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REPUBLIC OF KENYA

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TWELFTH PARLIAMENT (THIRD SESSION)

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BY:

THE TABLE:

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

REPORT ON THE CONSIDERATION OF THE INSURANCE (AMENDMENT) BILL (N.A.  
BILL NO. 50 OF 2019)

CLERKS CHAMBERS  
DIRECTORATE OF COMMITTEE SERVICES  
PARLIAMENT BUILDINGS  
NAIROBI

NOVEMBER, 2019

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## **CHAIRPERSON'S FOREWORD**

This report contains the Committee's proceedings on the consideration of the Insurance (Amendment) Bill, 2019, which was published on **1<sup>st</sup> July, 2019** read a first time on **Tuesday, 23<sup>rd</sup> July, 2019** and thereafter committed to the Departmental Committee on Finance and National Planning for consideration pursuant to Standing Order 127.

In processing the Bill, the Committee invited comments from the public by placing advertisements in the print media on Thursday, 26<sup>th</sup> July, 2019 pursuant to Article 118 of the Constitution.

By the time the Committee was considering the Bill, no stakeholder had submitted memorandum for consideration. The Committee however, invited the Insurance Regulatory Authority for a meeting on Friday, 8<sup>th</sup> November, 2019 to give their views on the Bill.

The principal object of the Bill is to amend the Insurance Act to introduce provisions for the protection of policyholder where an insurer is in distress and the assets are put in statutory management. Further, it seeks to empower the Insurance Regulatory Authority to prescribe the manner of submission of various kinds of returns, and provide penalty for late submission, which shall be payable into the Policyholders' Compensation Fund.

The Bill does not limit any fundamental rights and freedoms and neither does it affect the functions of county governments in terms of Article 110(1)(a) of the Constitution. The enactment of the Bill shall not occasion additional expenditure of public funds.

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 (Amendment) Bill, 2019.

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to the Insurance Regulatory Authority for their participation in the processing 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 Departmental Committee on Finance and National Planning has considered the Insurance (Amendment) Bill, 2019 and has the honour to report back to the National Assembly with the recommendation that the Bill is **approved with amendments**.

**Hon. Joseph Limo, M.P.**

**Chairperson**



## CHAPTER ONE

### 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:
  - a. The National Treasury and Ministry of Planning
  - b. Ministry of Devolution and ASAL
  - c. The Commission on Revenue Allocation
  - d. Office of the Controller of Budget
  - e. Salaries and Remuneration Commission



### 1.3 Committee Membership

4. The Departmental Committee on Finance and National Planning was constituted by the House in December, 2017 and comprises of the following Members: -

#### **Chairperson**

Hon. Joseph K. Limo, MP  
MP for Kipkelion East Constituency

#### **Jubilee 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. Dr. Enoch Kibunguchy, MP  
MP for Likuyani Constituency  
**FORD-K**

Hon. Shakeel Shabbir Ahmed, MP  
MP for Kisumu Town East  
**Independent Member**

Hon. Abdul Rahim Dawood, MP  
MP for North Imenti Constituency  
**Jubilee Party**

