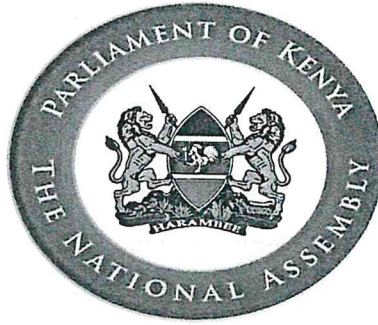


*Pl. Hm Speaker
to a Paper for
Tabung.
19.2.25*



*Approved
SNA
19/2/25*




THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FOURTH SESSION – 2025

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

REPORT ON:
THE CONSIDERATION OF THE INSURANCE PROFESSIONALS BILL, 2024 (NATIONAL
ASSEMBLY BILL NO. 13 OF 2024)

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 FEB 2025	
DAY: WED	
TABLED BY:	Chairperson Dep. Committee on Finance & National Planning Hon. Kuria Kimani, MP
CLERK-AT THE TABLE:	MIRIAM MOBO

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TABLE OF CONTENTS

ANNEXURES	4
CHAIRPERSON'S FOREWORD	5
CHAPTER ONE.....	6
1 PREFACE	6
1.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE	6
1.2 COMMITTEE MEMBERSHIP	8
1.3 COMMITTEE SECRETARIAT	9
CHAPTER TWO	10
2 OVERVIEW OF THE INSURANCE PROFESSIONALS BILL, 2024 (National Assembly Bills No. 13 of 2024)	10
2.1 Background	10
2.2 Summary of Legal Provisions	10
CHAPTER THREE	14
3. PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL	14
3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION	14
3.2 MEMORANDA RECEIVED ON THE BILL	14
CHAPTER FIVE	32
5 COMMITTEE OBSERVATION	32
CHAPTER FIVE	33
5 COMMITTEE RECOMMENDATION	33

LIST OF ABBREVIATIONS AND ACRONYMS

MP	-	Member of Parliament
PFM	-	Public Finance Management
ICPAK	-	Institute of Certified Accountants of Kenya
IHRM	-	Institute of Human Resource Management
SRC	-	Salaries and Remuneration Commission

ANNEXURES

Annexure 1: Adoption Schedule

Annexure 2: Minutes

Annexure 3: Copy of the Insurance Professionals Bill, 2024

Annexure 4: Copy of the advertisement inviting the public to submit memoranda on the Bill

Annexure 5: Copies of letters inviting relevant stakeholders to submit memoranda on the Bill

Annexure 6: copies of memoranda by stakeholders

CHAIRPERSON'S FOREWORD

This report contains the proceedings of the Departmental Committee on Finance and National Planning on the consideration of the Insurance Professionals Bill (National Assembly Bill No. 13 of 2024) sponsored by the Chairperson Departmental Committee on Finance and National Planning, Hon. Kuria Kimani, CBS, MP. The Bill was published on 7th March, 2024. The Bill was read a First Time on Thursday, 21st March, 2024 and was then committed to the Committee for consideration and tabling of report to the House pursuant to Standing Order 127.

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

In compliance with Article 118(b) of the Constitution and Standing Order 127(3), the Clerk of the National Assembly placed an advertisement in the print media on 4th May, 2024 inviting the public to submit memoranda by way of written statements on the Bill.

In addition, the Clerk of the National Assembly vide letter Ref. No.NA/DDC/F&NP/2023/076 dated 5th August 2024 invited key stakeholders to submit views on the Bill and attend a public participation forum on 14th August, 2024. The memoranda were to be received on or before 17th May, 2024 at 5.00 pm (East African Time). By the close of the submission deadline, the Committee had received several memoranda.

The Committee is grateful to the Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its consideration of the Bill. Similarly, I wish to express my appreciation to the Honourable Members of the Committee and the Committee Secretariat who made invaluable contributions towards the preparation and production of this report.

It is my pleasure to report that the Committee has considered the Insurance Professionals Bill, 2024 (National Assembly Bills No. 13 of 2024) and pursuant to the provisions of Standing Order 199(6), I present to this House the Report of the Committee on its consideration of the Insurance Professionals Bill, 2024 (National Assembly Bills No. 13 of 2024) with the recommendation to the House to approve the Bill with amendments.

Hon. CPA. Kuria Kimani, CBS, M.P.

Chairperson, Departmental Committee on Finance and National Planning

CHAPTER ONE

1 PREFACE

1.1 ESTABLISHMENT AND MANDATE OF THE COMMITTEE

1. The Departmental Committee on Finance and National Planning is one of twenty departmental committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to the **Standing Order 216 (5)** is as follows:
 - a) *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;*
 - b) *To study the programme and policy objectives of ministries and departments and the effectiveness of the implementation;*
 - c) *To, on a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
 - d) *To study and review all legislation referred to it;*
 - e) *To study, assess and analyse the relative success of the ministries and departments as measured by the results obtained as compared with their stated objectives;*
 - f) *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;*
 - g) *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments);*
 - h) *To examine treaties, agreements and conventions;*
 - i) *To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;*
 - j) *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
 - k) *To examine any questions raised by Members on a matter within its mandate.*
2. The Second Schedule to the National Assembly Standing Orders assigns the Committee the mandate to consider matters in relation to public finance, public audit policies, monetary policies, financial institutions, economy, investment policies, competition, banking, insurance, national statistics, population, revenue policies including taxation, national planning and development, digital finance, including digital currency.
3. In executing its mandate, the Committee oversees the following Ministries/Departments:

- I. The National Treasury and Planning.
- II. State Department for Economic Planning.
- III. The Commission on Revenue Allocation (CRA)
- IV. Office of the Controller of Budget

1.2 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was constituted by the House on 27th October, 2022 and comprises the following Members:

