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RISK
MANAGEMENT
LOSSES
SAFEGUARD
PROTECTION
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UNDERSTANDING INSURANCE

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EDITOR'S NOTE

Kenyans arte not adequately insured; but who is to blame for it? Insurers cannot pass the buck to the uninsured, and the vice-versa. Consequently, we have devoted this issue to 'demystifying' the factors that may be compounding insurance in our country and to a wider extent the developing world.

To a lay man, the language of insurance is convoluted. The terms therein need to be well explained to potential customers so that on appending their pen to paper they are fully aware of what they are committing themselves to. As Boniface Irungu points out, insurers should ensure their customers know their products in terms of scope, basis of claim settlement and any limitations: To buttress this, Nuru Mugambi in Insurance Value Proposition, opines that the narrative must shift from a language of risk and loss to one of shared value and financial gain.

The betting and gaming whirlwind has 'stormed' our country: Approximately 20 per cent of adult Kenyans participate in it. Why is it that people would be willing to lose considerable amounts of money, where the probability of winning is a 'cat's whisker' thin? Why not get insurance that guarantees a return. It's time we rethink our priorities. Fraud can be singled out as the main bottleneck that compounds insurers' efforts to take insurance to the people. Insurance fraud costs insurance companies billions of dollars per year across the globe. It is therefore in the best interest of insurers to move forcefully against it. On this front, Margaret Apima is instructive that insurers should consider joining forces with each other by sharing various fraud related data as well as in conducting collective investigations.

On matters lifestyle, Belinda Nyakiti-Otieno points out that what we eat and drink, and the way we do it profoundly affects our physical and mental well-being. "The food you eat can be either the safest and most powerful form of medicine, or the slowest form of poison" she notes. Selling insurance four decades ago was nothing to write home about; unlike today, when financial advisors are well regarded and well remunerated. Nevertheless, there are those who weathered the storms and lived to tell their narrative to inspire entrants into the field. One such icon was the late Mr. James Kamore—who passed on in March this year. For 40 years, James traversed the insurance landscape and sold cover to Kenyans from all walks of life. For this, he won awards and was feted with tours of various destinations across the globe.

He also mentored many in the profffession for, as he once told Francis Muriuki,to him, selling insurance was more than a job, it was an opportunity to save many homes from destruction, and to provide education. May he rest in peace.

Together with the Editorial Committee, we have prepared a well-rounded read for you. Dig in and let us know what you think.

INSURANCE CLAIMS;
How to mutually meet the promise

By Judith Bogonko Juma

Both the insurer and the insured have a role to play in making the claims process smoother

Insurance clients take up policies with the expectation that should there be a claim, they will be compensated. Compensation is in the form of repair, replacement or pay-out depending on the type of Insurance cover and extent of the claim. So what roles should the insurer and the insured play to make the claims process smooth, while keeping in mind the difficulty posed by fraud and dishonesty?

The insurer should:

• Ensure that the client fully understands the product at the point of purchase
Insurance products are complex in nature and not easily understood by those not in the insurance space. As such, the onus is on the insurance companies and the intermediaries (brokers and agents) to explain the product and ensure that the client understands exactly what they are covered for and what is not covered.The insurance company or broker must ensure that they make time to explain the policy document which has the full details of the policy and respond to any query the client may have. This will help eliminate a majority of the complaints where a client thinks they are covered for something only to realise that they are not. Case in point is where a client who has medical insurance knows they have Ksh. 2,000,000 worth of Inpatient cover. However, when they fall ill, they are informed that the illness is for instance congenital (hereditary) and has a limit of Ksh. 500,000. A client to whom the working of medical insurance was not properly explained at the point of purchase, will automatically presume that the insurance company is trying to get out of paying them their full cover and therefore become disgruntled.

• Ensure a smooth claims process
The insurer should ensure that the client understands the various channels that they can use to report a claim as soon as it happens and get guidance on the next steps. There are specific standard documents that are normally required from clients at the point at which a claim is filed. The company must make sure that the client is informed of all the documents needed at a go instead of being told in bits which ends up annoying the client and delaying the claim unnecessarily. It would be better to have the documents needed captured on a website which is publicly available so that the client is able to refer should they need to.

• Keep client appropriately informed of the progress of the claim
Once the client submits the documents, they should be informed of the next steps and the timelines to work with so that they do not get anxious. The insurance companymust try to adhere to the timelines as much as possible and inform the client should they anticipate

any delays as opposed to waiting for the client to make a follow up. The client should be kept appropriately informed of the progress of their claims. There are technologies in place which can make the claims process more efficient and transparent; such asmobile systems that send a client an SMS alert at each stage of the claim. There is also an option to link the claims system toa website where a client can log-in and track the status of their claim. These are basic solutions that can provide immense value to clients who will then only call the insurer if there is a delay.