Hon. Daniel E. Nanok, MP  
MP for Turkana West Constituency  
**Jubilee Party**

Hon. Andrew A. Okuome, MP  
MP for Karachuonyo Constituency  
**ODM Party**

Hon. David M. Mboni, MP  
MP for Kitui Rural Constituency  
**CCU Party**

Hon. Francis K. Kimani, MP

MP for Molo Constituency  
**Jubilee Party**

Hon. Joseph M. Oyula, MP  
MP for Butula Constituency  
**ODM Party**

Hon. Joshua C. Kandie, MP  
MP for Baringo Central Constituency  
**MCC Party**

The Hon. Lydia H. Mizighi, MP  
MP for Taita Taveta County  
**Jubilee Party**

Hon. Mohamed A. Mohamed, MP  
MP for Nyali Constituency  
**Independent Member**

Hon. Purity W. Ngirici, MP  
MP for Kirinyaga County  
**Jubilee Party**

Hon. Samuel Atandi, MP  
MP for Alego Usonga Constituency  
**ODM Party**

Hon. Stanley M. Muthama, MP  
MP for Lamu West Constituency  
**MCC Party**

The Hon. Edith Nyenze, MP  
MP for Kitui West Constituency  
**WDM-K**

#### **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. Lauren Wesonga  
**Clerk Assistant II**

Mr. Josephat Motonu  
**Fiscal Analyst I**

Mr. Chelang'a Maiyo  
**Research Officer II**

## CHAPTER TWO

### **2 OVERVIEW OF THE INSURANCE (AMENDMENT), 2019 (NATIONAL ASSEMBLY BILL NO. 50 OF 2019)**

6. The principal object of this Bill is to amend the Insurance Act to introduce provisions for the protection of policyholder where an insurer is in distress and the assets are put in statutory management. Further, it seeks to empower the Insurance Regulatory Authority to prescribe the manner of submission of various kinds of returns, and provide penalty for late submission, which shall be payable into the Policyholders' Compensation Fund.
7. **Clause 1** of the Bill provides for the short title of the bill.
8. **Clause 2** of the Bill seeks to amend Section 2 of the principal Act by deleting the definitions of the words "bond investment business" and "industrial life insurance business", deleting and therefor substituting the definition of "long term insurance business"
9. **Clause 3** of the Bill seeks to amend the principal Act by repealing section 43A.
10. **Clause 4** of the Bill seeks to amend Section 54 of the principal Act by deleting subsection (6) and replacing it with a new subsection and by inserting a new subsection (7) immediately after subsection (6). This provides for a penalty for contravening subsection (1) and providing that the penalty shall be paid into the Policyholders' Compensation Fund.
11. **Clause 5** of the Bill seeks to amend Section 67C of the principal Act by deleting the words "minimum solvency margin" in subsection (1)(a) and substituting therefor with "capital adequacy ratios", inserting new subsections (5A) and (11) immediately after subsections (5) and (10) respectively.
12. **Clause 6** of the Bill proposes to amend Section 155 of the principal Act by inserting new subsections (4) and (5) immediately after subsection (3) for a penal provision for non-submission of audited accounts, statements and returns by corporate persons to the Insurance Regulatory Authority.
13. **Clause 7** of the Bill proposes to amend Section 179 of the principal Act by deleting the words "insolvent insurers" in subsection (1) and substituting therefor with "insurer placed under a manager appointed under Section 67C (2) or whose license has been cancelled under the Act", deleting and substituting paragraph (a) in subsection (2A), deleting and substituting subsection (4).
14. **Clause 8** of the Bill proposes to amend Section 197A of the principal Act by inserting new subsections (8) and (9) immediately after subsection (7) for provision of preparation and



submission of premium levy returns by insurers to the Insurance Regulatory Authority and a penal provision for noncompliance.

15. **Clause 9** of the Bill proposes to amend Section 203 of the principal Act by inserting new subsections (6) and (7) immediately after subsection (5) for provision of preparation and submission of claims payment returns by insurers to the Insurance Regulatory Authority and a penal provision for noncompliance.

## CHAPTER THREE

### **3 PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION**

16. The Committee did not receive any memorandum from stakeholders following a call for memoranda through the print media on **26<sup>th</sup> July, 2019**. The Committee however invited the Insurance Regulatory Authority for a meeting to make submissions on the Bill on Friday, 8<sup>th</sup> November, 2019.

#### **3.1 Insurance Regulatory Authority**

The CEO of Insurance Regulatory Authority submitted that:-

17. The Bill introduces changes meant to protect policy holders by proposing changes to the Policyholders Compensation Fund and to the Policyholders Compensation Fund Board.
18. If an insurance company is put under statutory management, policyholders can be compensated once the Commissioner appoints a receivership company.

## CHAPTER FOUR

### **4 COMMITTEE'S OBSERVATION**

19. The Committee observed that if enacted into law, the Bill will encourage more people to invest in insurance since they will be guaranteed of quick compensation in case an insurance firm is placed under statutory management.



## CHAPTER FIVE

### **5 COMMITTEE'S RECOMMENDATION**

20. The Committee having considered the Bill recommends that the Insurance (Amendment) Bill, 2019 be passed by the House with amendments.

**CHAPTER SIX**

**6 SCHEDULE OF COMMITTEE'S PROPOSED AMENDMENTS**

21. The Committee proposed the following amendments to be considered in the Committee of the Whole House:-

**CLAUSE 7**

22. THAT, clause 7 of the Bill be amended in the new subsection (4A) by deleting the word "shall" and substituting therefor the word "may".

**Justification**

This is to allow other professions besides those provided in the Bill to serve in the Board.

SIGNED.......... DATE..... 13/11/19.....

