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REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT – FIFTH SESSION – 2021
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

REPORT ON THE CONSIDERATION OF THE INSURANCE PROFESSIONALS
REGISTRATION BILL (NATIONAL ASSEMBLY BILL NO. 25 OF 2020)

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAY 2021	DAY: TUE
TABLED BY:	HON. W. NDIRANGU VICE-CHAIR
THE TABLE:	MAINAH WANGIKU

CLERKS CHAMBERS
DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

MAY, 2021

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CHAIRPERSON'S FOREWORD

This report contains the Committee's proceedings on the consideration of the Insurance Professionals Registration Bill (National Assembly Bill No. 25 of 2020) which was published on 26th August, 2020 and read a First Time on 10th September, 2020. It was then committed to the Departmental Committee on Finance and National Planning pursuant to Standing Order 127.

Following placement of adverts in the print media on 18th October 2020 requesting for comments on the Bill from members of the public and relevant stakeholders pursuant to Article 118(1)(b) of the Constitution and Standing Order 127(3), the Committee received memoranda from four (4) stakeholders.

The Committee invited stakeholders vide letter REF: NA/DDC/F&NP/2021/05 dated 7th April 2021 for a stakeholder engagement meeting on the Bill which was held virtually on Tuesday, 13th April 2021. Seven (7) stakeholders attended the meeting. All stakeholders were in support of the establishment of an insurance professionals' registration body. Most stakeholders were however opposed to the establishment of the Examination Board noting that the Insurance Training and Education Trust (ITET) and College of Insurance (COI) have been offering training for insurance professionals in the country (details of stakeholders' submissions are contained in Part 3 of the report). All the stakeholders' comments were put into consideration while preparing the proposed Committee's amendments and some of the proposals were adopted forming part of the proposed Committee's amendments.

The Bill has forty-five (45) clauses and seeks to ensure that there is professionalism in the insurance industry by establishing the Insurance Institute of Kenya like in other professionals. The Institute will provide training for insurance professionals. This is because the insurance industry has many unscrupulous persons hence the need for legislation to regulate their conduct and in order to protect the citizenry.

In considering the Bill, the Committee observed that while the main objective of the Bill is to establish a body to register insurance professionals, the Bill was also establishing an Examination Board which was going beyond the Bill's scope. The Committee also noted that the Insurance Training and Education Trust (ITET) and College of Insurance have been offering training for insurance professionals. Of the seven stakeholders who submitted memoranda on the Bill, only two were in support of the establishment of the Examination Board. It is for the above reasons that the Committee deleted all clauses on the establishment of the Examination Board (details of these deliberations are contained in Part 3, 4 and 6 of the report).

On behalf of the Departmental Committee on Finance and National Planning and pursuant to provisions of Standing Order 199(6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the Insurance Professionals Registration Bill, 2020. The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank the Sponsor of the Bill, Hon. Benjamin Jomo Washiali, M.P. and all the stakeholders who participated in the consideration of the Bill. Finally, I wish to express my appreciation to the Honorable Members of the Committee who made useful contributions towards the preparation and production of this report.

It is my pleasure to report that the Committee has considered the Insurance Professionals Registration Bill (National Assembly Bill No. 25 of 2020) and have the honour to report back to the National Assembly with the recommendation that the Bill be **approved with amendments** as contained in the report.

Hon. Gladys Wanga, CBS, MP

Chairperson, Departmental Committee on Finance and National Planning

1 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Finance & National Planning is one of the fifteen Departmental Committees of the National Assembly established under *Standing Order 216* whose mandates pursuant to the *Standing Order 216 (5)* are as follows:
 - i. To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
 - ii. To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
 - iii. **To study and review all the legislation referred to it;**
 - iv. To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
 - v. To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
 - vi. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No. 204 (Committee on appointments);
 - vii. To examine treaties, agreements and conventions;
 - viii. To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
 - ix. To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
 - x. To examine any questions raised by Members on a matter within its mandate.

1.2 MANDATE OF THE COMMITTEE

2. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to consider, public finance, monetary policies, public debt, financial institutions (excluding those in securities exchange), investment and divestiture policies, pricing policies, banking, insurance, population revenue policies including taxation and national planning and development.
3. In executing its mandate, the Committee oversees the following government Ministries and departments:
 - i. National Treasury and Planning
 - ii. State Department for Devolution
 - iii. Commission on Revenue Allocation
 - iv. Office of the Controller of Budget
 - v. Salaries and Remuneration Commission

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was constituted by the House in July, 2020 and comprises of the following Members:

Chairperson

Hon. Gladys Wanga, CBS, MP
MP for Homabay County

ODM Party

Vice-Chairperson

Hon. Isaac W. Ndirangu
MP for Roysambu Constituency

Jubilee Party

Members

Hon. Jimmy O. Angwenyi, MP
MP for Kitutu Chache North Constituency

Jubilee Party

Hon. Christopher Omulele, MP
MP for Luanda Constituency

ODM Party

Hon. Shakeel Shabbir Ahmed, MP
MP for Kisumu East Constituency

Independent Member

Hon. Daniel Nanok, MP
MP for Turkana West Constituency

Jubilee Party

Hon. (Dr.) Christine Ombaka, MP
MP for Siaya County

ODM Party

Hon. Andrew Okuome, MP
MP for Karachuonyo Constituency

ODM Party

Hon. David Mboni, MP
MP for Kitui Rural Constituency

CCU Party

Hon. Francis K. Kimani, MP
MP for Molo Constituency

Jubilee Party

Hon. Joseph Oyula, MP
MP for Butula Constituency

ODM Party

Hon. Joshua Kandie, MP
MP for Baringo Central Constituency

MCC Party

Hon. Stanley Muthama, MP
MP for Lamu West Constituency

Jubilee Party

Hon. Edith Nyenze, MP
MP for Kitui West Constituency

WDM-K

Hon. Catherine Waruguru, MP
MP for Laikipia County

Jubilee Party

Hon. James Mwangi, MP
MP for Tetu Constituency

Jubilee Party

Hon. (Prof.) Mohamud Muhamed, MP
MP for Wajir South Constituency

Jubilee Party

Hon. Peter Lochakapong, MP
MP for Sigor Constituency

Jubilee Party

Hon. Qalicha Gufu Wario, MP
MP for Moyale Constituency

Jubilee Party

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following Secretariat:

Ms. Leah W. Mwaura
Senior Clerk Assistant/Head of Secretariat

Ms. Jennifer Ndeto
Principal Legal Counsel 1

Ms. Laureen Wesonga
Clerk Assistant II

Mr. Josephat Motonu
Senior Fiscal Analyst

Mr. Chelang'a Maiyo
Research Officer II

Mr. John Njoro
Serjeant-At-Arms

Ms. Christine Maeri
Audio Officer

Mr. Vitalis Augo
Office Assistant

Ms. Jeruto Kosgey
Intern

2 OVERVIEW OF THE INSURANCE PROFESSIONALS REGISTRATION BILL (NATIONAL ASSEMBLY BILL NO. 25 OF 2020)

2.1 INTRODUCTION

6. The main objective of the Bill is to provide a legislative framework for the regulation of professionals in the insurance sector to enhance the standards of service in the sector, promote professionalism and address concerns regarding professional misconduct in the insurance industry. The Bill seeks to establish the Insurance Institute of Kenya as the overall professional organ for insurance professionals that shall regulate professional conduct and maintain level of standards of services rendered by insurance professionals registered under the Bill. The Bill will help to promote the recognition of insurance professionals not only in Kenya but also in the East African region.

2.2 ANALYSIS OF THE BILL

7. The Bill intends to create a professional body for registration of professionals in the insurance industry and has forty-five (45) clauses. It proposes the following amendments:

8. **PART I** of the Bill contains preliminary provisions.

9. **PART II and III** of the Bill provides for the establishment of the Insurance Institute of Kenya as well the management body being the Council. It further provides for membership of Council and the appointment of the Executive Director.

10. **PART IV** of the Bill contains provisions for the registration of insurance professional. The registration Committee that is mandated with registration of professionals and the registrar of the Committee.

11. **PART V** of the Bill contains provisions on Insurance Professional Examinations Board, the membership of the Board and functions of Board which is to issue examinations for person seeking to be qualified as Insurance Professionals under the Bill.

12. **PART VI** of the Bill contains provisions on issuance of practising certificate to qualified insurance professionals and matters incidental such as duration of certificates issued and cancellation of such certificates.

13. **PART VII** of the Bill contains provisions on discipline of insurance professional including what amounts to professional misconduct and the manner of conduct of disciplinary proceedings by the Disciplinary Committee.