Chairperson

Hon. CPA Kuria Kimani, CBS, MP
Molo Constituency

UDA Party

Vice-Chairperson

Hon. (Amb.) Langat Benjamin Kipkirui, CBS, MP
Ainamoi Constituency

UDA Party

Members

Hon.(Dr.) Keynan, W. Adan, CBS, MP
Eldas Constituency

Jubilee Party

Hon. CPA Oyula, Joseph H. Maero, MP
Butula Constituency

ODM Party

Hon. Mboni, David Mwalika, MP
Kitui Rural Constituency

WDM Party

Hon. Okuome Adipo Andrew, MP
Karachuonyo Constituency

ODM Party

Hon. Kipkoros, Joseph Makilap, MP
Baringo North Constituency

UDA Party

Hon. CPA Rutto Julius Kipletting, MP
Kesses Constituency

UDA Party

Hon. Biego Paul Kibichiy, MP
Chesumei Constituency

UDA Party

Hon. Sunkuyia, George R, MP
Kajiado West Constituency

UDA Party

Hon. Joseph K. Munyoro, MP
Kigumo Constituency

UDA Party

Hon. Sheikh Umul Kassim, MP
Mandera County

UDM Party

Hon. (Dr.) Shadrack Mwiti, MP
South Imenti Constituency

Jubilee Party

Hon. (Dr.) Ariko J. Namoit, MP
Turkana South Constituency

ODM Party

Hon. Machele M. Soud, MP
Mvita Constituency

ODM Party

1.3 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following staff:

Mr. Benjamin Magut
Principal Clerk Assistant II /Head of Secretariat

Ms. Jennifer Ndeto
Deputy Director Legal Services

Mr. Benson Kamande
Clerk Assistant III

Mr. Salem Lorot
Legal Counsel I

Ms. Winfred Kambua
Clerk Assistant III

Mr. George Ndenjeshe
Fiscal Analyst III

Mr. James Macharia
Media Relations Officer

Mr. Andrew Jumanne Shangarai
Principal Serjeant-At-Arms

Ms. Joyce Wachera
Hansard Reporter III

Mr. Benson Muthuri
Assistant Serjeant-At-Arms

Ms. Nelly W. Ondieki
Research Officer III

Mr. Mwangi Muchiri
Audio Officer

CHAPTER TWO

2 OVERVIEW OF THE INSURANCE PROFESSIONALS BILL, 2024 (National Assembly Bills No. 13 of 2024)

2.1 Background

6. The Insurance Professionals Bill, 2024, National Assembly Bills No. 13 of 2024, is a Bill sponsored by the Chairperson of the Departmental Committee on Finance and National Planning. The Bill was published on 7th March, 2024 and it was first read on 21st March, 2024 and committed to the Committee for its consideration and tabling of report to the House pursuant to Standing Order 127.

2.2 Summary of Legal Provisions

7. The main objective of this Bill is to provide a legislative framework for the regulation of professionals in the insurance sector to enhance the standards of service in the sector, promote professionalism and address concerns regarding professional misconduct in the insurance industry. The Bill seeks to establish the Insurance Institute of Kenya as the overall professional organ for insurance professionals that shall regulate professional conduct and maintain level of standards of services rendered by Insurance Professionals registered under the Bill. The bill will help promote the recognition of insurance professionals in Kenya and the East African region.
8. The salient provisions of the Bill are as follows:
 - I. Part I of the Bill contains preliminary provisions.
 - II. Parts II and III of the Bill provide for establishing the Insurance Institute of Kenya and the management body being the Council. It further provides for membership of Council and the appointment of the Executive Director.
 - III. Clause 5 of the Bill provides for the functions of the Insurance Institute of Kenya as to—
 - (a) establish, monitor and promote standards of professional competence and practice amongst insurance professionals;
 - (b) register persons who meet the required professional and ethical standards;
 - (c) promote research into the areas of insurance practice and related matters;
 - (d) co-ordinate and oversee continuous professional development of insurance professionals;
 - (e) provide a medium for communication and exchange of information, knowledge and ethical standards for those persons engaged in insurance practice;
 - (f) advise the Registration Committee on matters relating to registration of insurance professionals;

- (g) advise the Registration Committee on matters relating to grant of practicing certificates;
 - (h) network with regional and international related bodies to promote and develop progressive insurance practices in the region and around the world;
 - (i) have regard to the conduct of persons registered and licensed under this Act, and take such disciplinary measures as may be necessary to maintain a proper standard of conduct among such persons;
 - (j) promote and protect the welfare and interests of insurance professionals;
 - (k) promote inter-professional collaboration with other professional bodies;
 - (l) carry out such other functions related to the implementation of this Act.
- IV. Clause 6 of the Bill provides for the composition of the Council of the Institute as follows—
- (a) a chairperson elected by members of the Institute;
 - (b) nine members of the Institute elected in the manner provided in the First Schedule;
 - (c) the Commissioner of Insurance or a representative designated in writing;
 - (d) one person appointed by the Cabinet Secretary in writing; and
 - (e) the Executive Director of the Institute who shall not vote at meetings.
- V. Clause 10 of the Bill provides for an Executive Director of the Institute who shall be competitively recruited by the Council. The qualification requirements are being a registered insurance professional; having at least five years' experience in insurance practice; and meeting the requirements of Chapter Six of the Constitution.
- VI. Part IV of the Bill contains provisions for the registration of insurance professional. The registration Committee that is mandated with registration of professionals and the registrar of the Committee.
- VII. Clause 13 of the Bill provides for a Registration Committee whose functions shall be to—
- (a) receive applications for registration and grant practicing certificates in accordance with the provisions of the Act;
 - (b) monitor compliance with professional quality assurance and other standards published by the Council for observance by the members of the Institute;
 - (c) where appropriate and based on the results of a quality assurance investigation recommend to the Council that a member's conduct be referred for inquiry;
 - (d) advise the Council on matters pertaining to professional and other standards necessary for the achievement of quality assurance; and