**THE HON. JOSEPH LIMO, MP**

**CHAIRPERSON**

**DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING**

## **ANNEXTURES**

1.MINUTES OF THE 61<sup>ST</sup> SITTING

2.MINUTES OF THE 3<sup>RD</sup> SITTING

3.MINUTES OF THE 2<sup>ND</sup> SITTING

4.ADOPTION SCHEDULE



**MINUTES OF THE 61<sup>ST</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON TUESDAY, 12<sup>TH</sup> NOVEMBER, 2019 IN 4<sup>TH</sup> FLOOR PROTECTION HOUSE AT 10.00 AM**

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**PRESENT**

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP - **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MGH, MP
4. Hon. Christopher Omulele, MP
5. Hon. Abdul Rahim Dawood, MP
6. Hon. Daniel E. Nanok, 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. Mohamed A. Mohamed, MP
13. Hon. Purity Ngirici, MP
14. Hon. Samuel Atandi, MP

**ABSENT WITH APOLOGY**

1. Hon. Dr. Enoch Kibunguchy, MP
2. Hon. Lydiah Mizighi, MP

**ABSENT**

1. Hon. Shakeel Shabbir Ahmed, CBS, MP
2. Hon. Stanley M. Muthama, MP
3. Hon. Edith Nyenze, MP

**INATTENDANCE**

**SECRETARIAT**

1. Ms. Leah Mwaura - Senior Clerk Assistant / Lead Clerk
2. Ms. Jennifer Ndeto - Principal Legal Counsel
3. Ms. Laureen Wesonga - Clerk Assistant II
4. Ms. Christine Maeri - Audio Officer
5. Mr. John Njoro - Serjeant-At-Arms
6. Mr. Faustine Rotich - Intern

**MEMBER OF PARLIAMENT**

- Hon. Dr. Robert Pukose - MP for Endebess Constituency

**AGENDA**

1. Prayers
2. Preliminaries/Introductions/Communication from the Chairperson
3. Confirmation of Minutes

4. Matters Arising

5. **Meeting:-**

- i. **with Hon. Dr. Robert Pukose, MP to consider the Statement regarding interference in the procurement process on leasing of National Police Service vehicles; and**
- ii. **to adopt the reports on the consideration of the Competition (Amendment) Bill, 2019 and the Insurance (Amendment) Bill, 2019.**

6. Adjournment/ Date of the next meeting

**MIN.NO.NA/F&NP/2019/333: PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 10.25 am and a prayer was said. The agenda was then adopted with amendments having been proposed by Hon. Daniel Nanok, MP and Hon. Abdul Rahim Dawood, MP respectively.

The Chairperson informed the meeting that since Hon. Dr. Pukose was yet to arrive, the Committee would consider the other two agendas and proceed with Hon. Pukose's agenda once he arrived.

**MIN.NO.NA/F&NP/2019/334: CONFIRMATION OF MINUTES**

Minutes of the following sittings were adopted:-

1. 43<sup>rd</sup> sitting having been proposed and seconded by Hon. Jimmy Angwenyi, MP and Hon. David Mboni, MP respectively;
2. 44<sup>th</sup> sitting having been proposed and seconded by Abdul Rahim Dawood, MP and Hon. Daniel Nanok, MP respectively;
3. 45<sup>th</sup> sitting having been proposed and seconded by Hon. Joshua Kandie, MP and Hon. Joseph Oyula, MP respectively;
4. 46<sup>th</sup> sitting having been proposed and seconded by Hon. Kuria Kimani, MP and Hon. David Mboni, MP respectively;
5. 47<sup>th</sup> sitting having been proposed and seconded by Hon. Jimmy Angwenyi, MP and Hon. Samuel Atandi, MP respectively;
6. 48<sup>th</sup> sitting having been proposed and seconded by Hon. Joseph Oyula, MP and Hon. David Mboni, MP respectively;
7. 49<sup>th</sup> sitting having been proposed and seconded by Hon. Joshua Kandie, MP and Hon. Abdul Rahim Dawood, MP respectively;
8. 50<sup>th</sup> sitting having been proposed and seconded by Hon. Daniel Nanok, MP and Hon. Jimmy Angwenyi, MP respectively;
9. 51<sup>st</sup> sitting having been proposed and seconded by Hon. Joshua Kandie, MP and Hon. Daniel Nanok, MP respectively;
10. 52<sup>nd</sup> sitting having been proposed and seconded by Hon. Mohamed Ali, MP and Hon. Jimmy Angwenyi, MP respectively;
11. 53<sup>rd</sup> sitting having been proposed and seconded by Hon. Samuel Atandi, MP and Hon. David Mboni, MP respectively;

