AKI
ASSOCIATION OF KENYA INSURERS

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COGS TURNING THE INSURANCE WHEEL

CONTENTS

EDITOR'S NOTE

The nature of business the world over is rapidly changing. Disruption is now the order of the day and whoever drags their feet will falter off the trail. Ecomomies are readjusting to the new world order—occasioned by COVID-19 and advancements in technology. There is now a great need to rethink what drives work, and insurers need to 'hop on the bus.'

In this December 2022 edition, we have addressed several issues that we feel can propel the industry to the next level.

For starters, we appreciate the fact that data collection, storage, analysis, and transfer is necessary for business growth, Lynn Obwanda shares some safeguards, especially those that are enshrined in the Data Protection Act. Still on technology, Moses Kemibaro explains what is needed to have a well-designed, built, and managed corporate website that becomes a key distribution channel for insurance.

Most working adults have two parallel lives running - at work and at home- and they both need to be in harmony for any form of success. We spoke to three successful corporate ladies, and they gave insights into what it has taken to be where there are, both as family people and career women.

Learning from those who have blazed trails and left a mark is one of the sure ways of growing yourself. We sat with one remarkable captain of the insurance industry, Mr. Justus Mutiga, former CEO of ICEA LION Life Assurance. He shared with us his journey in the insurance industry and his plans to continue contributing to the industry and he also drops some practical gems of wisdom.

This edition is packed with other timely topics including the role the Pensions Sector will play in the larger economy, what next after COP 27, what role do intermediaries play in business growth, why is research an important tool in business and many more.

As we look into 2023, what can the insurance industry expect? How do they continue to transform into relevant organisations to customers and desirable employers? We draw insights from the Insurance Outlook 2023 Report from the Deloitte Center for Financial Services.

To make the journal a better read, we now have a news section, a book review, a quiz, and some jokes too. Dig in and get back to us with your 'feel'.

Have an innovative 2023.

Insurance Industry News

Pan African (Re)Insurance Journalism Awards call for submissions

The Pan African (Re) Insurance Journalism Awards 2023 is open for submissions from journalists across the African Continent. The submissions close on 15 February 2023, and can be shared in English, Arabic or French.

Now in its eighth edition, the Awards recognise the outstanding work of journalists on matters insurance and reinsurance. This is a project driven by Continental Reinsurance in their effort to advance excellence in the industry.

Scan here to apply

AKI Motor App wins Award

The AKI Digital Motor Vehicle Insurance Certificate App, popularly referred to as the AKI VIC App was celebrated for being a first of its kind in Kenya.

The Mobile APP and Summit Awards, held on 8 December 2022, lauded the App on the element of empowering consumers to verify the status of their motor insurance.

The AKI VIC App was also recognised as one of the top 25 digital innovations in the CIO 100 Africa Awards in November 2021.

AKI trains Members on IFRS-17

AKI in partnership with Moroccan Re-insurer, SCR Re Academy, carried out training on IFRS-17 for insurers. The training, facilitated by ActServ, aimed to engage members in more detail on the implementation of the Standard.

CEO's, Board Directors and heads of Finance, Risk and Actuarial Services were taken through the standard and its implications on reporting, data and resources required to deploy it.

The training was informed by findings from a survey AKI undertook in the first half of the year that showed that the industry is at 50 per cent readiness to transition to the to the IFRS-17 reporting standard due to commence on 1 January 2023. One of the key recommendations was further training of members.

AKI will continue to engage its members, the regulator and other stakeholders on the implementation of the Standard in 2023.

Swiss RE Foundation to Fund Innovation

The Swiss Re Foundation has announced a US$500,000 grant to spur innovation of insurance products for the underserved communities in Africa in the wake of rising risks.

The funding, which will be distributed through FSD Africa's supported BimaLab insurance accelerator programme, will help promising insurtechs to introduce and scale up innovative products targeting low-income groups, currently left out by existing insurance products.

The foundation, started by Swiss Re in October 2011 to, among other goals, support innovations that boost societal resilience, had issued grants in 44 countries by 2021 and made $86.6m commitments between 2012 and 2021.

ICEA LION crowned champions at Sports Fete

ICEA LION Group took the overall winner's trophy at the 2022 AKI Insurance Sports competition. The finals of the AKI sports day were held on 12 November 2022 at Nyayo National Stadium.

The AKI sports are a month-long event that consists of preliminaries for ball games and the finals, where other disciplines are incorporated. The preliminary ball games were held from 12 September to 19 October at Railways Training Institute, South B.

Other disciplines that featured at the final event include swimming, track and field events, darts, badminton, table tennis and auxiliary events (7 a side football, pepepta and kati).

AKI 2022 TOP
OVERALL POINTS TABLE

POSITION	ORGANISATION	POINTS
1	ICEA LION	80
2	APA APOLLO	75
3	CIC	27
4	AIG	23
	LIBERTY	23
6	GEMINIA	19
	MADISON	19
8	CORPORATE	16
9	JUBILEE	13
10	THE MONARCH	10
11	OCCIDENTAL	8
12	OLD MUTUAL	4
	KUSCCO MUTUAL	4
14	GA	3
	FIRST ASSURANCE	3
	KENYA RE	3
17	KENINDIA	1

25
TOTAL NUMBER OF PARTICIPATING TEAMS IN 2022

2022 PATCH OF FAME
WINNIE ACHIENG - ICEA LION
(As nominated by officials for her 9 points contribution to her teams)

RECOGNITION OF OTHER PARTICIPATING TEAMS

- AAR
- MAYFAIR
- FIDELITY SHIELD
- TAUSI
- SANLAM
- INTR-AFRICA
- METROPOLITAN CANNON
- TAKAFUL

Categories for AKI 2022 Awards

The AKI Awards 2022 will be held on 10 March 2023. Preparations for the Awards ceremony have kicked off.

The Awards criteria for 2022 was circulated at the beginning of the year. The final submissions should be made by 9 February 2023.

The categories up for award are below. For any enquiries reach out to info@akinsure.com

Life Insurance Company Awards Categories

Group Life Best Practice Awards

1. Best Loss Ratio Award
Awarded to the company with lowest loss ratio

2. Innovation Award
Awarded to the company that is innovative in new products and distribution channels. Points will be awarded to every new product developed and approved by IRA, new distribution channels (outside of the existing ones) developed and approved by IRA and new partnerships will also be recognised.

3. Most Improved Company Award
Awarded to the companies based on percentage growth of business over previous year.

4. Group Life Company of the Year Award
Awarded to the company with the highest cumulative points.

Individual Life Insurance Company Awards

1. Number of Policies Company Award
This is awarded to the company which has sold over 5,000 policies in the competition period. The company must also attain a minimum first year persistency rate of 80% on its entire portfolio.

2. Most Improved Company
This is awarded to the company with the highest percentage growth in qualified Agents. The company must also have produced a minimum of 20 qualified agents in the current competition year

3. Life Insurance Company of the Year Award
This will be awarded to the Company whose qualifying agents have the highest aggregate points under the New Business Award.

Life Insurance Agents Awards Categories

1. New Business Agents Awards
Awarded to agents who have sold 50 policies and achieved Ksh2.4million annualised premium income. They also achieved persistency levels of 85% in the first year and 80% in the second year

2. Highest Annualised Premium Income Paid Award
Awarded to the agent with the highest percentage of paid annualised premium within the contest period.

3. Number of Policies Award
Awarded to the agent with the highest number of qualifying policies within the contest period.

4. Persistency Award
Awarded to Agents who have qualified in the top 100 in the previous three (3) competition years and who achieve a minimum Persistency of 75% on the contest portfolio submitted to AKI for the years 2020, 2021 and 2023.

5. Youngest
Awarded to the youngest agent among the top 50 agents in the country

6. Senior
Awarded to the senior most agent among the top 50 agents in the country

7. Life Member
Awarded to the agent who has been in the top 10 agents consistently for the last five years

General Insurance Company Awards Categories

- **General Insurance Company of the Year Award**
This award will be given to the insurance company with the highest aggregate points and highest number of qualified agents.

General Insurance Agents Awards Categories

1. Premium Volume Awards (New Business
Awarded to the agent who recorded the highest paid premiums in these General insurance classes: Medical insurance, Personal Accident, Domestic Package, Travel, Professional Indemnity, Agriculture, Contractors All Risk and SME Business Combined cover.

2. Overall Premium Volume Award (New Business)-
Awarded to agents who have sold a minimum of 20 Policies at a minimum annual premium of Ksh500,000. Only a maximum of 10 policies will be considered for one class

3. Emerging Insurance Markets Award
Awarded to agents who at the end of the award period have the highest sales in the Counties identified as 'Emerging'.

4. General Insurance Agent of the Year Award
Awarded to the agent with the highest number of policies sold in the award year throughout the country. They will have sold a minimum of 25 policies, sold a minimum of 5 policies in at least three classes of insurance (Excluding medical insurance) with a minimum annual premium of Ksh1 million.

Insurance Outlook 2023

Deloitte Insights:

The maxim that "necessity is the mother of invention" has indeed come to pass in the reinvention for the insurance industry these past few years. Most underwriters have been adaptive and resilient in overcoming obstacles raised by the COVID-19 pandemic. This has been likely, thanks in part to all the new technology and talent put in place to upgrade systems and capabilities.

Yet, this is hardly the time for insurers to rest on their laurels. Rising inflation, interest rates and loss costs along with the looming threats of recession, climate change and geopolitical upheaval will likely test insurer resiliency.

Underwriters should be building upon the momentum that enabled the transition to a remote workforce and virtual client engagement nearly overnight.

The AKI Journal brings you highlights of the Deloitte Insights report on the insurance outlook for 2023.

- **Human capital outlook: Insurers reinvent workplace strategies and culture as talent war intensifies**

Forced virtualisation of work during the pandemic has fuelled revolutionary changes in employee expectations and upended many traditional employment models.
Flexibility, quality and relevance of work, career path, financial wellness and inclusion now appear to dominate many employees' aspirations and are increasingly being used as parameters of job entry, longevity and exit from an organisation. This is not unique to the insurance industry, but in conjunction with an aging workforce and conservative reputation, the challenges are exacerbated for insurers competing for skilled talent not just with peers but with other, more cutting-edge industries.

