RULES AND PROCEDURES

6. ELECTION RULES FOR THE BOARD AT ANNUAL GENERAL MEETINGS

6.1 Returning Officer

The Auditors of the Association will be the Returning officers during elections in General Meetings, and may be assisted by staff from the Secretariat.

6.1.1 Role and Duties of the Returning Officer

At the General Meeting, upon reaching the Agenda item relating to elections, the Chairman shall hand over the conduct of the meeting to the Returning Officer. The Returning Officer shall preside until the elections are concluded.

6.1.2 Election Procedure

- i. The Returning Officer shall read out the names of nominees for various vacant positions and confirm that each of them has been nominated in accordance with the laid down rules and procedures.
- ii. The Returning Officer shall ascertain and confirm to the General Meeting that all nomination papers and proxies presented are in order.
- iii. The Returning Officer shall explain to the General Meeting the main features of the ballot papers, and the voting procedures.
- iv. Each candidate for election shall be entitled to nominate one (1) agent to witness the casting and counting of ballots

- v. All Members present at the elections will act as the observers to the election proceedings.
- vi. At the end of the elections, the Returning Officer shall announce the results in the same order stipulated under Rule 6.6 hereunder.
- vii. In the event that more than two candidates are vying for any vacancy and after the election, none of the candidates obtains more than fifty (50) per cent of the votes cast, there shall immediately be a run-off between the top two deadlocked candidates.
- viii. Where there is a tie or equality of votes in an election involving only two candidates, or in a run-off as provided under subsection (g) above, the Returning Officer shall ask the Chairman whether he wishes to use his second or casting vote to break the deadlock. If the Chairman elects not to cast a second vote, elections shall be held until a winner emerges.
- ix. The Returning Officer shall declare the winners.
- x. After the elections have been concluded the Returning Officer shall hand over the conduct of the meeting back to Chairman and the Returning Officer will leave the election hall at his pleasure.

6.2 Nominations – Qualification Criteria

6.2.1 In order to qualify for election as a member of the Board, who will also serve on the General Insurance Council, a candidate shall:-

- a) Be a Chief Executive Officer of a member company (i.e. Member);
- b) Represent a Member company actively engaged in general insurance business.

6.2.2 Similarly, to be elected to serve on the Board and also serve on the Life Insurance Council, the candidate shall:-

- a) be Chief Executive of a member;
- b) represent a member actively engaged in life insurance business;

6.3 Nomination Procedures

- 6.3.1** No one representative of a Member will be allowed to propose or second more than two candidates for any one Council.
- 6.3.2** An eligible candidate wishing to contest a position on the Board will indicate on the nomination form the particular position he intends to contest.

6.4 Proxies and Ballot Papers

- 6.4.1** Any Chief Executive of a member company (i.e. Member) unable to attend a General Meeting in person shall nominate a representative by completing the prescribed Proxy form and filing it with the Secretariat not later than **48** hours before the date of the General Meeting. Any member who shall not comply with these provisions shall forfeit their right to vote.
- 6.4.2** The order of the listing of names on a Ballot paper shall be in alphabetical order. Names of candidates wishing to be elected to the Board shall be circulated to all members at least seven (7) days before the date of the General Meeting at which the election is scheduled to take place.

Specimens of the proxy form, ballot paper and nomination papers are annexed to these Rules and Regulations as **Appendices I, II** and **III** respectively.

6.5 Lobbying

No form of lobbying or canvassing for votes will be permitted within the election hall for the entire duration of the General Meeting at which elections are conducted.

Any candidates violating this rule may be disqualified from participating in the elections.

6.6 Elections – Order of Preference

- 6.6.1** elections of the Chairman of the Association, if vacant, will take precedence, followed by:-
- 6.6.2** elections to fill any vacancies on the Board of members who shall also serve on the General Insurance Council; and
- 6.6.3** elections to fill any vacancies on the Board for members who shall also serve on the Life Insurance Council.

A candidate contesting elections for the position of Chairman may at the same time be nominated to fill any vacancy on the Board, in accordance with Subsections 6.6.2 and 6.6.3. provided that such a candidates name shall not be deemed to have been struck off the list of nominated candidates either under Rule 6.6.2 or 6.6.3 if he shall have won elections as Chairman in accordance with rule 6.6.1

6.7 Successful Candidate(s) in an Election

The successful candidate(s) of any position contested in a General Meeting will be determined by a simple majority in hierarchical order of votes received.

6.8 Disputes

- 6.8.1** Any election petitions shall be adjudicated and dealt with by the Returning Officer on the spot. In the event that any candidate for the election is not satisfied with the decision of the Returning Officer, such a candidate shall register his objection(s) with the Returning Officer on the spot, and

shall thereafter file such objection(s) with the Secretariat in writing within seven (7) days from the date of such elections. Any other objections relating to the elections shall similarly be filed with the Secretariat in writing within seven (7) days from the date of such elections.

