



**INSURANCE INDUSTRY
ANNUAL REPORT 2011**

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Abbreviations and Acronyms

AKI	Association of Kenya Insurers
CAR	Contractors All Risks
GDP	Gross Domestic Product
IMIDS	Integrated Motor Insurance Data System
IRA	Insurance Regulatory Authority
Ksh	Kenya Shilling
NCD	No Claim Discount
USD	United States Dollar
WIBA	Work Injury Benefits Act



AKI Board Members



**M. OBUYA
CHAIRMAN**



**T. GITOGO
DEPUTY CHAIRMAN**



**M. MUKOMA
DEPUTY CHAIRMAN**



**A. MUNDA
MEMBER**



**J. OLENDE
MEMBER**



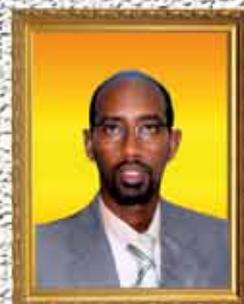
**N. SARMA
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**A. GHOSH
MEMBER**



**H. BASHIR
MEMBER**



**S. WANDERA
EX-OFFICIAL**



**T. GICHUHI
EXECUTIVE DIRECTOR/SECRETARY**

Chairman's Statement



This report is the 8th issue of the Insurance Industry Annual Report which is an annual publication of the Association of Kenya Insurers (AKI). The report highlights the performance of the insurance industry, both locally and globally, and its growth prospects.

In the year 2011, the global economy continued to recover from the 2008-09 recession, the first global downturn since 1946. According to the Kenya Economic Survey 2012, the World economy grew by 3.8% in 2011 compared to 5.0% in 2010. This was due to crisis in the Euro zone, high oil prices and inflationary pressures in many emerging and developing countries. The global economy recorded a growth of 6.7% in 2011 compared to 12.6% in 2010. The Great East Japan earthquake impacted negatively not only on Japan's economy but also on the economy of United States of America. This was as a result of supply chain disruptions to the manufacturing sector curtailing industrial production and consumer spending.

In Africa, growth in Sub Saharan economies in 2011 remained robust despite a weak and uncertain global outlook, with the World Bank projecting the growth at 4.9% (5.9% excluding South Africa). This was largely driven by domestic demand and partly by higher commodity prices. Growth of 5.3% and 5.6% is projected for 2012 and 2013 respectively. However, the region may continue to face challenges arising from high commodity prices especially fuel and food prices, resulting to high inflation and interest rates. The region has experienced enhanced investor confidence due to improved democracy on the continent as the political environment stabilizes. Two major elections in Ghana and Kenya expected to be held in early 2013 will be closely monitored as it will mirror the stability of the region.

In East Africa, 2011 GDP growth for Kenya, Tanzania, Uganda and Rwanda was 4.4%, 6.4%, 3.2% and 8.6%, respectively while the projected growth for 2012 is 5.6%, 7.0%, 6.7% and 7.2% respectively. Only Rwanda surpassed the growth forecast in 2011. High global prices of oil and commodity prices and unfavorable weather conditions affected the wider East Africa region. The region also experienced high inflation rates during the year.

The Kenyan economy recorded a growth of 4.4% in 2011 compared to 5.8% in 2010. The low growth was attributed to unfavourable weather conditions in some parts of the country as well as the inflationary pressures associated with the instability in the foreign exchange markets. Most of the key sectors of the economy such as agriculture, manufacturing, transport & communications and tourism recorded a rather minimal growth in 2011 compared to 2010.

The Insurance Industry recorded gross written premium of Kshs. 91.60 billion compared to Kshs. 79.06 billion in 2010, representing an increase of 15.9%. Gross earned premium increased by 17.9% to stand at Kshs. 74.84 billion in 2011 compared to Kshs. 63.5 billion in 2010. The industry's annual performance therefore exceeded the overall economic growth of 4.4% recorded in 2011. The insurance penetration is estimated at 3.02%, which compares well with the emerging markets average of 2.7%.

The introduction of new products in the market and the significant improvement in service delivery platforms being experienced in the insurance industry will no doubt propel the insurance industry to a higher level of growth. This is underpinned by the huge potential of untapped insurance market in the country coupled by the ongoing efforts by the Government in strengthening the regulatory environment of the financial services sector, which include the review of the Insurance Act and the importance placed on insurance services under Vision 2030. On its part, the Association of Kenya Insurers continues to play a key role in the development of the insurance industry through implementation of strategies and initiatives geared towards achieving higher insurance awareness and penetration.

I welcome you to read the report and believe that you will find it informative and an important source of information.

Mark J. Obuya
Chairman, AKI



Executive Director's Report



For the last ten years, the Insurance Industry has grown at an average rate of 15%. In 2011, the industry wrote a gross premium of 91.6 billion compared to 79 billion in 2010. Year 2010, was however exceptional as the industry recorded 23% growth, the highest rate of growth recorded in recent times.

Some of the new ventures in the last few years include introduction of Agriculture and Livestock insurance, Micro insurance and Takaful. A number of hitherto composite companies have successfully demerged into Life and Non Life Insurance companies. This has certainly enabled the management of these respective companies to focus a lot more on the respective line of business unlike in the past when managements found themselves torn between growing Life or Non Life insurance business. The new entities will also contribute to job creation for a number of Kenyans.

The industry, however, continues to face a number of challenges. Competition for business continues to be a very big challenge. In view of the very low levels of product innovation, differentiation remains quite low. This has over the years led to massive price cutting, a phenomenon that has had a major impact on growth and profitability.

Motor insurance continues to account for the largest portion of the total premium written, currently standing at 45%. With huge losses arising from the very many motor accidents on our roads coupled with rampant fraud, underwriters will have to deliberately look for ways of reducing the impact of their Motor portfolio. One way of doing this is by increasing the volume of the more profitable classes e.g fire industrial and domestic.

Last year, the performance of Motor portfolio was the best in a decade! The industry was able to make an underwriting profit of Kshs.320 million in Motor Private up from an underwriting loss of Kshs. 900 million. This was a remarkable achievement bearing in mind that over the years, the industry has persistently made losses in this class of business. At a combined average technical loss ratio of 57% (motor private and Motor Commercial) it has been demonstrated beyond any reasonable doubt that NCD underwriting introduced in March 2011 has borne fruit. The very unfortunate scenario observed in the recent past indicates that NCD rating is no longer holding to the extent that most Insurance Companies are back to flat rating.

Group Life and Medical insurance continue to register disastrous results. The genesis of this unfortunate scenario is again premium undercutting coupled with imprudent underwriting practices.

Some underwriting guidelines have been issued by IRA with a view to improving the underwriting results for group life. But as fate would have it, we continue to receive complaints that most of underwriters are not adhering to these guidelines. We will implore IRA to go a step further and prescribe underwriting guidelines for Medical insurance. If as an industry, we are willing to tame Motor, Medical and Group Life insurances, our industry would not only register growth but also profitability. I guess the whole reason we are in business is to offer value to our customers and in the process make money.

T M Gichuhi
Executive Director



1. Economic Overview

According to the Kenya Economic Survey 2012, launched in May 2012 by the Minister of State for Planning, National Development and Vision 2030, there were both positive and negative factors that affected economic growth in 2011. Some of the positive factors included: increased credit to the private sector, higher public investments in infrastructure and higher inflows of diaspora remittances. The negative factors included: erratic weather conditions, escalating oil prices, high inflation and the weakening of the Kenya shilling which led to the widening of the current account deficit.

The nominal GDP grew from Ksh. 2.5 trillion in 2010 to 3.0 trillion in 2011. In addition, the real GDP expanded by 4.4% in 2011 compared to the 5.8% (revised) in 2010. The global economy is projected to record a slower real GDP growth rate of 3.4% in 2012 compared to 3.8% in 2011. Similarly, the domestic economy is projected to maintain a positive growth but at a decelerated rate of between 3.5% and 4.5% in 2012 compared to 4.4% in 2011. Annual inflation increased from 4.1% in 2010 to 14.0% in 2011 mainly due to sharp increase in the international oil prices, weakening of the Kenya shilling against major world currencies and inadequate rainfall which pushed the prices of staple foods upwards.

The financial services sector posted an impressive growth of 7.8%. This growth was mainly attributed to the rise in credit to the private sector. The growth was however lower than the 9.0% posted in 2010. This decline was mainly due to the persistent high inflation, large interest rates between lending and savings rates, and high interest rates which adversely affected the cost of borrowing.

Agriculture recorded a growth of 1.5% in 2011 compared to 6.4% in 2010. This was attributed to erratic weather conditions and high costs of agricultural inputs. Manufacturing recorded a 3.3% growth in 2011 compared to 4.4% in 2010. This decline in the sector's growth was attributed to the following: increase in prices of primary inputs and fuel costs, unfavourable weather conditions resulting in reduction in raw materials for agro-based industries and depreciating currency resulting in increased cost of imported intermediate inputs.

Tourism earnings rose from Ksh. 73.7 billion in 2010 to Ksh. 97.9 billion in 2011 representing a 32.8% rise. Building and construction sector recorded a growth of 4.3% in 2011 compared to 4.5% in 2010. Transport and communication sector recorded 4.5% growth in 2011 compared to 5.9% growth recorded in 2010. However, the railway sub-sector recorded an increase in earnings in both passenger and freight of 20.2% and 14.5% respectively mainly due to the restructuring of the operations of the Rift Valley Railways. In addition, the mobile subscriber base rose from 20.1 million in 2010 to 25.3 million as at June 2011 with the number of mobile money transfer subscribers increasing from 10.6 million in 2010 to 17.4 million in 2011.

The value of total exports grew by 24.7% from Ksh. 409.8 billion in 2010 to Ksh. 511.0 billion in 2011. The key export earners were tea, horticulture, coffee, tobacco and tobacco manufactures. On the other hand, the value of imports grew by 38.9% from Ksh. 947.4 billion in 2010 to Ksh. 1.3 trillion in 2011, with the key imports being petroleum, industrial machineries and motor vehicles. This consequently, resulted in the worsening of the trade balance by 49.7% in 2011 compared to 21.3% in 2010.



The current account deteriorated to a deficit of Ksh. 296.0 billion in 2011 compared to Ksh. 187.7 billion in 2010. This was mainly attributed to the widening trade deficit. Moreover, the capital and financial account recorded a surplus of Ksh. 289.6 billion in 2011 compared to a surplus of Ksh. 186.0 billion in 2010 mainly due to an increase in net foreign direct investment and capital inflows during the year. An improvement in the capital and financial account saw an improvement in the balance of payments surplus from Ksh. 12.2 billion in 2010 to Ksh. 21.8 billion in 2011.

2. World Insurance Performance in 2011

The insurance industry faced difficult economic environment in 2011. The global life insurance premiums fell, while the non-life insurance premiums grew in some markets such as China and India. Overall, gross premiums declined by 0.8% in real terms. However, gross premiums reached a record high of USD 4597 billion in nominal terms, increasing by 6% over 2010 as the US dollar depreciated against the major currencies. Historically, low interest rates and extraordinarily costly natural catastrophe events affected insurers overall results. Yet, the insurance industry was able to maintain its capital strength because the falling interest rates increased insurers’ asset value but not their liabilities.

Real growth in the world economy slowed to 3% in 2011. After getting off to a strong start, the economy gradually weakened in the second half of the year, undermining demand for insurance services. The economic landscape ahead looks challenging for insurers. The emerging markets are set to continue to grow at a fairly robust pace. Moderate growth is expected in the US while Western Europe is not likely to emerge from its recession until the second half of 2012.

Table 1: Premium Growth in Real Terms

	Life	Non-Life	Average
Industrialised countries	-2.3%	0.5%	-1.1%
Emerging markets	-5.0%	9.1%	1.3%
World	-2.7%	1.9%	-0.8%

Source: Swiss Re – Sigma 3/2012

2.1 Global Life Insurance Premiums

Global life insurance premiums shrank by 2.7%. Advanced markets contracted by 2.3%, with the sharpest decline observed in Western Europe (9.8%). Meanwhile, the US market recorded moderate growth (2.9%). Japan and the newly industrialized Asian countries grew by 4.4% well above their ten-year average. In emerging markets, premium growth proved robust in most cases, but was negative overall due to steep premium drops in China and India in the wake of regulatory changes that restricted the use of certain distribution channels. The low interest rate environment also continued to weigh on life insurers’ investment results. In 2012, life premium growth is likely to remain sluggish in advanced economies, but is expected to resume in emerging markets as Chinese and Indian insurers adapt to the new regulations.



2.2 Global Non Life Insurance Premiums

Global non-life insurance premiums grew moderately by 1.9% in 2011. In advanced markets, the unfolding recession in Europe and weak growth in the US in the second half of the year dampened insurance demand with premiums growing by 0.5%. Emerging market growth remained robust at 9.1%, but also slowed. Overall, non-life insurance results were significantly impaired by the large catastrophe losses in 2011. This is the worst ever catastrophe year according to sigma records in terms of total economic losses and the second worst ever in terms of insured losses. Nevertheless, the non-life industry's capital position remains strong. Although premium rates in some markets began picking up in 2012, the turn of the cycle is expected to be only gradual and limited to certain markets and lines of business in 2012. Growth in 2012 is expected to remain modest due to the adverse economic environment.

2.3 Global Catastrophic Losses

In 2011, total economic losses to the society due to disasters (both insured and uninsured) reached an estimated at USD 370 billion compared to USD 226 billion in 2010. The earthquake in Japan, the country's worst on record in terms of magnitude, alone accounted for 57% of global economic losses. Altogether, insured losses from natural catastrophes was around USD 6 billion, making 2011 the second-highest catastrophe loss year even for insurance industry. The gap between economic and insured losses of USD 260 billion points to the widespread lack of insurance protection worldwide.

Table 2: Selected World Insurance Market

Region	Country	Life Premiums USD bn	Non-Life Premiums USD bn	Total Premiums USD bn	Insurance Density (USD)	Insurance Penetration. %
Advanced Markets		2,262	1,635	3,897	3,712	8.6
	USA	538	667	1,205	3,846	8.1
	Japan	525	131	655	5,169	11.0
	UK	210	109	320	4,535	11.8
	France	175	98	273	4,041	9.5
	Germany	114	131	245	2,967	6.8
	Italy	105	55	161	2,530	7.0
	Hong Kong	25	3	28	3,904	11.4



Region	Country	Life Premiums USD bn	Non-Life Premiums USD bn	Total Premiums USD bn	Insurance Density (USD)	Insurance Penetration. %
Emerging Markets		365	334	700	118	2.7
	Latin America and Caribbean	65	89	154	261	2.8
	Brazil	41	37	78	398	3.2
	Mexico	10	12	22	193	1.9
	Russia	1	42	43	303	2.4
	China	135	87	222	163	3.0
	Central and Eastern Europe	21	72	93	287	2.6
	India	60	13	73	69	4.1
	Middle East and Central Asia	10	30	40	124	1.5
	United Arab Emirates	2	5	7	1,380	1.8
South and East Asia	228	119	347	97	3.0	
Africa		46	22	68	65	3.6
World		2,627	1,970	4,597	661	6.6%

Source: Swiss Re, Economic Research and Consulting

Insurance penetration = premiums as % of GDP; Insurance Density = Premiums per Capita.

2.4 Global Outlook For 2012

The economic outlook remains challenging in 2012. The European debt crisis poses an enduring threat to insurers due to their large balance sheet exposures to banks and sovereign debt. Further increases in already elevated oil prices or a sharp reversal in growth in China could choke off the fragile global recovery.

Going forward, moderate premium growth overall is expected in 2012. In non-life, robust growth in the emerging markets and hardening prices are expected to support premium growth. However, the turn of the pricing cycle is likely to be gradual and limited to certain markets and lines of business.

Slower economic growth in the advanced markets will weigh on insurance demand for life and non-life insurance. However, life insurance premium growth is set to revive in the emerging markets. In India and China, insurers are already adapting to the new regulations by consolidating their distribution channels and restructuring products. Elsewhere in the emerging markets, life premium growth is set to continue to benefit from rising income and increasing risk awareness. Savings products and credit life insurance in particular are expected to make further inroads into Latin America. Very low interest rates will continue to be a challenge for the entire insurance industry. Last year was not a great one for premium growth, but 2012 should be a lot better as rates continue to improve in non-life markets, India and China return to robust growth in life markets.



2.5 Insurance Performance in Africa

Table 3: 2011 Premiums in Africa

	USD bn	World Market Share
Life	46	1.8%
Non-life	22	1.1%

Source: Swiss Re – Sigma 3/2012

2.5.1 Life Insurance

Life insurance premiums in Africa are estimated to have increased by 1.3% to USD 46 billion in 2011, having declined by 11% in 2010. South Africa, the region's dominant market, accounts for around 90% of regional life premium volume. Premium income in South Africa is estimated to have grown by 1.5% in 2011, against a decline of 12% in 2010. Growth was supported by an increase in recurring premiums for individual in-force policies in 2011. Retirement annuities also gained popularity and experienced a strong shift from single premium to recurring premium fund policies. Meanwhile, life insurance net flows (total premiums minus total payments) improved in 2011 after languishing for a number of years.

Premiums in Egypt, which ranks third by market size, shrank by 10% in 2011 (2010:13.5%). In 2010, premium volumes expanded in the majority of African countries, but contracted by 0.6%. Premiums in Angola the tenth largest market are estimated to have grown 18% in 2011 (2010:13.5%). In 2010, premium volumes expanded in the majority of African countries, but contracted between 6% and 12.4% in the top four markets in the region. A number of Takaful companies have set up operations in Egypt as well as in other African countries, potentially broadening the appeal of life insurance among the continent's significant Muslim population.

Life insurance in the region is set to experience growth in the medium term as the economic recovery gains momentum. In South Africa, annuity sales are expected to hold up despite the currently low interest rate environment.

2.5.2 Non-Life Insurance

Non-life premiums in Africa rose by 3.3% in 2011. This is similar to the data for 2010 and below the average real growth achieved in the previous five years. The total masks significant country-level differences, however for instance, political and social unrest in some states in Northern Africa adversely hit economic activity and, by extension hurt the insurance markets. More specifically, lost output from the disruptions together with reduced foreign direct investment have led to significant revision of real GDP growth estimates for 2011 for the countries that are most affected.

Consistent with the worsening economic backdrop, non-life premiums in Egypt fell by 1.6% in real terms. By contrast, insurance markets in Sub-Saharan Africa remained robust. Most notably, non-life premiums in South Africa – by far the region's largest insurance market - rose by 3.4%, up slightly from 2010. Despite the economic headwinds afflicting its largest export markets in Europe, South Africa GDP growth held up last year, supporting the country's insurance premium volume. In the less developed markets in Sub-Saharan Africa, growth was solid in much of the region in recent years.



For Angola, estimates suggest that premium growth remained strong in 2011 at 7.9%.

Barring any lasting economic impact from the political turmoil in some parts of the region, the outlook for African insurance markets remains positive. In the near term, high commodity prices will benefit economic activity in those countries rich in natural resources, which will underpin premium growth. Looking further ahead, greater wealth and emerging middle class should translate into rising markets penetration as demand for insurance grows, although structural factors (including the oil/energy insurance business) mean developments will likely vary widely across the continent.

Table 4: Summary of insurance performance in selected countries in Africa

Country	Non -Life Premium (USD Millions)	Penetration %	Life Premium (USD Millions)	Penetration %	Total Premium (USD Millions)	Total Penetration %
Kenya	714	2.00	361	1.02	1,075	3.02
Algeria	1,042	0.5	101	0	1,143	0.5
Egypt	953	0.4	1,320	0.6	2,273	1.0
Morocco	1,934	2.0	799	0.8	2,732	2.8
Nigeria	1,726	0.7	366	0.2	2,092	0.9
Tunisia	711	1.7	114	0.3	825	2.0
South Africa	10,340	2.6	36,230	9.0	46,570	11.6

Source: -Business Monitor International-2011 Estimates. Kenya's figures are actual.