While lockdowns gave rise to the work-from-home phenomenon and insurers reacted accordingly, the situation has reached an inflection point where organisations will likely need to proactively decide which elements of workforce strategies to keep, change, and discard. This will potentially be less of a one-and-done strategy and more of an ongoing journey

- **Technology outlook: Moving from infrastructure investment to value realisation**

Most insurers had to ramp up digitisation plans during the pandemic to transition practically overnight to a remote workforce and virtual engagement with customers.

Technology transformation is now moving beyond improving internal efficiencies to investments in improving customer experience and bolstering data and analytics capabilities.

InsurTechs are helping to accelerate technology transformation in complementary and competitive ways. Many underwrites are benefiting from point solutions offered by enabling InsurTechs in underwriting, claims and online distribution platforms, among other customer-facing functions. Legacy insurers on the other hand are facing increased competition from stand-alone InsurTechs designed for customer-centricity from inception.

Transition to cloud platforms may well be the most significant technology initiative launched by insurers over the past few years—because of its potential impact throughout the value chain. However, while many underwriters may have laid the cloud infrastructure, too often they still mimic the siloed way operations were handled on legacy systems. This limits their ability to take full advantage of cloud capabilities, as well as experiment, innovate and transform their operations.

Moving to the cloud should be the beginning of an ongoing transition encompassing more systems and processes and treating data as a strategic asset that can help underwriters learn more about customer needs and preferences in terms of products and services.

Ultimately, Cloud should be treated like electricity—as a facilitator.

The goal for 2023 and beyond should be to more fully realize the benefits of technology infrastructure investments to make insurers increasingly agile, innovative, and customer-centric.

- **Sustainability outlook: Insurers should set sights beyond compliance concerns to make ESG a competitive differentiator**

Up until now, most insurers have been focused on responding to mounting calls for more data and specific statistical commitments rather than proactively seeking opportunities to make ESG initiatives a differentiating part of their go-to-market strategy and corporate culture. They have also generally been focused on regulatory compliance and bolstering enterprise risk management, rather than innovating to differentiate and establish themselves as ESG leaders in thought and action.

Yet, how effectively and transparently insurers respond to increasingly vigilant stakeholders—from regulators and rating agencies to sustainability assessment firms, as well as investors and their own employees—will likely determine their ability to adhere to a "higher bottom line," in which the impact of their ESG efforts on society could be as important as their traditional financial statements.

Joining forces with other companies to address climate risk at the source as well as enhance scrutiny of climate transition plans has been a strategy adopted in many jurisdictions. For instance, many European underwriters have become members of the Net-Zero Insurance Alliance—a United Nations initiative that brings together insurers from around the world—emphasising their role in the transition to a carbon-neutral economy, as well as in helping create a methodology allowing underwriters to measure emissions from underwriting and empowering them to find ways to reduce them through innovation.

One of the key challenges, however, is the lack of standardisation among requests from ESG reporting agencies. This has often been cited by insurers to lead to duplication of effort and a waste of limited resources.
Insurers should be stepping up efforts to establish more consistency in such assessments, collaborating with other industries to bring about a common reporting language and convergence in international sustainability standards.

Internally, insurers should be integrating new technology tools that automate ESG data collection and improve reporting efficiency.

- **Finance outlook: New accounting rules put public insurers in the spotlight**

On January 1, 2023, International Financial Reporting Standards (IFRS) 17 goes into effect, determining how insurance contract assets and liabilities are presented on balance sheets.

For the moment, insurers should be focused on assembling their data and narrative to address questions about the execution and impact of these accounting changes from national regulators, rating agencies and stock analysts, and other external stakeholders.

Additionally, the updated standards have significantly increased collaboration between actuaries, accountants and financial planning and analysis professionals. Insurers should consider what changes to their finance operating models, organisational structures and talent models may be necessary to execute the updated standards as efficiently as possible.

Insurance tax departments should be proactive and invest early in analysis and modelling exercises to assess the impact of potential tax reform. Given the complexity and significance of these coordinated worldwide changes, reliable tax models will likely call for the aggregation of new and detailed data—much of which may not be currently collected and readily available.

- **The final frontier: Changing culture as the ultimate enterprise transformation**

If insurers were able to adapt and innovate so quickly and effectively under such crisis conditions, what might be preventing them from doing so on an ongoing basis? Rather than falling back on pre-pandemic operating procedures and business models, insurers should keep experimenting with new ways of providing coverage and serving customers. They should remain on offense by positioning to thrive over the long term in a rapidly evolving, more socially aware market.

To fully transform into the insurer of the future, underwriters should also strive to keep evolving their foundational culture—from a focus on risk reduction to one marked by risk-taking innovation and broader, bolder reinvention.

As evolution in society, technology and the global economy continues to speed up, insurers that can keep pace and maintain a commitment to transformative change will likely be among those best positioned to excel against slower-to-adapt legacy underwriters as well as new forms of competition already here and yet to emerge.

This report is from the Deloitte Center for Financial Services

Scan here to read the full report

COP 27 Outcomes for Insurance

By Philip Lopokoiyit

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The twenty seventh Conference of the Parties (COP 27) was held in Sharm El Sheikh, Egypt in November and as financial institutions, we have a lot to reflect upon it. Much has been said about Africa's contribution to carbon emissions. Indeed, we have contributed the least—less than four per cent and specifically for Kenya, about 0.1 per cent. This has been a common argument for years and very well so, but it is time we focused on the opportunities rather than the challenges.

It is not to say that highlighting African challenges is not important. A just transition that does not impede on our development as African nations is key and COP 27 finally gave this the much-needed focus. This, in addition to the Parties agreeing to the establishment of the long-awaited loss and damage fund for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, was a big win for Africa. It is notable that nature and biodiversity are critical to this discussion, much so that one cannot speak about climate change without mentioning nature and biodiversity. These too were a major area of focus at COP 27.

It is for this reason that we co-created, together with the UNEP Principles of Sustainable Insurance (PSI), the Nairobi Declaration on Sustainable Insurance (NDSI) in April 2021. The NDSI is an Africa-focused initiative designed to encourage and support African insurance market players in achieving the UN Sustainable Development Goals. Signatories to the Declaration signal their willingness to develop ESG principles within their businesses. It is a convening tool, therefore, for insurance players in Africa to become change agents in light of the biggest challenge facing humanity. This role has been well acknowledged, including most recently by the World Economic Forum that highlighted Africa's unique position where the insurance sector, unlike other markets, is leading Africa's sustainability push. Starting with just eight signatories in April 2021, with the help of partners such as the FSD Africa, we now have 85 signatories to the NDSI from across Africa.

To expand further into the West African market, we most recently spoke at the insurance directors annual conference in Nigeria convened by the Nigerian College of Insurance and Financial Management. At this event, we shared our journey on ESG encouraging West African insurance players to sign up to the NDSI. We are pleased that this call to action has been circulated in the latest communique by the College to the insurance industry in Nigeria.

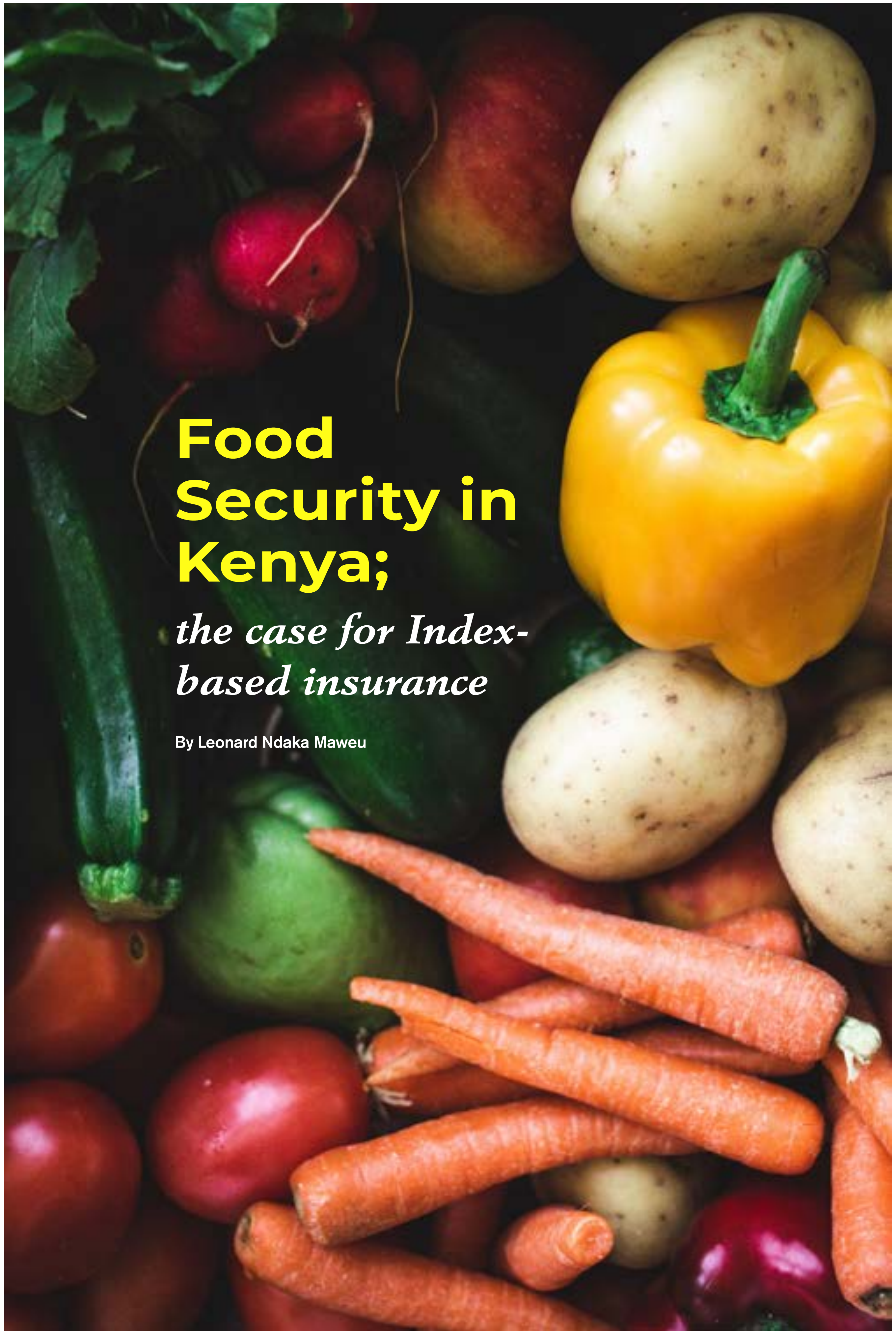
The key highlight of the NDSI activities this year, was hosting a COP 27 event on November 9. This event was led by a team of signatory representatives (ICEA LION, African Risk Capacity and Namib-Re), together with the UN Climate Change Champions. The event theme was dubbed "Leveraging the African Insurance Industry to Create Resilient African Economies".