- (e) perform any other functions connected therewith or incidental thereto.
- VIII. Clause 14 of the Bill provides that the Registration Committee shall consist of five members appointed by the Council from the membership of the Institute one of whom shall be nominated by the Examinations Board.
- IX. Clause 15 provides that the Council shall appoint a Registrar of the Registration Committee who shall be an employee of the Institute and who shall serve under the direction and control of the Executive Director. Further, the Registrar shall hold and vacate the office of the Registrar in accordance with the instrument of appointment.
- X. Clause 15 also provides that in addition to the functions which the registrar is required to exercise and perform under the Act, the Registrar of the Registration Committee shall exercise and perform functions which the Registration Committee may, from time to time determine. The Registrar of the Registration Committee shall be the Secretary to the Registration Committee, and may, with the consent of the person presiding at a meeting, take part in the deliberations on any matter arising at the meeting, but shall not be entitled to vote on any such matter.
- XI. Part V of the Bill contains on Insurance Professional Examinations Board, the membership of the Board and functions of Board which is to issue examinations for person seeking to be qualified as Insurance Professionals under the Bill.
- XII. Clause 16 of the Bill provides for the establishment of a board known as the Insurance Professionals Examinations Board. The Board shall be a body corporate.
- XIII. Clause 17 provides for the composition of the Examinations Board consisting of nine members as follows—
- (a) two persons nominated by the Cabinet Secretary for the time being responsible for education one of whom shall be from the Kenya Institute of Curriculum Development;
 - (b) the Commissioner of Insurance or a representative designated in writing;
 - (c) one person nominated by the Commission for University Education;
 - (d) the Executive Director of the Association of Kenya Insurers or a representative nominated in writing;
 - (e) the Chief Executive Officer of the Association of Insurance Brokers of Kenya or a person nominated in writing;
 - (f) three persons nominated by the Council from amongst the members of the Institute.
- XIV. Clause 18 provides for a Registrar of the Examinations Board who shall be appointed by the Examinations Board. The Registrar of the Examinations Board shall serve as the Secretary to the Board, and may, with the consent of the person presiding at a meeting, take part in the

deliberations on any matter arising at the meeting, but he shall not be entitled to vote on any such matter. In addition to the functions which the Registrar is required to exercise and perform under the Act, the Registrar of the Examinations Board shall exercise and perform such functions which the Examinations Board may, from time to time, determine.

- XV. Clause 19 provides for the functions of the Examinations Board as to—
- (a) prepare syllabuses for insurance professionals Examinations;
 - (b) make rules with respect to insurance professionals examinations;
 - (c) issue certificates to candidates who have satisfied examination requirements for insurance professionals;
 - (d) promote recognition of its examinations for insurance professionals locally and internationally;
 - (e) liaise with the Cabinet Secretary for the time being responsible for education, in accreditation of institutions to offer professional training for insurance professionals; and
 - (f) do anything incidental or conducive to the performance of any of the preceding functions.
- XVI. Part VI of the Bill contains provisions on issuance of practising certificate to qualified insurance professionals and matters incidental such as duration of certificates issued and cancellation of such certificates.
- XVII. Clause 21 provides that person wishing to obtain a practising certificate shall apply to the Registration Committee.
- XVIII. Clause 22 provides that where a person applies for a practicing certificate, the Registration Committee shall issue a practicing certificate if it is satisfied that the person—
- (a) is registered under this Act;
 - (b) has received from an Insurance Professional who is the holder of a practicing certificate, instruction of such a nature and for such period as may be prescribed;
 - (c) is in good standing with the Institute; and
 - (d) meets such other requirements as may be prescribed.
- XIX. Part VII of the Bill contains provisions on discipline of insurance professional including what amounts to professional misconduct and the manner of conduct of disciplinary proceedings by the Disciplinary Committee.
- XX. Part VIII of the Bill contains miscellaneous provisions such terms of conditions of employment of staff of the council, protection from liability for discharge of their functions, accounts and audit of the Council, the Institute and the Examinations Board and submission of annual reports by the council and the examinations Board.
- XXI. Part IX of the Bill contains delegated powers of the council to make regulations for the better performance of functions under the Bill.

CHAPTER THREE

3. PUBLIC PARTICIPATION AND STAKEHOLDER ENGAGEMENT ON THE BILL

3.1 LEGAL FRAMEWORK ON PUBLIC PARTICIPATION

9. Article 118 (1)(b) of the Constitution provides that:

"Parliament shall facilitate public participation and involvement in the legislative and other business of Parliament and its Committees."

10. The National Assembly Standing Order 127 (3) and (3A) stipulates that:

*"(3) The Departmental Committee to which a Bill is committed shall **facilitate public participation on the Bill** through an appropriate mechanism including-*

- (a) inviting submission of memoranda;*
- (b) holding public hearings;*
- (c) consulting relevant stakeholders in a sector; and*
- (d) consulting experts on technical subjects.*

(3A) The Departmental Committee shall take into account the views and recommendations of the public under paragraph (3) in its report to the House."

3.2 MEMORANDA RECEIVED ON THE BILL

11. Pursuant to the aforementioned provisions of law, the Clerk of the National Assembly placed an advertisement in the print media on 4th May 2024 inviting the public to submit memoranda by way of written statements on the Bill. Further, the Clerk of the National Assembly vide letter Ref. No. NA/DDC/F&NP/2023/076 dated 5th August, 2024 invited key stakeholders to submit views on the Bill and attend a public participation forum on 14th August 2024 respectively.

12. The Committee received nine memoranda from the Institute of Certified Public of Kenya (ICPAK), Insurance Regulatory Authority (IRA), Association of Kenya Professionals Insurance Agents (AKPIA), Association of Insurance Brokers of Kenya (AIBK), Association of Kenya Insurers (AKI), College of Insurance (COI), National Treasury, Insurance Institute of East Africa, Insurance Institute of Kenya (IIK) and Kenya Women in Insurance (KWIIN). The memoranda are annexed to this report as Annexure 6.

Clause 1

COLLEGE OF INSURANCE

13. Delete the words "establishment of the Insurance Professionals Examinations Board" There is no need to duplicate functions already being discharged.