3. Kenyan Insurance Sector

There were 45 operating insurance companies as at the end of 2011. 22 companies wrote non-life insurance business only, 9 wrote life insurance business only while 14 were composite (both life and non-life). There were 141 licensed insurance brokers, 14 medical insurance providers (MIPs) and 3,668 insurance agents. Other licensed players included 105 investigators, 75 motor assessors, and 21 loss adjusters, 2 claims settling agents, 8 risk managers and 23 insurance surveyors.

Table 5: Insurance Industry Players in Kenya

Year	Insurance Companies	Agents	Brokers	Investigators/ Investigators	MIPs	Insurance Surveyors	Risk Managers	Loss Adjusters
2007	43	2,665	201	213	21	30	8	23
2008	42	3,356	141	152	19	19	6	17
2009	44	3,076	137	163	21	26	5	18
2010	46	4,223	163	200	23	26	10	21
2011	45	3,668	141	105	14	23	8	21

The penetration of insurance in Kenya is estimated at 3.02%. Initiatives such as improved regulatory framework, innovative products, adoption of alternative distribution channels, enhanced public education and enhanced use of technology may improve the levels of penetration.



3.1 Premium Income

The industry recorded gross written premium of Kshs 91.60 billion compared to Kshs 79.06 billion in 2010, representing a growth of 15.9%. The gross written premium for non-life insurance was Ksh 60.67 billion (2010: Ksh 52.35 billion) while that for life insurance was Ksh 30.93 billion (2010: Kshs 26.71 billion).

Non-Life insurance premium grew by 15.9% while life insurance premium and contributions from deposit administration & investment/unit linked contracts grew by 15.8%. The industry has consistently recorded growth over the last eight years as illustrated in table 6 and figure 1 below.

Table 6: Gross Written Premium for the Period 2004 – 2011

Year	2004	2005	2006	2007	2008	2009	2010	2011
Non- Life Insurance	22.78	25.39	29.20	32.95	36.89	43.11	52.35	60.67
Life insurance*	9.97	11.03	12.48	15.14	18.30	21.36	26.71	30.93
Total	32.75	36.42	41.68	48.09	55.19	64.47	79.06	91.60

Figures in Billion Kenya Shillings

*Figures include deposit administration and investments/unit linked contracts contributions.

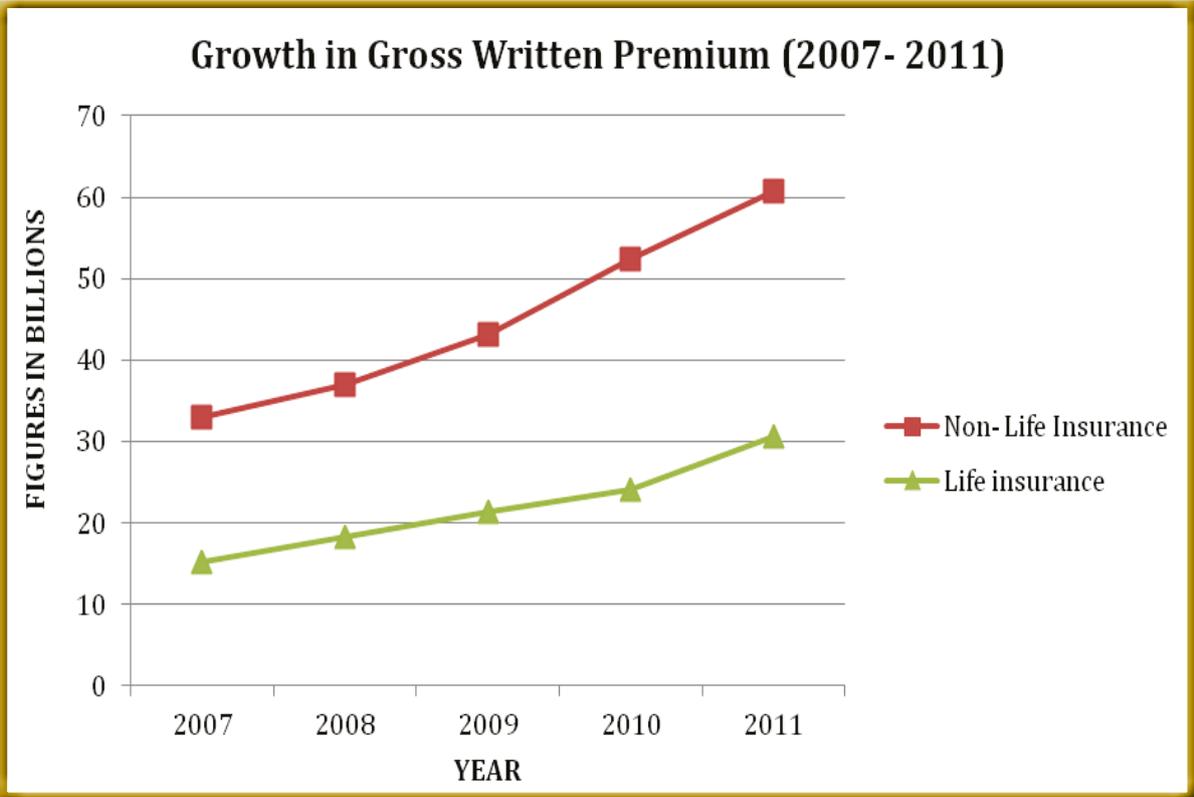


Figure 1: Growth in Gross Written Premium (2007 – 2011)



3.2 Claims

The industry incurred net claims totaling Kshs 39.58 billion in 2011 compared to Kshs 39.50 billion in 2010, representing an increase of 0.2%.

3.3 Total Expenses

Total commissions and expenses for the industry was Kshs 28.05 billion in 2011 (2010: Kshs 25.12 billion), representing an increase of 11.7%.

3.4 Profitability

Industry earnings from investments and other income decreased by 22.6% from Kshs. 23.98 billion in 2010 to Kshs 18.55 billion in 2011. The combined industry profit after taxation decreased by 0.3% to Kshs. 7.78 billion in 2011 compared to Kshs. 7.80 billion in 2010. The overall underwriting profit for non-life insurance was Kshs 2.49 billion compared to Kshs. 1.27 million in 2010.

3.5 Assets & Liabilities

Total assets held by the industry increased by 10.2% to Kshs 230.76 billion in 2011 (2010: Kshs 209.48 billion). Total liabilities increased by 13.7% to Kshs 183.70 billion in 2011 (2010: Kshs 161.61 billion). Net assets decreased by 1.7% to Kshs 47.06 billion in 2011 (2010: Kshs 47.86 billion).

3.6 Insurance Performance Relative to the Economy

The performance of the industry relative to the Kenyan Gross Domestic Product for the period 2007 to 2011 is shown in table 7 and Figure 2 below.

Table 7: Insurance Performance relative to the Gross Domestic Product

	2007	2008	2009	2010	2011
Gross Domestic Product (GDP) at market prices ¹	1,834	2,111	2,365	2,551	3,025
Life Insurance Premium*	15.14	18.30	21.36	26.71	30.93
Life Insurance Penetration	0.83%	0.87%	0.94%	1.05%	1.02%
Non-Life insurance Premium	32.95	36.89	43.11	52.35	60.67
Non-Life insurance Penetration	1.82%	1.76%	1.90%	2.05%	2.00%
Total Premium*	48.09	55.19	64.47	79.06	91.60
Insurance Penetration**	2.65%	2.63%	2.84%	3.10%	3.02%

Figures in billions Kenya shillings

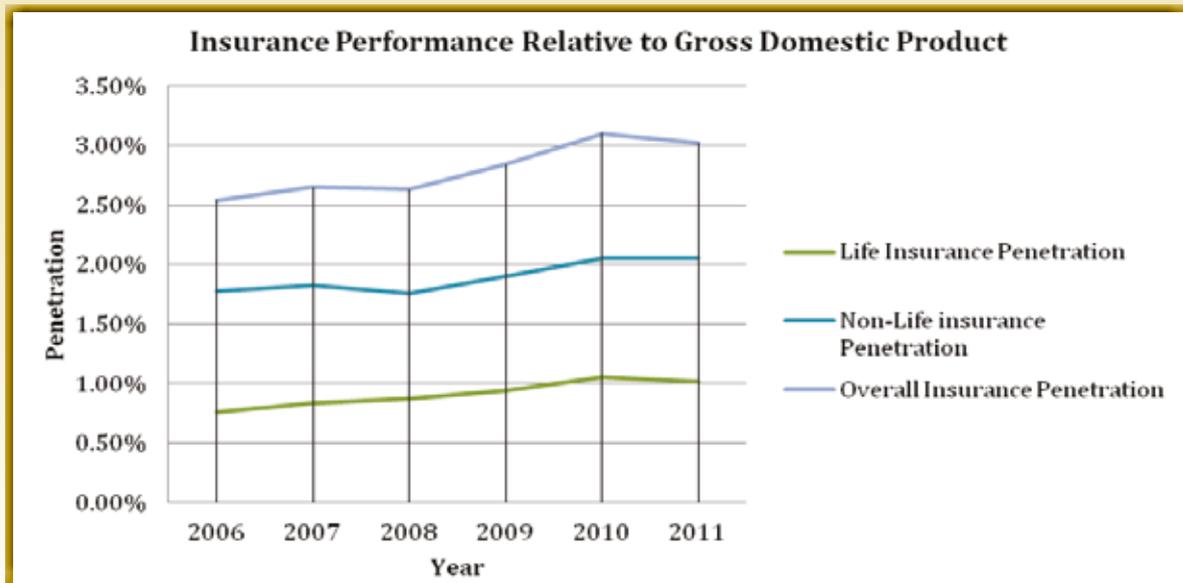
*Includes deposit administration and unit linked contracts contributions.

**Insurance Penetration = $\frac{\text{Gross Premium}}{\text{GDP}} \times 100$



¹ Source: Economic Survey 2012

Figure 2: Insurance Performance Relative to Gross Domestic Product



The penetration of insurance in the year 2011 was 3.02% compared to 3.10% in 2010. Life insurance recorded a penetration ratio of 1.02% (2010:1.05%) while non-life insurance recorded 2.00% (2010:2.05%).

4. Changes in Legislation 2011

4.1 The Finance Act, 2011

The Finance Bill, 2011 finally became law in May 2012. Various amendments to the Regulations under the Provisional Collection of Taxes and Duties Act, Cap 415 which took effect on 9th June, 2011 were as follows:-

- The Traffic Act, Cap 403 - Deregistration certificate was introduced for vehicles written-off by an insurer.
- The Income Tax Act, Cap 470 - Funds contributed by insurers in respect of the Integrated Motor Insurance Data System (IMIDS) were exempted from income tax for a period of two (2) years up to 28th February, 2012.
- The Income Tax Act, Cap 470 - Section 5(4), medical benefits or medical services utilized by the beneficiaries of an employee were made exempt from taxation effective 9th June, 2011. A further clarification was provided to define who is a beneficiary, where beneficiary was defined to mean a spouse and not more than four (4) children below the age of twenty-one (21) years.
- Pension schemes were given an exemption from the requirement to have a fund manager.

The following amendments took effect on 1st January, 2012: -

- Section 30A was amended to give the Insurance Regulatory Authority (IRA) powers to authorize the opening up of new branches by insurers.
- Section 67 was amended to give IRA power to take over the control of assets of financially unstable insurers and also hold directors liable jointly and severally for any misappropriation.
- The IRA was given the mandate to approve amalgamations and transfer of insurance business, a procedure that was previously regulated by the Minister for Finance.

4.2 The Insurance Act

The amendments to the Regulations effective 9th June, 2011 are:-

- The Seventh Schedule was amended to incorporate the new mortality tables developed by AKI.
- Under the Eleventh Schedule the commission rate for medical insurance is 20%. Vide Legal Notice No. 50 of 2012 the commission rate was subsequently amended to 10%.

4.3 Ownership and Management of an Insurer

The Finance Act, 2009 introduced Corporate Governance by amending Section 23 of the Insurance Act to restrict ownership and management of an insurer. No person shall control or be beneficially entitled, directly or indirectly to more than 25% of the paid up share capital or voting rights of an insurer. Such a person would further not be entitled to appoint more than 25% of the Board of Directors of an insurer or receive more than 25% of the aggregate dividends of an insurer in any given financial year.

Further no person can be appointed an Executive Director, Managing Director, Principal Officer or Senior Manager if such person controls or is beneficially entitled, directly or indirectly to more than 20% of the paid up share capital or voting rights of the insurer. Such a person shall also not be entitled to appoint more than 20% of the Board of Directors or receive more than 20% of the aggregate dividends of the insurer in any given financial year.

The effective date for full implementation of Section 23 was 31st December, 2011.

4.4 Draft Insurance Bill, 2011

The Draft Insurance Bill, 2011 was released by the Insurance Regulatory Authority at a stakeholders workshop held on 19th and 20th April, 2011. AKI also came up with a draft prototype insurance bill and shared it with IRA. A team comprising representatives from AKI, IRA, Treasury, the State Law Office and the Law Reform Commission is scrutinizing both Bills with a view to coming up with a harmonised draft.



4.5 Corporate Governance, Anti Money Laundering and Market Conduct for Insurance Intermediaries

An amendment was earlier proposed to the Insurance Act, Cap 487 under the Finance Act, 2010 to amend Section 3A. The amendment which took effect on 1st January, 2011 expanded the functions of the IRA to allow the Authority issue supervisory guidelines, come up with prudential standards and share information with other Regulatory Authorities. In keeping with this mandate the IRA released guidelines touching on Corporate Governance, Anti Money Laundering as well as Market Conduct for Insurance Intermediaries in the month of July 2011.

4.6 Unclaimed Financial Assets Act, 2011

The Unclaimed Financial Assets bill, 2011 is now law having received Presidential Assent on the 2nd December, 2011. The primary objective of this Act is to provide a legal framework for dealing with unclaimed financial assets in Kenya. Global experience indicates that over 50% of assets which are not claimed are never reunited with their beneficiaries after death of the owners and the beneficiaries are not aware of their existence.

4.7 Competition Act, 2011

The effective date for the Competition Act , 2010 was gazetted as 1st August, 2011 and the Restrictive Trade, Monopolies and Price Control Act, Cap 504 now stands repealed. Insurance related services fall within the ambit of the Competition Act.

A new section on Consumer Protection was introduced which is set to impact on the manner in which insurers will engage with consumers. Under Section 55, it is now an offence to give false and misleading statements in the promotion for the supply or use of goods and services or that goods or services are of a particular standard or quality. It is also an offence where one falsely gives misleading information with respect to prices of goods and services, or concerning the existence of any condition or warranty, guarantee, right or remedy.

It is an offence in the supply of goods and services to engage in unconscionable behaviour in the supply of goods and services. In determining unconscionable behaviour, the Competition Authority shall have regard to:-

- i. The strength of the bargaining position of the person and the consumer
- ii. Whether the consumer was able to understand documents relating to the supply.
- iii. Whether any undue influence or pressure was exerted or unfair tactics used against the consumer or persons acting on behalf of the consumer.
- iv. The amount or fees for which the consumer could have acquired identical or equivalent goods or services from another supplier.

Insurers are mentioned under subsection 56(3) where “an insurer, bank, micro-finance institution is barred from imposing any new charges or fees without first bringing the matter or new charges to the attention of the consumer prior to the provision of the service.”A consumer shall therefore now be entitled to be informed by a service provider of all charges and fees by whatever name called or described, intended to be imposed for the provision of a service.



5. Industry Combined Statements of Comprehensive Income and Financial Position

5.1 Statement of Comprehensive Income

The insurance industry's statement of comprehensive income for the last five years is shown in table 8 below.

Table 8: Summary of Insurance Industry Combined Statement of Comprehensive Income (2007 – 2011)

	2007	2008	% Change	2009	% Change	2010	% Change	2011	% Change
Gross Earned Premium	42.58	46.32	8.78	53.92	16.41	63.47	17.71	74.84	17.91
Reinsurance ceded	9.48	9.84	3.80	11.12	13.01	13.30	19.60	15.98	20.15
Net Earned Premium	33.10	36.48	10.21	42.80	17.32	50.17	17.22	58.86	17.32
Investment & Other income	12.19	11.75	-3.61	15.10	28.51	23.98	58.81	18.55	-22.64
Net Income	45.29	48.23	6.49	57.90	20.05	74.15	28.07	77.41	4.40
Net Incurred claims	24.70	24.83	0.53	30.66	23.48	39.50	28.83	39.58	0.20
Total Commissions & Expenses	16.58	18.35	10.68	21.41	16.68	25.12	17.33	28.05	11.66
Profit/(Loss) before Taxation	4.01	5.05	25.94	5.83	15.45	9.53	63.46	9.78	2.62
Provision for Taxation	0.99	1.20	21.21	1.54	28.33	1.73	12.34	2.00	15.61
Profit/(Loss) after Taxation	3.02	3.85	27.48	4.29	11.43	7.80	81.82	7.78	-0.26

Figures in billions Kenya shillings

The gross earned premium increased by 17.91% in 2011 compared to 2010. Reinsurance premium ceded increased by 20.15%.

Investment and other income decreased by 22.64% in 2011 compared to 2010 due to poor performance of the capital market.

Net incurred claims and commissions & expenses increased by 0.20% and 11.66% in 2011 respectively. Profit before taxation increased by 2.62% in 2011 compared to 63.46% in 2010. Provision for taxation increased by 15.61% in 2011 compared to 12.34% in 2010.

For detailed information on the insurance industry combined Statement of Comprehensive Income for the year 2011, refer to Table 9.