At this event, NDSI signatories committed to taking action to address the African climate-change challenge through the establishment of the Africa Climate Risk Facility. This facility includes a cumulative $900m multi-donor-funded Trust Fund that provides premium subsidies, product development technical assistance and policyholder capacity building. Signatories, commit to underwrite, through this facility, $14bn of cover for climate risks to protect cumulatively, 1.4 billion people against floods, droughts and tropical cyclones by 2030. The facility is a mechanism to scale private sector underwriting of climate disaster risk in Africa. It will facilitate the uptake of climate risk insurance by African sovereigns, cities and humanitarian organisations in order to help African countries better manage the financial impacts of climate shocks and increase the resilience of the most vulnerable communities. It intends to offer a collaborative approach to developing, implementing and scaling up climate risk insurance products in the continent and will include collaboration between Governments, the insurance sector, development agencies, humanitarian agencies and Developmental Finance Institutions (DFIs). Together with development partners, and as signatories, we are working towards mobilising resources for this Trust Fund. NDSI signatories will participate as private insurers through a competitive bidding process whereby bids will be filtered based on a pre-defined selection criterion.

Another initiative that creates significant opportunities for us in the insurance sector, especially given our role as asset owners is the Africa Carbon Markets Initiative (ACMI). The initiative, led by the Global Energy Alliance for People and Planet (GEAPP) and the United Nations Economic Commission for Africa (UNECA) aims to expand Africa's participation in the Voluntary Carbon Markets by setting carbon ambitions for the continent. It will develop a road map that will be implemented over the next few years to meet those ambitions. Insurers, as asset owners and managers—in cases of large insurance groups—cannot and should not be left out of the carbon markets agenda.

The Kenyan insurance industry should join the NDSI, as a sign of commitment to the climate change and ESG agenda. It will also make the industry eligible to participate in the Africa Climate Risk Facility, an opportunity that will be open to all signatories who have the willingness to develop and roll out these products.

The writer is the CEO – ICEA LION Holdings Ltd and a UNEP PSI Board Member for Africa & Middle East



Food Security in Kenya;

the case for Index-based insurance

By Leonard Ndaka Maweu

Unfavourable climatic conditions have over time resulted in heavy losses in farming orchestrating increasing poverty. With the escalating severity of weather activities due to climate change, the situation is getting worse with more disastrous impacts on agricultural productivity. For the third consecutive year, the Horn of Africa has received lower than historical average rainfall resulting in the loss of livestock and human lives due to ravaging famine.

The foregoing makes the case for urgent mitigating initiatives to cushion farmers and ensure food security globally.

Agriculture insurance plays a vital role as a risk management method in protecting farmers within the agricultural quarter by covering losses from detrimental weather activities. This enables farmers to continue farming even if a harvest is lost and have some income level to meet other financial obligations like school fees and medical bills. It also helps farmers to get financing from banks and micro finances using crops or livestock as collateral. This gives the lenders some comfort since they will be paid should there be a loss. This results in economic development for farmers and increases productivity since they can buy certified seeds and other farm inputs like fertilizers and chemicals.

Insurance additionally has the capability to influence trade behaviour with the aid of decreasing uncertainty and placing a price on the hazard. For example, historically farmers would possibly have planted three or four unique crop sorts to guard in opposition to the hazard of destructive climate or ailment affecting their entire crop. Now with the security of insurance, farmers can pay attention to simply one crop and gain from economies of scale. Basically, smallholder farmers and SMEs who have higher control over their risks are better capable of contributing to the food safety of the population. In the last decade, more players have come in to support Agriculture Insurance in Kenya. These include the Government, the World Bank, Insurance companies, Reinsurance companies, Insuretechs and other development partners. This has resulted in increased uptake from a gross written premium of less than USD 1 million in 2010 to an excess of USD 10 million in 2020. The Government, through the Ministry of Agriculture, is providing subsidies through Kenya Agricultural Insurance Program and Kenya Livestock Insurance Program together and supporting awareness creation about the Schemes. Over 700,000 farmers have been insured through these schemes. However, many farmers remain uninsured. To serve this population, the insurance industry requires permitting government guidelines, supportive infrastructure, modern merchandise, new distribution channels and advanced technology. Initially, only Multi-class/indemnity agricultural insurance which pays the insured for the actual loss incurred after loss quantification by a loss adjuster existed. The product has its downside because it is steeply-priced, too expensive for majority of smallholder farmers and consequently non-existent in most rural areas due to the high administrative charges associated with assessing the hazard, selling the product and, within the occasion of a declaration, inspecting the loss. This leaves the cover more ideal and economical to large-scale farmers and not the smallholder farmers who are the majority.

Over the past decade, increasingly more index-primarily based coverage products have evolved. These products use an index/proxy, like rainfall, temperature, region crop yield, or other goal indices to pay claims without having to look at the actual loss. For example, if the rain as measured at a weather station or by using satellite exceeds a sure threshold, all farmers of a particular area acquire a pay-out from the insurer irrespective of whether the rainfall shortfall resulted to lower yield or not. Preliminary development costs are regularly excessive. However, because the value for processing claims in tons decreases, the product has the capability to be a lot less expensive and pay-outs can be made faster. Lower administrative fees have helped vast growth in index-based insurance over the last decade. A key threat to index-based insurance is the possibility that the pay-out does not mirror the real loss experienced with the aid of the policyholder. This means that the insurance may not pay out although a farmer experienced a loss. For rural farmers who are generally less financially literate, this increases the threat of misunderstandings, and the ability for abuse, therefore increasing the need for patron safety. To support development of index insurance, Insurance Regulatory Authority included in its regulations law, definitions for index-based insurance in 2019.

Agricultural Insurance is an important change-management device for farmers and might contribute to the food security of the populace in Kenya. While traditional insurance is simply too high-priced for most smallholder farmers, index-based total agricultural coverage could provide a promising answer with decreased charges and quicker pay-outs. However, key obstacles to getting wider entry to and availability nonetheless need to be addressed.

The writer is the Global Head of Agriculture Insurance, W-Safe Reinsurance Limited

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Data Protection safeguards to enhance compliance

By Lynn Obwanda

African countries are in the development stage of enacting their data protection laws and there are few countries that have begun implementing the laws. The use of data analytics is equally not as robust in the continent as it is in the western world and one of the main reasons is the high cost of acquiring the technology for data analysis, lack of skilled staff and inadequate data policies in most companies.

In Kenya, the Data Protection Act, 2019 and its attendant regulations provide the legislative framework for collecting, processing, and storing of personal data. This law is wide reaching as it regulates individuals who control or process Kenyans personal data within and outside the country.

Data has become lucrative business in the world and insurance companies have not been left behind in this wave. Companies have hired skilled data analysts to obtain and analyse customers data to better understand them with the aim of providing relevant products and grow their business. The companies use Artificial Intelligence to process data in a complex way: An individual's data can be collected from several sources including from social media and analysed through algorithms to determine the individual preference of products and other factors related to the customer that would influence them to purchase products.

There are several safeguards insurance companies can put in place to protect their customers from data loss and themselves from liabilities that would arise from the breach. One of the safeguards in the Data Protection Act (DPA) is the Data Protection Impact Assessment (DPIA). This is important especially where the processing of personal data is likely to result in a high risk to the rights and freedoms of the customers. The DPIA process is designed to identify and evaluate minimise risks during processing of personal data. It also helps data controllers and processors to identify the least privacy intrusive way of achieving the legitimate aim of the processing activity. This is important especially where the company is using automated decision making, using personal data on a large scale for a purpose other than that which the data was initially collected, processing biometric or genetic data, processing sensitive data or data relating to children or vulnerable groups, using innovative technology, combining, linking, or cross-referencing separate datasets from different sources and where the processing prevents a customer from exercising a right. According to DPA, the DPIA should be submitted to the Commissioner before the processing. This will ensure that companies are compliant with the Act before embarking on high-risk processing.

The other way of safeguarding is through encryption or anonymisation of the consumers data. This is important where personal data is processed in large scale and there is cross-referencing of different data sets from various sources. The processing of sensitive data such as health data would also require anonymisation. This ensures that the companies are protected from liabilities that would arise from data breaches. Encryption and anonymisation also secure the data in the event of transferring the data to third parties for processing or where data is stored in the cloud using third parties' servers.

In instances where companies want to use direct marketing to reach their customers, the DPA prohibits data controllers and processors to use personal data for commercial purposes unless they have sought and obtained express consent from the customer or are authorised to do so under any written law. Where they use the personal data, they should anonymise it not to expose the customers' data. They should also put in place an opt-in and an opt-out of the marketing messages.

Insurance companies also need to put in place robust internal data protection policies to address data collection, processing, and retention. This may include agreements with service providers like health care providers, brokers, agents, loss adjusters, assessors. The agreements should clearly indicate how the personal data is processed and the security measures the processors have in place to protect the data from breaches. In processing data, companies must ensure that they also comply with the principles of data processing among them, fairness, and transparency. Companies that process sensitive personal data should be processed by a health care service provider or by a person who is subject to the obligation of professional secrecy under the law.

An illustration of the value of putting in place internal data policies can be seen where recently the Office of the Data Protection Commissioner (ODPC) fined OPPO Kenya Ksh5 million for privacy infringement. OPPO Kenya used an image of an individual for commercial purposes on their Instagram account without their consent. According to the ODPC, OPPO Kenya did not have in place a data protection policy when asked to produce it, this would have been a mitigating factor in this case.