There is the Examinations Council, a body already in existence created within the structure of the Insurance Training and Education Trust (ITET) mandated for providing insurance professional training and qualifications.

Committee Observation

The Committee did not agree with stakeholder on the proposal since the professional examinations board is proposed to ensure standardization of quality of examination and that the body will be functionally separate from the college.

Clause 2

INSURANCE REGULATORY AUTHORITY

14. Delete Clause 2 on the definition of “Insurance Consultant” and “Managing Agent”. There is no provision for the registration of an “Insurance Consultant” under the Insurance Act. Further, The Insurance Act has no definition for “Managing Agent” and they are prohibited under Section 72 of the Insurance Act.

Committee Observation

The Committee agreed with the Authority.

Clause 4: Membership of the Institute

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

15. Amend clause 4 by having membership to be open to all insurance qualified professionals from recognized Institutes. This would encourage the retention and recognition of existing professional qualifications and reduce compliance costs for seasoned professionals, which will in-turn promote a more efficient regulatory environment.

Committee Observation

The Committee agreed with the stakeholder as currently is the bill will be discriminatory to qualified professionals from other institutions.

Clause 4(1)

INSURANCE REGULATORY AUTHORITY

16. Amend Clause 4(1) to read that *‘the membership of the Institute shall be comprised of individuals who have been registered in accordance with this Act’*. This will correct a typographical error in Clause 4(1), which renders the Clause unintelligible.

Committee Observation

The Committee agrees with the proposal by the Stakeholder.

Clause 4(2)

17. Amend Clause 4(2) to remove the list of membership qualifications and recognize qualifications obtained from other insurance professional institutions globally. The listing of membership qualifications in the Bill is limiting and may be construed to exclude insurance professionals holding qualifications obtained from countries other than Kenya and UK.

Committee Observation

The Committee agreed with the stakeholder as currently is the bill will be discriminatory to qualified professionals from other institutions.

THE NATIONAL TREASURY

18. The National Treasury proposes to amend the Clause because as currently constituted it limits the membership to only two categories which will stifle the growth of the Insurance Industry. Diversification of the Membership will enhance public confidence in the service providers for the sector, conduct standards will be enhanced and the membership fees collected will support IIK's funding.
19. Further, the description of membership incorrectly describes membership by examinations bodies' i.e (Fellows of the Chartered Insurance Institute of London (FCII) or Fellows of Insurance Institute of Kenya (FIK)). The description of membership should be separated from examination and examining bodies.

Committee Observation

The Committee agreed with the proposal to not limit the membership to the only categories mentioned.

INSURANCE INSTITUTE OF EAST AFRICA

20. Amend clause 4(2) to include qualifications from other professional bodies such as Australian and New Zealand Institute of Insurance and Finance (ANZIIF). There are other qualifications from other professional bodies besides the two mentioned in the Bill that professionals working in the insurance industry in Kenya have obtained. One of such qualification is the International Diploma in Insurance awarded by Cambridge International College, Britain leading to holders of such qualification to be eligible to apply and be admitted as the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) Senior Associate CIP Members.

Committee Observation

The Committee agreed with the stakeholder as there is need to amend the clause to remove discriminatory nature of the provision.

Clause 4(2) (a) and (b)

**COLLEGE OF INSURANCE/ ASSOCIATION OF KENYA INSURERS (AKI)/
ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA) AND
ASSOCIATION OF INSURANCE BROKERS OF KENYA (AIBK)**

21. Delete the word "accredited". The Memorandum on Refusal to Assent of The Insurance Professional Bill 2022 (No. 5 of 2022) recommended the amendment by deletion and substitution of clause (4) and sub-clause (2). Further, accreditation by professional bodies is outlawed by Supreme Court of Kenya ruling on Petition No.19 of 2015 and High Court of Kenya ruling on Petition No. 425 of 2015.

Committee Observation

The Committee agreed with the stakeholder, noting the cited the Supreme Court Petition No. 425 of 2015 and amended to use the term "recognized".

Clause 4(3)

22. Amend clause 4(3) by replacing the word 'Institution' with 'Institute'. This will correct the apparent typographical error, since the drafting intent appears to have been to make reference to members of the Institute.

Committee Observation

The Committee agreed with the proposal by the stakeholder.

Clause 5:

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

23. ICPAK proposes deletion of clauses 5(f) and 5(g) to eliminate overlap and ensure clarity in IK's functions. This will prevent duplication of advisory roles and ensure that the registration committee operates independently and effectively within its statutory framework.

Committee Observation

The Committee agreed with the stakeholder noting the need to ensure that the Registration Committee operates independently of any influence from the Institute.

Clause 6:

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

24. Amend clause 6 to read as follows:

(b) a chairperson elected by members of the Institute;

(c) ~~nine~~ seven members of the Institute elected in the manner provided in the First Schedule;

- (d) the Commissioner of Insurance or a representative designated in writing;
 - (e) one person appointed by the Cabinet Secretary in writing;
 - (f) A member representing the professional body regulating accountants; and
 - (g) the Executive Director of the Institute who shall not vote at meetings
25. This is recommended good corporate governance practice as laid out in the Mwongozo guidelines.

Committee Observations

The Committee did not agree with stakeholder's proposal. However, the Committee will be proposing amendment on the Bill to ensure compliance with the Mwongozo Code of Corporate Governance in respect to the composition of the Board.

Clause 10(4)

INSURANCE REGULATORY AUTHORITY

26. Amend Clause 10(4) as follows –
- i. Separate the role of Secretary of the Council from that of the Executive Director.
 - ii. Provide that the Secretary to the Council shall be a member of the Institute of Certified Secretaries (ICS Kenya) who shall be competitively recruited.
 - iii. Provide that other qualifications of the Secretary to the Council shall be determined by the Council.
27. The role of Secretary to the Council is critical for the adoption of effective governance practices in the Institute. Separation of the role from the Executive Director will enhance effectiveness through specialization and promote transparency and accountability through the establishment of maker-checker roles within the Institute's governance framework.