14. **PART VIII** of the Bill contains miscellaneous provisions such terms of conditions of employment of staff of the council, protection from liability for discharge of their functions, accounts and audit of the Council, the Institute and the Examinations Board and submission of annual reports by the council and the examinations Board.

15. **PART IX** of the Bill contains delegated powers of the council to make regulations for the better performance of functions under the Bill.

16. The Bill delegates legislative powers but does not limit any fundamental rights and freedoms.

17. The Bill does not concern county governments in terms of Article 110 (1) (a) of the Constitution as it does not affect the functions and powers of county governments as set out in the Fourth Schedule. Monetary policy including insurance is a function of the National Government under Paragraph 10 of Part 1 of the Fourth Schedule to the Constitution.
18. Enactment of this Bill may occasion additional expenditure of public funds to be provided for through the annual estimates.

3 PUBLIC PARTICIPATION/STAKEHOLDERS CONSULTATION

19. Following the call for memoranda from the public through the placement of adverts in the print media on 18th October, 2020 and vide a letter REF: NA/DDC/F&NP/2021/05 dated 7th April, 2020 inviting stakeholders for a meeting, the Committee received memoranda from the following stakeholders:

- i. Association of Kenya Professional Insurance Agents (AKPIA)
- ii. Association of Insurance Brokers of Kenya (AIBK)/Association of Kenya Insurers (AKI)
- iii. Bima Intermediaries Association of Kenya (BIAK)
- iv. College of Insurance (COI)
- v. Insurance Institute of Kenya (IIK)
- vi. Institute of Human Resource Management (IHRM)
- vii. Insurance Regulatory Authority (IRA)
- viii. Kenya Association of Stockbrokers and Investment Bankers (KASIB)
- ix. Bancassurance Association of Kenya (BAK)

20. The stakeholders submitted as follows:

3.1 ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA)

In a meeting with the Committee held on Tuesday, 13th April 2021, Mr. Clifford Ochieng', Chairman of AKPIA submitted that the College of Insurance already trains members of the insurance industry and it is therefore dangerous to confer the powers to train to IIK. The Association has a membership of 11,000 agents who had all been trained by COI. The Association proposed the following amendments:

21. Insurance agents should also be included in the membership of the examination board. They therefore proposed that the Bill should be amended in Section 17 (1) (h) to read as follows, "*Chairman of the Association of Kenya Professional Insurance Agents (AKPIA) or a person nominated in writing*".

COMMITTEE'S COMMENT

All clauses relating to the Examination Board were deleted from the Bill.

22. The Bill be amended by deleting clauses 5(d), (e) (g) and (h); 16(1) to (3); 17(1) to (2); 18(1) to (4); and 19(1) to (3). This is because the provisions contradict or are in conflict with the current mandate and functions of Insurance Training and Education Trust (ITET) and College of Insurance (COI) as established under the following legislative provisions:

- i. Insurance (Amendment) Act, 1993 on the mandate of ITET and COI on insurance training and education.
- ii. Education Act (Cap 211) repealed & TVET Act 2013 - 833: Part IV – 17. (1) (2) (3) and Section 26 (1) (d), (2) (c) on licensing of College of Insurance and further its accreditation.

COMMITTEE'S COMMENT

The Committee adopted their proposals

3.2 ASSOCIATION OF INSURANCE BROKERS OF KENYA (AIBK)/ASSOCIATION OF KENYA INSURERS (AKI)

23. In a meeting with the Committee held on Tuesday, 13th April 2021, Mr. Eliud Odiedo, Chairman of AIBK submitted that if passed as is, the Bill will move public funds to a private institution, that is from COI to IIK. He proposed the following amendments on behalf of AIBK and AKI:
24. The Bill be amended by deleting clauses 5(d), (e) (g) and (h); 16(1) to (3); 17(1) to (2); 18(1) to (4); and 19(1) to (3). This is because the provisions encroach on the mandate and functions of Insurance Training and Education Trust (ITET) and College of Insurance (COI).

COMMITTEE'S COMMENT

The Committee adopted their proposals

3.3 BIMA INTERMEDIARIES ASSOCIATION OF KENYA (BIAK)

In a meeting with the Committee held on Tuesday, 13th April 2021, Mr. Washington Ndegea, Chairperson of BIAK proposed that the Bill should be amended as follows:

25. Amend clause 17(1) to include a representative of insurance agents from BIAK in the Examination Board.

COMMITTEE'S COMMENT

All clauses relating to the Examination Board were deleted from the Bill.

26. Under Part VI they noted that higher qualifications are needed for insurance agents, experience in insurance sales for an agent should be considered and maybe waived in considering higher academic qualifications for the same and workshops organized by BIAK for their agents should be considered as part of the qualification for such agents.
27. Clause 10 (5) (b) should be amended to increase the experience of the Executive Director of the Institute from five to ten years because the position needs a highly-qualified person.
28. A code of conduct for members of the Institute should be introduced in the Bill.

COMMITTEE'S COMMENT

The Committee adopted their proposal

3.4 COLLEGE OF INSURANCE

29. In a meeting with the Committee held on Tuesday, 13th April 2021, Dr. Ben Kajwang', CEO of the College of Insurance informed the meeting that most professionals in the insurance industry had been trained by COI. He proposed the following amendments on behalf of the College:
30. The word '*accreditation*' should be defined in the Bill. The Institute should not be charged with the accreditation mandate as it falls under TVET.
31. The Bill be amended by deleting clauses 16(1) to (3); 17(1) to (2); 18(1) to (4); and 19(1) to (3). This is because there is no need to duplicate service that are already being provided satisfactorily.

COMMITTEE'S COMMENT

The Committee adopted their proposal

32. Delete the word 'Examination Board' wherever it appears in the Bill because the functions being envisaged in the Bill to the Examination Board are being performed by the COI as enshrined in subsections 26(1)(d) and (2) of the TVET Act, 2013 (Cap. 833).

COMMITTEE'S COMMENT

All clauses relating to the Examination Board were deleted from the Bill.

33. Delete clauses 5(1)(e), (g) and (h) because they are assigning the Institute functions that aren't within its mandate.

COMMITTEE'S COMMENT

The Committee adopted their proposal

34. Delete the Third Schedule to the Bill because it outlines the membership and meetings of the Examination Board which is proposed to be deleted. It is therefore a consequential amendment.

COMMITTEE'S COMMENT

The Committee adopted their proposal

3.5 INSURANCE INSTITUTE OF KENYA (IIK)

In a meeting with the Committee held on 13th April 2021, Ms. Agnes Macharia, Director of IIK informed the Committee that the Institute was formed in 1948 as an affiliate of the Chartered Institute of London and was registered in 2002. It is an umbrella body for insurance professionals but hasn't been able to function optimally due to lack of legal backing. Insurance professionals aren't obligated to register with the Institute. She proposed the following amendments on behalf of the Institute:

35. Amend the title of the Bill by deleting the word '*Registration*'. This is because objects of the Bill are many including providing examination, regulation of standards and practice of insurance professionals and making provision for matters incidental thereto. Registration is therefore, just one of them.

COMMITTEE'S COMMENT

All clauses relating to examinations were deleted from the Bill. This therefore means that the main mandate of the Insurance Institute is to register insurance professionals. The title is therefore ok as is.

36. Amend the Bill by inserting clause 18. The numbering on the proposed bill has skipped clause 18 and therefore every other number that follows after 18 is misleading and there is need to have the proposed bill properly numbered. This will harmonise the numbering.

37. Amend clause 4 by deleting sub-clauses (c), (d) and (e). This is because professionals are those who have qualified as Fellows or Associates. Affiliates and corporate members cannot be ranked with professionals.

COMMITTEE'S COMMENT

The Committee adopted their proposal

38. Amend clause 5(1)(f) by inserting the word '*development*' after the word professional. This is to achieve clarity in regard to continuous upskilling of members.

COMMITTEE'S COMMENT

The Committee adopted their proposal

39. Amend clause 6 by inserting the word '*comprise*' between the words '*shall*' and '*of*'. This is to correct a typographical error.

COMMITTEE'S COMMENT

The Committee adopted their proposal

40. Amend clause 6(f) by inserting the words '*who shall have no voting rights*' after the word '*Institute*'. This is because the Executive Director is the person who runs the day to day operations of the Institute and should therefore not have a voting right. He/she is an ex-officio member with no voting rights and is recruited and appointed by the council.
41. Amend clause 18(1) by deleting the word '*to*' and replacing with '*of*'. This is for clarity and proper grammar.

COMMITTEE'S COMMENT

Clause 18 was deleted from the Bill.