Data transfers are high-risk yet necessary because of the trade factors in the global economy. The DPA act provides for different safeguards to be in place where it is necessary for a company to transfer data to another country; for example, if it should be a necessity for the data to transferred, the company should document the transfer and submit it to the commissioner. The country of transfer should have appropriate legislations on data protection: The company in the country should also have binding corporate rules on data protection.

Since data has become a key enabler in the world, companies have no choice but to obtain data and analyse them, but the challenge is to ensure that customers feel safe and confident that their data is protected especially with the cybercrimes. The companies must show that they have put in place adequate safeguards to protect the consumers from loss.

The writer is the Legal and Statutory Manager at the Association of Kenya Insurers

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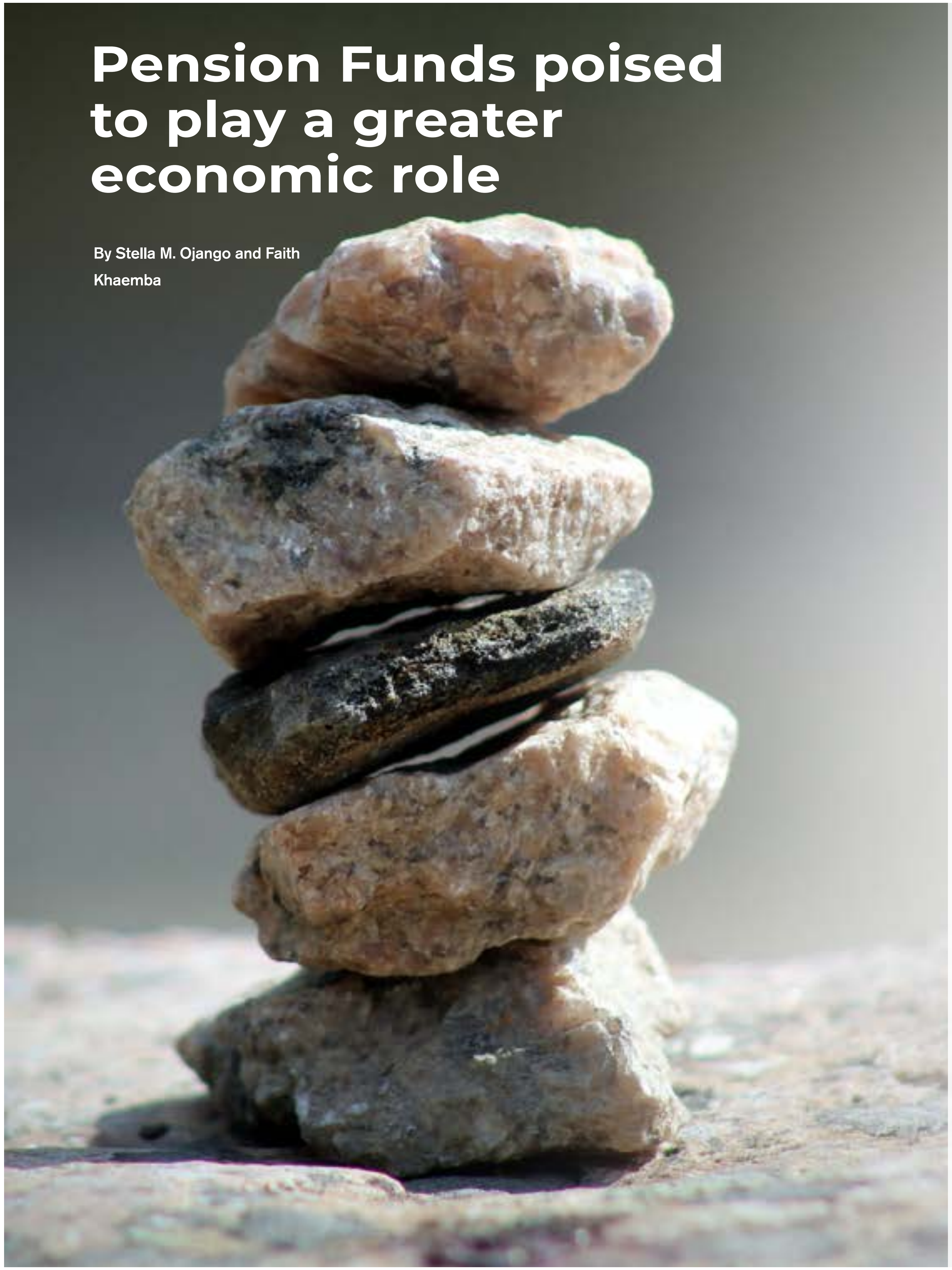
Pension Funds poised to play a greater economic role



By Stella M. Ojango and Faith Khaemba

A key challenge to economic growth and infrastructure development in Kenya has been inadequate funding. The country's annual infrastructure funding deficit is currently estimated to be more than Ksh. 200 billion.

Over the years, the Pensions industry has grown into a multi-billion venture, with assets under management valued at over Ksh.1.47 trillion by June 2021—according to the Actuarial Services EA Limited Investment in infrastructure for Pension Schemes Report (2021).

The infrastructure funding deficit offers the pensions sector investment prospects and an opportunity to diversify their investment portfolios, get better returns for their members while spurring local economic growth in line with the government development agenda. The RBA Investment Regulations allows Pension Schemes to invest their assets in debt instruments for the financing of infrastructure or affordable housing projects under the Public Private Partnerships Act.

Public Private Partnerships (PPP) is a panacea for pension schemes considering diversifying their investment portfolio and building the economy. Conventional PPP projects include roads, schools, hospitals and affordable housing. The Public Private Partnerships Act, 2021 comprises various PPP arrangements that pension schemes can consider such as the Annuity-Based Design, Build, Finance and Operate which is a debt financing for a project to be serviced over an agreed period and the Build-Own-Operate-Transfer where pension schemes can finance, own and operate a project over a period, recoup their investments then transfer it to the government. Pension Schemes can participate in PPP projects individually or as a consortium. However, since infrastructure projects are capital and resource-intensive, a consortium is more appropriate for pooling resources jointly. An example is the Kenya Pension Fund Investment Consortium which seeks to partly finance the construction of a road in Northern Kenya. This will be the first major PPP project to be financed through pension funds.

The new Government has made deliberate efforts in engaging the pensions sector in growing the economy. On November 11, 2022, President William Ruto—while addressing a stakeholder engagement for pension trustees—urged Pension Schemes to loan the government money for its affordable housing projects. During the Affordable Housing Conference (2022) organised by the Kenya Mortgage Refinance Company, the Association of Pension Trustees and Administrators of Kenya lobbied for the establishment of a National REIT to be known as the Kenya National Real Estate Investment Trust to mobilise funds for investment in affordable housing which shall provide a legal basis for engaging with the government in the affordable housing initiative. A legal framework is required for this to work in the long term, we recommend the formulation of policy directions and guidelines to leverage on pension funds in the financing construction, development, operation, or maintenance of infrastructure projects.

Another player in the securing retirement is the National Social Security Fund (NSSF). The NSSF Act No. 45 of 2013 was placed on the guillotine following its enactment as several trade unions in 2014 filed a case challenging the constitutionality of the Act citing that the requirement for mandatory registration and contribution to the Fund by employers and employees is unconstitutional, that the proposed increase in NSSF contribution to six per cent of an employee's earnings is unconstitutional and that the Act gives the NSSF monopoly in the Pensions and Social Security industry. The Court delivered its judgment declaring the NSSF Act 2013 unconstitutional.

The President had earlier on proposed a review of the current NSSF contribution rate to increase the contributions. The proposal for increasing NSSF contributions was endorsed by COTU and recently by the World Bank in its Advisory Notice. Following the judgment, the President of Kenya stated that the proposed increment of the NSSF contributions shall be enacted in accordance with the rule of law as envisaged in the Constitution.

The plan to increase NSSF contributions has been met with different reactions from different quarters especially from low-income earners amidst high costs of living. There is need to rethink the law on social security for all including people in the informal sector and the unemployed as envisaged under the Constitution.

The writers: Stella is a Partner while Faith is an Associate at Employment and Pensions Department at Gikera and Vadgama Advocates.

Time to look beyond Nairobi for Insurance Penetration

By Patrick Alushula

Underwriters may be experts in insuring people and businesses against risks. But for many Kenyan insurers, spreading this risk service beyond Nairobi has been a challenge they're yet to crack.

The Kenyan industry represents one of Africa's most well-developed and best-regulated insurance markets but underwriters are mostly preoccupied with Nairobi city, pointing to the growing unexploited opportunities outside the Capital.

The Insurance Regulatory Authority (IRA) data shows Nairobi County accounted for 82.9 per cent or Ksh. 190 billion of the Ksh.225 billion total gross direct premiums in the year 2020. Mombasa—which was the second best—took up Ksh.9.2 billion or 4.8 per cent of premiums. Nairobi County has consistently made up the lion's share of the industry premiums. In fact, Nairobi, Mombasa and four other counties made up 93.5 per cent of the industry premiums in 2020, leaving 41 counties with a share of just 6.5 per cent or Ksh. 5.8 billion. This means the 56 insurance firms are mainly 'chasing' for the same clients in Nairobi with a population of 4.4 million people. Why not? After all, Nairobi is the Country's capital city and the hub of activities for the region. Many underwriters may argue.

The Kenya National Bureau of Statistics (KNBS) data on gross county product— a measure of how much each county contributes to Kenya's GDP—shows Nairobi's share in national wealth is just about 27.5 per cent. Yet, the rapid urbanisation and giant infrastructure projects—as seen in the devolution era—is not just a preserve of Nairobi city. Insurable risks are on a rise everywhere as evidenced by the rising value of the economy.

Most Kenyans work in the agricultural sector, which leaves a lot of potential for climate risk and agricultural coverage in the wake of rising frequency and severity of floods and droughts.

Nairobi city is not known for farming. And this means underwriters are likely to miss out on dividends of the rising demand for crop and livestock insurance that presents an opportunity for them to introduce themselves to customers.

Devolution is now over a decade old and already spurring a burst of activities in areas previously seen as backward. Underwriters and brokers will need to move away from Nairobi and seize the opportunities. Looking beyond Nairobi presents an opportunity for insurers to grow their customer base instead of targeting the same customers for car, house, education and other forms of covers. However, underwriters will have to put the right product in front of the right customer and package it in an appealing way if they are to reap from the dividends of these transformations happening in the counties.