Committee Observation

The Committee, while disagreeing with the stakeholders, noted that the Institute is a professional body that regulates the conduct and standards of the insurance professionals and, therefore, may not need to recruit and retain a certified secretary. The institute may engage the services of Certified Secretary as and when they are needed.

Clause 10(5): Appointment of the Executive Director

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

28. Amend clause 10(5) to read as follows;
- (a) Is a registered insurance professional.
 - (b) Holds a degree in the relevant field from a university recognized in Kenya.
 - (c) Has at least ten years knowledge and experience in the relevant field.

(d) Meet the requirements of Chapter six of the Constitution.

(e) Has served in a position of senior management for a period of at least five years.

(f) Meets the requirements of the fit and proper test.

29. This is in line with the Mwongozo guidelines and is best practices observed in similar professional bodies.

Committee Observation

The Committee agreed with the proposal by the stakeholder, since it seeks to enhance the qualification requirements for the Executive Director. The Committee shall be proposing to amend the Bill to provide that should hold a degree in the relevant field from a university recognized in Kenya. Similarly the Committee did not agree with item (f) as proposed by stakeholder.

INSURANCE REGULATORY AUTHORITY

30. Amend Clause 10(5) to provide that the Council shall have the power to set the managerial, technical, experience, and other qualifications of the Executive Director.

31. The role of the Executive Director is managerial in nature. Therefore, qualifications other than insurance practice are necessary for the office holder to operate effectively. The Bill, however, does not give the Council power/discretion to set the other qualifications and experience required of the Executive Director.

Committee Observation

The Committee did not agree with the proposal, since the best practice is to provide for the qualifications of the Executive Director within the text of the Act to ensure compliance.

Clause 15(1)

THE NATIONAL TREASURY

32. The National treasury proposes amending the clause because there is a risk of conflict of interest, given that both the Registrar and Executive Director are appointed by the Board. The flow of responsibility/ operations of the institute may be affected.

Committee Observation

The Committee while disagreeing with the stakeholder noted two appointees carry out different roles. However, the Committee was of the view that the position of the Registrar need not to be provided in law as this position could be equivalent to secretary of the Examination Board, therefore the Committee will propose the expunging the provision of the registrar.

Clause 16(2)(a)(b)(c)(d) and (e)

**COLLEGE OF INSURANCE/ ASSOCIATION OF KENYA INSURERS (AKI)/
ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA) AND
ASSOCIATION OF INSURANCE BROKERS OF KENYA (AIBK)**

33. Delete the Clause because the establishment, functions, and operational framework of the Insurance Professionals Examinations Board is/would be identical to the Insurance Training and Education Trust (ITET) and College of Insurance (COI) already in existence.

Committee Observation

The Committee did not agree with stakeholders on the proposal since the professional examinations board, as proposed, will ensure standardization of the quality of examination and that the body will be functionally separate from the college.

Clause 17(1)(a)(b)(c)(d)(e) and (f)

**COLLEGE OF INSURANCE/ ASSOCIATION OF KENYA INSURERS (AKI)/
ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA) AND
ASSOCIATION OF INSURANCE BROKERS OF KENYA (AIBK)**

34. Delete the Clause because the Insurance Training and Education Trust (ITET) has elaborated an operational governance structure that has navigated insurance professional training, examinations, and certification to date.

Committee Observation

The Committee did not agree with stakeholders on the proposal since the professional examinations board, as proposed, will ensure standardization of the quality of examination and that the body will be functionally separate from the college. However the Committee is proposing the composition of the Examination Board be as follows

- (a) two persons nominated by the Cabinet Secretary for the time being responsible for education one of whom shall be from the Kenya Institute of Curriculum Development;
- (b) the Commissioner of Insurance or a representative designated in writing;
- (c) one person nominated by the Commission for University Education;
- (d) a nominee from the Association of Kenya Insurers who must be an insurance professional nominated in writing;
- (e) a nominee from the Association of Insurance Brokers of Kenya who must be an insurance professional nominated in writing;
- (f) one person nominated by the Council from amongst the members of the Institute.

- (g) one persons nominated by the ITET.
- (h) one person nominated by the recognized insurance training institutions who are members of the Institute.

Clause 18(1)(2)(3) and (4)

COLLEGE OF INSURANCE/ ASSOCIATION OF KENYA INSURERS (AKI)/ ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA) AND ASSOCIATION OF INSURANCE BROKERS OF KENYA (AIBK)

35. Delete the Clause because this section is a duplication of services within the insurance industry as provided on the Insurance Training and Education Trust (ITET)

Committee Observation

The Committee did not agree with stakeholders on the proposal since the professional examinations board, as proposed, will ensure standardization of the quality of examination and that the body will be functionally separate from the college. However the Committee is proposing the composition of the Examination Board be as follows

- (a) two persons nominated by the Cabinet Secretary for the time being responsible for education one of whom shall be from the Kenya Institute of Curriculum Development;
- (b) the Commissioner of Insurance or a representative designated in writing;
- (c) one person nominated by the Commission for University Education;
- (d) a nominee from the Association of Kenya Insurers who must be an insurance professional nominated in writing;
- (e) a nominee from the Association of Insurance Brokers of Kenya who must be an insurance professional nominated in writing;
- (f) one person nominated by the Council from amongst the members of the Institute.
- (g) one person nominated by the ITET.
- (h) one person nominated by the recognized insurance training institutions who are members of the Institute.

Clause 19(1)(a)(b)(c)(d)(e) and (f)

COLLEGE OF INSURANCE/ ASSOCIATION OF KENYA INSURERS (AKI)/ ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA) AND ASSOCIATION OF INSURANCE BROKERS OF KENYA (AIBK)

36. Delete the Clause. Insurance Training and Education Trust (ITET) Board has an Examinations Council which has developed examinations governance

structures with elaborate systems and processes for its examinations management.

Committee Observation

The Committee did not agree with stakeholders on the proposal since the professional examinations board, as proposed, will ensure standardization of the quality of examination and that the body will be functionally separate from the college.