12. 54<sup>th</sup> sitting having been proposed and seconded by Hon. Christopher Omulele, MP and Hon. Joseph Oyula, MP respectively;
13. 55<sup>th</sup> sitting having been proposed and seconded by Hon. Daniel Nanok, MP and Hon. Jimmy Angwenyi, MP respectively;
14. 56<sup>th</sup> sitting having been proposed and seconded by Hon. David Mboni, MP and Hon. Abdul Rahim Dawood, MP respectively;
15. 57<sup>th</sup> sitting having been proposed and seconded by Hon. Kuria Kimani, MP and Hon. Andrew Okuome, MP respectively;
16. 58<sup>th</sup> sitting having been proposed and seconded by Hon. Andrew Okuome, MP and Hon. Mohamed Ali, MP respectively;
17. 59<sup>th</sup> sitting having been proposed and seconded by Hon. Jimmy Angwenyi, MP and Hon. David Mboni, MP respectively; and
18. 60<sup>th</sup> sitting having been proposed and seconded by Hon. Mohamed Ali, MP and Hon. Kuria Kimani, MP respectively.

**MIN.NO.NA/F&NP/2019/335: CONFIRMATION OF MINUTES**

No matters arose from the confirmed minutes.

**MIN.NO.NA/F&NP/2019/336: ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE COMPETITION (AMENDMENT) BILL, 2019**

The Committee adopted the report on the consideration of the said Bill having been proposed and seconded by Hon. Daniel Nanok, MP and Hon. Jimmy Angwenyi, MP respectively. The Committee proposed the following amendments to be considered in the Committee of the Whole House:-

**NEW CLAUSE**

**THAT**, the Bill be amended by inserting the following new clause immediately after clause 1—

**1A.** Section 2 of the principal Act is amended by inserting the following new definition in the proper alphabetical sequence—

“buyer power” means the influence exerted by an undertaking or group of undertakings in the position of purchaser of a product or service to—

(a) obtain from a supplier more favourable terms; or

(b) impose a long-term opportunity cost including harm or withheld benefit, which, if carried out, would be significantly disproportionate to any resulting long term cost to the undertaking or group of undertakings.

**CLAUSE 4**

**THAT**, the Bill be amended in clause 7 in the proposed section 24A by —

(a) deleting subsection (2);

(b) deleting the words “this section” and substituting therefor the words “subsection (1)”.



## **CLAUSE 5**

**THAT**, the Bill be amended by deleting clause 5 and substituting therefore the following new clause—

**5.** The principal Act is amended in section 29 by inserting the following new subsection immediately after subsection (7)—

(8) Any professional association—

(a) whose rules contain a restriction that has the effect of preventing, distorting or lessening competition in a market in Kenya and which fails to apply for an exemption as required by section 29 (1) and (2); or

(b) which having applied for exemption under section 29 (1) fails to comply with the Authority's decision rejecting its application,

commits an offence, and any official thereof or any person who issues guidelines or rules in contravention of that provision shall be liable, upon conviction, to imprisonment for a term not exceeding five years or to a fine not exceeding ten million shillings, or both.

## **CLAUSE 7**

**THAT**, the Bill be amended by deleting clause 7.

### **MIN.NO.NA/F&NP/2019/337: MEETING WITH HON. (DR.) ROBERT PUKOSE TO CONSIDER THE STATEMENT REGARDING INTERFERENCE IN THE PROCUREMENT PROCESS ON LEASING OF NATIONAL POLICE SERVICE VEHICLES**

Hon. (Dr.) Pukose briefed the Committee on the contents of his Statement. He stated that he had submitted the Statement after noting anomalies in the procurement process including the speedy execution of the procurement process. He requested the Committee to expedite the inquiry and prepare the report to the House in the shortest time possible.

### **MEMBERS' DELIBERATIONS**

1. The meeting noted that the matters raised in the Statement are very weighty and thanked Hon. (Dr.) Pukose for coming up with the Statement.
2. Noting that it might be difficult to access documentation and parties involved in the procurement process of the National Police Service vehicles, Hon. (Dr.) Pukose was requested to present any documentation that he may be having on the said matter and submit names of the procuring entity, tendering companies and any other parties in the matter. Hon. (Dr.) Pukose undertook to submit the required information and documentation to the Committee Secretariat before the end of the day.
3. The Committee Secretariat was tasked to prepare a summary and terms of reference for the inquiry once they receive the documents from Hon. Pukose.