Table 9: Detailed Statement of Comprehensive Income

Company Name	Gross Earned Premiums		Reinsurance Premiums Ceded		Net Earned Premium		Investment & Other Income		Net Income		Net Incurred Claims		Total Commissions & Expenses		Profit/(Loss) Before Tax		Provision for Taxation		Profit/(Loss) After Tax	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Amaco	1,661,830	1,735,617	439,023	433,071	1,222,807	1,302,546	206,028	195,594	1,428,835	1,498,140	631,405	704,213	715,506	692,459	81,924	101,468	39,336	20,014	42,587	81,454
APA	4,862,157	4,166,441	712,686	647,351	4,149,471	3,519,090	543,744	575,380	4,693,215	4,094,470	2,914,049	2,513,863	1,471,334	1,338,065	307,832	242,542	42,876	53,277	264,956	189,265
Apollo Life	246,201	214,589	105,841	82,313	140,360	132,276	140,124	209,731	280,484	342,007	168,152	197,466	71,686	54,888	40,646	89,653	1,731	23,445	38,915	66,208
Blue Shield	0	1,235,077	0	10,811	0	1,224,266	0	45,638	0	1,269,904	0	713,847	0	472,164	0	83,893	0	0	0	83,893
British American	5,583,433	4,333,428	659,646	674,672	4,923,787	3,658,756	904,702	3,105,551	5,828,489	6,764,307	2,225,439	3,818,108	2,452,345	1,908,951	1,150,705	1,037,248	212,395	145,642	938,310	891,606
Cannon	1,438,531	874,662	232,613	181,902	1,205,918	692,760	253,184	541,271	1,459,102	1,234,031	873,307	432,987	432,047	343,380	153,747	457,664	54,386	28,418	99,361	429,247
Capex Life	14,826	17,036	0	0	14,826	17,036	43,992	51,915	58,818	68,951	16,024	4,628	44,247	61,909	-1,453	2,414	0	-218	-1,453	2,632
CFC Life	1,390,706	1,964,296	128,344	152,637	1,262,362	1,811,659	1,080,471	1,303,044	2,342,833	3,114,703	886,308	1,685,213	1,109,246	1,123,070	347,279	306,420	31,859	108,801	315,420	197,619
Chartis	2,792,003	2,365,752	1,268,032	1,073,480	1,523,971	1,292,272	573,245	462,984	2,097,216	1,755,256	673,638	535,698	1,006,622	851,733	416,956	367,825	127,811	111,786	289,145	256,039
Concord	296,880	558,570	27,748	229,055	269,132	329,515	34,799	80,024	303,931	409,539	177,996	222,052	136,820	228,924	-10,885	-41,437	0	-31,933	-10,885	-9,504
CIC	6,116,421	3,908,066	772,125	358,300	5,344,296	3,549,766	649,478	391,990	5,993,774	3,941,756	3,149,844	2,007,214	2,062,772	1,330,067	781,158	604,475	195,095	118,561	586,063	485,914
Corporate	491,836	488,897	68,118	51,644	423,718	437,253	58,209	259,070	481,927	696,323	237,320	265,764	214,036	199,417	30,571	231,142	11,039	-6,761	19,532	237,903
Directline	1,706,615	1,522,436	29,884	32,579	1,676,731	1,489,857	190,073	126,127	1,866,805	1,615,984	990,805	975,250	656,394	553,525	219,605	87,209	42,874	32,026	176,731	55,183
Fidelity Shield	958,827	851,312	187,957	188,890	770,870	662,422	164,099	282,440	934,969	944,862	525,544	434,835	331,995	288,291	77,430	221,736	16,391	18,174	61,039	203,362
First Assurance	2,326,633	1,937,050	673,246	587,188	1,653,387	1,349,862	405,089	358,498	2,058,476	1,708,360	1,144,902	964,550	578,928	501,458	334,646	252,352	83,351	36,128	251,295	216,224
GA Insurance	1,715,583	1,341,547	607,158	478,117	1,108,424	863,431	199,161	170,737	1,307,586	1,034,168	720,251	559,266	307,940	289,153	279,395	185,748	79,195	50,399	200,200	135,349
Gateway	523,846	546,908	47,305	25,398	476,541	521,510	738,326	63,105	1,214,867	584,615	203,812	308,493	330,200	247,296	680,855	28,826	5,622	6,336	675,233	22,490
Geminia	864,148	725,187	258,511	243,141	605,638	482,046	208,881	159,220	814,519	641,266	366,484	293,864	303,070	254,507	144,966	92,895	44,268	27,133	100,898	65,762
Heritage	3,214,740	2,303,619	750,921	366,745	2,463,819	1,936,874	848,724	472,920	3,312,543	2,409,794	1,287,974	1,194,601	1,377,652	936,655	646,917	278,538	5,483	81,377	641,434	197,161
ICEALion Life (Formerly ICEA)	3,400,110	3,191,330	684,706	693,847	2,715,404	2,497,483	2,373,786	3,488,103	5,089,190	5,985,586	3,345,839	3,597,466	1,420,015	1,210,726	323,336	1,177,394	192,278	124,090	131,058	1,053,304
ICEALion General (Formerly Lion of Kenya)	1,848,084	1,815,746	940,256	918,501	907,828	897,245	769,415	643,822	1,677,243	1,541,067	514,796	530,716	434,792	407,830	727,855	602,521	197,139	164,176	530,516	438,345
Intra Africa	631,896	544,190	104,267	89,868	527,628	454,322	175,343	97,300	702,972	551,621	309,168	258,565	222,335	197,479	171,469	95,578	27,724	14,649	143,745	80,929
Invesco	1,005,437	458,510	30,254	19,786	975,183	438,724	12,947	8,561	988,130	447,285	329,879	155,774	608,249	272,990	50,002	18,521	-27,108	3,968	77,110	14,553



Company Name	Gross Earned Premiums		Reinsurance Premiums Ceded		Net Earned Premium		Investment & Other Income		Net Income		Net Incurred Claims		Total Commissions & Expenses		Profit/(Loss) Before Tax		Provision for Taxation		Profit/(Loss) After Tax	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Jubilee	7,642,939	5,511,402	1,730,508	1,192,963	5,912,431	4,318,439	2,741,844	3,611,775	8,654,275	7,930,214	5,264,220	4,988,630	2,304,117	1,682,871	1,085,938	1,258,713	221,751	144,285	864,187	1,114,428
Kenindia	3,979,052	3,527,682	1,313,534	1,119,212	2,665,518	2,408,470	1,748,640	2,018,584	4,414,158	4,427,054	3,202,025	2,688,074	1,365,036	1,249,855	-152,903	489,125	-24,298	59,488	-128,605	429,637
Kenya Orient	898,407	745,242	108,671	81,807	787,737	663,435	73,581	33,920	861,317	697,355	345,657	385,170	464,866	307,440	50,794	4,744	19,617	2,367	31,177	2,377
Kenyan Alliance	746,068	423,501	81,222	44,008	664,845	379,493	121,736	306,070	786,581	685,562	233,321	109,946	350,808	246,141	202,452	329,475	53,171	40,416	149,281	289,059
Madison	1,658,941	1,441,081	180,259	146,198	1,478,682	1,294,883	523,991	505,328	2,002,673	1,800,211	1,134,059	1,007,251	758,929	621,980	109,685	170,980	0	5,216	109,685	165,764
Mayfair	923,613	659,678	411,238	296,090	512,376	363,588	163,019	118,394	675,394	481,982	363,512	261,007	278,254	190,720	33,628	30,255	10,251	7,664	23,378	22,591
Mercantile	599,974	513,678	354,316	294,080	245,658	219,598	190,328	147,900	435,986	367,498	126,335	118,700	213,401	178,875	96,250	69,923	39,472	21,110	56,778	48,813
Metropolitan Life	52,050	56,479	6,833	7,116	45,217	49,363	-21,134	71,757	24,083	121,120	12,811	27,982	137,234	136,259	-125,962	-43,121	9,216	6,155	-135,178	-49,276
The Monarch	303,924	210,312	36,933	54,203	266,991	156,109	80,091	45,065	347,082	201,174	91,847	77,141	175,790	129,620	79,445	-5,587	12,830	4,122	66,616	-9,710
Occidental	1,234,007	1,077,004	453,649	342,274	780,359	734,730	239,490	185,397	1,019,849	920,127	566,940	513,882	351,875	345,883	101,034	60,362	24,616	16,226	76,419	44,136
Old Mutual Life	510,374	554,272	141,112	79,791	369,262	474,481	373,976	548,013	743,238	1,022,494	233,070	235,547	329,442	1,497,297	180,726	-710,350	0	64,551	180,726	-774,901
Pacis	479,702	375,622	60,735	33,542	418,967	342,080	53,347	69,240	472,314	411,320	206,342	150,494	214,691	179,159	51,281	81,667	23,609	26,615	27,672	55,052
Pan Africa Life	3,648,492	3,830,693	348,437	287,744	3,300,055	3,542,949	-97,371	1,211,880	3,202,684	4,754,829	1,876,475	2,988,899	1,295,659	1,427,462	30,550	328,478	7,390	75,942	23,160	252,536
Phoenix of East Africa	433,046	442,300	201,821	165,170	231,225	277,130	118,164	276,545	349,389	553,675	84,322	159,044	249,637	248,802	15,430	145,829	-5,635	-14,745	21,065	160,574
Pioneer Life	706,020	572,173	78,922	95,301	627,097	476,872	88,223	65,926	715,320	542,798	385,612	232,367	291,011	254,975	38,697	55,457	8,898	6,280	29,799	49,176
Real	1,425,451	1,313,772	330,097	294,994	1,095,354	1,018,778	224,601	212,416	1,319,955	1,231,194	626,720	633,329	541,326	497,790	151,909	100,075	-10,892	12,227	162,801	87,848
Shield Assurance	159,541	144,582	597	465	158,944	144,117	27,382	29,147	186,326	173,264	120,460	62,078	100,725	101,817	-34,859	9,369	0	0	-34,859	9,369
Xplico	172,839	0	9,392	0	163,447	0	1,212	0	164,659	0	51,729	0	102,584	0	10,346	0	3,197	0	7,149	0
Takatul	83,059	0	39,651	0	43,408	0	15,782	4,827	59,190	4,827	31,833	0	150,178	13,858	-122,821	-9,031	-40,881	0	-81,940	-9,031
Tausi	594,216	527,388	206,760	201,742	387,456	325,647	137,026	172,643	524,482	498,290	217,663	151,860	217,753	198,266	89,066	148,163	35,026	34,562	54,040	113,602
Trident	745,012	531,887	225,226	147,753	519,786	384,134	142,228	154,102	662,013	538,236	2414,662	312,260	146,279	127,546	101,073	98,430	31,822	28,238	69,250	70,192
UAP Life	455,093	347,598	150,600	98,926	304,493	248,672	37,592	489,121	342,085	737,793	412,179	481,264	266,440	304,493	-336,534	-47,964	0	0	-336,534	-47,964
UAP Insurance	4,299,509	3,562,027	779,324	779,559	3,520,185	2,782,468	990,468	612,578	4,510,653	3,395,046	1,881,895	1,537,083	1,457,149	1,411,690	1,171,609	446,273	195,873	58,172	975,736	388,101
TOTAL	74,840,072	63,468,641	15,978,479	13,302,235	58,861,593	50,166,407	18,548,037	23,983,653	77,409,630	74,150,059	39,576,622	39,496,442	28,051,416	25,117,725	9,781,592	9,535,892	1,988,778	1,728,380	7,782,814	7,807,511

Figures in Kshs. '000

5.2 Statement of Financial Position

The insurance industry's combined Statement of Financial Position for the last 5 years is shown in table 10 below.

Table 10: Summary of Insurance industry combined Statement of Financial Position (2007 – 2011)

	2007	2008	% Change	2009	% Change	2010	% Change	2011	% Change
Shareholders Capital, Life Fund & Reserves	30.04	29.62	-1.40	33.91	14.48	47.86	41.14	47.06	-1.67
Total Assets	134.10	146.12	8.96	164.88	12.84	209.48	27.05	230.76	10.16
Total Liabilities	103.83	116.37	12.08	130.97	12.55	161.61	23.39	183.70	13.67
Net Assets	30.04	29.62	-1.40	33.91	14.48	47.86	41.14	47.06	-1.67
Profit/(Loss) before Tax	4.01	5.05	25.94	5.83	15.45	9.54	63.64	9.78	2.52
Return on Capital Employed	0.13	0.17	30.77	0.15	-11.76	0.20	33.33	0.21	5.00

Figures in billions Kenya shillings

The insurance industry shareholders capital, life fund and reserves decreased by 1.67% in 2011 compared to an increase of 41.14% in 2010.

Total assets and liabilities increased by 10.16% and 13.67% in 2011 compared to 27.05% and 23.39% in 2010 respectively.

Net assets decreased by 1.67% in 2011 compared to 41.14% in 2010. Profit before tax increased by 2.52% in 2011 compared to 63.64% in 2010. Return on capital employed increased by 5.00% compared to 33.33% in 2010.

For detailed information on the insurance industry combined Statement of Financial Position for the year 2011, refer to Table 11.





Table 11: Detailed Statement of Financial Position

Company Name	Share Holders Capital, Life Fund & Reserve		Total Assets		Total Liabilities		Net Assets		Profit/(Loss) before Tax		Return on Capital Employed	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Amaco	602,818	705,531	2,135,285	2,092,510	1,532,467	1,386,979	602,818	705,531	81,924	101,468	0.14	0.14
APA	1,718,532	2,032,522	7,643,217	7,069,553	5,924,685	5,037,031	1,718,532	2,032,522	307,832	242,542	0.18	0.12
Apollo Life	271,941	447,774	1,620,366	1,592,363	1,348,425	1,144,589	271,941	447,774	40,646	89,653	0.15	0.20
Blue Shield	0	72,689	0	1,790,463	0	1,717,774	0	72,689	0	83,895	0.00	1.15
British America	4,328,609	7,403,624	20,587,830	21,423,168	16,259,221	14,019,544	4,328,609	7,403,624	1,150,705	1,037,248	0.27	0.14
Cannon	1,571,776	1,457,222	4,097,842	3,522,562	2,526,066	2,065,340	1,571,776	1,457,222	153,747	457,664	0.10	0.31
Capex Life	186,143	176,533	309,900	279,170	123,757	102,637	186,143	176,533	-1,453	2,414	-0.01	0.01
CFC Life	968,337	1,915,644	13,403,150	13,719,723	12,434,813	11,804,079	968,337	1,915,644	347,279	306,420	0.36	0.16
Chartis	699,755	776,123	3,678,922	3,576,921	2,979,167	2,800,798	699,755	776,123	416,956	367,825	0.60	0.47
Concord	396,207	178,997	895,865	838,673	499,659	659,676	396,207	178,997	-10,886	-41,437	-0.03	-0.23
CIC	4,294,560	2,607,716	11,113,241	7,494,068	6,818,681	4,886,352	4,294,560	2,607,716	781,158	604,475	0.18	0.23
Corporate	632,355	612,823	1,421,974	1,287,115	789,619	674,292	632,355	612,823	30,571	231,142	0.05	0.38
Directline	453,867	413,564	2,908,633	2,304,356	2,454,766	1,890,791	453,867	413,564	219,605	87,209	0.48	0.21
Fidelity Shield	790,449	724,281	1,949,150	1,813,579	1,158,701	1,089,298	790,449	724,281	77,430	221,736	0.10	0.31
First Assurance	1,026,985	815,170	3,807,958	3,252,027	2,780,973	2,436,857	1,026,985	815,170	334,646	252,352	0.33	0.31
GA Insurance	1,171,601	1,242,976	4,540,414	4,025,038	3,368,813	2,782,062	1,171,601	1,242,976	279,395	185,748	0.24	0.15
Gateway	1,070,179	394,945	2,105,847	1,336,199	1,035,668	941,255	1,070,179	394,945	680,856	28,826	0.64	0.07
Geminia	791,511	704,402	2,354,381	2,118,792	1,562,870	1,414,390	791,511	704,402	144,966	92,895	0.18	0.13
Heritage	1,581,593	1,735,860	5,976,982	6,155,865	4,395,389	4,420,005	1,581,593	1,735,860	646,917	278,538	0.41	0.16
ICEALion Life (Formerly ICEA)	3,107,179	3,098,621	28,285,726	26,299,419	25,178,547	23,200,798	3,107,179	3,098,621	323,336	1,177,394	0.10	0.38
ICEALion General (Formerly Lion of Kenya)	1,969,146	1,662,016	6,295,923	5,880,805	4,326,777	4,218,789	1,969,146	1,662,016	727,655	602,521	0.37	0.36
Intra Africa	555,813	375,994	1,166,616	914,082	610,804	530,426	555,813	375,994	171,469	95,578	0.31	0.25
Invesco	386,161	10,244	1,108,184	602,460	722,024	592,216	386,161	10,244	50,002	18,521	0.13	1.81

Company Name	Share Holders Capital, Life Fund & Reserve		Total Assets		Total Liabilities		Net Assets		Profit/(loss) before Tax		Return on Capital Employed	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Jubilee	2,921,283	2,624,862	27,977,816	22,959,959	25,056,533	20,335,097	2,921,283	2,624,862	1,085,938	1,258,712	0.37
Kenindia	1,542,164	1,903,732	19,405,575	14,898,548	17,863,411	12,994,816	1,542,164	1,903,732	-152,903	489,125	-0.10	0.26
Kenya Orient	363,709	329,624	995,984	721,236	632,255	391,612	363,709	329,624	50,794	4,744	0.14	0.01
Kenyan Alliance	1,123,579	1,007,024	3,165,292	3,099,931	2,041,713	2,092,906	1,123,579	1,007,024	202,453	329,475	0.18	0.33
Madison	878,316	798,631	5,123,850	4,363,644	4,245,534	3,565,013	878,316	798,631	109,685	170,980	0.12	0.21
Mayfair	382,209	363,132	1,661,587	1,334,490	1,279,379	971,358	382,209	363,132	33,628	30,255	0.09	0.08
Mercantile	529,642	533,438	1,380,421	1,272,610	850,779	739,172	529,642	533,438	96,250	69,923	0.18	0.13
Metropolitan Life	328,861	234,141	567,391	476,278	238,530	242,137	328,861	234,141	-125,962	-43,121	-0.38	-0.18
Occidental	471,225	401,774	1,550,739	1,294,575	1,079,514	892,801	471,225	401,774	101,034	60,362	0.21	0.15
Old Mutual Life	1,064,491	1,264,779	8,587,343	9,498,945	7,522,852	8,234,166	1,064,491	1,264,779	180,726	-710,350	0.17	-0.56
Pacis	366,595	363,807	826,161	737,090	459,566	373,283	366,595	363,807	51,281	81,667	0.14	0.22
Pan Africa Life	739,079	799,423	9,878,146	9,401,249	9,139,067	8,601,826	739,079	799,423	30,550	328,478	0.04	0.41
Phoenix of East Africa	1,066,657	1,341,975	1,767,170	2,077,250	700,513	735,275	1,066,657	1,341,975	15,430	145,829	0.01	0.11
Pioneer Life	300,709	270,910	1,021,166	886,595	720,457	615,684	300,709	270,910	38,697	55,457	0.13	0.20
Real	646,880	500,039	2,074,047	1,696,766	1,427,167	1,196,727	646,880	500,039	151,909	100,075	0.23	0.20
Shield Assurance	379,436	450,998	520,389	563,940	140,933	112,942	379,436	450,998	-34,860	9,369	-0.09	0.02
Tausi	507,417	486,480	1,534,998	1,453,343	1,027,582	966,863	507,417	486,480	89,066	148,163	0.18	0.30
Takaful	289,376	314,316	508,793	314,426	219,417	110	289,376	314,316	-122,821	-9,031	-0.42	-0.03
The Monarch	576,954	510,338	999,873	989,049	422,919	478,711	576,954	510,338	79,445	-5,587	0.14	-0.01
Trident	695,213	645,963	2,692,166	2,196,864	1,999,453	1,550,901	695,213	645,963	101,073	98,430	0.15	0.15
UAP Life	-186,534	108,544	2,927,381	2,647,638	3,113,915	2,539,094	-186,534	108,544	-336,534	-47,964	1.80	-0.44
UAP Insurance	3,186,369	3,044,047	7,739,194	7,205,617	4,552,825	4,161,570	3,186,369	3,044,047	1,171,609	446,273	0.37	0.15
Xplico	307,149	0	442,587	0	135,437	0	307,149	0	10,346	0	0.03	0.00
TOTAL	47,056,295	47,863,247	230,755,438	209,478,952	183,701,642	161,608,042	47,056,295	47,863,247	9,781,592	9,535,892	0.21	0.20

Figures in Kshs. '000



6. Non-Life Insurance

Non life insurance covers property and casualty risks, which in Kenya are divided into fourteen broad classes. Non-life insurance typically comprises any insurance that is short term in nature. Nearly all short term insurance covers run for a period of 12 months with the exception of a few e.g. Marine Insurance, Contractors All Risks (CAR) and other time on risk policies.

The major classes of non life insurance business are Motor, Fire, WIBA, Personal Accident, Marine, Theft and Medical Insurance. Other classes include Liability, Aviation, Engineering and Miscellaneous Accidents which covers insurances such as Goods in Transit, Customs Bonds, Travel insurance etc. Micro-insurance and 'Takaful' are gaining prominence in Kenya. Thirty six (36) insurance companies wrote non-life insurance.

6.1 Premium Income

Gross premium for the year was Kshs. 60.67 billion compared to Kshs. 52.35 billion in 2010. This represents 15.9% growth compared to 21.4% realised in 2010. The table below shows the gross premium, market share and percentage growth per company for the last three years for all companies that write non-life Insurance.