42. Amend clause 23(2) by deleting the words "*Registration Committee*" and replacing with the word "*Institute*". This is because the Registration Committee is under the Institute.
43. Amend clause 32(2)(d) by adding the word '*by*' after '*appointed*'. This is to adding a missing word in order to make the provision clear.

COMMITTEE'S COMMENT

The Committee adopted their proposal

44. Amend clause 36(1) by inserting the words '*seek alternative dispute resolution mechanisms and or*' between the words '*may*' and '*appeal*'. This is to embrace alternative dispute resolution mechanisms as an option and an alternative to the conventional court systems in order to achieve efficacy and efficiencies while saving on costs.

COMMITTEE'S COMMENT

The clause was deleted.

45. Amend clause 43(1) by deleting the word '*Association*' and replacing with the word "*Member*". This is because it should be a member and not the association.
46. Amend clause 45(1) by adding the word '*and the Examination Board*' after the word '*Council*'. This is to provide a way for the board to gazette its regulations.

COMMITTEE'S COMMENT

All clauses relating to the Examination Board were deleted from the Bill. This amendment is therefore not necessary.

3.6 INSURANCE REGULATORY AUTHORITY (IRA)

In a meeting with the Committee held on Tuesday, 13th April 2021, Mr. Godfrey Kiptum, CEO of IRA submitted that the Authority supports the establishment of the Institute as it will professionalise the insurance industry. The Authority proposed the following amendments:

47. The Bill should be amended by deleting the definition of the word '*bond investment business*' as it's no longer in existence and deleting definition of the word '*investigator*' and leaving it as is in the Insurance Act.

COMMITTEE'S COMMENT

The Committee adopted their proposal

48. Delete clause 27(1)(c) because it blocks expatriates from being registered to the Institute which ideally blocks them from working in the insurance industry in Kenya.

COMMITTEE'S COMMENT

The Committee adopted their proposal

3.7 INSTITUTE OF HUMAN RESOURCE MANAGEMENT (IHRM)

In a meeting with the Committee held on Tuesday, 13th April 2021, Mr. Wycliffe Nyakina submitted that IHRM supports the Bill with the following amendments:

49. Amend clause 2 by inserting a definition for '*institute*'. This is because its omission may lead to misinterpretation of the Act.
50. Amend clause 4(1) by deleting reference to sub-clause 4(1)(3) since it does not contain a category of membership. It is therefore a misleading statement.
51. Affiliate, corporate and such other category as the Institute may establish should not be membership categories. Sub-clauses 4(2)(c), (d) and (e) should therefore be amended to reflect that. The Bill intends to regulate insurance professionals. The three categories will therefore qualify as insurance professionals.

COMMITTEE'S COMMENT

The Committee adopted their proposal

52. Amend sub-clauses 4(2) (a) and (b) by deleting qualifications of becoming a Fellow and Associate (FCII & ACII) because they should be contained in Regulations. This provides room for easier adjustment in future and gives the Board more powers and financial resources.
53. Amend sub-clause 5(1)(f) by inserting the word '*development*' between the words '*professional*' and '*of*'. Additionally, write the correct spelling of the word professional. This is to achieve clarity in interpretation.

COMMITTEE'S COMMENT

The Committee adopted their proposal

54. Amend clause 5 by deleting sub-clause 5(1)(g) because it conflicts with other independent government agencies on their mandate. Advisory to TVETA and CUE should not be legislated since the 2 institutions are independent and their need for advice should be left open and based on mutual interaction.

COMMITTEE'S COMMENT

The Committee adopted their proposal

55. Amend sub-clause 5(1)(h) to read as follows, '*Accredit institutions to be approved for training of persons seeking registration under this Act*'. This is to remove interference from the ministry and bureaucracies associated with public service and to enhance peer regulatory mechanisms away from government.

COMMITTEE'S COMMENT

Paragraph (h) was deleted from the Bill.

56. Amend sub-clause 6(f) by denying the executive director power to vote. As worded, the clause provides that the executive director is a member of the Board and has a vote.
57. Powers of the Council should not be stated, clause 8 should therefore be amended accordingly. The Institute (Council) is a body corporate and by that fact it is entitled/or and implied to all listed under powers.
58. Amend sub-clause 10(1) by providing grounds and process of removal of the executive director from office. This will remove bad intention and provide clarity.

COMMITTEE'S COMMENT

The Committee adopted their proposal

59. Amend sub-clause 10(2) by specifying the period of office and the process and grounds for removal because it is subject to abuse.

COMMITTEE'S COMMENT

The Committee adopted their proposal

60. Amend sub-clause 15(1) by providing that the Registrar shall be the custodian of the seal of the Institute. This is because the registration committee has frequent usage of the company seal.
61. Amend sub-clause 18(1) by distinguishing between registrar of the Registration Committee and Registrar of the Examination Board. This is because both offices are likely to face a lot of litigation thus need to distinguish them and define them as such.

COMMITTEE'S COMMENT

All clauses relating to the Examination Board were deleted from the Bill.

62. Sub-clause 20(1) should be a transitional clause because it will only apply to transition.

COMMITTEE'S COMMENT

The Committee adopted their proposal

63. Amend sub-clause 23(2) by deleting the words '*Registration Committee*' and replacing with the word '*Council*'. This is because the Registration Committee is subservient to the Council.
64. Amend sub-clause 32(2)(d) by inserting the word '*by*' between the words '*appointed*' and '*the*'. This is to make the provision comprehensive.

COMMITTEE'S COMMENT

The Committee adopted their proposal

65. Amend sub-clause 36(1) by removing all provisions directing members to seek court intervention as it is tantamount to asking them to approach the court. It's the constitutional right of a person to approach the court and it is therefore not necessary to state it in the Bill.

COMMITTEE'S COMMENT

Clause 36 was deleted from the Bill.

66. Amend sub-clause 43(1) by ensuring that there is a relationship between the usage of the word Association in section 43(1) and as provided for under interpretation. This may cause confusion.
67. Amend sub-clause 45(1) by adding regulations of the Board. This is to provide a way for the Board to gazette regulations.

COMMITTEE'S COMMENT

All clauses relating to the Examination Board were deleted from the Bill. This amendment is therefore not necessary.

68. Amend paragraph 2(2) of the Second Schedule to the Bill to provide the term of the Chairperson and Vice-Chairperson.

3.8 KENYA ASSOCIATION OF STOCKBROKERS AND INVESTMENT BANKS (KASIB)

69. In their letter dated 8th April 2021, the Kenya Association of Stockbrokers and Investment Banks submitted that the Bill is timely and covers the salient features requisite and desirable for the insurance industry professionals namely regulation, registration, examination, promoting professionalism and upholding ethics. They noted that the Bill fits the purpose for which it is intended.

3.9 BANCASSURANCE ASSOCIATION OF KENYA (BAK)

In a memorandum dated 13th April 2021, Bancassurance Association of Kenya proposed the following amendments to the Bill:

70. Amend clause 2(1) by including definition of the words, '*Bancassurance Association of Kenya*' as '*an association of bancassurance intermediaries engaged in bancassurance business*'. They also proposed that a definition of the words, '*bancassurance intermediary*' should be included in the Bill.

COMMITTEE'S COMMENT

The word bancassurance has not been used in the Bill. It is therefore not necessary to provide a definition for it.

71. Amend clause 17(1)(e) to include the chairman or chief executive officer of the Bancassurance Association of Kenya into the membership of the Examination Board.

COMMITTEE'S COMMENT

All clauses relating to the Examination Board were deleted from the Bill.

4 COMMITTEE OBSERVATIONS

In considering the Bill, the Committee observed that:

72. Establishment of the Insurance Institute of Kenya is crucial to the enhancement of professionalism and improvement of standards of service in the insurance sector;
73. There should be a differentiation between the examination and registration body in order to prevent a chance of conflict of interest;
74. Insurance Training and Education Trust (ITET) and College of Insurance (COI) have been offering training to insurance professionals in Kenya for the past 33 years;
75. The Bill does not provide how ITET will be wound up following the establishment of the Examination Board;
76. The main objective of the Bill is to establish an insurance professionals' registration body and the establishment of the Examination Board therefore is going beyond the intention of the Bill;
77. The registration and examination bodies should be carried in different legislations;
78. There is no law compelling insurance professionals to be registered under a professional body hence it is difficult to punish rogue insurance practitioners;
79. There are several umbrella bodies representing professionals in the insurance industry; and
80. The insurance industry in Kenya has been growing steadily over the years.