Clause 19

INSURANCE REGULATORY AUTHORITY

37. Amend Clause 19 to confer the Examinations Board with powers to confer recognition to foreign insurance professionals' qualifications for purposes of their registration as insurance professionals under the Act. Recognition of foreign insurance professionals, as listed under the proposal in Clause 4(2) above, is essential for the development of Kenya's insurance industry.

Committee Observation

The Committee did not agree with the Authority noting that the supposed function falls beyond the purposes and functions of the Examinations Board.

Part V

THE NATIONAL TREASURY

38. Amend to provide for the sources of funding for the examination Board.

Committee Observation

The Committee agreed with the proposal noting that the sources of funds should own source revenues from charging examination fees, donation etc and not from the National government.

39. The provisions of the Chairperson of the Examination Board have been provided for in the third schedule. This should be promoted to Part V on the Insurance Professionals Examinations Board.

Committee Observation

The Committee did not agree with stakeholder as the current provision is sufficient.

Clause 20 (e)

INSURANCE REGULATORY AUTHORITY

40. Delete Clause 20 (e) because there is no provision for registration of "Insurance Consultant" under the Insurance Act.

Committee Observation

The Committee agreed with the stakeholder that, Insurance consultants are not recognized under the Insurance Act.

Clause 21, 22 and 23

INSURANCE REGULATORY AUTHORITY

41. Delete Clause 21, 22, and 23 of Part VI of the Bill with respect to Practicing Certificates. Issuance of Practicing Certificates by IIK brings conflict with the Insurance Act where IRA has the sole mandate to issue practicing licenses to persons who conduct insurance business.
42. IIK should limit its mandate to the registration of membership of insurance professionals and issuance of membership certificates.

Committee Observation

The Committee was of the different view that the Authority issues license to the insurance firms and not professionals, therefore it is proper for IIK as professional body mandated to regulate the profession to issue practicing certificates and licenses to the professional under its membership.

Clause 24: Application for Registration

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

43. ICPAK proposes to amend clause 24 (4) to read as follows:
(4) A person who, in an application to be registered, willfully makes a false or misleading statement commits an offence and shall be liable on convictions to a fine not exceeding one hundred thousand shillings or to imprisonment for period not exceeding six months or both
44. Raising the fine could act as a stronger deterrent against dishonesty in the registration process.

Committee Observation

The Committee agreed with the stakeholder that raising the penalty for the offense under the section will deter dishonesty in the registration process.

P

Clause 24(4)

INSURANCE REGULATORY AUTHORITY

45. Amend clause 24(4) by enhancing the Kes. 50,000 fine imposed for making false statements in an application for registration as an insurance professional. The fine may be considered low and hence an ineffective deterrent measure.

Committee Observation

The Committee agreed with the stakeholder, that there is need to balance between the nature of the offense and the penal provision.

Clause 25: Qualifications for Registration

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

46. Amend by deleting clause 25(1)(c). This change could attract skilled professionals from affiliate bodies.

Committee Observation

The Committee agreed with the stakeholder that there need to remove citizenship as a prerequisite for registration since it may restrict highly qualified professionals from affiliate bodies.

INSURANCE REGULATORY AUTHORITY

47. Delete Clause 25(1)(c) because it limits insurance professionals to Kenya citizens only. This may limit the human resources expertise and capital available for developing the insurance industry.
48. The proposal may also contravene the provisions of key treaties ratified by Kenya on the free movement of labour and capital, including the EAC Treaty.

Committee Observation

The Committee agreed with the stakeholder that there need to remove citizenship as a prerequisite for registration

Clause 25 (a)

COLLEGE OF INSURANCE

49. Delete the term "Examinations Board" wherever it appears in the text and substitute it with "College of Insurance". College of Insurance is accredited under the TVET Act 833, 2013 to offer insurance courses and award certificates to various certificates.

Committee Observation

The Committee did not agree with stakeholders on the proposal since the professional examinations board, as proposed, will ensure standardization of the quality of examination and that the body will be functionally separate from the college. However, the Committee will be proposing the amendment to the composition of the examination board as follows:-

Clause 25(1)(a)

COLLEGE OF INSURANCE

50. Delete the Clause because Insurance Institute of Kenya (IIK) is currently using College of Insurance prequalification certification to admit holders of College of Insurance (COI) certification into its membership and ranking them various titles.

Committee Observation

The Committee did not agree with stakeholder on the proposal since the professional examinations board, as proposed, will ensure standardization of the quality of examination and that the body will be functionally separate from the college.

Clause 27(1)(b)

INSURANCE REGULATORY AUTHORITY

51. Amend Clause 27(1)(b) to replace the requirement for the Registrar of the Registration Committee to keep a register in which the particulars of the Practicing Certificate and replace the requirement with Membership Certificate. This should refer to the Membership Certificate rather than the Practicing Certificate.

Committee Observation

The Committee did not agree with the Authority since the issuance of Membership Certificates and practice certificates is righty at the purview of the IKK while Authority is limited to issuance of practicing licenses to Insurance firms only.

Clause 27(5)(b)

INSURANCE REGULATORY AUTHORITY

52. Amend Clause 27(5)(b) to replace Practicing Certificate with Membership Certificate. It should refer to the Membership Certificate rather than the Practicing Certificate.

Committee Observation

The Committee did not agree with the Authority since the issuance of Membership Certificates and practice certificates is righty at the purview of the IKK while Authority is limited to issuance of practicing licenses to Insurance firms only.

Clause 28

INSURANCE REGULATORY AUTHORITY

53. Amend Clause 28 to provide that a person's registration may be cancelled at his/her own request. The clause does not provide for cancellation at the member's request.

Committee Observation

The Committee agrees with the stakeholder.

Clause 30(1)(l)

INSURANCE REGULATORY AUTHORITY

54. Clarify whether a practicing certificate is necessary for an insurance professional to practice. The Bill is not clear on whether a member of the Institute requires a practicing certificate to practice as an insurance professional. Clause 30(1)(m) however makes it a disciplinary offence for one to allow a person who is not an insurance professional to practice in his/her name.