**MIN.NO.NA/F&NP/2019/338: ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE INSURANCE (AMENDMENT) BILL, 2019**

The Committee adopted the report having been proposed and seconded by Hon. Rahim Dawood, MP and Hon. Andrew Okuome, MP respectively. The Committee proposed the following amendment to be considered in the Committee of the Whole House:-

**CLAUSE 7**

THAT, clause 7 of the Bill be amended in the new subsection (4A) by deleting the word “shall” and substituting therefor the word “may”.

**Justification**

This is to allow other professions besides those provided in the Bill to serve in the Board.

**MIN.NO.NA/F&NP/2019/339: ANY OTHER BUSINESS**

1. Members noted that Hon. Major (Rtd.) Bashir Abdullahi, MP had requested for a Statement from the Chairperson regarding the *Kenya Population and Housing Census 2019* results. The Committee further noted that the Chairperson was expected to respond to the Statement during the Afternoon sitting of the House that day. The Secretariat was directed to ensure that the Kenya National Bureau of Statistics (KNBS) submits a response to the Statement before 2.30 pm that day.
2. The Secretariat was tasked to provide to the Committee the Speaker’s Communication barring Members of Committees from seeking Statements or asking questions from their own Committees to which they were Members of.

**MIN.NO.NA/F&NP/2019/340: ADJOURNMENT/DATE OF NEXT MEETING**

There being no other business to deliberate on, the meeting was adjourned at 12.24 p.m. The next meeting will be held on Wednesday, 13<sup>th</sup> November, 2019 at 10.30 a.m.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED .......... DATE.....13/11/19.....



**MINUTES OF THE 3<sup>RD</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON SATURDAY, 9<sup>TH</sup> NOVEMBER, 2019 IN LOITA CONFERENCE ROOM, OLE-SERENI HOTEL AT 10.00 AM**

---

**PRESENT**

- |                                 |   |                         |
|---------------------------------|---|-------------------------|
| 1. Hon. Joseph K. Limo, MP      | - | <b>Chairperson</b>      |
| 2. Hon. Isaac W. Ndirangu, MP   | - | <b>Vice Chairperson</b> |
| 3. Hon. Christopher Omulele, MP |   |                         |
| 4. Hon. Daniel E. Nanok, MP     |   |                         |
| 5. Hon. Andrew A. Okuome, MP    |   |                         |
| 6. Hon. Samuel Atandi, MP       |   |                         |
| 7. Hon. Stanley M. Muthama, MP  |   |                         |
| 8. Hon. Edith Nyenze, MP        |   |                         |

**ABSENT WITH APOLOGY**

1. Hon. Jimmy O. Angwenyi, MGH, MP
2. Hon. Abdul Rahim Dawood, MP
3. Hon. David M. Mboni, MP
4. Hon. Joseph M. Oyula, MP
5. Hon. Joshua C. Kandie, MP
6. Hon. Mohamed A. Mohamed, MP

**ABSENT**

1. Hon. Dr. Enoch Kibunguchy, MP
2. Hon. Shakeel Shabbir Ahmed, CBS, MP
3. Hon. Francis K. Kimani, MP
4. Hon. Purity Ngirici, MP
5. Hon. Lydiah Mizighi, MP

**INATTENDANCE**

**SECRETARIAT**

- |                        |   |                                   |
|------------------------|---|-----------------------------------|
| 1. Ms. Leah Mwaura     | - | Senior Clerk Assistant/Lead Clerk |
| 2. Ms. Laureen Wesonga | - | Clerk Assistant II                |
| 3. Mr. Josephat Motonu | - | Fiscal Analyst I                  |
| 4. Ms. Christine Maeri | - | Audio Officer                     |
| 5. Mr. Vitalis Augo    | - | Office Assistant                  |
| 6. Mr. Faustine Rotich | - | Intern                            |

**AGENDA**

1. Prayers
2. Preliminaries/Introductions/Communication from the Chairperson
3. Confirmation of Minutes
4. Matters Arising
5. **Meeting to decide on each clause of the Insurance (Amendment) Bill, 2019**
6. Adjournment/ Date of the next meeting

**MIN.NO.NA/F&NP/2019/012: PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 10.28 am and a prayer was said. The Chairperson then welcomed the meeting to deliberate on the day's agenda.