5 COMMITTEE RECOMMENDATION

81. The Committee having considered the Insurance Professionals Registration Bill (National Assembly Bill No. 25 of 2020) recommends that the House **approves the Bill with amendments** as proposed in the schedule below.

6 SCHEDULE OF PROPOSED AMENDMENTS

The Committee proposed the following amendments to be considered by the House in the Committee Stage:

LONG TITLE

82. Amend the Long Title by deleting the words "*and the Insurance Professionals Examinations Board, to provide for examinations*" and substituting therefor the words "*to provide for*".

Justification

The words are being deleted as a consequence of the deletion of Part V.

CLAUSE 2

83. Amend clause 2 by-

(a) deleting the definition of the following terms-

- (i) "actuary";
- (ii) "Association";
- (iii) "Authority";
- (iv) "bond investment business";
- (v) "Commissioner";
- (vi) "Examination Board";
- (vii) "insurance business";
- (viii) "insurance consultant";
- (ix) "insurance surveyors";
- (x) "investigators";
- (xi) "loss adjuster";
- (xii) "managing agent";
- (xiii) "policy".

(b) deleting the word "*Executive*" in the definition of the term "*Council*";

(c) inserting the following definitions-

"*College of Insurance*" means the College of Insurance established by the Insurance Training and Education Trust;

"*Insurance Training and Education Trust*" has the meaning assigned to it under the Insurance Act;

Justification

The amendments are to clean up the Interpretation Clause to delete words that have not been used in the Bill and to add words that have been used in the Bill.

CLAUSE 4

84. Amend clause 4 -

- a) in subsection (1) by deleting the expression "*subsection (2) and (3)*" and substituting therefor the expression "*section 25*";
- b) deleting the words "*Insurance Institute of Kenya respectively or any other institution accredited by the Examination Board to offer such a qualification (designatory letters F.I.I.K)*" appearing in subsection (2) (a) and substituting therefor "*the College of Insurance*";
- c) deleting the words "*Insurance Institute of Kenya respectively or any other institution accredited by the Examination Board to offer such qualification (designatory letters AIIK)*" appearing in subsection (2) (b) and substituting therefor the words "*the College of Insurance*";

- d) deleting paragraph (c) of subsection (2);
- e) deleting paragraph (d) of subsection (2);
- f) in subsection 3 by deleting the word "*Institution*" and substituting therefor the word "*Institute*".

Justification

The amendments correct the cross referencing to section 25. Further the amendments are to remove reference to the Examination Board which has been deleted under Part V.

CLAUSE 5

85. Amend clause 5-

- a) in subsection (1) by deleting paragraphs (d), (e), (g) and (h);
- b) in subsection (1) (f) by inserting the word "development" immediately the words "Continuous Professional".

Justification.

The amendments remove all functions of the Institute which relate to pre-service training.

CLAUSE 6

86. Amend clause 6 by-

- a) inserting the word "*comprise*" immediately after the word "*shall*";
- b) inserting the words "*who shall not vote at meetings*".

Justification.

The amendment provides that the Executive Director shall not vote at meetings. This is because the Executive Director is the person who runs the day to-day operations of the Institute.

CLAUSE 10

87. Amend clause 10 by inserting the following new subsections immediately after subsection (5)-

- (6) The Executive Director may be removed from office for-
 - a) inability to perform the functions of the office arising out of mental or physical infirmity;
 - b) gross misconduct; or
 - c) bankruptcy.

(7) The Executive Director shall hold office for a period of four years renewable once.

Justification.

The amendments set out circumstances under which the Executive Director may be removed from office. Further, they provide for the term of office of the Executive Director.

CLAUSE 13

88. Amend clause 13 –

- a) by deleting the words "*of Insurance Professionals*" appearing in subsection (1);
- b) by deleting paragraph (c).

Justification.

The amendment cleans up the title of the Registration Committee by removing the words insurance professionals which have not been used elsewhere in the Bill.

PART V

89. Amend the Bill by deleting Part V.

Justification.

The amendment is to delete Part V which provides for the Examination Board. This is because there is a College of Insurance established by the Insurance Training and Education Trust, which has been conducting insurance examinations. The College of Insurance is widely recognised and accepted by the stakeholders in the sector.

CLAUSE 20

90. Delete clause 20.

Justification.

The provision is being deleted because it has been moved to the Miscellaneous Provisions of the Act.

CLAUSE 23

91. Amend clause 23 of the Bill –

(a) in subsection (1) by-

(i) deleting the expression “*section 23*” and substituting therefor the expression “*section 22*”

(ii) inserting the following new paragraph immediately after paragraph (b)-
“(ba) is in good standing with the Institute;”

(b) in subsection (2) by deleting the words “*Registration Committee*” and substituting therefor the word “*Council*”.

Justification.

The amendment removes the cross referencing in the clause. It also provides that a member shall only be issued with a practicing certificate if he or she is in good standing with the Institute.

CLAUSE 24

92. Amend clause 24-

(a) in subsection (1) by deleting the words “*and shall remain in force unless it ceases to be in force under subsection (2), (4) and (5)*”;

(b) in subsection (3) by deleting the words “*pursuant to section 30(5) and (6)*”;

(c) by deleting subsection (4) and substituting therefor the following new subsection-
“(4) *A practicing certificate ceases to be in force during the period which it is suspended.*”

Justification

The amendment removes the erroneous cross-referencing.

CLAUSE 25

93. Amend clause 25 by deleting subsection (3) and substituting therefor the following new subsection-

“(3) Where an application is made by a person in accordance with this section, the Registration Committee shall approve the application if the person meets the qualifications set out in section 26.”

Justification

The amendment corrects the cross referencing in the section.

CLAUSE 26

94. Amend clause 26–

- a) in subsection (1) by deleting paragraph (a) and substituting therefor the following new paragraph–
“(a) has been certified the relevant examination body as having qualified in insurance practice”;
- b) in subsection (1) by deleting paragraph (c);
- c) in subsection (2) by deleting the words *“approve qualifications, which it considers sufficient to allow a person to be registered, and may, in the same manner, withdraw any such approval”* and substituting therefor the words *“prescribe the qualifications for registration”*.

Justification.

The amendment is to remove reference to the Examination Board which has been deleted from the Bill.

CLAUSE 27

95. Amend clause 27 –

- a) in subsection (1) by deleting paragraph (d) and substituting therefor the following new paragraph–
(d) subject to the recommendations of the Disciplinary Committee under section 34;
- b) by deleting subsection (2);
- c) by deleting subsection (3);
- d) by deleting subsection (4).

Justification.

The amendment corrects the cross referencing. They also delete sub-section (2), (3) and (4) because they contradict sub-section (1).

CLAUSE 28

96. Amend clause 28 (1) –

- a) in paragraph (a) by deleting the expression *“section 26”* and substituting therefor the expression *“section 25”;*
- b) by deleting paragraph (b) and substituting therefor the following new paragraph –
(b) the particulars of the practicing certificate including the practicing certificate number;

Justification

The amendment corrects the cross referencing.

CLAUSE 29

97. Amend clause 29 by deleting –

- (a) subsection (1) and substituting the following new subsection–
“(1) Subject to this section, the Registration Committee may cancel the registration of a member if the Institute–

- a) on the recommendation of the Disciplinary Committee under section 32;
- b) if the person becomes ineligible for registration under section 27.

- (b) sub-section (2);
- (c) sub-section (5);
- (d) sub-section (6).

Justification.

The amendments correct the cross referencing and remove provisions for a further hearing because the matter has been determined by the Disciplinary Committee and the right to be heard applied. Further, it seeks to recognise that the right of appeal is a legal right and therefor it needs not to be legislated in the Bill.

CLAUSE 31

98. Amend clause 31-

- a) in paragraph (a) by deleting the word "*deliberately*";
- b) in paragraph (b) by deleting the words "*refuses*" and "*neglects*";
- c) by deleting paragraph (p).
- d) by inserting the following new sub-section after the existing sub-section-
"*(2) Without prejudice to subsection (1), the Institute may adopt specific codes of conduct for the respective Insurance Professionals*".

Justification

The amendment cleans up the offences by deleting words which make it difficult to prosecute the offences.

CLAUSE 32

99. Amend clause 32-

- a) in subsection 2(a) by deleting the words "*or any court of competent jurisdiction*".
- b) in subsection (2) (d) by inserting the words "*one of whom shall be a Member of the Institute of Arbitrators*;"

Justification

The amendment is to provide for an arbitrator in the membership of the Disciplinary Committee.