Committee Observation

The Committee while disagreeing with the stakeholder noted that, clauses 20 and 21 are clear on what activities constitute the practice of an insurance professional.

Clause 30 (1) (m)

INSURANCE REGULATORY AUTHORITY

55. Amend Clause 30(1)(m) to provide that it shall be a disciplinary offence for a person to continue in partnership with a person who is not an insurance professional, including one whose membership of the institute has been cancelled. Further, they propose that the bill should provide an exemption for insurance professionals who receive business from foreign insurance professionals.
56. The bill does not provide that a person who continues in such a relationship engages in misconduct. It may be necessary to allow an exemption for business referrals from foreign-based insurance professionals in order to avoid loss of such business opportunities.

Committee Observation

The Committee agrees with the stakeholder's proposal that there is need to make it an offense for a for a person to continue in partnership with a person who is not an insurance professional, including one whose membership of the institute has been cancelled

Clause 30

INSURANCE REGULATORY AUTHORITY

57. Amend Clause 30 to provide that a person shall be deemed to have committed an act of professional misconduct if IRA finds them guilty of the same. It is unlawful, under Sections 150-152 of the Insurance Act, if a person found guilty of professional misconduct by IRA is allowed to continue in practice.
58. Amend the Clause to provide the Council with powers to determine that it is professional misconduct where an insurance professional is proved to have committed an act or omission which harms policyholders/beneficiaries, or which brings the insurance profession into disrepute or causes an insurer's instability or undermines public confidence in the insurance industry.
59. This will provide discretion to the Council to determine whether misconduct which is not defined in the Act, Regulations, or Code of Conduct amounts to professional misconduct.

Committee Observation

The Committee agrees with the stakeholder's proposal that a person shall be deemed to have committed an offense under this Act, if they have committed an offense under the Insurance Act in respect to the conduct of insurance professionals.

Clause 31 (2) (a)

THE NATIONAL TREASURY

60. The National treasury proposes to amend the clause that the disciplinary Committee should be a derivative of the Institute without necessarily demanding qualifications to be appointed a judge of the High Court.

Committee Observation

The Committee did not agree with the proposal by the National Treasury that the Chairperson of the disciplinary tribunal should be drawn from the Institute and reiterated the need to have an independent person with the qualifications to be a Judge of the High Court.

Clause 31(6)

INSURANCE REGULATORY AUTHORITY

61. Amend Clause 31 (6) to provide that the Council has no powers to remove the Commissioner of Insurance or his representative from the Disciplinary Committee.

62. The removal process of disciplinary committee and reference to their appointing authority are not provided for in the Bill. Due process is important to safeguard independence of the Disciplinary Committee.

The Committee did not agree with the stakeholder's proposal.

Clause 33(e)

INSURANCE REGULATORY AUTHORITY

63. Delete Clause 33 (e). IIK should limit their mandate to registration of membership of insurance professionals and issuance of membership certificates.

Committee Observation

The Committee observed that practicing certificates and membership certificates are fundamentally different.

Clause 34

INSURANCE REGULATORY AUTHORITY

64. Delete Clause 34 and replace with a clause providing that the role of the Registration Committee after receiving the decision of the Disciplinary Committee will be limited to the following –
- i. Registering the Decision.
 - ii. Giving effect to the decision of the Disciplinary Committee e.g. cancellation or suspension.
 - iii. Maintaining a record of the Disciplinary Committee's decision
65. The Clause allows the Registration Committee to hold a fresh disciplinary hearing upon receipt of the Disciplinary Committee's decision. This may lead to double jeopardy and conflicting decisions, both of which will interfere with the insurance professional's right to a fair hearing.

Committee Observation

The Committee agreed with the proposal so the Registration committee's roles are limited to the registration of the decision; giving effect to the decision of the Disciplinary Committee amongst others other than creating a room in which the decision of the disciplinary committee can be reviewed by the registration committee.

Clause 35(1)

COLLEGE OF INSURANCE

66. Delete the words "the examinations board" because as it has been argued, it renders the referred sections in Miscellaneous Provisions redundant.

Committee Observation

The Committee did not agree with stakeholders on the proposal since the professional examinations board, as proposed, will ensure standardization of the quality of examination and that the body will be functionally separate from the college.

Clause 40

THE NATIONAL TREASURY

67. The stakeholder proposes to amend the clause to provide clarity on the existing professionals and those who intend to join on the actual steps that would be taken for them to be admitted, including development of an objective criteria for admission.

Committee Observation

The Committee agreed with the National Treasury that there is need for clarity on treatment of existing professionals vis a vis those entering the professional.

Clause 41(c)

INSURANCE REGULATORY AUTHORITY

68. Delete Clause 41(c). IIK should limit their mandate to registration of membership of insurance professionals and issuance of membership certificates.

Committee Observation

The Committee did not agree with the Authority since the issuance of Membership Certificates and practice certificates is righty at the purview of the IKK while Authority is limited to issuance of practicing licenses to Insurance firms only.

First Schedule: Tenure of the Office

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

69. Amend to read as follows;
- (3) A person elected as chairperson in subsection (1) shall hold office for a non-renewable term of three years.
70. A person elected as chairman in subsection (1) shall hold office for a non-renewable term of three years. This is to align the provision with best practice in corporate governance. According to Mwongozo Code, the tenure of a Board Member, shall not exceed a cumulative term of six years or two terms of three years each.

71. The Accountants Act provides for a non-renewable term of two years for the Chairman. This period is considered short, and the Chairman may not have enough time to actualize their vision and agenda for the Institute. The Chairman needs sufficient time.
72. Section 9 of the Kenya Institute of Curriculum Development Act, 2013 provides that the chairperson and members of the Council shall hold office for a term of three years and shall be eligible for reappointment for one further term
73. Section 7 of the Kenya Revenue Authority Act 2012 provides that the Chairman and members shall hold office on such terms and conditions including remuneration as are specified in his instrument of appointment, and for a period not exceeding three years. They shall be eligible for re-appointment for one further term of three

Committee Observation

The Committee agreed with the stakeholder.