**MIN.NO.NA/F&NP/2019/013: CONFIRMATION OF MINUTES**

Agenda deferred.

**MIN.NO.NA/F&NP/2019/014: DECISION ON EACH CLAUSE OF THE INSURANCE (AMENDMENT) BILL, 2019**

The meeting deliberated and agreed as follows:-

**Clause 2:** Agreed to

**Clause 3:** Agreed to

**Clause 4:** Agreed to

**Clause 5:** The Secretariat was directed to consult on sub-clause (c)(11).

**Clause 6:** Agreed to

**Clause 7:** Amend sub-clause (d)(4A) by deleting the word "*shall*" and replacing it with the word "*may*".

**Justification**

This is to allow other professionals besides those provided in the Bill to serve in the Board.

**Clause 8:** Agreed to


**Clause 9:** Agreed to

**MIN.NO.NA/F&NP/2019/015: ADJOURNMENT/DATE OF NEXT MEETING**

There being no other business to deliberate on, the meeting was adjourned at 12.30 p.m. The next meeting will be held at 1.30 p.m.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED .....  ..... DATE..... 13/11/19 .....

**MINUTES OF THE 2<sup>ND</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON FRIDAY, 8<sup>TH</sup> NOVEMBER, 2019 IN LOITA CONFERENCE ROOM, OLE-SERENI HOTEL AT 02.45 PM**

---

**PRESENT**

- |                                 |   |                         |
|---------------------------------|---|-------------------------|
| 1. Hon. Joseph K. Limo, MP      | - | <b>Chairperson</b>      |
| 2. Hon. Isaac W. Ndirangu, MP   | - | <b>Vice Chairperson</b> |
| 3. Hon. Christopher Omulele, MP |   |                         |
| 4. Hon. Daniel E. Nanok, MP     |   |                         |
| 5. Hon. Andrew A. Okuome, MP    |   |                         |
| 6. Hon. David M. Mboni, MP      |   |                         |
| 7. Hon. Samuel Atandi, MP       |   |                         |
| 8. Hon. Stanley M. Muthama, MP  |   |                         |
| 9. Hon. Edith Nyenze, MP        |   |                         |

**ABSENT WITH APOLOGY**

1. Hon. Jimmy O. Angwenyi, MGH, MP
2. Hon. Abdul Rahim Dawood, MP
3. Hon. Joseph M. Oyula, MP
4. Hon. Joshua C. Kandie, MP
5. Hon. Mohamed A. Mohamed, MP

**ABSENT**

1. Hon. Dr. Enoch Kibunguchy, MP
2. Hon. Shakeel Shabbir Ahmed, CBS, MP
3. Hon. Francis K. Kimani, MP
4. Hon. Purity Ngirici, MP
5. Hon. Lydiah Mizighi, MP

**INATTENDANCE**

**SECRETARIAT**

- |                        |   |                                   |
|------------------------|---|-----------------------------------|
| 1. Ms. Leah Mwaura     | - | Senior Clerk Assistant/Lead Clerk |
| 2. Ms. Laureen Wesonga | - | Clerk Assistant II                |
| 3. Mr. Josephat Motonu | - | Fiscal Analyst I                  |
| 4. Ms. Christine Maeri | - | Audio Officer                     |
| 5. Mr. John Njoro      | - | Serjeant-At-Arms                  |
| 6. Mr. Vitalis Augo    | - | Office Assistant                  |
| 7. Mr. Faustine Rotich | - | Intern                            |

**COMPETITION AUTHORITY OF KENYA**

1. Mr. Wang'ombe Kariuki
2. Mr. Boniface Makango
3. Ms. Priscilla Njako
4. Mr. Adano Wario
5. Mr. Boniface Kamit



6. Ms. Alexia Waweru
7. Ms. Emily Makena
8. Ms. Winnie Molonko - National Treasury

#### **INSURANCE REGULATORY AUTHORITY**

1. Mr. Godfrey Kiptum
2. Mr. Kalai Musee
3. Mr. James Ndwiga
4. Mr. Mathews Odero

#### **AGENDA**

1. Prayers
2. Preliminaries/Introductions/Communication from the Chairperson
3. Confirmation of Minutes
4. Matters Arising
5. **Meeting to be briefed on the:-**
  - i. **Competition (Amendment) Bill, 2019 by the Competition Authority of Kenya; and**
  - ii. **Insurance (Amendment) Bill, 2019 by the Insurance Regulatory Authority.**
6. Adjournment/ Date of the next meeting

#### **MIN.NO.NA/F&NP/2019/007: PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The Chairperson called the meeting to order at 03.12 pm and a prayer was said. The Chairperson then called for introduction of those present before welcoming the Competition Authority of Kenya (CAK) to brief the Committee on the Competition (Amendment) Bill, 2019.