CLAUSE 34

100. Amend clause 34-

- a) in subsection (1) by deleting the words "*under section 34 into an alleged professional misconduct of a member of the Institute*" and substituting therefor the words "*under section 33*".
- b) in subsection (1) by deleting paragraphs (a), (b), (c), (d) and (e) and substituting therefor the following paragraphs-
 - (a) dismiss the matter;
 - (b) reprimand the member;
 - (c) recommend to the Registration Committee the cancellation of the member's registration;
 - (d) recommend to the Registration Committee the suspension of the member;

(e) recommend to the Registration Committee that the practicing certificate of the member be suspended.

c) by deleting subsection (2).

Justification.

The amendment cleans up the provision and corrects the cross referencing.

CLAUSE 35

101. Amend clause 35-

- a) in subsection (1) by deleting the expression "*section 35*" and substituting the following expression "*section 34*";
- b) in subsection (1) by deleting the words "*make one of, or more than one, of the following determinations*";
- c) in subsection (1) by deleting paragraph (c);
- d) in subsection (1) (d) by deleting the words "*and direct that the member be not registered for such period as is specified*";
- e) in subsection (2) by deleting the word "*Council*" and substituting therefor the words "*Disciplinary Committee*" and by deleting the words "*and the Council shall comply with the requirement*".
- f) by deleting sub-section (3);
- g) by deleting sub-section (4);
- h) by deleting sub-section (6).

Justification.

The amendments clean up the provision and corrects the cross referencing. The amendments also remove the reopening of a decision of the Disciplinary Committee. Further, sub-section (6) is deleted because everybody has a right to appeal.

CLAUSE 36

102. Delete clause 36.

Justification

The amendment deletes provisions on appeal because the Bill should not legislate the procedure of the High Court.

CLAUSE 37

103. Delete clause 37.

Justification

There already exist rules of the Court on conduct of matters in the High Court, there is no need to legislate the same in the Bill

CLAUSE 39

104. Amend clause 39 –

- a) in subsection (1) by deleting the expression "*section 39*" and substituting therefor the expression "*section 38*";
- b) by deleting subsection (2).

Justification

The amendment corrects the cross referencing.

CLAUSE 40

105. Amend the Bill by deleting clause 40 and substituting therefor the following new section-
“40. The funds of the Institute shall consist of –
a) monies payable to the Institute under this Act;
b) subscription fees;
c) donations, gifts and endowments from lawful sources;
d) grants.

Justification

The amendment removes the requirement for Parliament to appropriate funds for a private entity.

CLAUSE 41

106. Delete clause 41

Justification

The amendment is as a consequence of removal of public funding under clause 40, there is therefore no need for a public audit.

CLAUSE 42

107. Delete clause 42.

Justification

The amendment is as a consequence of removal of public funding under clause 40, that is no need for submitting an annual report to the Cabinet Secretary since public funds will not be appropriated.

CLAUSE 43

108. Amend clause 43 in the marginal note by deleting the word “*by an association*”.

Justification

The reference of an association is an error.

CLAUSE 44

109. Amend clause 44 by deleting the words “*Examinations Board*”.

Justification

To remove reference to the Examination Board since clauses establishing the Board have been deleted from the Bill.

CLAUSE 45

110. Amend clause 45 (1) by deleting the word “*Council*” and substituting therefor the word “*Cabinet Secretary*”.

Justification

To provide that the Cabinet Secretary shall make regulations in accordance with the Statutory Instruments Act.

NEW CLAUSE

111. Amend the Bill by inserting the following new clause immediately after clause 44-

“44A. (1) After the expiration of twelve months or such longer period as the cabinet Secretary may declare by notice in the Gazette after the commencement of this Act, no person shall practise as an Insurance Professional unless he or she is a holder of a practising certificate that is in force.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and liable to a fine not exceeding fifty thousand or imprisonment for a period not exceeding six months”.

Justification

To provide for a transitional provision.

FIRST SCHEDULE

112. Amend the First Schedule in Item 2 by deleting-

- a) subparagraph (3);
- b) subparagraph (4).

Justification

To delete erroneous provisions.

THIRD SCHEDULE.

113. Delete the Third Schedule.


Justification

To delete the provisions of the Examination Board which was deleted in Part V.

SIGNED.......... DATE..........

HON. GLADYS WANGA, CBS, MP
CHAIRPERSON

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAY 2021	
DAY: TUE	
TABLED BY:	HON. W. NDIRANGU VICE-CHAIR
CLERK-AT THE-TABLE:	MAINAH WANJIKU

REPUBLIC OF KENYA



**NATIONAL ASSEMBLY
DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING
ADOPTION SCHEDULE**

ADOPTION SCHEDULE FOR THE REPORT ON THE CONSIDERATION OF THE INSURANCE PROFESSIONALS REGISTRATION BILL (NATIONAL ASSEMBLY BILL NO. 25 OF 2020)

DATE: 8TH MAY, 2021

NAME	SIGNATURE
1. HON. GLADYS WANGA, CBS, MP – CHAIRPERSON	
2. HON. ISAAC W. NDIRANGU – VICE-CHAIRPERSON	
3. HON. JIMMY O. ANGWENYI, MGH, MP	
4. HON. CHRISTOPHER OMULELE, CBS, MP	
5. HON. SHAKEEL SHABBIR AHMED, CBS, MP	
6. HON. DANIEL E. NANOK, MP	
7. HON. (DR.) CHRISTINE OMBAKA, MP	
8. HON. ANDREW A. OKUOME, MP	
9. HON. DAVID M. MBONI, MP	
10. HON. FRANCIS KURIA KIMANI, MP	
11. HON. JOSEPH M. OYULA, MP	
12. HON. JOSHUA KANDIE, MP	
13. HON. STANLEY M. MUTHAMA, MP	
14. HON EDITH NYENZE, MP	
15. HON. CATHERINE WARUGURU, MP	
16. HON. JAMES GICHUHI MWANGI, MP	
17. HON. PROF. MOHAMUD SHEIKH MOHAMED, MP	
18. HON. PETER LOCHAKAPONG, MP	
19. HON. QALICHA GUFU WARIO, MP	

MINUTES OF THE 24TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN ACACIA B CONFERENCE ROOM AT SAWELA LODGES ON SATURDAY, 8TH MAY, 2021 AT 1:30 P.M.

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Gladys Wanga, CBS, MP | - | Chairperson |
| 2. Hon. Isaac W. Ndirangu, MP | - | Vice Chairperson |
| 3. Hon. Jimmy O. Angwenyi, MGH, MP | | |
| 4. Hon. Christopher Omulele, CBS, MP | | |
| 5. Hon. Shakeel Shabbir Ahmed, CBS, MP | | |
| 6. Hon. Daniel E. Nanok, MP | | |
| 7. Hon. (Dr.) Christine Ombaka, MP | | |
| 8. Hon. Andrew A. Okuome, MP | | |
| 9. Hon. David M. Mboni, MP | | |
| 10. Hon. Francis K. Kimani, MP | | |
| 11. Hon. Joshua C. Kandie, MP | | |
| 12. Hon. Stanley M. Muthama, MP | | |
| 13. Hon. Edith Nyenze, MP | | |
| 14. Hon. Catherine Waruguru, MP | | |
| 15. Hon. James Gichuhi Mwangi, MP | | |
| 16. Hon. (Prof.) Mohamud Sheikh Mohamed, MP | | |
| 17. Hon. Peter Lochakapong, MP | | |
| 18. Hon. Qalicha Gufu Wario, MP | | |

ABSENT WITH APOLOGY

Hon. Joseph M. Oyula, MP

INATTENDANCE

SECRETARIAT

- | | | |
|---------------------------|---|--|
| 1. Ms. Leah Mwaura | - | Senior Clerk Assistant/Head of Secretariat |
| 2. Ms. Jennifer Ndeto | - | Principal Legal Counsel I |
| 3. Ms. Laureen Wesonga | - | Clerk Assistant II |
| 4. Mr. Josephat Motonu | - | Senior Fiscal Analyst |
| 5. Mr. Chelang'a R. Maiyo | - | Research Officer II |
| 6. Mr. John Njoro | - | Serjeant-At-Arms |
| 7. Ms. Christine Maeri | - | Audio Officer |
| 8. Mr. Vitalis Augo | - | Office Assistant |
| 9. Ms. Jeruto Kosgey | - | Intern |

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Clause by clause consideration of the Insurance Professionals Registration Bill (N.A. Bill No. 25 of 2020) and adoption of the report on the consideration of the Insurance Professionals Registration Bill, 2020**
4. Any Other Business
5. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/112:

COMMUNICATION FROM CHAIRPERSON

The meeting was called to order at 1:45 a.m. and a prayer was said. The Chairperson then welcomed the meeting to deliberate on the day's agenda.