Insurers will need to rethink their operating models, re-imagine their workforce and bring innovative products to the market by injecting the flavour

Underwriters should consider partnerships with InsurTech firms to accelerate the pace at which digital innovation is adopted, without requiring huge budget outlays.

Rejigging products to fit low-cost models that can resonate with the low-income segment and largely rural population that is battling many risks will be timely. This means technology will have to be at the heart of their journey beyond the Capital if they are to keep distribution costs in check as they try out hyper-personalised policies. Insurance penetration in Kenya remains below three per cent made, worse by challenges such as poor marketing, price undercutting and fraud. But targeting other Counties presents a clear path to deepening insurance penetration in the country.

The writer is an award-winning business journalist. He is currently the Checkpoint Editor at Standard Media Group.

Mr. Justus Mutiga

A Remarkable Captain of Industry;

When the history of Kenya's Insurance industry is written, Mr. Justus Mutiga's name will appear among the captains of the industry. Having served the industry for 35 years, Justus retired in December 2020 as the CEO of ICEA Lion Life Assurance Company—where he had served in various capacities for 27 years.

As an innovator of various pension and life products, Justus was celebrated as the Life Assurer of the Year for six consecutive years—from 2013 to 2018—and was awarded the Lifetime Achievement Award by Think Business in 2016 in recognition of his contribution to the industry in East Africa.

AKI Journal recently sat with the seasoned insurer and sought insights into his career journey. Here is his story.

Let us start from the beginning, how did you find yourself in the insurance field?

Initially, I wanted to be a secondary school teacher. So, I joined the Kenya Science Teachers College (KSTC) after completing my Ordinary Level education and studied Physics, Chemistry and Mathematics. I was awarded a diploma in teaching and posted to a school in Embu. Since I had done quite well in college, the KSTC decided to take me to the University of Nairobi for further education. I studied mathematics at the University and before I could resume teaching, I saw an advertisement from Kenya National Assurance Company—the biggest insurance firm then and owned by the government—seeking for actuarial trainees. I applied for the job, and I was hired.

I worked with the company in 1985, then in 1986 they sponsored me for post-graduate studies in Actuarial Science at the University of London. I came back to work with the company, and I realised that I had an interest in insurance. I consequently undertook a course at the Chartered Institute of Insurance (CII), London and became a Fellow. I was bonded at the company for three years. Thereafter, I got a job as a Fund Investment Manager with Standard Investment Services, a subsidiary of Standard Bank. I wasn't quite qualified for this role as I hadn't sat for Banking examinations, so I soon left and moved to Kenyan Alliance Insurance Company as the Technical Manager where I worked for one and a half years. I was then hired as the Assistant General Manager at ICEA LION. I grew through the ranks in the company to the level of becoming the CEO of the Life Assurance Company and worked there until 2020 when I retired.

They say insurers are rigid, resistant to change and not responsive to customers– why do you think the industry got this reputation?

When I joined the insurance industry, first there were few university graduates, and those that worked in the industry had been trained with a rule book that had no room for flexibility. That is where the rigidity came from as one had to operate within the confines of the laid down rules.

How can this reputation be changed to a more positive narrative?

Insurance is a business, and businesses exist to make money, therefore insurers must respond to their customers' wants. Insurance companies have been selling what they want to sell, not necessarily what their customers want.

To get out of this, Insurance companies must innovate—not only with their products but also with their services and processes while keeping the customer at the centre of it.

Here is how they can be innovative- collect information about the customer so that you can understand what they want. Today's customer is different, they want to be served immediately. So, develop relevant products and use modern distribution channels largely using digital technology to serve them. Then monitor the results and keep tweaking to improve. You must be close to the customer.

ICEA LION is a solid company that has grown over the years. You were there for 27 years and have led the company in achieving that growth. How did you do it?

I believe in the five Ps of business success, not to be confused with the Ps of marketing.

1. People: You should have well-trained and motivated employees. They are the same ones who serve customers.

2. Processes: These should be seamless so that a customer is delighted by the experience she/he gets from the organisation.

3. Plans: Focus your plans on the customer and the employees.

4. Performance: The business must perform as per the organisation's strategy.

5. Profit: This is what drives a business.

These Ps were things I practiced, and they positively impacted growth the business both top line and bottom line. We were the first local company to develop an internal enterprise system, which was patented in my name, and it still runs the business to date. This system was further strengthened through an Electronic Document Management system, Business Intelligence, and lead management and that gave us an edge over our competitors.

A lot of women are asked how they balance their work and life, men too have the same challenge, so how did you manage this?

At the workplace I believed in one thing; if something can be done by someone else, delegate. That way you remain with the issues that can only be dealt with by yourself.

What I realised is that for you to perform well, you must keep both your body and mind fit. So, I joined sports clubs to keep-fit.

With my family, I dropped the children in school every morning did homework with them in the evening. On weekends, we spent time together at the Club and had many discussions as they grew up. Now they are adults pursuing their own professions.

What is your biggest regret in life and how do you handle failure?

First, I'd say I have been lucky through my career. I have had many great opportunities and always did my best. When I look back and given what I know now, I wish I would have made more financial investments.

On failure, it happens sometimes and at that point you must make decisions to correct the issues irrespective of the cost. This will make you lose friends, but it must be done.

What is that one thing that makes you smile when you reflect on your career?

I am very happy about the achievements I made; having risen from a management trainee to become a CEO. I am proud of the contribution I have made to the industry through the various industry bodies. I have served the College of Insurance to develop the Curriculum, worked as part time lecturer and sat in the Insurance Examinations Board. I served as a Director of the Insurance Institute of Kenya and led the Association of Kenya Insurers (AKI) in various capacities including being Chairman.

If you had deep pockets like Warren Buffet, what kind of insurance company would you set up?

I would set up a digital insurance company that serves customers from end-to-end digitally. I would also want to change the existing practices in the industry and innovate through the use of data.

You were a CEO for many years, what qualities and skills do you consider the most important for one to succeed?

You must keep on updating your knowledge and keep a tab on what is happening in other markets. You need to be a good time manager and value the people you work with. Make sure to develop a team with technical, people and strategic skills.

Which book/experience has had the greatest impact on you?

The two books that have greatly impacted me are How the Best Leaders Lead by Brian Tracy and The Personal Business Plan by Stephen Bruyant-Langer.

Now that you have exited your executive role, what can we expect to hear from Justus?

As I run my personal business, I also want to contribute some more to the insurance industry. I already have a manuscript for a book on Group Life Insurance and investments. This is an area I found plenty of challenges especially on profitability.

Words of Wisdom to young professionals.

Do not be in a hurry. Develop technical, people and strategic knowledge before you move form one company to another. You lose out on knowledge accumulation with constant movement. Engage with your peers and learn from each other.

Web 3.0: Making your corporate website a distribution channel

By Moses Kemibaro

The advent of the COVID-19 pandemic almost three years ago changed everything and everyone in a myriad of ways in Kenya and beyond. One of the key developments caused by the pandemic was the acceleration of digital transformation—across the board for businesses of all sizes—globally. Digital transformation has become a buzzword of sorts but at the core it simply means not changing what you do but how you do it—through digital channels and innovations.

One of the key things that has changed immensely post-pandemic is how consumers and businesses engage with their insurers of choice. Due to social distancing, many insurers had to accelerate their digital transformation road maps from years to just a few months to stay relevant with their existing and prospective customers and partners. Many digital touch points such as social media, digital advertising, chatbots and mobile apps become 'de facto' for progressive insurers but one of the key areas of digital transformation has increasingly become the corporate website.

In a social media obsessed world, it is easy to overlook the value of a well-designed, built and managed corporate website as a key customer and partner channel that can generate sales, build brand, enhance customer service and streamline operational efficiency and effectiveness. Indeed, the corporate website is a key 'owned' digital channel for insurers that enables enhanced business performance if done according to best and next practices.

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The following are eight key considerations for any insurer to achieve a world-class corporate website from a digital transformation perspective:

1. **User Experience (UX) and responsive website Design** – User experience (UX) has become a major buzz word for all things digital. The practice of UX design has become essential to achieving a world-class corporate website. A great website is not only visually appealing but also intuitive and easy to use once you get in. A great website should also be responsive to a myriad of screen sizes from feature phones, smart phones all the way to larger screens while still ensuing a great UX. Improvements in UX and responsiveness to various screen sizes can yield massive increases in conversions and/or sales from a corporate website.

2. **E-Commerce Enablement:** The digitally transformed consumer in Kenya and globally expects to be able to purchase products and services from a website. E-commerce has significantly grown in Kenya and the trend of direct-to-consumer (DTC) sales has become a key distribution channel. The good news is that this has become easier to do in recent years where you can use proprietary, open source and cloud-based e-commerce systems to make this possible. We also have a broad range of licensed digital payment service providers (PSPs) in Kenya who can make the process of e-commerce enablement stress-free.

3. **Search Engine Optimization (SEO):** This is one of the most valued methods that insurers can use to generate high conversion and low cost traffic to their websites. SEO simply means making sure that your website can be found by anyone using the relevant keywords and phrases that represent your products and services in the marketplace. SEO can be a time consuming and continuous process but done well, it is the gift that keeps on giving. To put this into context, if you underwrite motor insurance, when one types the word motor insurance into Google for example, does your website appear on the first page of search results? Being found on the internet can mean staying in business.

4. **A Corporate Blog:** Having a blog on a corporate website is one of the ways to enhance brand positioning and business performance through thought leadership. Consumers gravitate to brands on digital channels that not only attempt to sell them a product or service, but also provide educational and informative content that can assist them in achieving their objectives. Another benefit of a blog is it improves the websites SEO performance.

5. **Digital Privacy and Security:** The modern corporate website needs to be compliant with digital privacy laws which have become 'de rigueur' for all digital channels globally. Kenya has had digital privacy laws in place since 2019 and this means that corporate websites need to have well defined cookie and privacy policies as well as legal disclaimers. In tandem with digital privacy, is the consideration of cybersecurity to ensure that a corporate website is not at risk of 'leaking' sensitive customer and partner information due to hacking or other risks. The reality is that any brand operating digitally must ensure it respects digital privacy laws as the consequences of not doing so can be truly dire in the context of a digital-first global market.