Table 12: Gross Written Premium, Percentage Growth and Market Share(2009 – 2011)

Company	2009			2010			2011		
	Gross Premium	Percentage Growth %	Market Share %	Gross Premium	Percentage Growth %	Market Share %	Gross Premium	Percentage Growth %	Market Share %
Amaco	1,387,417	42.07	3.22	1,736,718	25.18	3.32	1,770,765	1.96	2.92
APA	3,633,629	21.00	8.43	4,611,408	26.91	8.81	5,019,780	8.86	8.27
British American	1,454,066	46.44	3.37	1,785,090	22.77	3.41	2,349,216	31.60	3.87
Cannon	795,705	32.16	1.85	937,443	17.81	1.79	1,002,110	6.90	1.65
Chartis	2,033,698	-2.45	4.72	2,612,757	28.47	4.99	2,803,897	7.32	4.62
Concord	675,174	0.94	1.57	472,866	-29.96	0.90	181,839	-61.55	0.30
CIC General	1,652,979	29.07	3.83	2,961,208	79.14	5.66	4,580,309	54.68	7.55
Corporate	368,231	0.66	0.85%	359,874	-2.27	0.69	324,826	-9.74	0.54
Directline	1,188,241	70.67	2.76%	1,573,296	32.41	3.00	1,802,180	14.55	2.97
Fidelity	796,930	8.00	1.85	863,792	8.39	1.65	1,011,865	17.14	1.67
First Assurance	1,647,090	22.00	3.82	2,089,694	26.87	3.99	2,370,141	13.42	3.91
Gateway	623,014	18.12	1.45	523,463	-15.98	1.00	519,300	-0.80	0.86
Geminia	619,301	20.71	1.44	770,130	24.35	1.47	899,008	16.73	1.48
GA Insurance	1,119,900	26.13	2.60	1,411,585	26.05	2.70	1,817,674	28.77	3.00



Company	2009			2010			2011		
	Gross	Percentage	Market	Gross	Percentage	Market	Gross	Percentage	Market
	Premium	Growth %	Share %	Premium	Growth %	Share %	Premium	Growth %	Share %
Heritage	1,918,978	12.08	4.45	2,477,112	29.08	4.73	3,248,925	31.16	5.36
ICEALion (Formerly ICEA)	1,653,013	16.67	3.83	1,959,759	18.56	3.74	1,914,916	-2.29	3.16
Intra	502,130	8.50	1.16	559,755	11.48	1.07	671,682	20.00	1.11
Invesco				562,853	-	1.08	1,106,271	96.55	1.82
Jubilee	3,689,991	18.68	8.56	4,711,566	27.69	9.00	6,660,922	41.37	10.98
Kenindia	2,833,971	0.08	6.57	3,341,735	17.92	6.38	3,565,694	6.70	5.88
Kenyan Alliance	294,766	87.85	0.68	502,240	70.39	0.96	785,403	56.38	1.29
Kenya Orient	586,789	33.61	1.36	777,797	32.55	1.49	1,026,344	31.96	1.69
ICEALion General (Formerly Lion)	1,740,228	8.92	4.04	1,835,477	5.47	3.51	1,860,869	1.38	3.07
Madison	664,152	20.80	1.54	939,862	41.51	1.80	1,080,192	14.93	1.78
Mayfair	561,162	23.39	1.30	702,078	25.11	1.34	1,004,197	43.03	1.66
Mercantile	425,087	12.63	0.99	484,351	13.94	0.93	560,389	15.70	0.92
Occidental	1,028,034	17.55	2.38	1,135,075	10.41	2.17	1,275,261	12.35	2.10
Pacis	313,598	24.51	0.73	425,013	35.53	0.81	509,147	19.80	0.84
Phoenix	492,496	-21.66	1.14	426,899	-13.32	0.82	419,844	-1.65	0.69
Pioneer*	169,531	29.90	0.39	132,556	-21.81	0.25	251,265	89.55	0.41
Real	1,167,599	33.85	2.71	1,396,858	19.64	2.67	1,540,421	10.28	2.54
Takaful	-	-	-	-	-	-	178,158	-	0.29
Tausi	511,380	4.93	1.19	554,273	8.39	1.06	614,627	10.89	1.01
The Monarch	162,672	41.87	0.38	261,974	61.04	0.50	251,515	-3.99	0.41
Trident	517,850	17.68	1.20	605,292	16.89	1.16	723,684	19.56	1.19
UAP	3,064,856	24.33	7.11	3,866,576	26.16	7.38	4,715,514	21.96	7.77
Xplico	-	-	-	-	-	-	249,618	-	0.41
Total	43,108,486			52,357,448			60,667,770		100.00

Figures in Ksh. '000

*Pioneer is a pure life insurance company. It however has been writing medical insurance. Medical Insurance is classified as a Non-Life insurance business.

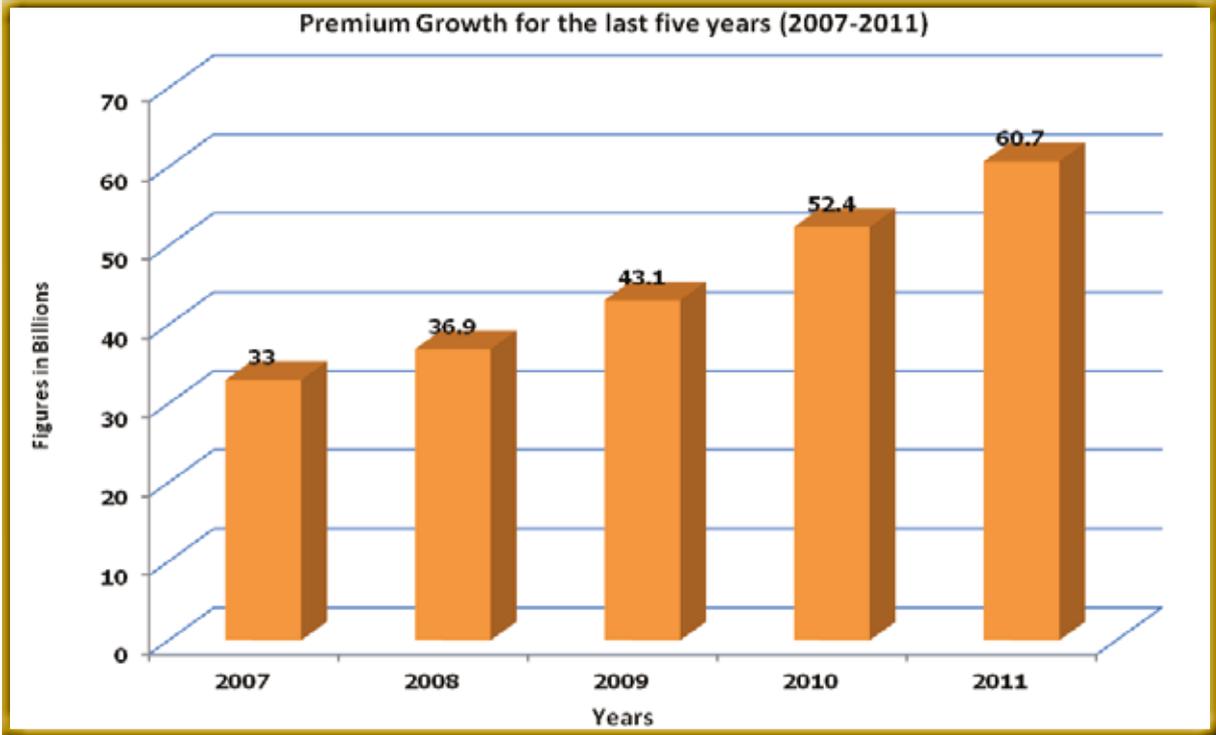
Table 12 above shows that 6 companies recorded negative growth, 9 companies recorded growth of over 30 % while 4 companies recorded growth of over 50% during the year.



6.2 Premium Growth for the Last Five Years (2007 – 2011)

Non-life insurance premium has grown in the last five years by over Kshs. 27 billion which represents an average growth of Kshs. 5.5 billion per year. This is presented on Figure 3 below:

Figure 3: Premium Growth for the Last Five Years (2007 – 2011)



6.3 Performance of main Classes of Insurance

Motor Private, Motor Commercial, Fire Industrial and Medical recorded gross premiums of over Kshs. 5.0 billion and accounted for 69% of the total gross premium in 2011. The other remaining classes accounted for 31% of the total gross non life insurance premium. The scenario was the same in 2010. Table 13 and Figure 4 below show the distribution of gross premium per class for the major classes.

Table 13: Distribution of Gross Written Premium per Class

	Class of Business	Amount (Billions)	% of Total Premium
1	Motor Commercial	15.60	25.7
2	Motor Private	11.60	19.1
3	Medical	8.90	14.7
4	Fire Industrial	6.00	9.9
5	Others	18.60	30.6
	Total	60.70	100.0

Motor insurance accounted for 44.8% of the total gross premium while all other classes shared the balance. This has been the trend for the last decade.



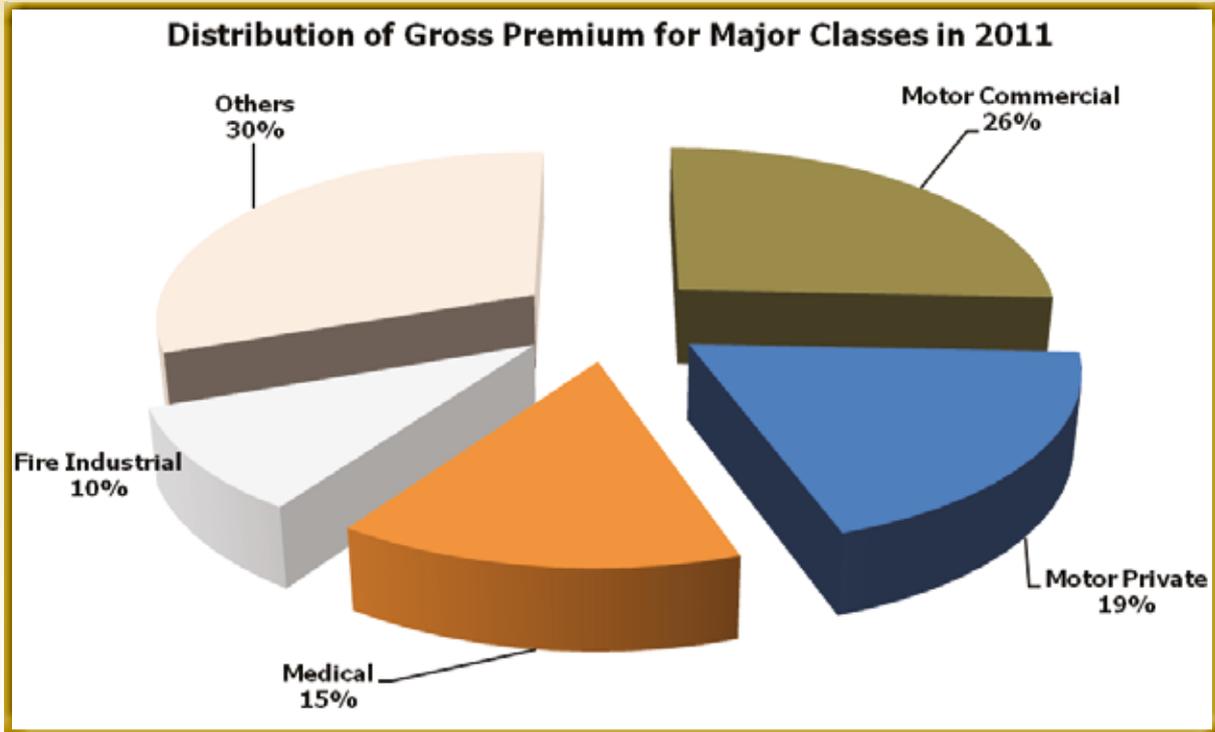


Figure 4: Premium distribution for the major classes in 2011

6.4 Gross Written Premium Growth per Class

Table 14 below shows distribution of gross premium per class from 2009 to 2011. In 2011, engineering insurances recorded the highest growth of 30.6%, followed by Aviation with growth of 27.2%. In the year 2010, motor had the highest growth followed by Liability insurances. No class experienced a negative growth in 2011. Lower growth of less than 6% was reported in personal accident and liability classes.

Table 14 - Distribution of Gross Written Premium per Class (2009 - 2011)

Class of Business	2009	2008/2009 Growth %	2010	2009/2010 Growth %	2011	2010/2011 Growth %
Aviation	479,388	47.52	532,060	10.99	676,724	27.19
Engineering	1,317,430	3.38	1,538,485	16.78	2,008,942	30.58
Fire Domestic	785,016	16.80	866,158	10.34	996,708	15.07
Fire Industrial	4,418,965	2.23	5,063,678	14.59	5,988,057	18.26
Liability	940,762	2.46	1,228,252	30.56	1,289,665	5.00
Marine	1,704,169	-1.82	2,105,758	23.57	2,401,579	14.05
Motor Private	7,306,829	19.73	9,951,385	36.19	11,596,080	16.53



Motor Commercial	11,254,995	20.73	13,901,314	23.51	15,561,048	11.94
Personal Accident	8,393,409	18.73	2,523,201	-69.94	2,673,963	5.98
Medical	5,887,152	25.00	7,433,967	26.27	8,902,912	19.76
Theft	2,003,838	13.53	2,152,772	7.43	2,570,905	19.42
WIBA	3,092,460	44.17	3,448,261	11.51	3,841,495	11.40
Miscellaneous	1,411,233	9.17	1,513,800	7.27	2,159,636	42.66
Total	43,108,486	16.84	52,357,448	21.46	60,667,770	15.87

Figures in Ksh. '000



Table 15: Gross Written Premium per Company per Class

Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Amaco	-	15,387,986	4,277,409	33,919,192	5,584,087	7,963,252	590,731,692	987,042,448	26,688,455	12,398,050	41,318,936	45,453,588	-	1,770,765,095
APA	84,050,000	174,305,000	60,435,000	374,688,000	208,857,000	206,067,000	707,455,000	1,029,189,000	198,843,000	129,930,000	421,167,000	210,718,000	1,214,076,000	5,019,780,000
British American	-	80,849,000	39,290,000	124,140,000	15,777,000	141,552,000	391,019,000	576,113,000	352,084,000	66,896,000	56,516,000	52,500,000	452,480,000	2,349,216,000
Cannon	-	85,979,122	10,893,603	62,695,332	10,649,041	32,025,422	214,876,417	319,906,878	52,502,569	33,957,297	96,264,628	81,904,871	454,755	1,002,109,935
Chartis	-	12,455,000	63,693,000	702,975,000	361,429,000	72,737,000	379,864,000	448,679,000	394,875,000	249,913,000	110,279,000	6,997,000	-	2,803,897,000
CIC General	-	92,988,000	66,860,000	250,727,000	11,544,000	4,400,000	1,274,519,000	1,394,332,000	151,074,000	328,597,000	111,144,000	92,877,000	801,240,000	4,580,309,000
Concord	-	-2,734,388	2,151,798	-2,014,139	324,903	2,933,508	95,154,361	57,471,479	691,766	935,185	4,333,143	22,591,815	-	181,839,431
Corporate	-	21,096,000	4,951,000	27,849,000	1,820,000	6,176,000	115,867,000	91,421,000	11,933,000	23,861,000	15,025,000	4,827,000	-	324,826,000
Directline	-	-	-	-	-	-	-	1,802,180,122	-	-	-	-	-	1,802,180,122
Fidelity Shield	-	15,079,000	14,918,000	103,996,000	5,946,000	37,688,000	276,828,000	399,108,000	15,979,000	43,341,000	90,605,000	8,377,000	-	1,011,865,000
First	-	241,343,000	30,699,000	266,269,000	72,841,000	79,407,000	435,717,000	691,834,000	52,817,000	90,540,000	191,384,000	51,388,000	165,902,000	2,370,141,000
GA Insurance	-	94,766,277	30,406,329	236,532,812	20,142,329	152,739,831	193,747,836	264,100,352	31,676,893	109,709,687	227,626,559	185,443,627	270,781,819	1,817,674,351



Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Gateway	-	4,203,864	4,450,897	8,300,561	6,300,766	787,223	150,753,584	323,586,175	3,405,176	5,064,210	7,870,954	4,576,746	-	519,300,156
Gemina	-	18,208,911	24,547,053	109,360,645	7,620,590	102,753,497	152,730,515	221,730,519	22,147,989	77,289,897	137,811,597	15,617,476	9,189,702	899,008,391
Heritage	-	32,810,000	133,726,000	286,498,000	119,973,000	64,208,000	655,658,000	412,991,000	212,004,000	68,514,000	177,372,000	110,678,000	974,493,000	3,248,925,000
ICEALion Life (Formerly ICEA)	39,050,000	42,664,000	45,624,000	221,079,000	24,721,000	124,850,000	436,357,000	496,990,000	104,081,000	123,685,000	131,658,000	8,301,000	115,856,000	1,914,916,000
ICEALion General (Formerly Lion of Kenya)	475,456,000	47,958,000	36,134,000	211,331,000	22,192,000	132,563,000	144,875,000	459,687,000	73,194,000	74,463,000	134,909,000	48,107,000	-	1,860,869,000
Intra Africa	-	55,710,408	22,126,638	57,621,692	4,018,956	46,962,009	152,429,923	125,242,271	16,493,756	44,325,308	110,935,129	35,816,238	-	671,682,329
Invesco	-	225,210	1,031,514	344,392	204,044	858,968	151,640,886	950,674,960	253,308	223,616	696,736	117,701	-	1,106,271,335
Jubilee	8,612,000	248,334,000	46,641,000	609,335,000	92,844,000	204,811,000	1,156,860,000	591,488,000	431,178,000	137,909,000	179,795,000	169,092,000	2,784,022,000	6,660,922,000
Kenindia	-	152,226,000	37,019,000	690,560,000	35,339,000	366,936,000	437,219,000	644,682,000	134,707,000	309,237,000	562,215,000	32,094,000	163,460,000	3,565,694,000
Kenya Orient	-	13,921,557	6,744,642	25,448,495	7,297,741	5,958,635	449,224,169	368,481,409	7,317,353	38,911,025	26,855,368	76,183,617	-	1,026,344,011
Kenyan Alliance	-	10,314,642	25,465,382	40,574,373	1,887,368	12,043,117	385,577,111	242,154,576	30,103,418	20,039,991	15,572,482	1,670,690	-	785,403,150
Madison	-	43,115,000	32,081,000	63,443,000	41,370,000	4,399,000	107,357,000	299,072,000	30,357,000	13,072,000	20,817,000	14,776,000	410,333,000	1,080,192,000
Mayfair	-	78,788,215	24,580,899	122,795,947	7,214,832	101,135,925	165,878,447	161,950,701	21,127,356	70,403,562	158,894,391	91,426,355	-	1,004,196,630



Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Mercantile	-	14,495,000	8,215,000	40,380,000	2,033,000	6,830,000	63,482,000	37,428,000	8,025,000	14,696,000	18,004,000	310,447,000	36,354,000	560,389,000
Occidental	-	72,335,693	32,470,000	168,740,010	6,085,903	134,081,178	173,143,115	253,085,016	28,065,265	102,245,393	221,735,308	83,274,195	-	1,275,261,076
Pacis	-	8,667,000	10,544,000	32,181,000	5,944,000	2,875,000	197,558,000	140,812,000	21,162,000	15,847,000	33,058,000	2,722,000	43,527,000	509,147,000
Phoenix	69,556,000	72,604,000	7,151,000	64,029,000	3,939,000	17,780,000	125,360,000	27,381,000	5,891,000	14,254,000	10,494,000	1,404,000	-	419,844,000
Pioneer	-	-	-	-	-	-	-	-	-	-	-	-	251,265,273	251,265,273
Real	-	85,037,000	30,041,000	242,517,000	43,278,000	31,506,000	424,828,000	398,726,000	91,773,000	33,550,000	71,512,000	78,947,000	8,706,000	1,540,421,000
Takaful	-	3,149,000	2,138,000	7,458,000	10,936,000	-	53,589,000	66,978,000	375,000	29,768,000	1,399,000	2,368,000	-	178,158,000
Tausi	-	26,559,766	24,690,291	93,315,277	4,927,477	103,942,205	91,219,220	60,420,195	12,256,423	74,641,139	98,609,705	24,044,853	-	614,626,551
The Monarch	-	2,888,180	1,844,074	11,493,254	2,632,539	3,289,530	105,789,615	91,256,865	3,546,907	3,272,001	10,057,642	15,444,486	-	251,515,093
Trident	-	28,065,560	10,983,207	103,963,085	4,684,353	54,456,862	74,537,592	134,464,239	8,930,179	54,401,854	104,030,755	143,542,837	1,578,291	723,683,814
UAP	-	114,984,000	99,856,000	594,984,000	119,251,000	140,613,000	884,396,000	931,003,000	118,372,000	154,222,000	241,201,000	117,439,000	1,199,193,000	4,715,514,000
Xplico	-	162,914	28,301	527,237	55,788	-	179,837,346	59,385,866	32,420	792,260	327,899	8,468,353	-	249,618,384
TOTAL	676,724,000	2,008,941,917	996,708,037	5,988,057,165	1,289,664,717	2,401,579,162	11,596,079,829	15,561,048,071	2,673,963,233	2,570,905,475	3,941,495,232	2,159,636,448	8,902,911,840	60,667,770,127

The gross premium grew by 16% , compared to 21% in the year 2010. Nine companies managed to hit the Kshs 2 billion mark compared to eight companies last year. Seven companies had a gross premium of less than Ksh. 500 million.