MIN.NO.NA/F&NP/2021/113:

CONFIRMATION OF MINUTES

Agenda deferred.

MIN.NO.NA/F&NP/2021/114:

**CLAUSE BY CLAUSE CONSIDERATION OF
THE INSURANCE PROFESSIONALS BILL
(N.A. BILL NO. 25 OF 2020)**

The Chairperson invited the Legal Counsel to take the Committee through the Bill. The Committee deliberated and agreed as follows:

- Clause 27:** Correct the editorial and cross-referencing issues.
Delete sub-clauses (2), (3) and (4).
- Clause 28:** Agreed to
- Clause 29:** Amend sub-clause (1) by deleting the word "*shall*" and substituting with the word "*may*" and by deleting paragraph (a) and replacing with "*(a) on the recommendation of the Disciplinary Committee under section 32*".
Amend sub-clause (1) by deleting paragraph (b) and replacing with "*(b) if the person becomes ineligible for registration under section 27*".
Delete sub-sections (2), (5) and (6).
- Clause 30:** Agreed to
- Clause 31:** Amend sub-section (a) by deleting the word "*deliberately*"
Amend sub-section (b) by deleting the words "*refuses*" and "*neglects*"
Delete paragraph (p)
Insert by providing that the Council may adapt the code of conduct of the different insurance professional bodies.
- Clause 32:** Clean-up
Include a representative of the Institute of Arbitrators to the list.
- Clause 33:** Agreed to
- Clause 34:** Clean-up
- Clause 35:** Clean-up
- Clauses 36 and 37:** Delete
- Clauses 38 & 39:** Agreed to
- Clause 40:** Delete the words "*such moneys as are appropriated by Parliament*".
Delete (2)
- Clause 41 and 42:** Delete
- Clause 43:** Clean up
- Clause 44:** Delete the words "*Examination Board*" wherever they appear.
- Clause 45:** Delete the word "*Council*" and substitute with the words "*Cabinet Secretary*"

MIN.NO.NA/F&NP/2021/115:

**ADOPTION OF THE REPORT ON THE
CONSIDERATION OF THE INSURANCE
PROFESSIONALS REGISTRATION BILL
(N.A. BILL NO. 25 OF 2020)**

The report on the consideration of the Insurance Professionals Registration Bill, 2020 was adopted having been proposed and seconded by Hon. Jimmy Angwenyi, MGH, M.P. and Hon. Shakeel Shabbir Ahmed, CBS, M.P.

MIN.NO.NA/F&NP/2021/116:

**ADJOURNMENT/DATE OF NEXT
MEETING**

There being no other business to deliberate on, the meeting was adjourned at 4.17 p.m. The next meeting will be held on Tuesday, 12th May 2021 at 10.00 a.m.

 **HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED.....DATE.....

11TH MAY, 2021

MINUTES OF THE 23RD SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN ACACIA B CONFERENCE ROOM AT SAWELA LODGES ON SATURDAY, 8TH MAY, 2021 AT 9:30 A.M.

PRESENT

- | | | |
|---|---|-------------------------|
| 1. Hon. Gladys Wanga, CBS, MP | - | Chairperson |
| 2. Hon. Isaac W. Ndirangu, MP | - | Vice Chairperson |
| 3. Hon. Jimmy O. Angwenyi, MGH, MP | | |
| 4. Hon. Christopher Omulele, CBS, MP | | |
| 5. Hon. Shakeel Shabbir Ahmed, CBS, MP | | |
| 6. Hon. Daniel E. Nanok, MP | | |
| 7. Hon. (Dr.) Christine Ombaka, MP | | |
| 8. Hon. Andrew A. Okuome, MP | | |
| 9. Hon. David M. Mboni, MP | | |
| 10. Hon. Francis K. Kimani, MP | | |
| 11. Hon. Joshua C. Kandie, MP | | |
| 12. Hon. Stanley M. Muthama, MP | | |
| 13. Hon. Edith Nyenze, MP | | |
| 14. Hon. Catherine Waruguru, MP | | |
| 15. Hon. James Gichuhi Mwangi, MP | | |
| 16. Hon. (Prof.) Mohamud Sheikh Mohamed, MP | | |
| 17. Hon. Peter Lochakapong, MP | | |
| 18. Hon. Qalicha Gufu Wario, MP | | |

ABSENT WITH APOLOGY

Hon. Joseph M. Oyula, MP

INATTENDANCE

SECRETARIAT

- | | | |
|---------------------------|---|--|
| 1. Ms. Leah Mwaura | - | Senior Clerk Assistant/Head of Secretariat |
| 2. Ms. Jennifer Ndeto | - | Principal Legal Counsel I |
| 3. Ms. Lauren Wesonga | - | Clerk Assistant II |
| 4. Mr. Josephat Motonu | - | Senior Fiscal Analyst |
| 5. Mr. Chelang'a R. Maiyo | - | Research Officer II |
| 6. Mr. John Njoro | - | Serjeant-At-Arms |
| 7. Ms. Christine Maeri | - | Audio Officer |
| 8. Mr. Vitalis Augo | - | Office Assistant |
| 9. Ms. Jeruto Kosgey | - | Intern |

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Clause by clause consideration of the Insurance Professionals Registration Bill (N.A. Bill No. 25 of 2020)**
4. Any Other Business
5. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/107:

COMMUNICATION FROM CHAIRPERSON

The meeting was called to order at 9:40 a.m. and a prayer was said. The Chairperson then welcomed the meeting to deliberate on the day's agenda.

MIN.NO.NA/F&NP/2021/108:

CONFIRMATION OF MINUTES

Agenda deferred.

MIN.NO.NA/F&NP/2021/109:

**CLAUSE BY CLAUSE CONSIDERATION OF
THE INSURANCE PROFESSIONALS BILL
(N.A. BILL NO. 25 OF 2020)**

The Chairperson invited the Legal Counsel to take the Committee through the Bill. The Committee deliberated and agreed as follows:

Delete Part V of the Bill on the Insurance Professionals Examinations Board and any reference to the examination board.

Clause 1: Agreed to

Clause 2: Delete all the terms that have been defined but haven't been used in the Bill.

Clause 3: Agreed to

Clause 4: Amend by sub-clause 2 by deleting paragraphs (c), (d) and (e)

Clause 5: Amend by deleting paragraphs (d), (e), (g) and (h)

Clauses 6 to 9: Agreed to

Clause 10: Amend by providing the term of service of the executive director and grounds for removal from office.

Clauses 11 to 13: Agreed to

Clause 14: Amend by deleting the words "Examinations Board".

Clause 15: Agreed to

Clauses 16 to 19: Delete

Clause 20: Move to transitional provisions.

Clause 21 to 24: Agreed to

Clause 25: Redraft

Clause 26: Amend (1)(a) by deleting the words "*Examination Board*" and replacing with the words "*Insurance Training and Education Trust (ITET)*" and delete (c).

MIN.NO.NA/F&NP/2021/110:

ANY OTHER BUSINESS

The Committee agreed on the following program of activities:

1. Briefing on the Public Debt Authority Bill, 2020 will be done on Wednesday, 13th May 2021;
2. Retreat to Mombasa from 16th to 21st May 2021 to consider Budget Estimates for the FY 2021/22 and the Central Bank of Kenya (Amendment) Bill, 2021;
3. Consideration of the Finance Bill, 2021 will take place from 31st May to 11th June 2021; and
4. Visits to Kenya Railway stations in various parts of the country will take place the last two weeks of June.

MIN.NO.NA/F&NP/2021/111: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 12:05 p.m. The next meeting will be held at 1.30 p.m.



HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)

SIGNED.....DATE.....