6.8.2 The Secretariat shall refer such election dispute(s) to the Board which shall hold a meeting within (14) days for the purpose of referring such dispute(s) to a panel of arbitrators who shall not exceed three (3) and who shall be exclusively nominated by the Board. Any Board member whose election is in dispute shall not be present whenever the matter relating to such an election dispute is discussed, or a vote on it taken.

6.8.3 The decision of the mediators shall be final and binding on the board and the complainant.

6.9 Acceptance Speech

All candidates contesting the post of Chairman of the Association will have ready for delivery, upon their being declared the winner of the election, a written acceptance speech lasting not more than ten (10) minutes setting out their own agenda, vision, and programme of action for the Association during their term of office.

The acceptance speech will be delivered at the end of the deliberations in a General Meeting.

7. ELECTIONS AND NOMINATIONS OF OTHER COUNCIL AND COMMITTEE MEMBERS

7.1 The Board shall hold its first meeting within fourteen (14) days from the date of the elections, at which, inter alia:-

7.1.1 the elections for Deputy Chairmen, if vacant shall be held;

7.1.2 Convenors and members of the Committees of the Board shall be elected;

7.1.3 any vacancies on the Councils, for members who under the Constitution are required to be nominated by the Board, will be filled;

7.2 The Councils shall hold their first meetings within thirty (30) days from the date of the elections, and after the Board Meeting referred to in Section 7.1 above, to constitute Technical Committees, which shall include:-

7.2.1 nomination of Convenors

7.2.2 nomination of Members

**ASSOCIATION OF KENYA INSURERS
APPENDIX I**

PROXY FORM

Form of Proxy

I the Chief Executive
ofInsurance Company Limited do hereby,
in accordance with Article 16 of the **Constitution**, appoint*.....
.....,* or the chairman presiding at the meeting, to be my proxy, to
vote on my behalf at the Annual General Meeting of the Association to be held on
.....and in the event of any adjournment, at the
subsequent meeting thereof.

Given under my hand this**day of.....20**

Signature

Unless otherwise indicated in writing, the Proxy shall vote as he/she thinks fit.

*(Delete as appropriate)

***Note: To be valid, this proxy must be deposited at the Registered Office of
the Association's Secretariat not later than 48 hours before the time
appointed for holding the meeting.***

**ASSOCIATION OF KENYA INSURERS
APPENDIX II**

Form No. AKI/AGM/E.2

BALLOT PAPER

BOARD MEMBER:

{Please mark [by x or √], under the heading 'VOTE', against only ONE candidate of your choice}

S. NO	NAME OF CANDIDATE	COMPANY	PROPOSERS	SECONDRERS	VOTE
1.					
2.					
3.					
4.					
5.					

ASSOCIATION OF KENYA INSURERS

**ASSOCIATION OF KENYA INSURERS
APPENDIX III**

Form A.1

**NOMINATION FORMS
POSITION: CHAIRMAN**

NAME OF NOMINEE:	
COMPANY:	
DESIGNATION:	
SIGNATURE:	
	DATE:

PROPOSERS:

NAME	COMPANY	SIGNATURE
1		
2		

SECONDDERS:

NAME	COMPANY	SIGNATURE
1		
2		

For official use

Date Received

Comments

**ASSOCIATION OF KENYA INSURERS
APPENDIX III**

Form A.2

**NOMINATION FORMS
POSITION: MEMBER OF THE BOARD AND OF THE
GENERAL INSURANCE COUNCIL**

NAME OF NOMINEE:	_____
COMPANY:	_____
DESIGNATION:	_____
SIGNATURE:	_____ DATE: _____

PROPOSED BY:	_____
COMPANY:	_____
SIGNATURE:	_____
SECONDED BY:	_____
COMPANY:	_____
SIGNATURE:	_____

For official use

Date Received

Comments

**ASSOCIATION OF KENYA INSURERS
APPENDIX III**

Form A.3

**NOMINATION FORMS
POSITION: MEMBER OF THE BOARD AND OF THE
LIFE INSURANCE COUNCIL**

NAME OF NOMINEE:	<hr/>		
COMPANY:	<hr/>		
DESIGNATION:	<hr/>		
SIGNATURE:	<hr/>	DATE:	<hr/>

PROPOSED BY:	<hr/>		
COMPANY:	<hr/>		
SIGNATURE:	<hr/>		
SECONDED BY:	<hr/>		
COMPANY:	<hr/>		
SIGNATURE:	<hr/>		

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Date Received

Comments