6. **Content is king, context is queen-** these are digital marketing terms that indicate the importance of contextual content. Contextual content has become a game changer for the insurer that wants to make their corporate website outperform those of their competitors by resonating with the intended target audiences for the same. Content includes everything from copy/text, images, videos, and graphics. Good content generally creates a great first impression and retains user traffic if its regularly updated. As much as possible, website content needs to be localized and personalized so that it resonates with users.

7. **Self-service features and functionalities-** A website today is more than an organisations information reservoir. As a customer service channel, it can have the ability to offer self-service feature and functionalities. In the current digital context, a corporate website can be augmented to have live chat, chatbots, customer and partner extranets or portals, etc. In doing so, tasks that used to be handled in person, on phone or via email can be migrated to these self-service features which ensures greater user satisfaction.

8. **Website Hosting Infrastructure and security** – One of the biggest caveats to achieving a world-class corporate website user experience (UX) can be the quality of website hosting infrastructure. Research shows that if a website takes more than 10 seconds to load, users generally don't wait around to view it. In addition, if a website is not secure due to compromised website hosting that could have been infected by malware for instance, users will get a warning in their browser when trying to access it. It is therefore important for websites to have Secure Sockets Layer (SSL) Certificates to ensure that a website is secure when users access the same via encryption. In 2018, Google's Chrome browser added a feature that shows if a website has an SSL certificate or not by displaying a 'not secure' message when a website lacks one. Given that the Google Chrome browser has the largest global market share, SSL certificates are not just a best practice for enhanced website security but also a reputational necessity in an increasingly digital consumer market like Kenya and East Africa

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Pension-backed Mortgages;

Why they're yet to take off

By George Oyuga

Home ownership is the ultimate dream for many. It resonates with the principal life-goal of humanity in general.

Trends in the retirement benefits industry for the last 16 years resonate with the research findings that place access to housing and medical needs as the two most significant pain-points for a retiree. Retirement benefits are so secure in that they are non-assignable by law. Hence, the embedded exemption under part (1A) of Section 38 of the Retirement Benefits Act was expected to accord a great relief to retirement scheme members in their pre-retirement phase as it promised the high possibility of owning a home.

The Retirement Benefits (Mortgage Loans) Regulations, 2009 vide Legal Notice number 85 of 2009 expounded on the above exemption by allowing a member to assign up to 60 per cent of their accrued benefits to secure a residential mortgage loan from a prescribed institution. The scope of the provision was wider. The facility could be utilised to erect a house, carry out repairs or secure financing or waiver of prescribed home-purchase related costs. This was an exciting provision for scheme members who dreamt of getting loans on the strength of their retirement savings statements while their savings remained secure in the scheme. The excitement however faded as 10 years down the line there are no tangible success stories as financial institutions could not honour the expectations of the aspiring members. Could this have failed because the financial institutions who were expected to give the loans on the strengths of the members' statements were not adequately engaged? This failure to take off must have led to the amendments that followed ten years later in 2020.

When the Retirement Benefits (Mortgage Loans) (Amendment) Regulations, 2020 were released in September 2020, the industry went ablaze again. The renewed excitement became the subject of every member education session and the strategic conversation of many a lender. The new provision stated that 40 per cent of the members' accrued benefits (though capped at Kenya shillings seven million), could now be paid out of the retirement savings scheme towards the purchase of a residential house that has been certified as ready for occupation prior to the purchase transaction. These latter amendments to the principal regulations came with many provisions and equal restrictions and soon, members realised that it was not exactly what it appeared to be.

The excitement cooled off when members realised that the quantum of their savings failed the adequacy test when the 40 per cent was determined. They realised that this dream was only possible if one had saved enough such that 40 per cent of one's accrued savings could actually buy a house. There was some hope of augmenting this with a parallel borrowing but still, the 40 per cent should be worth the lending conversation. The awakening call in this case is that all members must step up their savings rates and amounts. Every scheme is expected to give their members the opportunity to save Additional Voluntary Contributions (AVC) over and above the amounts prescribed as the normal employee contribution rates.

A visionary member can therefore set a target today and start boosting their savings in the scheme with a certain 40 per cent target in mind. Such goal savings can guarantee someone an opportunity to realise the housing dream in a couple of years. The advantage that the retirement scheme gives is that you will be accumulating your savings in a tax friendly environment where there is also legal protection via the non-assignability clause. It is however important to note that any AVC contributions targeted towards one's Post-Retirement Medical Savings will be excluded in the determination of the 40 per cent for residential house purchase. In the ideal sense of things, a financially prudent member is expected to tick the box on housing without touching on their pension savings. Accessing your 40 per cent retirement savings to buy a residential house is an indication of a relatively poorly managed financial journey during one's work life.

A High Court judgement issued on 23 November 2022 has quashed the provisions of Retirement Benefits (Mortgage Loans) (Amendment) Regulations, 2020 prohibiting their implementation because public participation was not undertaken.

Members should not be discouraged. They should take the time during this stay to assess the status of their financial pulse. One way of doing so is to do the one per cent financial pulse check: If that percentage of your current accumulated scheme credit is sufficient to sustain you financially for a month. If the result of this test does not make you happy, then it may be time to consider setting up an AVC remittance order with your employer or take some time to learn more about money management skills.

The writer is the General Manager in charge of Umbrella and Retail Retirement solutions at Zamara Actuaries Administrators and Consultants Ltd.

Work-life productivity hacks; *leading from the front*

The world today is fast-paced. When building a career, nurturing a family, maintaining a social life, all while being an active member of the community, it calls for intentional balancing skills.

The very idea of balance implies that a well-lived life must allocate equal time and energy between work and home. Yet, in reality, this is an impossible ideal to aspire to.

At the height of the COVID Pandemic, when we were fully working from home, the calls for work/life balance were even louder. Given that there was no physical space separating work from life, it became important to instead look at how to remain productive in all realms.

The AKI Journal spoke to leaders, specifically women, to gain insights into how they manage their productivity. Why women you ask? Well women—career women especially—have more hats they wear and need to balance; so we can all (men and women) learn from them.

The women we spoke with are successful on all fronts and they unanimously agree on some areas while in others, each has their own unique way of getting the job done.
We asked them the same three questions and here is what they have to say.

HOPE MURERA

Managing Director- Zep RE

• How do you ensure that all your responsibilities at home and at work are met?

One of the things that has been important is having and building teams. I spend significant time trying to find the right people, then I challenge them to be CEOs of their respective dockets.

Great teams provide a great support system both at work and at home.

I don't believe that at Executive level work and home are separate. Each interacts with the other throughout the day. It is important to recognise this fact and handle respective matters as they arise rather than waiting for "work hours".

• What productivity techniques/ tricks have you employed along the way as you grew your career?

I am very serious about guarding my morning exercise routine. I consider it a form of self-care. Because I cannot pour from an empty cup, I ensure that I take care of myself first thing in the morning so that I can take care of others the rest of the day. It is also a good time to reflect, and plan for the day ahead.

At Zep Re, I have fostered an open-door work environment. As a leader, it is important for to spend time with my team, get their buy-in, ask questions and understand how best I can support them to deliver for the company. This also encourages them to do the same in their roles and we have seen great synergy across board.

Coaching and mentorship for myself and others is important. We have an inhouse coaching and mentorship program to ensure we learn and grow ourselves and our teams at every level. People are critical, we must remember that.

We have periodic performance dialogues for all teams that keep us accountable to one another as a diverse team.

We have what has now come to be known as Catch Ups within Zep-Re. These are weekly and bimonthly, check-ins with specific project and business teams which allow the management and respective teams to align on specific projects, address any arising issues and find solutions together without waiting for quarterly or annual reviews.

• What advice would you give women to balance their responsibilities as they climb up the career ladder?

I believe this is for both men and women because we all have varying responsibilities both at home and at work and are all working towards the best versions of ourselves in each of these spaces. Keep sharpening/growing yourself so that you are always at your best. Learn from everyone and teach others so you can replace yourself when you need to move forward.

For women specifically, the most important thing is how to break through that ceiling. And my advice would be: Seek help: One of the things women are not good at is asking for help. We tend to want to do everything ourselves. Learn to say No both at home and at work when you need to. Negotiate better.You can grow into a role, don't be afraid to take on new opportunities

PHYLLIS WAKIAGA

Senior development Advisor- Industrialisation Practice, Tony Blair Institute for Global Change

• How do you ensure that all your responsibilities at home and at work are met?

Family support is crucial. When starting my career, my major challenge was balancing my young family, my job and my studies. This could get difficult. But I had great support from my family.

I delegate responsibilities that can be handled by others in my social circle including my spouse, children, and house help. I also train and build the capacity of those around me to be able to take up these responsibilities.

• What productivity techniques/ tricks have you employed along the way as you grew your career?

Plan and use your time wisely. Create a structured but flexible schedule. Have activities included in an online calendar if possible and plan your month and week focusing on career, personal development, family and societal roles. I specify each task and put deadlines to them so that I avoid procrastinating.

• What advice would you give women to balance their responsibilities as they climb up the career ladder?

Have clarity on your purpose, goals, and values to help prioritise where to focus your energy. This will act as a personal compass and help direct your energy to what matters.

Set boundaries as much as possible between work and home, which is more difficult to do today when a lot of us work from home. Try to be mentally and emotionally present with your loved ones outside working hours. This helps you to take a mental break from the demands of the workload.

Physical health and well-being play a major role in work-life balance. As the adage says: Healthy body, healthy mind. Find time to exercise, keep fit and meditate. Your Health is invaluable and neglecting it in favour of work can increase the risk of developing lifestyle diseases.

My experience has taught me to be conscious about work-life balance and integration. If my life is out of balance, it becomes very difficult to excel at work and at home. It therefore a personal responsibility to define what balance is like and have the personal discipline to oversee it. The things that are meaningful to you will not necessarily be meaningful to others. oversee this balance in life. It is important that we live life to the fullest. To this I say, whatever happiness means to you just chase it.

MRS. MERCY WANJAU, MBS

Secretary to the Cabinet, Republic of Kenya

• How do you ensure that all your responsibilities at home and at work are met?

The home is very central to the success of any working woman. A home that is running well allows you to focus on the bigger picture.