11TH MAY, 2021

**MINUTES OF THE 15TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD VIRTUALLY ON TUESDAY, 13TH
APRIL, 2021 AT 2:30 PM**

PRESENT

1. Hon. Gladys Wanga, MP - **Chairperson**
2. Hon. Jimmy O. Angwenyi, MGH, MP
3. Hon. Shakeel Shabbir Ahmed, CBS, MP
4. Hon. Daniel E. Nanok, MP
5. Hon. (Dr.) Christine Ombaka, MP
6. Hon. Andrew A. Okuome, MP
7. Hon. David M. Mboni, MP
8. Hon. Francis K. Kimani, MP
9. Hon. Joseph M. Oyula, MP
10. Hon. Joshua C. Kandie, MP
11. Hon. Edith Nyenze, MP
12. Hon. Catherine Waruguru, MP
13. Hon. James Gichuhi Mwangi, MP
14. Hon. (Prof.) Mohamud Sheikh Mohamed, MP

ABSENT WITH APOLOGY

1. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
2. Hon. Peter Lochakapong, MP

ABSENT

1. Hon. Christopher Omulele, CBS, MP
2. Hon. Stanley M. Muthama, MP
3. Hon. Qalicha Gufu Wario, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Lauren Wesonga - Clerk Assistant II
4. Ms. Christine Maeri - Audio Officer
5. Ms. Jeruto Kosgey - Intern

INSURANCE INSTITUTE OF KENYA

1. Ms. Agnes Macharia - Director
2. Ms. Mercy Kirima
3. Mr. Gabriel Kamamo
4. Ms. Mary Wanga
5. Ms. Alice Njoroge
6. Ms. Rose Wanda
7. Mr. Bernard Kithinji

INSURANCE REGULATORY AUTHORITY (IRA)

1. Mr. Godfrey Kiptum - Commissioner of Insurance/CEO
2. Mr. Kalai Musee
3. Ms. Diana Tanui

INSTITUTE OF HUMAN RESOURCE MANAGEMENT (IHRM)

Mr. Wycliffe Nyakina

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Stakeholder engagement meeting on the Insurance Professionals Registration Bill, 2020**
4. Matters arising
5. A.O.B.

MIN.NO.NA/F&NP/2021/071: COMMUNICATION FROM CHAIRPERSON

The meeting was called to order at 2:46 p.m. and a prayer was said. The Chairperson then called for introduction of those present before inviting stakeholders to make their submissions.

MIN.NO.NA/F&NP/2021/072: CONFIRMATION OF MINUTES

Agenda deferred.

MIN.NO.NA/F&NP/2021/073: STAKEHOLDER ENGAGEMENT ON THE INSURANCE PROFESSIONALS REGISTRATION BILL, 2020

The Chairperson invited stakeholders to make submissions on the Bill as follows:

1. INSURANCE INSTITUTE OF KENYA (IIK)

The Director of the Institute, Ms. Agnes Macharia informed the meeting that the Institute was formed in 1948 as an affiliate of the Chartered Institute of London and registered in 2002. The Institute has however not been able to function optimally due to lack of legal backing. Insurance professionals are not obligated to register with the Institute.

Once enacted, all insurance professionals will be required to register with the Institute and this will encourage professionalism in the industry as it will be easier to monitor the conduct of all professionals in the industry and hold them accountable. The Institute will have powers to deal with professional misconduct and there will be continuous professional development among insurance professionals.

IIK proposed the following amendments to the Bill:

- i. Amend the title by deleting the word 'registration' because the Bill is dealing with other matters besides registration of members;
- ii. Affiliate, Corporate and such other category as the Institute may establish should not be membership categories;
- iii. The executive director of the Institute should not have voting rights;

- iv. The practicing certificate should be the property of the Institute and not of the Registration Committee;
- v. There should be alternative dispute resolution in the Bill;
- vi. The offenses should be on members and not the association; and
- vii. The examination board should also be able to make regulations.

MEMBERS DELIBERATIONS

- i. On why it had taken long for the Institute to increase its membership and to come up with legislation, the meeting was informed that penetration of insurance and growth of insurance companies in the country also took long. There is need to regulate the industry because it is growing steadily.
- ii. Regarding the removal of clauses touching on establishment of the examination body as proposed by other stakeholders, the meeting was informed that the Bill is not different from what happens in other professions like accounting. The COI should do the training then an independent body administers professional examinations. Additionally, ITET and COI are not anchored in law hence the need to establish an examination body that is anchored in law.
- iii. On whether stakeholders were engaged during the drafting of the Bill, the meeting was informed that extensive stakeholder engagement was done.
- iv. On whether enactment of the Bill will cut off professionals in the industry who are not qualified, the meeting was informed that the Bill gives a twelve months' period for professionals without qualifications to work as they seek to get their licenses of practice.

2. INSURANCE REGULATORY AUTHORITY (IRA)

Mr. Godfrey Kiptum, the Commissioner of Insurance/CEO of IRA submitted that IRA supports the establishment of the Institute because it will bring professionalism to the insurance industry.

He proposed that the Bill should be amended by deleting the definition of the word '*bond investment business*' as it's no longer in existence; deleting the definition of the word '*investigator*' and leaving it as is in the Insurance Act; and including expatriates in the list of those who can be members of the Institute.

MEMBERS' DELIBERATIONS

On why expatriates were being included to the list of those who can be members of the Institute, Mr. Kiptum informed the meeting that Kenyans are allowed to be members of Institutes in other countries and not including expatriates here may make other countries retaliate.

3. INSTITUTE OF HUMAN RESOURCE MANAGEMENT (IHRM)

In his submission, Mr. Wycliffe Nyakina proposed the following amendments on behalf of the Institute:

- i. 'Institute' should be defined in the Bill;
- ii. Clear category of membership should be provided;

- iii. Affiliate, Corporate and such other category as the Institute may establish should not be membership categories as they are not insurance professionals;
- iv. Qualifications of becoming a Fellow and Associate should be in Regulations not in the Bill;
- v. The Institute cannot have an advisory role over TVETA and CUE as they are independent government agencies;
- vi. The role of accrediting institutions to be approved for training should be left to the Institute and not the Cabinet Secretary in order to remove bureaucracies from the process and ensure independence of the industry;
- vii. The Executive Director of the Institute should have no vote;
- viii. Powers of the Council should not be stated in the Bill because it's a body corporate and is entitled to all listed under powers;
- ix. Provide grounds and process of removal of the Executive Director;
- x. The seal should be under the custody of the registrar of the registration committee;
- xi. Distinguish between the registrar of the registration committee and registrar of the examination board;
- xii. Clause 20(1) should be under transitional clauses;
- xiii. Practicing certificate should be the property of the council and not the registration committee;
- xiv. Remove all provisions directing members to seek court intervention because it's a constitutional right and shouldn't be legislated;
- xv. The examination board should also be able to make regulations; and
- xvi. Paragraph 2(2) of the Second Schedule to the Bill should be amended to clearly state the term of the chairperson and vice-chairperson.

MEMBERS DELIBERATIONS

- 1. Members lauded Mr. Nyakina for a clear and objective presentation.
- 2. On whether IHRM supports the Bill, Mr. Nyakina stated that the Institute supports the Bill with the amendments that they had proposed.

Detailed submissions are contained in the report on the consideration of the Bill.

MIN.NO.NA/F&NP/2021/074: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 5:11 p.m. The next meeting will be held on Wednesday, 14th April 2021 at 10.30 a.m.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED.....DATE.....

11TH MAY 2021

**MINUTES OF THE 14TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD VIRTUALLY ON TUESDAY, 13TH
APRIL, 2021 AT 10:00 AM**

PRESENT

1. Hon. Gladys Wangari, MP - **Chairperson**
2. Hon. Jimmy O. Angwenyi, MGH, MP
3. Hon. Christopher Omulele, CBS, MP
4. Hon. Shakeel Shabbir Ahmed, CBS, MP
5. Hon. Daniel E. Nanok, MP
6. Hon. (Dr.) Christine Ombaka, MP
7. Hon. Andrew A. Okuome, MP
8. Hon. David M. Mboni, MP
9. Hon. Francis K. Kimani, MP
10. Hon. Joseph M. Oyula, MP
11. Hon. Joshua C. Kandie, MP
12. Hon. Edith Nyenze, MP
13. Hon. Catherine Waruguru, MP
14. Hon. James Gichuhi Mwangi, MP
15. Hon. (Prof.) Mohamud Sheikh Mohamed, MP
16. Hon. Qalicha Gufu Wario, MP

ABSENT WITH APOLOGY

1. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
2. Hon. Peter Lochakapong, MP

ABSENT

Hon. Stanley M. Muthama, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Ms. Christine Maeri - Audio Officer
5. Ms. Jeruto Kosgey - Intern

STAKEHOLDERS

1. Mr. Clifford Ochieng' Agents - Association of Kenya Professional Insurance
(AKPIA)
2. Mr. Andrew Nyangwansa - AKPIA
3. Mr. Steve Muriithi - AKPIA
4. Mr. Edward Sawi - AKPIA
5. Mr. Eliud Adiedo - Association of Insurance Brokers of Kenya (AIBK)
6. Mr. Washington Ndegea - Bima Intermediaries Association of Kenya (BIAK)

7. Dr. Ben Kajwang' - College of Insurance
8. Mr. Joash Malo - College of Insurance

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Stakeholder engagement meeting on the Insurance Professionals Registration Bill, 2020**
4. Matters arising
5. A.O.B.