Table 16: Underwriting Profit/Loss per Class per Company

Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Amaco	-	- 4,857,427	- 21,658,751	- 998,371	82,412	- 1,362,149	16,832,022	43,752,470	- 7,100,823	- 1,353,565	9,071,716	6,407,088	-	38,814,622
APA	-5,302,000	16,115,000	16,781,000	15,153,000	- 84,478,000	4,115,000	16,918,000	79,410,000	- 64,402,000	- 1,164,000	29,094,000	79,196,000	- 95,704,000	5,728,000
British American	-	14,083,000	11,855,000	15,103,000	- 14,358,000	29,299,000	27,762,000	159,649,000	132,688,000	7,117,000	40,768,000	13,311,000	- 22,686,000	414,590,000
Cannon	-	- 8,195,086	3,165,015	- 3,040,422	24,467,467	- 15,504,663	30,310,540	19,369,567	25,879,107	- 2,523,113	13,980,036	- 88,023,985	- 397,366	- 512,902
Chartis	-	- 3,344,000	- 4,955,000	- 28,107,000	43,615,000	- 12,777,000	22,245,000	25,274,000	40,173,000	45,912,000	69,773,000	3,785,000	-	201,595,000
CIC General	-	2,737,000	28,740,000	39,796,000	- 8,469,000	570,000	5,537,000	215,596,000	40,259,000	67,567,000	36,105,000	5,632,000	- 74,319,000	359,750,000
Concord	-	11,154,384	1,309,698	- 9,266,183	- 2,867,402	2,753,180	- 11,758,906	3,905,296	2,119,257	- 430,321	- 25,074,778	17,719,459	-	- 10,436,316
Corporate	550,000	2,158,000	1,082,000	627,000	- 332,000	2,074,000	1,260,000	4,442,000	4,429,000	236,000	- 4,259,000	1,825,000	-	12,992,000
Directline	-	-	-	-	-	-	-	29,531,389	-	-	-	-	-	29,531,389
Fidelity Shield	-	- 1,942,000	304,000	- 8,773,000	- 6,312,000	2,446,000	- 44,013,000	47,312,000	1,546,000	4,866,000	7,573,000	- 5,520,000	-	- 2,514,000
First Assurance	-	50,148,000	5,201,000	33,539,000	- 13,301,000	- 21,523,000	42,637,000	82,193,000	2,541,000	- 4,535,000	- 28,301,000	22,592,000	- 29,742,000	141,449,000
GA Insurance	-	- 1,531,852	- 1,731,395	16,087,457	- 15,460,080	21,960,299	17,871,369	- 47,262,335	21,433,977	- 2,048,748	- 9,692,453	49,732,299	30,875,464	80,234,002
Gateway	-	- 3,289,245	- 3,718,230	- 17,515,162	552,420	- 582,627	- 19,481,444	3,106,632	- 4,378,155	24,552	- 1,793,943	- 2,299,427	-	- 49,323,657

Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Gemina	-	389,691	3,754,163	21,143,617	- 604,170	-4,607,110	10,924,382	16,444,809	3,997,565	6,937,853	16,194,275	2,603,141	- 2,406,891	74,771,325
Heritage	2,000	5,722,000	28,499,000	-16,265,000	13,758,000	9,672,000	- 2,917,000	177,955,000	74,163,000	4,540,000	42,796,000	21,064,000	-219,635,000	139,354,000
ICEALion Life (Formerly ICEA)	4,389,000	-7,898,000	9,305,000	6,769,000	2,205,000	21,982,000	16,315,000	27,706,000	35,739,000	35,473,000	6,627,000	2,100,000	-24,002,000	136,710,000
ICEALion General (Formerly Lion)	13,887,000	1,669,000	5,327,000	- 501,000	- 3,152,000	12,474,000	33,080,000	68,643,000	-10,530,000	-11,381,000	-19,161,000	6,701,000	-	96,633,000
Intra Africa	-	2,596,031	3,067,329	- 228,269	691,237	5,799,499	-28,588,769	8,269,125	- 33,280,122	-13,226,090	59,999,849	2,352,634	-	7,452,454
Invesco	-	56,265	- 307,033	- 2,909,473	9,586	- 550,561	49,305,838	22,466,431	667,862	78,935	397,540	- 102,815	-	69,112,575
Jubilee	5,466,000	32,447,000	- 3,607,000	24,850,000	-59,871,000	11,328,000	35,104,000	82,872,000	87,773,000	-9,064,000	38,216,000	16,134,000	114,952,000	376,601,000
Kenindia	-	-19,182,000	6,031,000	-42,167,000	10,350,000	-15,035,000	-78,048,000	- 3,773,000	-186,000	-1,953,000	-130,608,000	5,935,000	- 92,289,000	- 360,925,000
Kenya Orient	-	1,600,585	1,348,804	1,055,321	7,490,997	- 416,072	39,659,511	-14,990,148	144,209	-7,639,599	-910,466	26,991,140	-	54,334,281
Kenyan Alliance	-	- 4,637,495	10,021,657	-23,783,488	- 521,731	3,859,588	89,471,152	19,138,867	16,134,599	2,147,538	11,254,299	- 1,161,242	-	121,923,743
Madison	-	432,000	9,818,000	-15,757,000	23,290,000	848,000	296,000	85,326,000	13,010,000	713,000	2,238,000	- 5,287,000	-108,885,000	6,038,000
Mayfair	-	338,258	3,967,141	- 6,799,469	2,785,524	- 7,886,421	- 4,344,852	10,432,473	- 2,912,737	-8,860,134	2,722,110	596,597	-	- 9,961,510
Mercantile	-	1,716,000	2,719,000	- 725,000	808,000	- 2,215,000	- 7,392,000	- 2,754,000	1,584,000	1,425,000	- 860,000	28,999,000	847,000	24,152,000
Occidental	-	- 3,149,608	6,882,295	23,972,679	819,457	- 17,874,807	17,783,242	- 34,164,700	- 9,046,476	-14,561,780	15,451,189	29,266,829	-	15,378,320



Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Pacis	-	5,859,000	2,586,000	4,223,000	2,732,000	- 968,000	-34,535,000	12,937,000	10,037,000	4,711,000	12,652,000	- 11,090,000	408,000	9,558,000
Phoenix	1,282,000	633,000	326,000	671,000	854,000	170,000	-14,896,000	435,000	734,000	567,000	736,000	113,000	-	- 8,374,000
Pioneer	-	-	-	-	-	-	-	-	-	-	-	-	- 46,039,291	- 46,039,291
Real	-	20,634,000	- 4,790,000	-17,364,000	478,000	6,770,000	61,000	57,383,000	-12,473,000	3,182,000	4,075,000	8,155,000	1,414,000	67,522,000
Takaful	-	- 7,782,000	- 1,689,000	-15,421,000	-14,759,000	-	-25,562,000	-46,134,000	- 330,000	-19,931,000	-1,364,000	- 1,668,000	-	-134,640,000
Tausi	-	- 5,523,637	- 477,047	- 5,174,056	1,074,566	19,560,233	7,988,250	- 1,651,534	2,633,529	- 7,792,920	21,272,128	9,424,101	-	41,333,612
The Monarch	-	1,012,996	337,592	2,433,793	571,104	-1,473,885	- 5,821,570	17,858,543	5,851,499	7,967	9,293,184	4,405,422	-	34,476,642
Trident	-	1,578,858	3,295,262	20,020,989	- 4,835,336	22,128,980	42,717,222	42,625,898	446,485	2,916,950	-145,591,104	43,695,029	- 841,766	28,157,465
UAP	-	- 8,451,000	45,004,000	116,798,000	12,962,000	55,961,000	68,959,000	203,466,000	14,685,000	-10,066,000	72,351,000	11,374,000	- 81,817,000	501,226,000
Xplico	-	26,685	5,541	- 77,938	28,571	- 51,835	4,818,430	15,625,241	- 8,833	41,484	62,710	- 401,647	-	20,068,409
TOTAL	19,174,000	93,323,403	167,799,041	127,370,025	-79,695,378	130,942,649	320,497,417	1,432,396,024	394,020,943	71,934,009	155,087,292	304,555,623	- 650,267,850	2,486,760,163

Nine companies made losses during the year under review. In the previous year, 10 companies had made a profit. The overall result for motor private was Ksh. 320 million compared to a loss of Kshs 913 million in 2010. Seven companies made net losses in motor commercial. The overall result was a profit of Kshs 1.4 billion compared to Kshs 663 million in 2010. Only liability and medical classes made losses during the year. Motor commercial made the highest profit during the year.

Table 17: Summary of Revenue Accounts Per Class (2011)

	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Gross Written Premium	676,724,000	2,008,941,917	996,708,037	5,988,057,165	1,289,664,717	2,401,579,162	11,596,079,829	15,561,048,071	2,673,963,233	2,570,905,475	3,841,495,232	2,159,636,448	8,902,911,840	60,667,770,127
Re-insurance Ceded	583,393,000	1,382,777,217	217,437,179	3,982,599,386	515,999,122	1,194,806,083	403,664,092	644,745,885	905,213,188	924,735,290	226,182,464	858,581,037	1,437,812,585	13,239,409,371
Net Earned Premium	7,013,000	436,950,611	698,314,795	1,339,856,904	649,974,378	1,141,155,840	10,487,357,196	13,858,299,994	1,946,457,983	1,558,023,110	3,540,446,686	949,556,510	6,479,632,642	43,093,041,646
Net Claims Incurred	4,556,000	219,524,452	223,024,716	569,119,841	431,028,224	700,794,634	6,394,138,730	7,369,436,606	763,581,459	992,724,839	2,028,140,971	363,948,593	5,430,921,022	25,491,368,079
Total Expenses	-16,718,000	124,103,759	307,489,039	643,369,038	298,643,533	309,418,558	3,772,720,050	5,056,467,361	788,856,579	493,366,262	1,356,774,424	281,051,295	1,698,978,470	15,114,553,373
Underwriting Profit/Loss	19,174,000	93,323,403	167,799,041	127,370,025	-79,695,378	130,942,649	320,497,417	1,432,396,024	394,020,943	71,934,009	155,087,292	304,555,623	-650,267,850	2,486,760,163

The industry made an underwriting profit of Kshs 2.49 billion compared to Kshs 1.27 billion in 2010. This can be attributed to positive underwriting results in Motor insurance. Medical insurance performed poorly with losses increasing from Kshs 530 million in 2010 to Kshs 650 million in 2011.

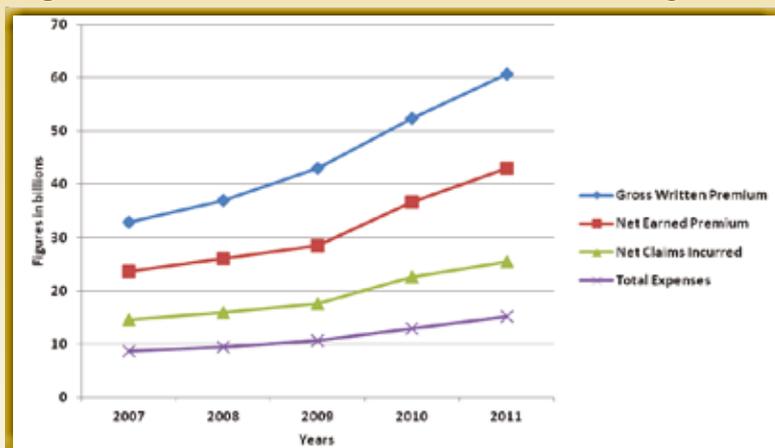
Table 18: Summary of Revenue Accounts (2007-2011)

	2007	2008	2009	2010	2011
Gross Written Premium	32.9	36.9	43.1	52.4	60.7
Net Earned Premium	23.6	26.1	28.5	36.7	43.1
Net Claims Incurred	14.5	15.9	17.6	22.5	25.5
Total Expenses	8.7	9.4	10.6	12.9	15.1
Underwriting Profit/Loss	0.4	0.8	0.4	1.3	2.5

Figure is Billions



Figure 5: Revenue Accounts Summary



6.5 Claims

The incurred claims amounted to Kshs. 25.5 billion in 2011 compared to Kshs 22.5 billion in 2010. This reflects an increase of 13%.

Table 19: Technical Loss Ratio per Class

Class	Net Earned Premiums	Net Incurred Claims	Loss Ratio
Aviation	7,013,000	4,556,000	65.0%
Engineering	436,950,611	219,524,452	50.2%
Fire Domestic	698,314,795	223,024,716	31.9%
Fire Industrial	1,339,856,904	569,119,841	42.5%
Liability	649,974,378	431,028,224	66.3%
Marine	1,141,155,840	700,794,634	61.4%
Motor Private	10,487,357,196	6,394,138,730	61.0%
Motor Commercial	13,858,299,994	7,369,436,606	53.2%
Personal Accident	1,946,457,983	763,581,459	39.2%
Theft	1,558,023,110	992,724,839	63.7%
WIBA	3,540,446,686	2,028,140,971	57.3%
Miscellaneous	949,556,510	363,948,593	38.3%
Medical	6,479,632,642	5,430,921,022	83.8%

Table 19 above shows that Medical insurance had the highest loss ratio of 84% followed by liability at 66%. Fire Domestic had the lowest loss ratio of 32%. Nine classes of insurance had loss ratios of 50% and above.

Table 20: Technical Loss Ratio per Class per year for the Last five Years (2007-2011)

Class	2007	2008	2009	2010	2011
Aviation	52.5%	65.4%	33.5%	46.6%	65.0%
Engineering	26.8%	55.1%	46.8%	55.4%	50.2%
Fire Domestic	26.1%	35.2%	33.7%	34.5%	31.9%
Fire Industrial	59.1%	51.1%	55.0%	44.3%	42.5%



Class	2007	2008	2009	2010	2011
Public Liability	27.4%	47.3%	48.0%	44.7%	66.3%
Marine	47.4%	51.2%	51.4%	50.3%	61.4%
Motor Private	75.8%	83.5%	80.8%	74.9%	61.0%
Motor Commercial	50.6%	57.4%	58.6%	58.8%	53.2%
Personal Accident	68.0%	50.2%	68.1%	35.2%	39.2%
Medical		74.0%	80.4%	81.5%	83.8%
Theft	51.6%	60.8%	59.8%	45.8%	63.7%
WIBA	104.8%	37.9%	37.8%	46.7%	57.3%
Miscellaneous Accidents	40.5%	31.2%	31.8%	20.8%	38.3%
Average	61.7%	61.0%	61.7%	61.3%	59.1%

The motor private technical loss ratio improved from 75% (2010) to 61% (2011). Other classes that improved include Motor commercial, Engineering and Fire (Industrial and Domestic). WIBA's performance continues to deteriorate with loss ratios increasing from 46.7% in 2010 to 57.3% in 2011. The overall average loss ratio improved from 61.3% in 2010 to 59.1% in 2011.

6.6 Expenses

Total expenses amounted to Kshs 15.1 billion compared to Kshs 12.9 billion in 2010. This represents an increase of 17% from the previous year. The increase in expenses between the years 2009 and 2010 was 22%. The total expenses accounted for 25% of the gross written premium for the year. This has been the scenario for the last five years.

6.7 Underwriting Results

The overall underwriting results for non life insurance was Kshs 2.5 billion compared to Kshs 1.27 billion last year. The underwriting profit doubled in 2011, with Motor accounting for Ksh. 1.75 billion or 70% (Private Ksh. 0.32b and Commercial Ksh. 1.43b). It is worth noting that Motor private posted positive results for the first time in a decade.

6.8 Reinsurance Premiums

Table 21 below shows the reinsurance costs per company. The total reinsurance premium amounted to Kshs. 13.2 billion. This represents 22% of the gross written premiums. Fire Industrial accounted for the highest portion of reinsurance premiums, followed by Medical and Engineering.