At the home front, I have on board well-trained home assistants to support me in the day-to-day running of my homestead. Each home has its own ethos, and because of this I pay a lot of attention to continuous on-the-job training. This ensures that my 'home team' is up to the task and meets the standards I have set. Creating the right home environment is very important to me, as I recognise that it provides the right platform to train my children to be responsible adults.

I have a personal calendar which captures everything (well, almost everything) that happens in my personal space and involves my family. This personal calendar has been very helpful because it provides visibility across the board on what should be done by who and when.

At the workplace, I continue to use a calendar maintained on my behalf. This way, everyone in my team knows the schedule and can plan adequately to ensure success

• What productivity techniques/ tricks have you employed along the way as you grew your career?

Planning
At the beginning of each year, I set out my larger goals, then break them down into monthly tasks and eventually into weekly and daily tasks. This ensures that I am living intentionally rather than being led by what's hot at the moment.

Planning takes time: Evaluating my progress takes even more time. But it is the only way to ensure that I am heading in the intended direction, both at the home and work front. On the other hand, while planning is important, I have learnt overtime that it is important to make room for the unexpected. Embracing agility is key to remaining productive. It is about best effort.

Enlist Support
I accepted a long time ago that I cannot do everything and be everywhere. Appreciating my limitations, then avails the opportunity for me to onboard the support I need at work and at home. When my children were younger, I tended to do a lot more on my own and often got very tired. Now I recognise that I did not need to exert myself as much.

To be more productive, I have identified that which only I can do, the non-negotiables. For example, only I (along with my spouse) can attend my children's school meetings, medical appointments. On the other hand, I do not have to go to the market every week to pick groceries. I can arrange for that.

I also appreciate that as I grow older, the nature of my responsibilities has changed. My children are now older and I am intentionally building on the relationship we built when they were younger by spending quality time with them. Additionally, I have ageing parents who now need more care and attention and I recognise that I cannot do this by myself. I am grateful that I have the help that I need for this.

It is important to note that help does not always need to be outsourced. Our friends and family can step in to help when required.

Activity stacking
Time is precious, especially as a working mother. Should you say that you will handle each activity on its own, you will end up frustrated, having done very little. A friend introduced me to the concept of stacking activities together as an aid to achieving plans faster. I have seen its effectiveness over time. What does this mean? Say for example, I have scheduled to exercise, do community work, book review, and pray and encourage a friend on top of my family commitments. I will achieve these six things at a go by inviting my friend (community) to walk with me (exercise) in Karura Forest (nature is big for me). Together we will discuss and review our recent read (learning), spend time to pray and encourage each other (spiritual). After the walk we could do dinner (family). Stacking has really worked for me over the years.

• What advice would you give women to balance their responsibilities as they climb up the career ladder?

Be present
I believe more in work/life integration rather than balance through allocating work and life responsibilities their due. This shifts from time to time and certainly with changes in station of life. In this regard, I have purposed to be fully present and give my best in whatever it is I am doing. If I am at work, I am 100 per cent at work. If I am at home, I am 100 per cent at home.

Fill your cup first
I have learnt that it is important to manage my energy. If I am burnt out, I cannot be at the top of my game. To do this, I make effort to prioritise and delegate, noting to ensure effective execution through coaching and mentoring. The most important thing for me here is that you should make time for rest and reflection on a regular basis. You cannot pour from an empty cup.

Time management
Learn to utilise your time in a way that works best for you. Do you work best in the morning? If so, then set up to do your strategic work at this time and then take your meetings later in the day. The same would apply to those who work best at later hours of the day.

Seek encouragement and guidance
Climbing the corporate ladder and balancing responsibilities at the home front is not easy. Sometimes, things don't work out. Other times you will feel overwhelmed. Other times you will feel like you can barely keep up.

On days like these, seek encouragement from your support system. This could be through prayer and spiritual support, taking some personal time out or talking to a friend or therapist. Please do not drown while you can seek help. A great expedition (life) needs skilled sailors—seek out a coach and mentor to skilfully guide you through the plans you seek to implement.

Insurance Intermediaries;

their function in growth

By Anelick S. Makokha

In the face of ever-evolving consumer expectations, insurers, and intermediaries in the insurance industry value chain—encompassing agents, brokers, bancassurers, and most recently, insuretechs—must reinvent to deliver competitive, affordable, personalised, and consumer-centric products. At the heart of this transformation is the realisation that they must intensify the quality, pace, breadth of innovation and value proposition beyond product offerings to feature mutually beneficial partnerships. There is also an acute need for awareness generation, resource mobilisation, omnichannel optimisation, and digital simplification. These change areas are essential to their realignment with market dynamics. For a start, the insurance market in Kenya remains a marginal product with lower penetration rates and below-world average premiums per capita. However, in the face of a potentially positive economic outlook and rapid expansion of digital and mobile services, the industry is ready for take-off, with insurance intermediaries, particularly insuretechs, at the centre stage.

Insurance intermediaries must actively seek meaningful partnerships among players at the bottom of the pyramid to play their role effectively and concurrently spur growth in the insurance industry. The shift towards a risk-based capital adequacy framework incentivises these parties to consolidate their capital and meet compliance measures. The objective is to rapidly ramp up opportunities through open innovation, strategic mergers and acquisitions, joint ventures, in-licensing and iterative funding through a venture-capital framework. These strategies are essential to enforcing the transition from a market riddled with price wars to a competitive environment based on fair and optimum risk pricing. In the process, they must resist the temptation to form bureaucracies; rather, they should endeavour to employ lean operations that foster competitive pricing, drive investment in strategic areas, extend core capabilities, and create scale by soaring differentiating competencies and experiences.

With the balance of power shifting towards customers, insurance agents, advisers, and carriers must purpose to create an online community encompassing parties that constitute the insurance value chain. This transformation is necessary owing to social networks' rapid adoption and evolution. As customers demand simplicity, transparency, efficiency and swiftness in their transactions and interactions with insurance intermediaries, these parties must position themselves to leverage these changes in customer expectations into business opportunities. They can achieve this goal by spiralling awareness generation, omnichannel optimisation and intensifying investment in mobile and interactive technologies. Awareness generation is intended to bridge the information gap and sensitise the masses about the diversity of insurance offerings, particularly those targeting customers at the middle and bottom of the socioeconomic pyramid. Omnichannel optimisation aims to broaden intermediaries' reach and widen their social network to shift the trust balance to online communities from insurance agents and advisors. Investment in mobile and interactive technologies would upsurge their transactional capabilities and simplify and, at the same time, enhance multimedia content creation across multiple digital platforms.

While the aforementioned growth areas are essential to the regeneration of the insurance industry in Kenya, insurance intermediaries have a better chance to be at the forefront of this transformation if they embrace technology-based innovations. There are limitless opportunities for growth on this front. Insurance intermediaries can embrace mobile technology and applications (apps), big data, artificial intelligence (AI), algorithms, and Robo-advice to drive insurance ecosystem integration and digital simplification to deliver seamless, transparent and customer-centric digital experience right to consumer engagement to service or offering quotations, policy sales and claims processing.

Digital distribution of insurance products is now necessary, meaning that the Internet is an avenue for market diversification to engulf and make the younger generation part of the core market base and drive insurance penetration in the market. Shedding off manual claims handling and inspection will minimise fraud, reduce income leakages, and accelerate the processing of legitimate claims to the satisfaction of the end consumers. Embracing technology will also enable self-service for retail customers through e-policy rollout and lob consumers into the decision-making table through prompt online customer feedback collection. All these fronts create avenues for insurance intermediaries to reinvent themselves and align with market dynamics to spur and drive growth in the insurance industry.

The writer works in claims management at Kenya Re

Rejigging Insurance;

the essence of revamped research

The dynamics in our day-to-day endeavours demand that we be ever on our toes than never before to fit in a world resplendent with constant disruptions. Businesses have to rise to the occasion as they are key in our livelihoods. Since each individual has their own unique perception of their needs, insurers' analysis of trends, biases and patterns of behaviour permits both the extension and individualisation of product range in a way that is far more efficient for the consumer and the insurer alike.

Key among the pillars that can sustain insurance growth is research. The function is fundamentally the generation of new knowledge and in a business context, it is an activity that companies undertake in order to develop new products, processes or services or improve those that already exist. In order to do this, businesses often take on risk: This should make the insurance industry 'run with' the research concept comfortably.

Insurance survives on innovation and development of products in vogue with emerging trends. When developing a new product, process or service or fine tuning an existing one, research is one of the earliest phases. Experimentation and innovation is often rife at this stage, along with risk. The research cycle often begins with ideation and theorising, followed by research and exploration and then into design and development. The interpretation and handling of large databases means that it is now possible to achieve a more detailed and accurate consumer analysis in terms of trends. This is very useful information for the management of insurance companies and the effective distribution of their products. Constant evaluation of existing products, services and processes is also a key part of research. If a product, service or process is no longer profitable or adding value in a market, then it risks stagnation and eventual 'death'.

Kenya's insurance industry faces many research challenges in the current climate, and countless new opportunities are constantly emerging: Big Data analysis presents study possibilities in areas such as integrated risk management or consumer behaviour; areas of great interest for the sector include new risks arising as a result of technological advances, the impact of regulatory change, the digital transformation of the industry and the role of the sector in the country's economic growth.

The new focus based on a risk culture means that companies and financial institutions must change the way they perceive and value their business. The adoption of this focus requires sophisticated control mechanisms which mitigate exposure to risks not assumed by the company: This makes a strong case for revamped research initiatives in the industry.

The disruption in insurance—mainly occasioned by digital technology revolution—demands that we see the world and our daily lives in a new way. The ease, speed and efficiency that this new technology provides, represents a clear advantage to those insurers capable of adapting their processes to the new reality; this makes research reign supreme in the growth of insurance (penetration) especially in emerging economies.

Underlying drivers of change are fundamentally transforming the foundations of the insurance industry. New ways to expand insurability and to measure, control and price risk enable the creation of innovative insurance products and services. Digital platforms disrupt how insurers reach policyholders and potential customers—especially millennials who expect on-demand, high-touch services with delightful user experiences. Technology advances including artificial intelligence and cloud computing improve efficiencies, and with automation, insurers can reduce the cost of a claims journey. Insurers can leverage these breakthroughs to address unmet consumer demand, successfully launch new insurance products and drive down costs.