MIN.NO.NA/F&NP/2021/066: COMMUNICATION FROM CHAIRPERSON

The meeting was called to order at 10:00 a.m. and a prayer was said. The Chairperson then called for introduction of those present before inviting stakeholders to make their submissions.

MIN.NO.NA/F&NP/2021/067: CONFIRMATION OF MINUTES

Agenda deferred.

MIN.NO.NA/F&NP/2021/068: STAKEHOLDER ENGAGEMENT ON THE INSURANCE PROFESSIONALS REGISTRATION BILL, 2020

The Chairperson invited stakeholders to make submissions on the Bill as follows:

1. ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA)

The Chairperson of the Association, Mr. Clifford Ochieng' submitted that the Association has a membership of 11,000 agents who have all been trained by the college of Insurance (COI). He noted that COI already trains members of the insurance industry and it is therefore be improper to confer the powers to train to Institute of Insurance of Kenya (IIK) and proposed a deletion of all clauses conferring pre-qualification mandate to IIK. They also proposed that clauses that are beyond the mandate of the Institute should be deleted.

MEMBERS DELIBERATIONS

- i. On whether they were consulted during the drafting of the Bill, Mr. Ochieng' informed the meeting that the Association had not been consulted.
- ii. On how the Bill can be amended in order to meet the interests of all stakeholders, Mr. Ochieng' stated that the pre-qualification training of insurance professionals should be done by the COI while post training qualification, registration of members and licensing should be done by Insurance Institute of Kenya.

2. ASSOCIATION OF INSURANCE BROKERS OF KENYA (AIBK) AND ASSOCIATION OF KENYA INSURERS (AKI)

Mr. Eliud Adiedo, the Chairperson of AIBK informed the meeting that he would make a joint submission for AIBK and AKI. He submitted that AIBK has a membership of 170 insurance brokers.

He noted that if passed as is, the Bill will move public funds to a private institution i.e. from COI to IIK. Additionally, the Bill encroaches on the mandate of Insurance Training and Education Trust (ITET) and COI and therefore proposed deletion of clauses similar to those proposed by AKPIA.

In conclusion, he stated that if passed as is, the Bill will cause more harm to the insurance sector than good.

MEMBERS' DELIBERATIONS

On whether the Associations were opposed to the whole Bill, Mr. Adiedo informed that they were only opposed to the sections that they had highlighted in their submissions and that they will be in full support of the Bill if COI and ITET remain as training bodies and IIK is the licensing body.

3. BIMA INTERMEDIARIES ASSOCIATION OF KENYA (BIAK)

In his submission, the Chairperson of the Association, Mr. Washington Ndegea submitted that the minimum experience for the executive director of the Institute should be increased from 5 to 10 years; the examination board should have a representative from BIAK; higher qualifications for insurance agents; experience of sales agents should be considered besides academic qualifications and a code of conduct should be included in the Bill.

MEMBERS DELIBERATIONS

1. On the membership of the Association, Mr. Ndegea informed the meeting that BIAK has a membership of 3,500 agents.
2. Regarding his opinion on the quality contents of the certificate offered by COI, Mr. Ndegea that the contents of the Certificate of Proficiency (COP) offered by COI are very basic.

4. COLLEGE OF INSURANCE

In his submission, Dr. Ben Kajwang', Director and CEO of the College submitted that most professionals in the insurance industry have been trained by COI.

He noted that the definition of the word 'accreditation' was not in the Bill. Accreditation is a function of TVET and shouldn't therefore be given to the Institute. They proposed a deletion of clauses similar to those proposed by AKPIA, AIBK and AKI because they were expanding the mandate of the Institute. They also proposed deletion of some functions of the Institute.

In conclusion, he stated that the Bill should address post qualification of insurance professionals and not pre-qualification.

MEMBERS' DELIBERATIONS

1. The meeting noted that section 197H of the Insurance (Amendment) Act, 1993 had been repealed and therefore the Insurance Act should be amended to reinstate the College in the Act.

2. On allegations that COP is very basic as submitted by Mr. Ndegea, Dr. Kajwang' informed the meeting that there is an elaborate process that a course goes through before its approved and the allegations are therefore not true. Additionally, there are several levels of qualification with COP being the entry level qualifications. From COP, one proceeds to do the ECOP, then the diploma and higher diploma.
3. If the Bill is passed as is, COI will continue operating because it has legal grounding. The Institute will create its own college. The matter may end up in court.

Detailed submissions are contained in the report on the consideration of the Bill.

MIN.NO.NA/F&NP/2021/069: ANY OTHER BUSINESS

Members resolved that starting from the week of 19th April 2021, the Committee will only have one meeting per day in the mornings in order to allow members to attend to other matters in the afternoon.

MIN.NO.NA/F&NP/2021/070: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 1:19 p.m. The next meeting will be held 2.30 p.m.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED..........DATE..........

MINUTES OF THE 7TH SITTING OF THE DEPARTMENTAL COMMITTEE ON
FINANCE AND NATIONAL PLANNING HELD VIRTUALLY ON TUESDAY, 23RD
MARCH, 2021 AT 10:00 AM

PRESENT

1. Hon. Gladys Wanga, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, CBS, MP
5. Hon. Shakeel Shabbir Ahmed, CBS, MP
6. Hon. (Dr.) Christine Ombaka, MP
7. Hon. Andrew A. Okuome, MP
8. Hon. David M. Mboni, MP
9. Hon. Francis K. Kimani, MP
10. Hon. Joseph M. Oyula, MP
11. Hon. Joshua C. Kandie, MP
12. Hon. Edith Nyenze, MP
13. Hon. Catherine Waruguru, MP
14. Hon. James Gichuhi Mwangi, MP

ABSENT

1. Hon. Daniel E. Nanok, MP
2. Hon. Stanley M. Muthama, MP
3. Hon. (Prof.) Mohamud Sheikh Mohamed, MP
4. Hon. Peter Lochakapong, MP
5. Hon. Qalicha Gufu Wario, MP

INATTENDANCE

SECRETARIAT

1. Ms. Leah Mwaura - Senior Clerk Assistant/Head of Secretariat
2. Ms. Jennifer Ndeto - Principal Legal Counsel I
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Mr. Josephat Motonu - Senior Fiscal Analyst
5. Ms. Christine Maeri - Audio Officer
6. Ms. Jeruto Kosgey - Intern

AGENDA

1. Prayers
2. Communication from the Chairperson
3. **Briefing on the Insurance Professionals Registration Bill, 2020**
4. Matters arising
5. AOB

MIN.NO.NA/F&NP/2021/031: COMMUNICATION FROM CHAIRPERSON

The meeting was called to order at 10:05 a.m. and a prayer was said. The Chairperson then welcomed the legal counsel to brief the Committee on the Insurance Professionals Registration Bill, 2020.

MIN.NO.NA/F&NP/2021/032: CONFIRMATION OF MINUTES

Agenda deferred.

MIN.NO.NA/F&NP/2021/033: BRIEFING ON THE INSURANCE PROFESSIONALS REGISTRATION BILL, 2020

The Legal Counsel, Ms. Jennifer Ndeto briefed the Committee on the Insurance Professionals Registration Bill, 2020.

MEMBERS' DELIBERATIONS

The Committee noted that the following issues should be looked into during stakeholder engagement and clause by clause consideration of the Bill:-

- i. Whether the examination body and the registration body should be in the same Bill. The examination body should be run independently from the registration body;
- ii. Membership of the examination body;
- iii. A representative of the Ministry of Finance should be included in the disciplinary committee;
- iv. The disciplinary method provided in clause 34 is not consistent with the standard disciplinary process. The whole section should be redrafted;
- v. Clause 40 should be looked at in order to determine whether the institute should be funded by the Government or not;
- vi. Clause 43 should be looked at in order to interrogate whether the outlined are offences and how they relate to clause 32; and
- vii. Clause 45 needs to be clear on whether regulations are made by the Cabinet Secretary or the council.

The Secretariat was directed to do a comparative analysis on how the registration and examination bodies for the accountants (ICPAK and KASNEB) are provided for in the Accountants Act so as to mirror the same framework for the insurance professionals.

The Committee resolved to have a stakeholders' engagement retreat on the Bill from 8th to 11th April, 2021.

MIN.NO.NA/F&NP/2021/034: ANY OTHER BUSINESS

The Secretariat was directed to prepare a workplan of the Committee's activities and share with Members to enable Members to plan accordingly.

MIN.NO.NA/F&NP/2021/035: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 11:35 a.m. The next meeting will be held on Tuesday, 30th March 2021 at 10.00 a.m.

**HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)**

SIGNED.....DATE.....

11TH MAY, 2021