Table 21: Summary of Re-insurance Premium Ceded in 2011

Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Amacco	-	12,042,258	2,713,416	25,986,884	2,109,584	5,036,445	136,616,534	214,328,732	17,869,797	7,089,257	5,629,340	9,601,088	-	439,023,334
APA	86,150,000	122,738,000	15,964,000	254,127,000	86,437,000	74,548,000	-12,797,000	-2,635,000	-39,078,000	6,107,000	97,002,000	24,123,000	-	712,686,000
British American	-	42,198,000	13,261,000	96,750,000	12,509,000	113,869,000	12,455,000	16,319,000	110,177,000	4,862,000	1,972,000	4,384,000	12,723,000	441,479,000
Cannon	-	73,392,853	2,473,981	50,496,389	1,858,206	11,355,759	13,586,132	25,247,518	2,808,745	1,635,694	7,346,154	35,389,475	-	225,590,906
Chartis	-	8,811,000	948,000	646,056,000	187,778,000	64,999,000	7,978,000	12,285,000	9,874,000	214,880,000	4,430,000	7,749,000	-	1,165,788,000
CIC General	-	51,162,000	3,970,000	108,443,000	392,000	2,764,000	31,205,000	34,139,000	21,846,000	10,215,000	2,721,000	55,021,000	246,634,000	568,519,000
Concord	-	1,070,311	-	-137,454	297,644	2,450,014	-	9,597,600	506,788	647,180	-	12,980,311	-	27,412,394
Corporate	-	17,973,000	3,415,000	23,865,000	138,000	3,473,000	3,150,000	3,132,000	2,582,000	5,564,000	452,000	3,586,000	-	67,330,000
Directline	-	-	-	-	-	-	-	29,884,192	-	-	-	-	-	29,884,192
Fidelity Shield	-	8,742,000	4,533,000	79,888,000	9,066,000	21,566,000	11,000,000	14,856,000	9,188,000	30,093,000	12,681,000	4,476,000	-	187,957,000
First Assurance	-	193,271,000	9,103,000	198,036,000	28,456,000	41,374,000	14,973,000	25,115,000	44,799,000	40,052,000	2,208,000	32,928,000	-4,348,000	625,967,000
GA Insurance	-	68,964,342	5,822,206	166,768,608	1,756,947	71,566,721	12,264,555	15,887,553	3,418,238	7,059,932	13,134,054	24,023,168	216,491,894	607,158,218
Gateway	-	2,406,381	4,660,244	9,652,284	-	627,422	7,945,875	12,328,097	1,908,544	3,107,062	-	4,668,830	-	47,304,738
Geminia	-	12,894,255	5,783,348	66,741,679	602,657	64,912,252	11,018,877	16,491,280	17,374,630	44,558,023	9,878,831	10,713,886	5,513,821	266,483,539
Heritage	-	13,186,000	12,196,000	169,529,000	87,812,000	19,397,000	12,654,000	6,255,000	329,773,000	4,431,000	3,603,000	45,645,000	-	704,481,000
ICEALion Life (Formerly ICEA)	37,131,000	29,931,000	10,794,000	158,210,000	17,317,000	95,804,000	14,868,000	17,683,000	42,319,000	25,320,000	4,483,000	6,815,000	5,987,000	466,662,000
ICEALion General (Formerly Lion of Kenya)	387,716,000	41,962,000	13,267,000	184,068,000	10,734,000	91,323,000	17,789,000	55,884,000	44,384,000	31,913,000	24,665,000	36,551,000	-	940,256,000
Intra Africa	-	27,243,926	3,389,303	26,062,453	131,381	8,866,151	3,941,444	6,043,548	3,991,814	9,710,062	3,021,774	11,865,434	-	104,267,291
Invesco	-	90,807	792,289	3,140,799	-	1,124,689	4,125,624	19,656,923	893,866	139,606	112,226	176,697	-	30,253,526
Jubilee	5,653,000	180,735,000	24,635,000	354,205,000	34,440,000	87,187,000	14,704,000	16,041,000	20,623,000	66,274,000	12,220,000	20,786,000	814,516,000	1,652,018,000

Company Name	Aviation	Engineering	Fire Domestic	Fire Industrial	Liability	Marine	Motor Private	Motor Commercial	Personal Accident	Theft	WIBA	Miscellaneous	Medical	Total
Kenindia	-	118,292,000	8,399,000	591,423,000	10,530,000	151,840,000	4,080,000	10,199,000	107,330,000	173,191,000	3,139,000	20,901,000	60,971,000	1,260,295,000
Kenya Orient	-	10,813,429	1,162,475	14,719,150	-	1,655,585	10,840,314	15,108,189	5,231,759	24,469,360	932,250	23,738,273	-	108,670,784
Kenyan Alliance	-	7,142,852	1,216,303	29,561,135	50,800	1,176,063	2,241,451	18,690,015	359,212	1,199,539	40,412	-	-	61,677,782
Madison	-	39,774,000	11,391,000	52,077,000	4,279,000	3,585,000	9,236,000	-	21,041,000	7,196,000	-	9,500,000	1,625,000	159,705,000
Mayfair	-	67,487,793	16,314,465	108,175,290	1,231,235	65,251,301	5,469,250	4,298,652	16,892,511	51,036,734	4,834,206	70,246,074	-	411,237,511
Mercantile	-	8,581,000	2,768,000	34,567,000	1,015,000	4,053,000	3,005,000	1,913,000	6,676,000	8,245,000	-	252,542,000	28,112,000	351,477,000
Occidental	-	58,580,498	13,635,419	145,778,764	4,532,508	82,048,571	2,404,012	3,263,904	22,182,558	62,544,561	2,727,086	55,950,934	-	453,648,815
Pacis	-	2,797,000	799,000	11,026,000	401,000	1,846,000	6,558,000	18,441,000	1,295,000	4,752,000	874,000	812,000	27,942,000	60,735,000
Phoenix	66,743,000	61,904,000	1,157,000	46,710,000	663,000	11,269,000	7,261,000	2,829,000	1,404,000	747,000	1,011,000	123,000	-	201,821,000
Pioneer	-	-	-	-	-	-	-	-	-	-	-	-	22,352,876	22,352,876
Real	-	51,947,000	7,033,000	143,305,000	5,432,000	22,342,000	13,240,000	6,157,000	63,376,000	571,000	3,602,000	14,044,000	- 952,000	330,097,000
Takaful	-	1,224,000	1,389,000	3,024,000	3,953,000	-	9,802,000	10,901,000	262,000	6,598,000	839,000	1,658,000	-	39,650,000
Tausi	-	21,126,168	10,988,718	78,123,981	1,174,415	39,511,999	1,569,764	998,942	7,300,937	36,098,172	2,356,097	7,510,979	-	206,760,172
The Monarch	-	1,258,307	338,871	10,418,145	144,264	2,085,526	2,296,884	3,406,740	1,802,078	1,303,699	268,034	6,423,047	-	26,141,439
Trident	-	23,035,037	3,124,141	91,142,279	757,481	25,898,585	-	-	4,800,711	33,125,409	-	43,098,841	243,994	225,226,478
UAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Xplico	-	-	-	660,000	-	-	8,182,376	-	-	-	-	550,000	-	9,392,376
Total	583,393,000	1,382,777,217	217,437,179	3,982,599,386	515,999,122	1,194,806,083	403,664,092	644,745,885	905,213,188	924,735,290	226,182,464	858,581,037	1,437,812,585	13,239,409,371



7. Life Insurance Business

Life insurance is a contract between an insurance policy holder and an insurer, where the insurer promises to pay a designated beneficiary a sum of money upon the occurrence of an insured event. Depending on the contract, other events such as terminal illness or critical illness may also trigger payment. The core benefit of life insurance is that the financial interests of one's family remain protected from circumstances such as loss of income due to critical illness or death of the policyholder. The value for the policy owner is the 'peace of mind' in knowing that the death of the assured person will not result in financial hardship.

- Life insurance policies normally comprise the following:-
- Protection policies – designed to provide a benefit in the happening of the insured event.
- Investment policies – where the main objective is to facilitate the growth of capital.

There are four broad classes of life insurance business namely:-

i. Ordinary Life Assurance

This class comprises all individual life policies categorized as follows:-

- Term Assurance policies
- Endowment policies
- Investment Policies
- Whole life policies

ii. Group Life Assurance - This class comprises: -

- Group Life schemes mainly organized by employers on behalf of their employees ;
- Group Credit/Group Mortgage Schemes - These are loan protection schemes organized by financiers like banks, co-operative societies, microfinance institutions, etc.
- Last expense schemes - Many a time, this cover is given as a rider to the group life schemes. However, it is also available on stand alone basis. The benefits are paid within 48 hours after claim notification.

iii. Deposit Administration/Pension Business

The uniqueness of the Deposit Administration class of business is that the insurance company gives a guarantee on the capital plus a minimum rate of return on the pension funds. Most clients find this guarantee very useful because their retirement funds are guaranteed and the insurance company absorbs any investment risk.

iv. Investment/Unit Linked Contracts

Their main objective is to facilitate the growth of capital invested by the client.



7.1 Premium Income

Total premium income and contributions from all the classes of life insurance business (Ordinary Life, Group Life, Deposit Administration and Investment/Unit Linked Contracts) was Kshs. 30.93 billion in 2011 compared to Kshs. 26.71 billion in 2010. This represents a growth of 15.8% (2010: 25%). The contribution of the life insurance sector to the GDP dropped to 1.02% in 2011 compared to 1.05% in 2010.

The distribution of gross written premium and contributions from Deposit Administration and Investment/Unit Linked Contracts in 2011 is illustrated in the Table below:-

Table 22: Summary of Gross Written Premiums and Distribution per Class (2007 – 2011)

Class of Business	2007		2008		2009		2010		2011	
	Gross Premium (Kshs)	% Share	Gross Premium (Kshs)	% Share	Gross Premium (Kshs)	% Share	Gross Premium (Kshs)	% Share	Gross Premium (Kshs)	% Share
Deposit Administration/Pension	5,480,506	37.69	6,627,626	36.20	8,167,155	38.23	9,046,326	33.87	10,697,438	34.59
Ordinary Life	6,061,129	41.68	7,109,690	38.84	7,589,022	35.52	8,559,005	32.04	10,509,989	33.98
Group Life	3,000,154	20.63	4,569,458	24.96	5,607,233	26.25	6,545,259	24.50	7,302,550	23.61
Investment Contracts/ Unit Linked							2,561,381	9.59	2,416,269	7.81
Total	14,541,789	100.00	18,306,773	100.00	21,363,410	100.00	26,711,970	100	30,926,246	100

The growth of life insurance portfolio was 26% in 2008, 16.9% in 2009, 25% in 2010 and 15.8% in 2011.

Deposit Administration class of business had the highest market share at 34.59% with total contributions of Kshs. 10.70 billion, while the ordinary life insurance had a market share of 33.98% with total premiums of Kshs. 10.51 billion.

Figure 6: Life insurance business in 2011

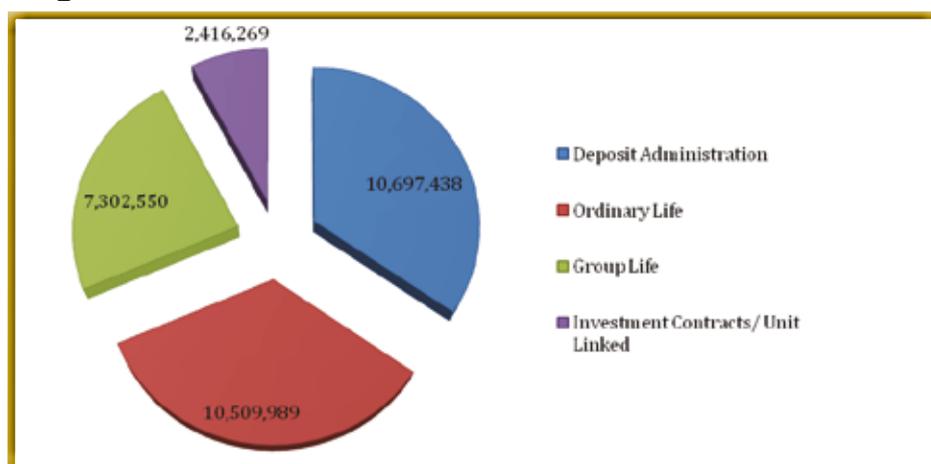
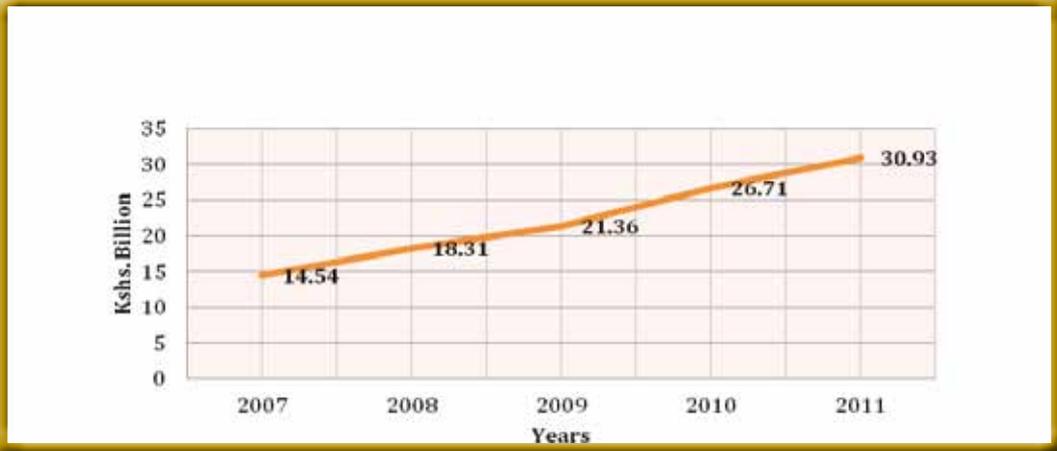


Figure 7: Growth of Life Insurance Premiums and Contributions



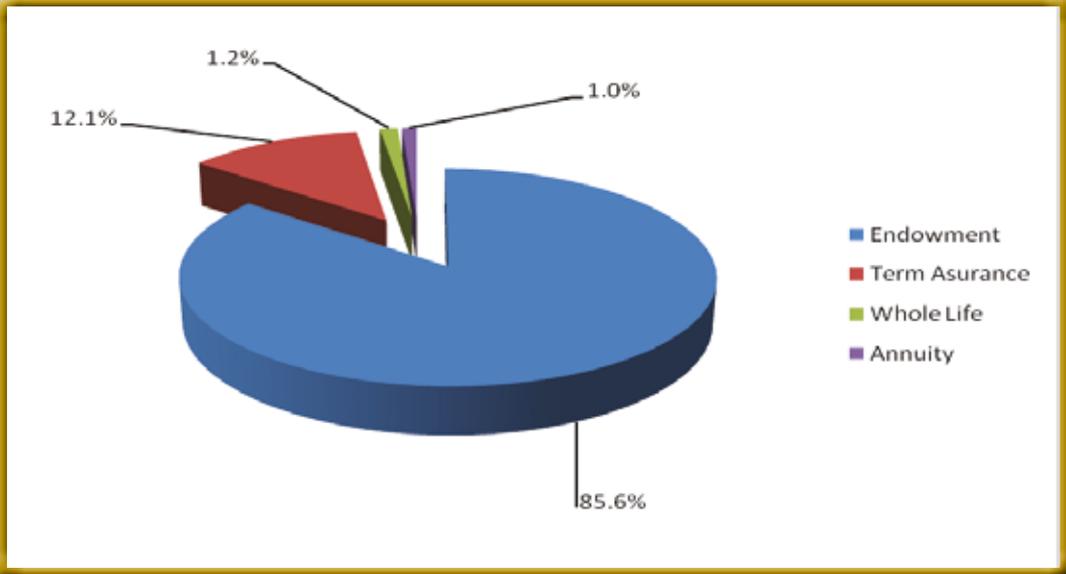
Life insurance premiums and contributions have been growing steadily over the years, rising from Kshs. 14.54 billion in 2007 to Kshs. 30.93 billion in 2011.

7.2 Ordinary Life Insurance

Ordinary life insurance recorded a gross premium income of Kshs. 10.51 billion in 2011 compared to 8.56 billion in the year 2010. The growth in the ordinary life business during the year was 22.7% (2010: 12.8 %).

The composition comprised Endowment policies accounting for Kshs. 9.00 billion (85.6%), Term Assurance policies Kshs. 1.27 billion (12.1%), Whole Life policies Kshs. 0.13 billion (1.2%) and Annuity policies accounting Kshs. 0.11 (1%). The most dominant policies sold in the market are the Endowment policies.

Figure 8: Composition of Ordinary Life Business in 2011

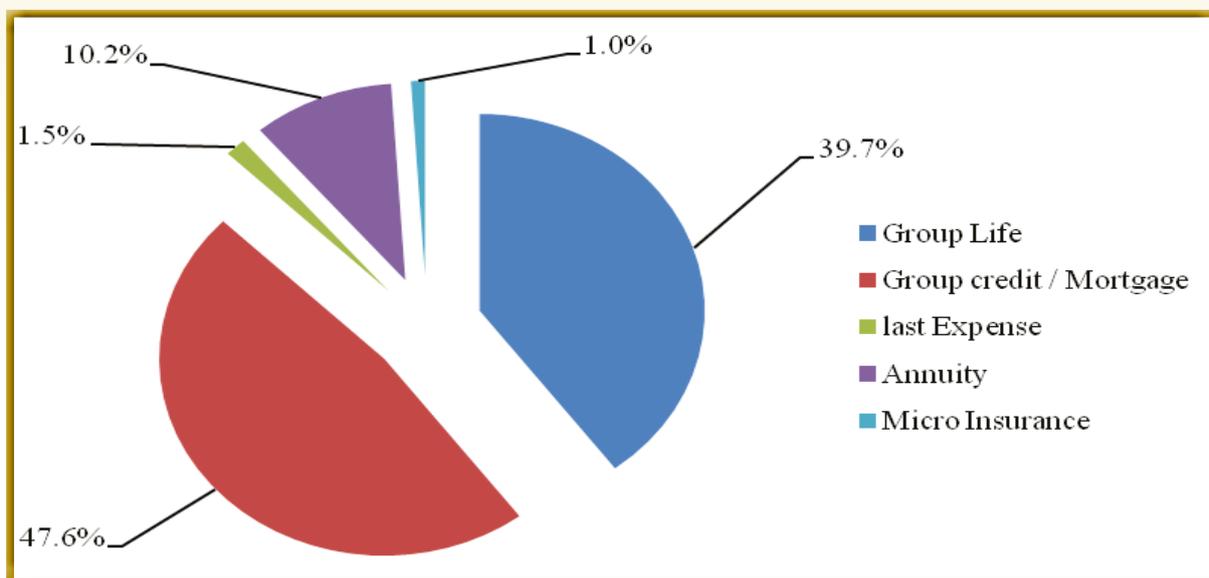


7.3 Group Life Business

Group life insurance recorded gross premium income of Kshs. 7.30 billion compared to Kshs. 6.55 billion in 2010. The overall growth in group life business during the year was 11.5% (2010: 16.8 %). The drop in growth could be attributed to the declining premium rates witnessed in 2011 as a result of premium undercutting.

The composition comprised Group Life schemes contributing Kshs. 29.34 (39.7%), Group Credit/ Mortgage schemes Kshs. 35.14 (47.6%), Last Expense schemes Kshs. 0.11 billion (1.5%), Annuity schemes Kshs. 0.75 billion (10.2%) and Micro insurance Kshs. 0.075 billion (1%). The dominant class of business in this category is the Group Credit/ Mortgage. One company captured the micro insurance business separately and this formed a 1% of their total business.

Figure 9: Composition of Group Life Insurance in 2011



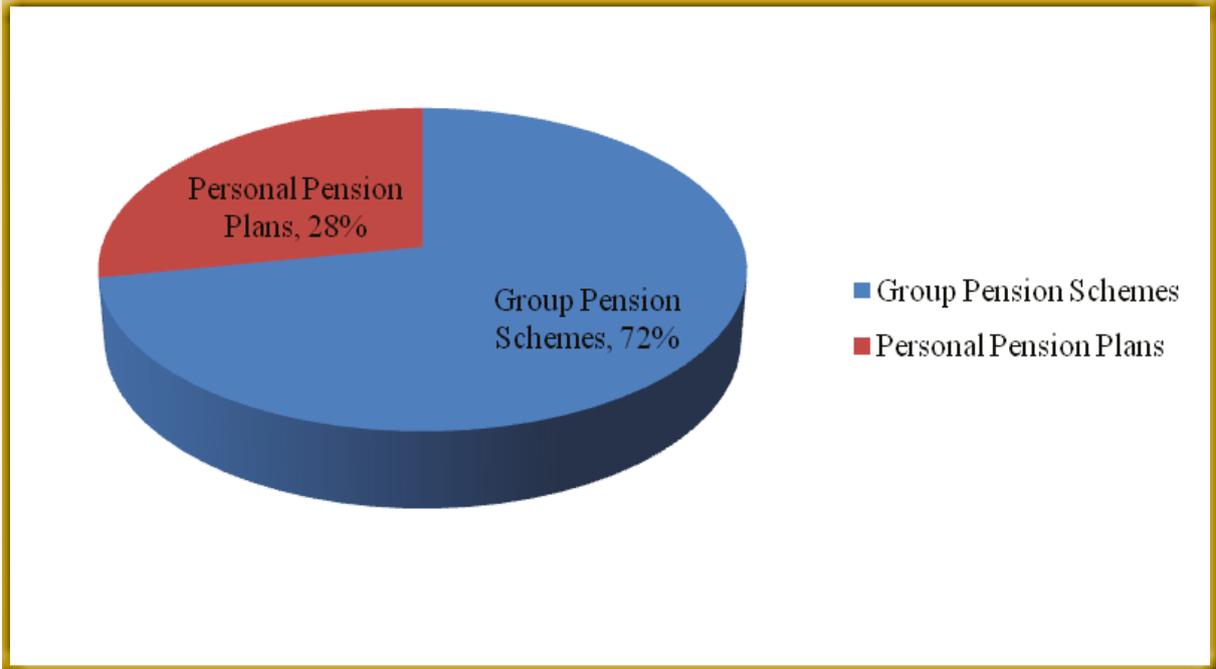
7.4 Deposit Administration/Pension Business

Contributions to Deposit Administration schemes during the year amounted to Kshs. 10.70 billion compared to Kshs 9.05 billion in 2010, a growth of 18.2% (2009: 10.8%). This class of business comprises Group Pension Schemes and Personal Pension Plans. The growth in this class of business could be attributed to the fact that the pension funds managed by insurance companies performed much better in terms of investment returns in 2010 and 2011 compared to the other pension funds in the market.