Constant research initiatives provide valuable insight into consumer needs and can eliminate misperceptions regarding what potential customers will think about your new product, service or process. Research can help you clearly define your target market, avoid costly mistakes and speed product development time. Although market research helps mitigate risk, it does not eliminate it entirely and can be costly. You will need to determine how much time and money you are willing to spend researching the market and if your potential innovation is worth the investment. This calls for prudent management of resources and provision of requisite skills to staff.

The writer is the consulting editor of this journal

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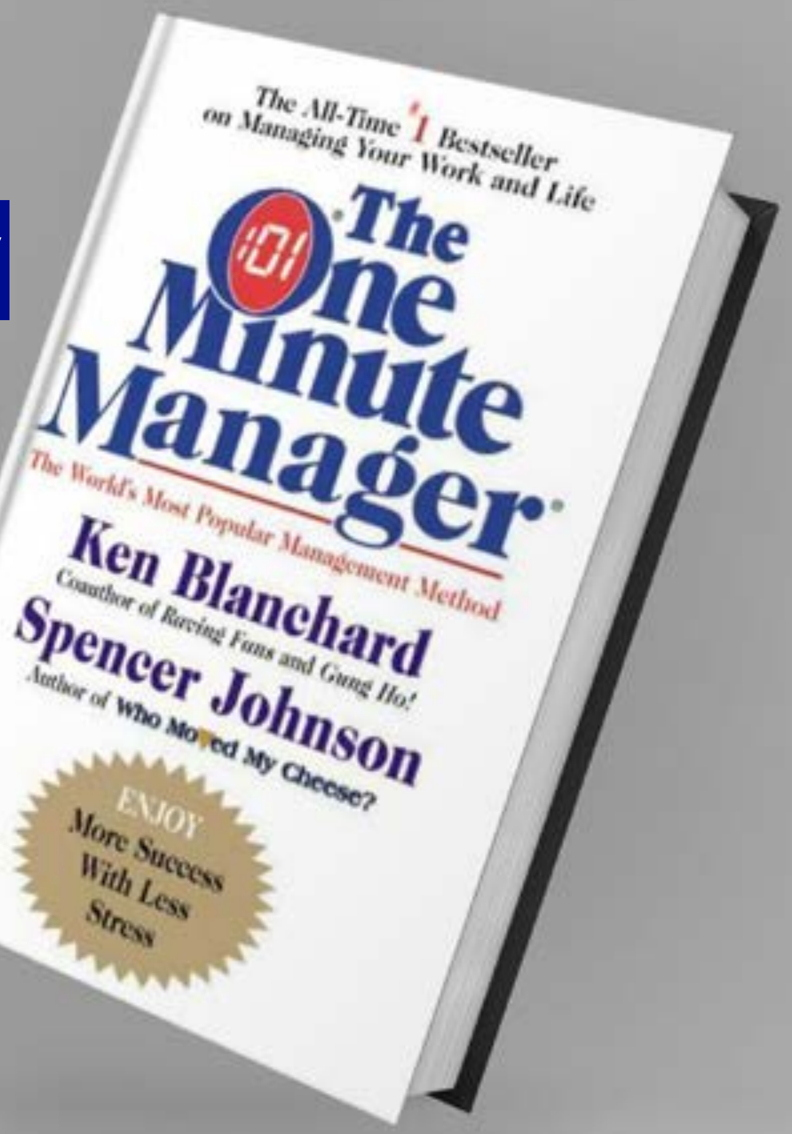
Book Review



Reviewer: Paul Sagati

Is it possible to be a productive manager in a busy enterprise or an individual with a super busy schedule in life, yet still find enough time to spare for self or take up unplanned meetings? If the answer to this question is a NO, then you better pick up this book.

The authors fetch from their experience in medicine and behavioral sciences to deliver vital lessons wrapped in a story, arguably allegorical.

The book is a story of a brilliant young man who sets out to look for an effective manager. Although the definition of an effective manager is not adduced, one can infer the general direction from the emphasis on how people manage people. When the young man encounters the One Minute Manager, every sentence begins to unpack major nuggets such as, "If you can't tell what you'd like to be happening, you don't have a problem yet. You're just complaining"

The One Minute Manager is the person who (helps their team to) set(s) one-minute goals, no longer than 250 words and ensures expectations are clear. The manager also consistently looks to catch their team doing the right thing to offer one-minute praises, most of us look for the mistakes. The third ingredient of the one-minute management recipe is providing genuine, specific, and immediate feedback, on condition that you trained your team. The last one, is the one-minute reprimand and should not wait for performance appraisals.

The One Minute Manager is an easy read largely due to the simple style of writing and the length (slightly over 100 pages). While the book is not the panacea for all management inadequacies. The principles can be applied in management, leading teams and even by parents on their children at home.

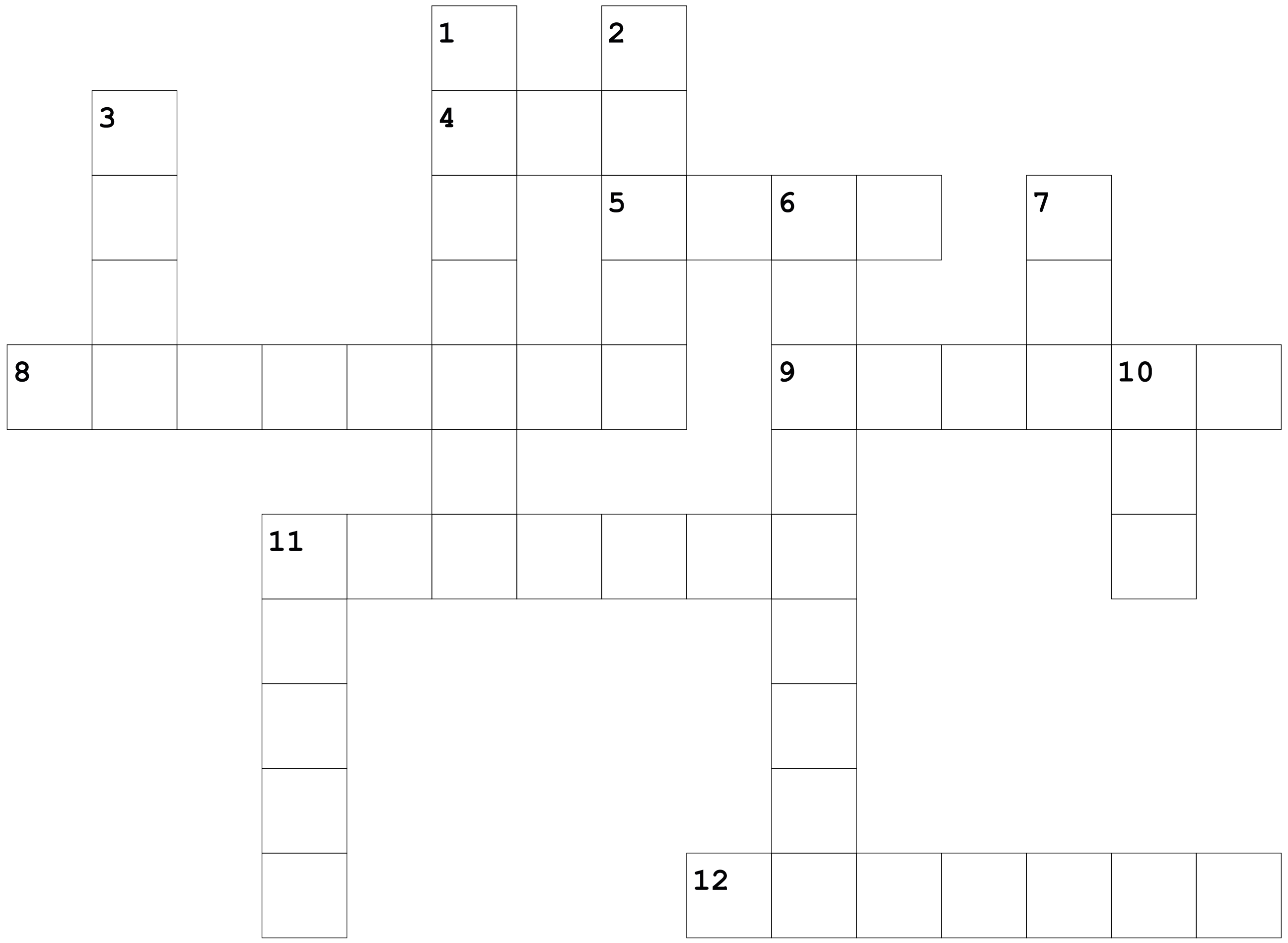
No time to read? You can listen to the book in audio format.

The reviewer is the Marketing & Communication Manager, Geminia Life Insurance and a Member, AKI Journal Editorial Team

AKI
ASSOCIATION OF KENYA INSURERS

JOURNAL quiz

By Mark Kariuki, Business Development Officer, Geminia Life Insurance Co.



Across

4. abbrev. Association of Kenya Insurers
5. work extremely hard or incessantly
8. lack of variety and interest; tedious repetition and routine
9. 5th president of Kenya, William _ Ruto
11. microblogging, social networking service recently acquired by Elon Musk
12. in vino __, Latin, in wine there is truth

Down

1. a capital city of Kenya
2. a fund of money for communal use, made up of contributions from a group of people
3. the highest adult male singing voice
6. a form of risk management, used to hedge against the risk of a contingent or uncertain loss.
7. Ethiopian rive flowing into Lake Turkana
10. a long and distinct period of history
11. improve (a mechanism or system) by making fine adjustments to it

Quiz Answers

SCAN ME

INSURANCE JOKES

Why does a person who lies a lot not get insurance?
Because of too much lie-ability.

Why was the insurance company refusing to pay after lightning struck the church?
Because they said it was an act of God, therefore, deliberate destruction by the owner.

An underwriter was leaving for work one day when his wife asked him, "You always carry my photograph with you when you're going to the office. Why?"

The underwriter replied, ***"Well, whenever I hit a problem, no matter how impossible it might seem, I just take a look at your photo and the problem just goes away."***

The underwriter's wife was very pleased with this reply and said to her husband warmly, ***"Ha! See how wonderful and miraculous I am for you?"***

The underwriter replied "Yes, I just take a look at your picture and then I say to myself, ***"What other problem can there be greater than this one?"***