NEW PROVISION: POLICY AND REGULATION

INSTITUTE OF CERTIFIED ACCOUNTANTS OF KENYA (ICPAK)

Fourth Schedule Paragraph 8 (1) & 8

74. Delete the paragraph as the Disciplinary Committee's duty to prove a charge against an Insurance Professional. The provision may infringe on the rights of individuals serving as witnesses in disciplinary cases as provided for in the Bill of Rights in the Constitution.

Committee Observation

The Committee did not agree with the stakeholder

GENERAL COMMENTS

KENYA WOMEN IN INSURANCE (KWIIN)

75. Kenya Women in Insurance support of The Insurance professional bill

Part 2-

76. Amend by Clarifying whether the insurance institute of Kenya remains affiliated to the Chartered Insurance Institute of London or it be independent.

Committee Observation

The Committee was of a different view that, there is no need to provide for a normative provision on this matter. The Institute has power to conduct its business including seeking affiliations with other entities.

Section 4: Membership of the institute;

77. Amend to clarify on other professionals in the sector. The bill is not clear about other professionals who work in the insurance industry who are not professionally qualified in insurance.

Committee Observation

The Committee was of the different view that, the Bill only seeks to regulate all Insurance professionals

Part 3; The administration of the institute.

78. Amend subsection 7 on the duration of the executive director to either two or three years. Four years is long duration to serve as an executive director.

Committee Observation

The Committee agreed with the Stakeholder that the Executive Director should serve for a three year term renewable once.

CHAPTER FIVE

5 COMMITTEE OBSERVATION

79. The Committee having considered the Insurance Professionals Bill, 2024 (National Assembly Bills No. 13 of 2024) observes the following-

- I. Insurance Institute of Kenya (IIK) is the umbrella body for Insurance professionals in Kenya. IIK is the industry's professional body governed under the Constitution, and this bill seek to anchor it into law and effectively execute its mandate.
- II. Part VI and VII of the bill addresses the issue of registration of professionals, and issuance of practising certificates, as well as disciplinary actions to be taken in cases of professional misconduct.
- III. Insurance Fraud has been a major challenge the insurance industry, and has contributed (to a large extent), the perception the public has towards insurance making the penetration low. The industry has registered continuous underwriting losses, especially, especially motor business.
- IV. Currently, the Insurance professional has no legally recognized title and they cannot give a legally binding expert opinion in court hence rely on other legally recognized professionals. This bill if passed will see insurance professionals register as insurance consultants. They will be issued with practicing certificates, able to authoritatively give expert opinions and use the title Insurance Professional.
- V. There is need to relook the composition of the Examination Board to ensure all the stakeholders in the sector are represented. Additionally expunge the provision creating the registrar of exams
- VI. As currently provided in the Bill, clause 4 is discriminatory against qualified professionals from other institutions and therefore there is need to relook it so that the Bill accommodates professional from others affiliations.
- VII. The Composition of the various boards in the Bill may not be mwongozo compliant and therefore a necessary need to recompose this boards.

CHAPTER FIVE

5 COMMITTEE RECOMMENDATION


80. The Committee having considered the Insurance Professionals Bill, 2024 (National Assembly Bills No. 13 of 2024) recommends that the House approves the Bill with amendments as proposed in the schedule.

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

HON. CPA KURIA KIMANI, CBS, MP

CHAIRPERSON

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 FEB 2015	
DAY: WED	
TABLED BY:	Chairperson, Dept. Comm. on Finance & National Planning Hon. KURIA KIMANI, MP
CLERK-AT THE-TABLE:	MS. MIRIAM MORD




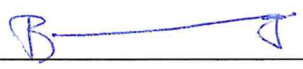
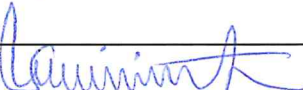
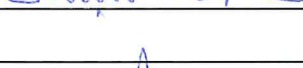
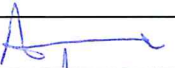
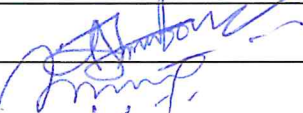
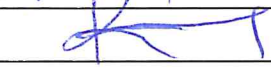


**THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - FOURTH SESSION- 2025**

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING.

ADOPTION LIST

REPORT ON THE INSURANCE PROFESSIONALS BILL (NATIONAL ASSEMBLY BILL NO. 13 OF 2024)

We, the Members of the Departmental Committee on Finance and National Planning have pursuant to Standing Order 199, adopted this Report and affix our signatures to affirm our approval and confirm its accuracy, validity and authenticity today, **Tuesday 18th February, 2025.**

S/NO.	NAME	SIGNATURE
1.	HON. (CPA). KURIA KIMANI, MP - CHAIRPERSON	
2.	HON. (AMB). BENJAMIN KIPKIRUI LANGAT, MP – VICE CHAIRPERSON	
3.	HON. DR. ADAN KEYNAN WEHLIYE, MP	
4.	HON. GEORGE SUNKUYIA RISA, MP	
5.	HON. (CPA) JOSEPH MAERO OYULA, MP	
6.	HON. ANDREW ADIPO OKUOME, MP	
7.	HON. DAVID MWALIKA MBONI, MP	
8.	HON. JOSEPH MAKILAP KIPKOROS, MP	
9.	HON. JOSEPH KAMAU MUNYORO, MP	
10.	HON. (CPA) JULIUS KIPLETING RUTTO, MP	
11.	HON. PAUL KIBICHIY BIEGO, MP	
12.	HON. UMUL KER SHEIKH KASSIM, MP	
13.	HON. DR. SHADRACK MWITI ITHINJI, MP	
14.	HON. DR. JOHN ARIKO NAMOIT, MP	
15.	HON. MOHAMED SOUD MACHELE, MP	