The composition of the class comprised Group Pension schemes Kshs. 7.70 billion (72%) and Individual Pension Plans Kshs. 2.99 billion (28%). The dominant class of business is the Group Schemes.



Figure10: Composition of Deposit Administration/Pension contributions in 2011

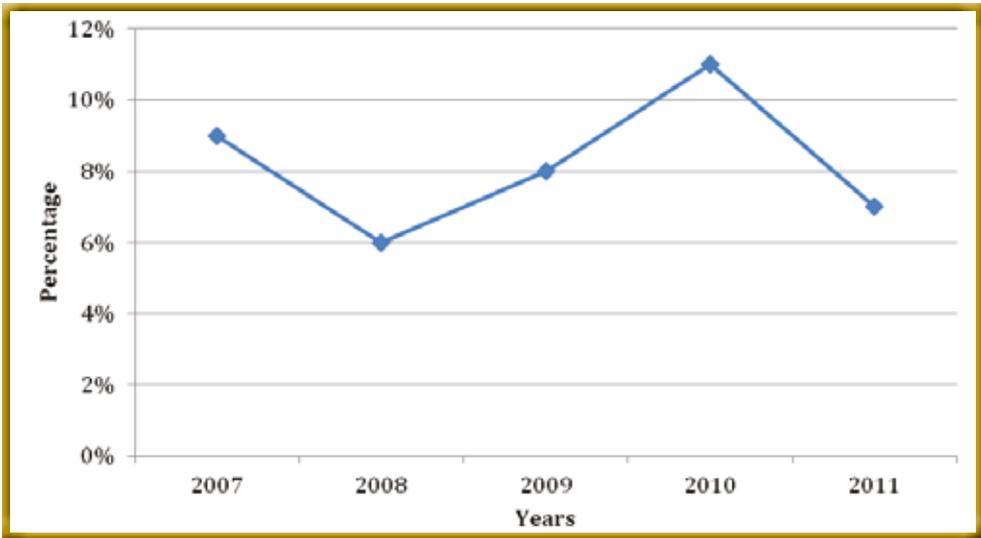


Total fund held by insurance companies increased by 13.8% to Kshs 55.62 billion from Kshs 48.87 billion in the year 2010.

Most insurance companies declared lower investment returns on funds in 2011 compared to 2010. The industry recorded an average return of 6.7 % in 2011 compared to 10.98 % in 2010.

Total interest paid by the industry on Deposit Administration schemes was Kshs 4.23 billion compared to Kshs 4.97 billion in 2010, a decrease of 17.5%. The claims and benefits paid during the year amounted to Kshs. 7.50 billion compared to Kshs 6.01 billion in 2010, representing an increase of 24.8%.

Figure 11: Average Net Interest Rates Declared (2007 – 2011)



Interest rates have been increasing steadily except for years 2008 and 2011 when the investment market performed dismally. The Industry recorded an average net rate of return of 6.7% compared to 10.98 % in 2010. However, it is important to note that the industry average net rate of return was still much higher than returns reported by other pension players, many of whom reported negative returns.

7.5 Investment / Unit Linked Contracts

Contributions by this class of business during the year amounted to Kshs. 2.42 billion compared to Kshs. 2.56 billion in 2010, a decline of 5.5 %. The unfavourable investment climate experienced in the country in 2011 contributed to the decline in performance of this class of business.

Gross written premiums per company and market share for the last five years is illustrated in Table 23.



Table 23: Ordinary Life Gross Written Premium and Market Share per Company (2007 – 2011)

Company	2007		2008		2009		2010		2011	
	Gross Premium	Market Share	Gross Premium	Market Share						
Apollo	38,552	0.64%	44,788	0.63%	35,715	0.47%	40,538	0.47%	33,687	0.32%
British American	1,601,385	26.42%	1,872,727	26.34%	1,912,873	25.21%	2,065,695	24.13%	2,563,333	24.39%
Cannon	69,868	1.15%	72,140	1.01%	73,935	0.97%	76,007	0.89%	411,973	3.92%
Capex	28,178	0.46%	27,165	0.38%	17,316	0.23%	14,846	0.17%	13,870	0.13%
CFC Life	837,050	13.81%	913,813	12.85%	926,379	12.21%	1,094,199	12.78%	1,127,023	10.72%
CIC Life	72,694	1.20%	88,744	1.25%	102,565	1.35%	188,593	2.20%	286,798	2.73%
Corporate	64,917	1.07%	76,419	1.07%	99,079	1.31%	118,029	1.38%	150,520	1.43%
Gemina	10,239	0.17%	10,483	0.15%	0	0.00%	13,611	0.16%	17,718	0.17%
First Assurance	0	0.00%	0	0.00%	13,049	0.17%	0	0.00%	0	0.00%
Heritage	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
ICEALion Life (Formerly ICEA)	431,255	7.12%	501,709	7.06%	584,004	7.70%	728,523	8.51%	917,909	8.73%
Jubilee	281,484	4.64%	380,651	5.35%	482,833	6.36%	693,793	8.11%	949,236	9.03%
Kenindia	242,629	4.00%	287,388	4.04%	292,705	3.86%	377,709	4.41%	373,943	3.56%
Kenyan Alliance	1,379	0.02%	271	0.00%	167	0.00%	289	0.00%	0	0.00%
Madison	438,719	7.24%	426,728	6.00%	434,604	5.73%	467,995	5.47%	527,609	5.02%
Mercantile	31,337	0.52%	34,324	0.48%	34,573	0.46%	37,746	0.44%	37,629	0.36%
Metropolitan Life	16,813	0.28%	74,741	1.05%	59,964	0.79%	56,910	0.66%	56,034	0.53%
The Monarch	-	0.00%	0	0.00%	0	0.00%	0	0.00%	396	0.00%
Old Mutual	386,729	6.38%	386,367	5.43%	378,056	4.98%	376,496	4.40%	349,429	3.32%
Pan Africa Life	1,218,491	20.10%	1,502,445	21.13%	1,512,171	19.93%	1,697,407	19.83%	2,028,823	19.30%
Pioneer	184,642	3.05%	228,900	3.22%	289,971	3.82%	311,557	3.64%	374,013	3.56%
Shield	76,248	1.26%	115,367	1.62%	0	0.00%	133,645	1.56%	155,932	1.48%
UAP Life	28,521	0.47%	64,520	0.91%	207,944	2.74%	65,417	0.76%	134,116	1.28%
Total	6,061,129	100.00%	7,109,690	100.00%	7,589,022	100.00%	8,559,005	100.00%	10,509,989	100.00%

Figures in Kshs'000

The gross written premiums for Ordinary Life insurance was Kshs. 10.51 billion. Two companies recorded premiums of over Kshs. 2 billion each.

**Table 24– Group Life Gross Written Premium and Market Share per Company
(2007 – 2011)**

Company	2007		2008		2009		2010		2011	
	Gross Premium	Market Share								
Apollo	122,974	4.10%	124,102	2.72%	148,067	2.64%	174,051	2.66%	212,514	2.91%
British American	260,334	8.68%	475,247	10.40%	588,977	10.50%	608,665	9.30%	908,854	12.45%
Cannon	77	0.00%	2,378	0.05%	4,750	0.08%	5,354	0.08%	10,907	0.15%
Capex	181	0.01%	58	0.00%	75	0.00%	2,190	0.03%	956	0.01%
CFC Life	57,297	1.91%	95,432	2.09%	121,144	2.16%	137,136	2.10%	205,666	2.82%
CIC Life	845,707	28.19%	1,000,642	21.90%	1,119,055	19.96%	1,406,501	21.49%	1,868,612	25.59%
Corporate	984	0.03%	2,392	0.05%	1,564	0.03%	289	0.00%	402	0.01%
Gemina	2,413	0.08%	2,062	0.05%	1,397	0.02%	4,224	0.06%	10,474	0.14%
First Assurance	27,180	0.91%	58,175	1.27%	98,761	1.76%	78,863	1.20%	51,867	0.71%
Heritage	151,193	5.04%	164,450	3.60%	143,116	2.55%	172,150	2.63%	133,970	1.83%
ICEALion Life (Formerly ICEA)	257,877	8.60%	526,507	11.52%	687,686	12.26%	558,518	8.53%	568,487	7.78%
Jubilee	453,852	15.13%	600,634	13.14%	604,998	10.79%	455,955	6.97%	803,644	11.00%
Kenindia	54,527	1.82%	52,563	1.15%	56,239	1.00%	68,429	1.05%	96,583	1.32%
Kenyan Alliance	44,904	1.50%	34,022	0.74%	34,683	0.62%	36,933	0.56%	49,686	0.68%
Madison	79,204	2.64%	74,575	1.63%	80,634	1.44%	83,577	1.28%	88,812	1.22%
Mercantile	14,510	0.48%	2,990	0.07%	8,112	0.14%	6,680	0.10%	2,910	0.04%
Metropolitan Life	-	0.00%	42,183	0.92%	52,314	0.93%	42,372	0.65%	35,943	0.49%
The Monarch	69,182	2.31%	32,008	0.70%	38,292	0.68%	28,512	0.44%	13,077	0.18%
Old Mutual	91,318	3.04%	69,141	1.51%	78,116	1.39%	177,776	2.72%	160,945	2.20%
Pan Africa Life	251,942	8.40%	1,007,587	22.05%	1,512,980	26.98%	2,133,286	32.59%	1,619,669	22.18%
Pioneer	2,966	0.10%	8,075	0.18%	40,569	0.72%	100,925	1.54%	133,985	1.83%
Shield	76,686	2.56%	29,582	0.65%		0.00%	10,937	0.17%	3,609	0.05%
UAP Life	134,846	4.49%	164,653	3.60%	168,581	3.01%	251,935	3.85%	320,977	4.40%
Total	3,000,154	100.00%	4,569,458	100.00%	5,607,233	100.00%	6,545,259	100.00%	7,302,550	100.00%

Figures in Kshs'000

The gross written premiums for Group Life insurance was Kshs. 7.30 billion. Two companies recorded premiums of over Kshs. 1 billion each.



Table 25: Deposit Administration/Pensions Contributions and Market Share per Company (2007 – 2011)

Company	Pensions Contributions 2007	Market Share	Pensions Contributions 2008	Market Share	Pensions Contributions 2009	Market Share	Pensions Contributions 2010	Market Share	Pensions Contributions 2011	Market Share
Apollo	83,099	1.52%	106,828	1.61%	114,013	1.40%	146,196	1.62%	181,053	1.69%
British American	339,774	6.20%	595,390	8.99%	901,688	11.04%	854,542	9.45%	977,139	9.13%
Cannon									3,016	0.03%
CFC Life	879,434	16.05%	998,574	15.08%	1,359,372	16.64%	1,282,510	14.18%	1,576,505	14.74%
Heritage	170,928	3.12%	233,243	3.52%	339,734	4.16%	292,302	3.23%	256,331	2.40%
ICEALion Life (Formerly ICEA)	1,825,796	33.31%	1,934,684	29.21%	2,087,325	25.56%	2,240,642	24.77%	2,514,521	23.51%
Jubilee	985,402	17.98%	1,286,695	19.43%	1,653,424	20.24%	2,130,361	23.55%	2,753,399	25.74%
Kenindia	675,092	12.32%	791,634	11.95%	906,967	11.11%	1,040,999	11.51%	1,329,351	12.43%
Kenyan Alliance	28,150	0.51%	35,405	0.53%	40,061	0.49%	50,869	0.56%	68,963	0.64%
Madison	225,712	4.12%	269,068	4.06%	266,245	3.26%	346,619	3.83%	322,120	3.01%
Mercantile	18,536	0.34%	24,248	0.37%	55,607	0.68%	60,318	0.67%	83,898	0.78%
The Monarch	4,615	0.08%	3,609	0.05%	7,328	0.09%	13,281	0.15%	6,927	0.06%
Pan Africa Life	41,911	0.76%	78,581	1.19%	105,785	1.30%	199,694	2.21%	207,132	1.94%
Pioneer	2,976	0.05%	2,525	0.04%	3,400	0.04%	4,188	0.05%	5,161	0.05%
UAP Life	137,609	2.51%	252,842	3.82%	326,205	3.99%	383,804	4.24%	411,921	3.85%
Total	5,480,506	100.00%	6,623,278	100.00%	8,167,155	100.00%	9,046,326	100.00%	10,697,438	100.00%

Figures in Kshs'000

There were 16 companies writing this class of business in 2011. Two companies recorded pension contributions above Kshs. 2.5 billion, while two companies recorded contributions of between Kshs 1 billion and Kshs. 2 billion. All other companies recorded contributions below the Kshs. 1 billion mark.

Table 26: Deposit Administration/Pension Contributions

Company	PENSIONS CONTRIBUTIONS		MARKET SHARE %	PENSIONS CONTRIBUTIONS		MARKET SHARE %	INTEREST RATE DECLARED		SURRENDERS AND ANNUITIES PAID	SURRENDERS AND ANNUITIES PAID	INTEREST PAYABLE TO POLICY HOLDERS	INTEREST PAYABLE TO POLICY HOLDERS	FUND AS AT END OF THE YEAR	FUND AS AT END OF THE YEAR	FUND AS AT END OF THE YEAR	FUND MARKET SHARE (%)
	2011	2010		2011	2010		2011	2010								
Apollo	181,053	146,196	1.69	7.00	11.00	1.62	7.00	84,871	49,380	54,956	67,344	881,596	1.59	730,458	1.48	
British American	977,139	854,542	9.13	10.80	15.00	9.47	10.80	424,760	737,039	217,706	396,857	4,039,062	7.26	3,268,977	6.63	
Cannon	3,016		0.03		0.00	0.00		5,654	5,312	1,069	2,051	17,638	0.03	19,206	0.04	
CFC Life	1,576,505	1,282,510	14.74	3.00	10.00	14.21	3.00	1,345,265	929,250	257,412	586,789	7,589,211	13.65	7,100,559	14.40	
Corporate	0		0.00	0.00		0.00		-		92	353	4,618	0.01	4,526	0.01	
Heritage	256,331	292,302	2.40	6.00	10.00	3.24	6.00	304,816	216,315	94,416	140,977	1,648,645	2.96	1,602,714	3.25	
ICEALion Life (Formerly ICEA)	2,514,521	2,240,642	23.51	7.50	11.50	24.83	7.50	2,890,415	2,164,338	1,139,700	1,585,836	16,102,534	28.95	15,407,069	31.24	
Jubilee	2,753,399	2,130,361	25.74	6.50	12.75	23.61	6.50	1,265,484	807,176	408,062	1,004,641	12,192,203	21.92	10,296,225	20.87	
Kenindia	1,329,351	1,040,999	12.43	12.00	12.00	11.54	12.00	594,518	700,218	815,638	823,351	8,099,122	14.56	6,578,193	13.34	
Kenyan Alliance	68,963	50,869	0.64	12.00	10.00	0.56	12.00	39,690	18,105	31,285	25,400	359,093	0.65	299,223	0.61	
Madison	322,120	346,619	3.01	6.00	10.00	3.84	6.00	180,314	211,361	81,080	110,349	1,778,254	3.20	1,548,798	3.14	
Mercantile	83,898	60,318	0.78	7.50	7.00	0.67	7.50	38,167	27,818	18,452	21,203	360,896	0.65	299,043	0.61	
Pan Africa Life	207,132	199,694	1.94	2.00	12.50	2.21	2.00	113,936	54,560	4,781	91,843	797,659	1.43	706,181	1.43	
The Monarch	6,927	13,281	0.06	12.00	12.00	0.15	12.00	8,474	2,225	2,721	2,655	35,958	0.06	34,784	0.07	
Pioneer	5,161	4,188	0.05	5.00	10.00	0.05	5.00	1,997	302	781	1,134	18,270	0.03	14,445	0.03	
UAP Life	411,921	360,474	3.85	3.40	10.00	4.00	3.40	198,422	93,450	63,281	111,941	1,692,179	3.04	1,413,128	2.87	
Total	10,697,438	9,022,996	100.00	6.65	10.98	100.00	6.65	7,496,763	6,016,848	3,191,432	4,972,723	55,616,937	100.00	49,323,530	100.00	

Figures in Kshs'000

Total fund for 2011 was Kshs. 55.62 billion compared to 49.32 billion in 2010 reflecting a growth of 12.8%.



Table 27: Contributions from Investment/Unit Linked Contracts and Market Share per Company (2009 – 2011)

Name of Company	2009 Contributions	Market Share %	Fund as at end of the year 2009	Market Share %	2010 Contributions	Market Share %	Fund as at end of the year 2010	Market Share %	2011 Contributions	Market Share %	Fund as at end of the year 2011	Market share %
Apollo	-	0.0	24,151	0.4	11,834	0.5	38,155	0.4	10,862	0.4	41,496	0.5
British American	1,045,135	49.5	1,640,901	30.4	1,250,836	49.3	3,183,016	37.2	1,249,229	51.7	3,173,191	38.5
Cannon	68,591	3.2	250,170	4.6	68,651	2.7	264,144	3.1	65,311	2.7	284,449	3.4
Kenyan Alliance	2,077	0.1	10,342	0.2	2,516	0.1	13,013	0.2	2,110	0.1	8,076	0.1
Pioneer	8,595	0.4	50,097	0.9	16,167	0.6	70,647	0.8	5,697	0.2	56,853	0.7
Old Mutual	771,082	36.5	2,986,543	55.3	821,980	32.4	3,759,407	44.0	770,703	31.9	3,541,262	42.9
UAP Life	168,324	8.0	378,905	7.0	140,469	5.5	629,285	7.4	142,795	5.9	643,261	7.8
Madison	-	0.0	-	0.0	184,271	7.3	504,900	5.9	169,562	7.0	497,556	6.0
Metropolitan*	47,025	2.2	58,457	1.1	42,803	1.7	87,650	1.0	-	0.0	-	0.0
Total	2,110,829	100.0	5,399,566	100.0	2,539,527	100.0	8,550,217	100.0	2,416,269	100.0	8,246,144	100.0

Figures in Kshs'000

*2011 figures combined with Ordinary Life Insurance

The contributions decreased by 4.9% in 2011 compared to 2010. The total Fund closed at Kshs. 8.25 billion compared to Kshs. 8.55 billion in 2010, a decrease of 3.6%.