#### **MIN.NO.NA/F&NP/2019/008: CONFIRMATION OF MINUTES**

Agenda deferred.

#### **MIN.NO.NA/F&NP/2019/009: BRIEFING ON THE COMPETITION (AMENDMENT) BILL, 2019 BY THE COMPETITION AUTHORITY OF KENYA**

The Director General, CAK Mr. Wang'ombe Kariuki submitted that:-

1. The Bill gives the Authority powers to initiate investigations in cases where they suspect that buyer power has been abused.
2. The amendments also separate dominance from buyer power.
3. The Bill also makes it obligatory for professional associations to apply to the Competition Authority for exemption with respect to rules which contain a restriction which is likely to prevent, distort or lessen competition. These rules include those which provide for fixing of fees payable to members of such professional associations. It also provides for penalties for those who seek for exemptions but fail to comply with the conditions.



**Members' Deliberations**

1. On whether the Bill will also protect those who supply to the Government given the many pending bills owed to suppliers by the Government, the meeting was informed that this will be addressed by the Public Procurement and Disposable Regulations that had been submitted to the National Assembly for consideration.
2. Regarding the setting of the length of time within which a company should pay a supplier, the meeting was informed that it is not possible to set the time in the Bill since time varies depending on the kind of supplies. This will be taken care of in the code of conduct that will set the terms of payment, period of payment and when interest will begin to be charged.
3. On the matter of "small print" in contracts, the meeting was informed that CAK had received and resolved several complaints on this especially in the financial sector. They have been carrying out awareness to financial institutions on the consequences of failing to comply to the Act and a lot of improvement has been noted.

**MIN.NO.NA/F&NP/2019/010: BRIEFING ON THE INSURANCE (AMENDMENT) BILL, 2019 BY THE INSURANCE REGULATORY AUTHORITY**

The Chairperson called for introduction of those present before welcoming the CEO of IRA, Mr. Godfrey Kiptum to make his submission. He submitted that:-

1. The Bill introduces changes meant to protect policy holders by proposing changes to the Policyholders Compensation Fund and to the Policyholders Compensation Fund Board.
2. If an insurance company goes under, policyholders can be compensated once the Commissioner appoints a receivership company.


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**MIN.NO.NA/F&NP/2019/011: ADJOURNMENT/DATE OF NEXT MEETING**

There being no other business to deliberate on, the meeting was adjourned at 6.25 p.m. The next meeting will be held on Saturday, 9<sup>th</sup> November, 2019 at 10.00 a.m.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED ..........DATE.....13/11/19.....

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY

DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING  
ADOPTION SCHEDULE FOR THE REPORT ON THE CONSIDERATION OF THE  
INSURANCE (AMENDMENT) BILL, 2019

DATE: 12<sup>TH</sup> NOVEMBER, 2019

NAME	SIGNATURE
1. HON. JOSEPH K. LIMO, MP – CHAIRMAN	
2. HON. ISAAC W. NDIRANGU – VICE-CHAIRMAN	
3. HON. JIMMY O. ANGWENYI, MGH, MP	
4. HON. CHRISTOPHER OMULELE, MP	
5. HON. ENOCH KIBUNGUCHY, MP	
6. HON. SHAKEEL SHABBIR AHMED, CBS, MP	
7. HON. ABDUL RAHIM DAWOOD, MP	
8. HON. DANIEL E. NANOK, MP	
9. HON. ANDREW A. OKUOME, MP	
10. HON. DAVID M. MBONI, MP	
11. HON. KURIA KIMANI, MP	
12. HON. JOSEPH M. OYULA, MP	
13. HON. JOSHUA KANDIE, MP	
14. HON. LYDIA H. MIZIGHI, MP	
15. HON. MOHAMED ALI, MP	
16. HON. PURITY NGIRICI, MP	
17. HON. SAMUEL ATANDI, MP	
18. HON. STANLEY M. MUTHAMA, MP	
19. HON. EDITH NYENZE, MP	