Table 28: Life Insurance Premiums, Contributions and Market Share

Company	Ordinary Life		Group Life		Deposit Administration/ Pensions		Unit Linked Contributions		Total	
	Gross Premium	Market Share	Gross Premium	Market Share	Pension Contributions	Market Share	Unit Linked Contributions	Market Share	Total Premiums + Contributions	Market Share
Apollo	33,687	0.32%	212,514	2.91%	181,053	1.69%	10,862	0.45%	438,116	1.42%
British American	2,563,333	24.39%	908,854	12.45%	977,139	9.13%	1,249,229	51.70%	5,698,555	18.43%
Cannon	411,973	3.92%	10,907	0.15%	3,016	0.03%	65,311	2.70%	491,207	1.59%
Capex	13,870	0.13%	956	0.01%	-	0.00%	-	-	14,826	0.05%
CFC Life	1,127,023	10.72%	205,666	2.82%	1,576,505	14.74%	-	-	2,909,194	9.41%
CIC Life	286,798	2.73%	1,868,612	25.59%	-	0.00%	-	-	2,155,410	6.97%
Corporate	150,520	1.43%	402	0.01%	-	0.00%	-	-	150,922	0.49%
First Assurance	-	-	51,867	0.71%	-	0.00%	-	-	51,867	0.17%
Gemina	17,718	0.17%	10,474	0.14%	-	0.00%	-	-	28,192	0.09%
Heritage	-	0.00%	133,970	1.83%	256,331	2.40%	-	-	390,301	1.26%
ICEALion Life (Formerly ICEA)	917,909	8.73%	568,487	7.78%	2,514,521	23.51%	-	-	4,000,917	12.94%
Jubilee	949,236	9.03%	803,644	11.00%	2,753,399	25.74%	-	-	4,506,279	14.57%
Kenindia	373,943	3.56%	96,583	1.32%	1,329,351	12.43%	-	-	1,799,877	5.82%
Kenyan Alliance	0	0.00%	49,686	0.68%	68,963	0.64%	2,110	0.09%	120,759	0.39%
Madison	527,609	5.02%	88,812	1.22%	322,120	3.01%	169,562	7.02%	1,108,103	3.58%
Mercantile	37,629	0.36%	2,910	0.04%	83,898	0.78%	-	-	124,437	0.40%
Metropolitan Life	56,034	0.53%	35,943	0.49%	-	0.00%	-	-	91,977	0.30%
Monarch	396	0.00%	13,077	0.18%	6,927	0.06%	-	-	20,400	0.07%
Old Mutual	349,429	3.32%	160,945	2.20%	-	0.00%	770,703	31.90%	1,281,077	4.14%
Pan Africa Life	2,028,823	19.30%	1,619,669	22.18%	207,132	1.94%	-	-	3,855,624	12.47%
Pioneer	374,013	3.56%	133,985	1.83%	5,161	0.05%	5,697	0.24%	518,856	1.68%
Shield	155,932	1.48%	3,609	0.05%	-	0.00%	-	-	159,541	0.52%
UAP Life	134,116	1.28%	320,977	4.40%	411,921	3.85%	142,795	5.91%	1,009,809	3.27%
Total	10,509,989	100.00%	7,302,550	100.00%	10,697,438	100.00%	2,416,269	100.00%	30,926,246	100.00%

Figures in Kshs. '000



7.6 Claims and Benefits

The life insurance claims and policyholder benefits amounted to Kshs. 16.39 billion compared to Kshs.15.89 billion in 2010 representing an increase of 3.1%.

Ordinary Life insurance claims decreased from Kshs 6.10 billion in 2010 to Kshs 4.46 billion in 2011, a decrease of 26.8%. Group Life claims increased from Kshs 3.78 billion in 2010 to Kshs 4.43 billion in 2011, an increase of 17.2%. This increase in claims could be attributed to poor underwriting practices, such as high medical free cover limits and low premium rates.

Benefits paid under Deposit Administration business increased by 24.6% from Kshs 6.01 billion in 2010 to Kshs 7.49 billion in 2011. This increase in benefit pay-outs could be attributed to the amendment of the retirement Benefits Act in 2010, allowing the withdrawal of 50% of the employer's contribution which was previously locked in the schemes until retirement age.

The distribution of net incurred claims for the last five years 2007 - 2011 is shown in table 29 below.

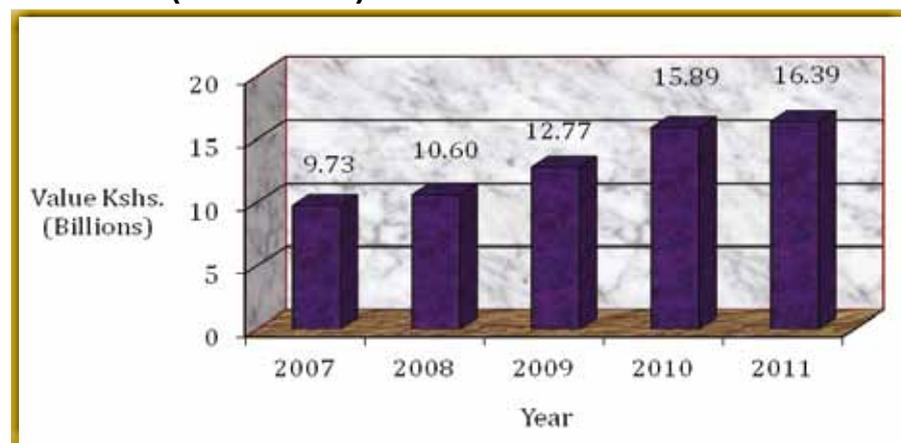
Table 29: Distribution of Claims in Life Insurance

Class of Business	2007		2008		2009		2010		2011	
	Gross Claims Paid	Market Share								
Ordinary Life	4,096,137	42.09%	3,740,162	35.29%	3,929,535	37.08%	6,102,196	38.39%	4,467,150	27.25%
Group Life	1,451,272	14.91%	2,718,695	25.65%	4,133,953	39.01%	3,779,642	23.78%	4,430,683	27.03%
Pensions	4,183,946	42.99%	4,139,192	39.06%	4,711,578	44.46%	6,011,536	37.82%	7,496,783	45.73%
Total	9,731,355	100.00%	10,598,049	100.00%	12,775,066	100.00%	15,893,375	100.00%	16,394,616	100.00%

Figures in Kshs. 000

The claims and benefits paid over the last five years are illustrated in figure 12 below: -

Figure 12: Life Insurance business Claims and Benefits Paid (2007 – 2011)



The claims and benefits paid have been increasing steadily over the last 5 years from Ksh 9.73 Billion in 2007 to 16.39 Billion in 2011.

7.7 Total Expenses

The total operating and other expenses incurred in 2011 for Life insurance (Ordinary and Group Life) was Kshs. 5.92 billion compared to Kshs. 4.71 billion in the year 2010, an increase of 25.7%.

Commission expenses for Ordinary and Group Life amounted to Kshs. 2.33 billion compared to Kshs 2.79 billion in the year 2010, a decrease of 16.5%.

7.8 Reinsurance Premiums

The total reinsurance premium ceded by life insurers was Kshs. 2.01 billion compared to Kshs. 1.68 billion in 2010, an increase of 19.6%.

7.9 Investment and Other Income

Investment and other income from Ordinary and Group Life classes decreased by 33.4% to Kshs. 4.35 billion in 2011 compared to Kshs. 6.53 billion in 2010. The drop in investment income can be attributed to the unfavourable investment environment in 2011.



Table 30: Combined Life Insurance Statistics

Company	ORDINARY LIFE	GROUP LIFE	PENSIONS	INVESTMENT/ UNIT LINKED CONTRACTS	GROSS PREMIUMS	MARKET SHARE	GROSS PREMIUMS + PENSION CONTRIBUTIONS	MARKET SHARE	REINSURANCE	NET PREMIUM	CLAIMS + BENEFITS	COMMISSIONS	OPERATING & OTHER EXPENSES	TOTAL EXPENSES	INVESTMENT INCOME+OTHER INCOME
Apollo	33,687	212,514	181,053	10,862	246,201	1.4%	438,116	1.4%	105,841	140,360	113,196	13,413	49,249	62,662	60,984
British American	2,563,333	908,854	977,139	1,249,229	3,472,187	19.5%	5,698,555	18.4%	218,166	3,254,021	1,205,221	866,959	964,932	1,831,891	623,274
Cannon	411,973	10,907	3,016	65,311	422,880	2.4%	491,207	1.6%	7,022	415,857	388,770	19,083	47,809	66,892	88,552
Capex	13,870	956	0	0	14,826	0.1%	14,826	0.0%	0	14,826	16,024	449	43,784	44,233	43,992
CFC Life	1,127,023	205,666	1,576,505	0	1,332,689	7.5%	2,909,194	9.4%	127,957	1,204,732	628,451	195,160	466,406	661,566	361,901
CIC Life	286,798	1,868,612	0	0	2,155,410	12.1%	2,155,410	7.0%	203,606	1,951,804	1,252,118	102,587	674,829	777,416	200,631
Corporate	150,520	402	0	0	150,922	0.8%	150,922	0.5%	788	150,134	104,875	44,353	23,967	68,320	18,970
First Assurance	0	51,867	0	0	51,867	0.3%	51,867	0.2%	47,279	4,588	5,576	3,803	5,661	9,464	22,871
Gemina	17,718	10,474	0	0	28,192	0.2%	28,192	0.1%	9,875	18,317	30,693	4,177	6,927	11,104	23,563
Heritage	0	133,970	256,331	0	133,970	0.8%	390,301	1.3%	46,440	87,530	18,465	4,114	42,792	46,906	49,341
ICEALion Life (Formerly ICEA)	917,909	588,487	2,514,521	0	1,486,396	8.3%	4,000,917	12.9%	218,044	1,268,352	1,496,439	215,945	299,350	515,295	653,160
Jubilee	949,236	803,644	2,753,399	0	1,752,880	9.8%	4,506,279	14.6%	225,651	1,527,229	395,674	363,992	394,450	758,442	377,686
Kenindia	373,943	96,583	1,329,351	0	470,526	2.6%	1,799,877	5.8%	80,947	389,579	235,790	73,968	106,542	180,510	315,926
Kenyan Alliance	0	49,686	68,963	2,110	49,686	0.3%	120,759	0.4%	32,141	17,545	1,508	3,932	10,769	14,701	8,706
Madison	527,609	88,812	322,120	169,562	616,421	3.5%	1,108,103	3.6%	20,554	595,867	380,477	116,557	277,400	393,957	243,445
Mercantile	37,629	2,910	83,898	0	40,539	0.2%	124,437	0.4%	2,838	37,701	64,710	9,837	24,696	34,533	42,813
Metropolitan Life	56,034	35,943	0	0	91,977	0.5%	91,977	0.3%	6,833	85,144	12,044	4,872	113,566	118,438	26,206
Monarch	396	13,077	6,927	0	13,473	0.1%	20,400	0.1%	10,792	2,681	3,117	668	5,188	5,855	26,337
Old Mutual	349,429	160,945	0	770,703	510,374	2.9%	1,281,077	4.1%	141,112	369,262	233,070	87,283	817,924	905,207	207,456
Pan Africa Life	2,028,823	1,619,669	207,132	0	3,648,492	20.5%	3,855,624	12.5%	348,437	3,300,055	1,876,475	0	1,295,659	1,295,659	944,417
Pioneer	374,013	133,985	5,161	5,697	507,998	2.9%	518,856	1.7%	0	507,998	202,790	122,437	129,688	252,125	42,848
Shield Assurance	155,932	3,609	0	0	159,541	0.9%	159,541	0.5%	597	158,944	62,253	17,751	82,974	100,725	27,382
UAP Life	134,116	320,977	411,921	142,795	455,093	2.6%	1,009,809	3.3%	150,600	304,493	167,098	54,224	32,112	86,337	123,749
Total	10,509,989	7,302,550	10,697,438	2,416,269	17,812,539	100.0%	30,926,246	100.0%	2,005,519	15,807,020	8,894,834	2,325,564	5,916,675	8,242,238	4,534,211

Figures in Kshs. '000

APPENDIX 1: AKI MEMBER COMPANIES 2011

NAME OF COMPANY	PHYSICAL ADDRESS	TELEPHONE NO.	FAX NO.	EMAIL ADDRESS
Africa Merchant Assurance Ltd	2nd Floor, Trans-National Plaza, Mama Ngina Street, Box 64599-00200 Nbi	312121	340022	info@amacco.co.ke
APA Insurance Company Ltd	Apollo Center, Off Ring road, Box 30065 -0100 Nbi	2862000	2862200	info@apainurance.org
Apollo Life Insurance Ltd	Apollo Center, Off Ring road, Box 30065 -0100 Nbi	3641000	3641100	insurance@apollo.co.ke
British American Insurance Company Ltd	Britaik Centre, Mara/Ragati Road, 30375-00100 Nbi	2710927	2717626	insurance@british-american.co.ke
Cannon Assurance Company Ltd	Gateway Business Park, Mombasa Road, Box 30216-00100 Nbi	3966000	829075/8228081	info@cannonassurance.com
Capex Life Assurance Company Ltd	5th Avenue Office Suites, Ngong Road, Box 12043-00400 Nbi	2712384/5	2712390	capex@swiftkenya.com
CFC Life Assurance Ltd	CFC House, Mamiaka Road, Box 30390-00100 Nbi.	2866000	2718365	info@cfcilife.co.ke
Chartis Kenya Insurance Company Ltd	AIG House, Eden Square Complex, Chiromo Road, Box 49460-00100 Nbi	3676000	3676001/2	chartiskenya@chartisinsurance.com
Concord Insurance Company Ltd	Yaya Centre, Argwing Kodhek Road, Box 30634-00100 Nbi	2720167	2720165	info@concord-ic.com
CIC General Insurance Company Ltd	CIC Plaza, Mara Road, Box 59485-00100 Nbi	2823000	2823330	cic@cic.co.ke
CIC Life Insurance Company Ltd	CIC Plaza, Mara Road, Box 59485-00100 Nbi	2823000	2823330	cic@cic.co.ke
Corporate Insurance Company Ltd	Corporate Place, Kiambere Road, Box 43172-00100 Nbi	2717617	2717775	cic@swiftkenya.com
Directline Assurance Company Ltd	17th Floor, Hazina Towers, Monrovia Street, Box 40863-00100 Nbi	2242405	2242746	info@directline.co.ke
Fidelity Shield Insurance Company Ltd	Fisco Center, Muthangari Drive, Box 47435-00100 Nbi	4225000	4445699	info@fidelityshield.com
First Assurance Company Ltd	First Assurance House, Gitanga Rd, Box 30064-00100 Nbi	2692250	2692290	hoinfo@firstassurance.co.ke
GA Insurance Company Ltd	GA Insurance Hse, Ralph Bunche Rd, Box 42166-00100 Nbi	2711633	2714542	insure@gakeya.com
Gateway Insurance Company Ltd	Gateway House, Gateway Place, Milimani Road, 60656-00200 Nbi	2713131	2713138	info@gateway-insurance.co.ke
Gemina Insurance Company Ltd	Gemina Insurance Plaza, Kilimanjaro Avenue, Box 61316-00200 Nbi	2782000	2782100	info@gemina.co.ke
Heritage Insurance Company Ltd	CFC House, Mamiaka Road, Box 30390-00100 Nbi	2783000	2727800	info@heritage.co.ke
ICEALion General Insurance Co Ltd (Formerly Lion of Kenya)	ICEA Building, Kenyatta Avenue, Box 46143-00100 Nbi	2750000	2223803	info@icealion.com
ICEALion Life Assurance Co Ltd (Formerly ICEA)	ICEA Building, Kenyatta Avenue, Box 46143-00100 Nbi	2750000	2223803	info@icealion.com
Intra Africa Assurance Company Ltd	Williamson House, 4th Ngong Avenue, Box 43241-00100 Nbi	2712610	2723288	intra@swiftkenya.com
Invesco Assurance Company Ltd	Bishop Mangua Centre, Box 52964-00200 Nbi	2605552	248514	info@invescoassurance.co.ke
Jubilee Insurance Company Ltd	Jubilee Insurance Hse, Mama Ngina Street, Box 30376-00100 Nbi	3281000	3281150	jic@jubileekenya.com
Kenindia Assurance Company Ltd	Kenindia House, Loita Street, Box 44372-00100 Nbi	2214439	2218380	kenindia@kenindia.com
Kenya Orient Insurance Company Ltd	Capital Hill Towers, Cathedral Road, Box 34530-00100 Nbi	2728603/4	2728605	info@kenyaorient.co.ke



NAME OF COMPANY	PHYSICAL ADDRESS	TELEPHONE NO.	FAX NO.	EMAIL ADDRESS
Kenyan Alliance Insurance Company Ltd	Chester House, Koinange Street, Box 34530-00100 Nbi	2216450	2217340	kai@kenyanalliance.com
Madison Insurance Company Ltd	Madison Insurance House, Upper Hill Rd, Box 47382-00100 Nbi	2864000	2864622/444	madison@madison.co.ke
Mayfair Insurance Company Ltd	Mayfair Centre, Ralph Bunche Road, Box 45161-00100 Nbi	2999000	2999111	info@mayfair.co.ke
Mercantile Insurance Company Ltd	Ecobank Towers, Muindi Mbingu Street, Box 20680-00200 Nbi	2243682/1	2215528	mercantile@mercantile.co.ke
Metropolitan Life Assurance Company Ltd	International Life House, Mama Ngina St., Box 46780-00100 Nbi	2243126	2243179	info@metropolitan.co.ke
Monarch Insurance Company Ltd	Mornach House, 664 Oleruone Avenue, Box 44003-00100 Nbi	4292000	4292100	info@themonarchinsco.com
Occidental Insurance Company Ltd	Corner Plaza, 2nd Floor, Parklands Road, Box 82788-00100 Nbi	8024149	3750193	enquiries@occidental.co.ke
Old Mutual Life Assurance Company Ltd	Old Mutual Building, Cnr of Mara/Hospital Rd, Box 30059-00100 Nbi	2829000	2722415	omken@oldmutualkenya.com
Pacis Insurance Company Ltd	Centenary Hse, 2nd Floor, Off Ring Rd, Westlands, Box 1870-00100 Nbi	4452560	4452561	info@paciskenya.com
Pan Africa Life Assurance Company Ltd	Pan Africa House, Kenyatta Avenue, Box 44041-00100 Nbi	2781000	2243297	insurance@pan-africa.com
Phoenix of E. A. Assurance Company Ltd	Ambank House, 17th Floor, University Way, Box 30129-00100 Nbi	2229302	2211848	info@phoenixassurance.co.ke
Pioneer Life Assurance Company Ltd	Pioneer House, Moi Avenue, Box 30129-00100 Nbi	2220814/5	2224985	info@pioneerassurance.co.ke
Real Insurance Company Ltd	Royal Ngao House, Hospital Road, Box 40001-00100 Nbi	4904000	2717888/3831	genaral@realinsurance.co.ke
Shield Assurance Company Ltd	5th Avenue Office Suites, Ngong Road, Box 25093-00100 Nbi	2712591	2712597	info@shieldassurance.co.ke
Takafu Insurance of Africa Ltd	CIC Plaza, Mara Road, Box 1181-00100 Nbi	2725134/5	2720653	info@takafuafrika.com
Tausi Assurance Company Ltd	Tausi Court, Tausi Road, Off Muthithi Rd, Box 28889-00100 Nbi	3746602	3746618	clients@tausiassurance.com
Trident Insurance Company Ltd	Capital Hill Towers, Cathedral Road, Box 13501-00100 Nbi	2721710	2726234	info@trident.co.ke
UAP Insurance Company Ltd	Bishops Garden Towers, Bishops Road, Box 43013-00100 Nbi	2850000	2719030	uapinsurance@uapkenya.com
UAP Life Assurance Company Ltd	Bishops Garden Towers, Bishops Road, Box 43013-00100 Nbi	2850300	2719030	life@uaplif.com
Xplico Insurance Company Ltd	Connaught Place 1, Lantana Road, Box 38106-00623 Nbi	4442888	4445550	info@xplico.co
ASSOCIATE MEMBER				
Africa Trade Insurance Agency (ATIA)	Kenya Re Towers, Box 62328-00200 Nbi	2726999	2719701	underwriting@atia-aca.org
OTHER IMPORTANT CONTACTS				
Insurance Regulatory Authority (IRA)	Zep-Re Place, Box 43505-00100 Nbi	4996000	2710126	commins@skyweb.co.ke
College of Insurance (COI)	College of Insurance, Off Mombasa Rd, South C, Box 56928-00200 Nbi	504227/605601	605605	info@coi.ac.ke
Insurance Institute of Kenya (IIK)	College of Insurance, Off Mombasa Rd, South C, box 1200-00200 Nbi	2106898	605606	iik@wananchi.com
Association of Insurance Brokers of Kenya (AIBK)	College of Insurance, Off Mombasa Rd, South C, Box 606220-00200 Nbi	6006129	6006220	aibk@wananchi.com
Association of Kenya Reinsurers (AKR)	Africa Re Towers, Box 10620-00100 Nbi	4973000	2738444	mail@zep-re.com