• Be clear in communication
Should a claim not be payable for one reason or another, the client should be informed and given an explanation in a way that they understand.A claim could be declined due to various reasons for example it not being within the scope of cover, violating policy conditions for instance driving while drunk. The client should also be allowed to appeal the decision if they feel it is unfair. The Insurance Regulatory Authority (IRA) has opened channels for clients to raise their complaints where they disagree with the insurer's decision. They (IRA) then act as arbitrators for the two parties to ensure that none is unfairly treated and only the facts are taken into consideration.

The insured should:

• Understand the policy
Cases abound of people purchasing land through agents without first visiting thesite; many have ended up being fleeced in such circumstances but the practice is still prevalent. That is the same way a majority of Kenyans treat the insurance covers they purchase. You meet an agent; they inform you how you need a certain policy. You give them the premium and move on with only the agent's word on what your cover entails. Some clients do not even know which companies their policies are with and have never opened their policy documents. You are paying for the policy and should take time to understand what exactly you are covered for. Should you be unable to read through the policy document, request your agent or insurer to sit with you and take you through each page. Do not be shy to ask questions until you understand the cover before putting the document away. This will ease the claims process.

• Have Integrity
One of the insurance principles is 'utmost good faith'. In its simplest terms, it means that you as the client should provide all information regarding what you are taking insurance for and should answer the questions on the proposal form as honestly as possible. This is to avoid chances of your claim being declined due to leaving out information that an insurer would consider relevant to the cover you were given; for example knowing you have a pre-existing condition like diabetes but not informing your medical insurer or failure to inform the insurer that your cover was declined by another insurer. Should the Insurer find out during a claim then the same will be inadmissible.

• Timely communication
Should you have a claim, please inform your insurance company as soon as you can. Submit all the required claims information and documents to reduce chances of delays due to back and forth of documents submission. Explain the circumstances as clearly as possible as you complete the claim form.
Should you be asked any questions or requested to give additional information, kindly co-operate as it will help the Insurer to finalise on your claim faster. Should your claim be declined on grounds that you disagree with, you can raise the complaint with the insurer and if you are still unhappy with their final decision, get in touch with IRA and they will help ensure a fair judgment is arrived at.
In conclusion, each client's claim is unique. Social media is awash with complaints regarding various companies while some clients in the same companies speak highly of the experience they had when they had a claim. Both the insurer and the insuredhave a role to play in making the claims process smoother. Should we adhere to the above, we will be well on our way to a better perception of the industry.

The Writer is the Group Head of Customer Experience at APA Apollo Group

THE POLICY DOCUMENT;
What to look for

By Isaac Ng'aru.

The above description of the Soviet Union could—without paraphrasing—be used on the almost inscrutable insurance industry and, particularly, itsmost important document—the policy. But at least, that was the case before the push for "treat-customer-fairly" which gave us the "plain English" policy.

Despite the invitation to the policyholder to 'read the policy document carefully,' few do it. In the past, many of those who attempted to read this document were being put off by the very first word in the preamble, "whereas" and in the recital clause, "now wheretofore these presents witneseth as follows.… notwithstanding anything contained herein to the contrary….. ." Thanks to the Insurance Regulatory Authority (IRA) most of the traditional policies in this archaic jargon have been consigned to the museum of insurance history.

Policies currently being issued by insurance companies are in reader-friendly plain English. More often than not, a consumer will not receive the actual policy until after purchase. Insurers always request the policyholder to read and understand the policy. Reading the document is important especially to ensure that the promises about the terms of the policy made to get you to buy were actually kept in the contract itself. Although legally, the policy is not the contract of insurance but merely the evidence of it, the policy of insurance is a written contract enforceable by law. In everyday language, however, the policy is often referred to as the insurance contract.

Without getting too deeply into legalese, it is advisable for the consumer to know some general principles of insurance contracts as a basis for understanding the policy. Some widely known principles include insurable interest, utmost good faith, and indemnity with its by-products: subrogation and contribution. These characteristics are peculiar to insurance contracts and most likely, your insurance broker or agent has attempted to explain the terms. But in addition, there are other characteristics of the insurance contract that are pertinent to your understanding the policy.

First, contracts may be either commutative or aleatory. Most contracts are commutative: Each party gives goods or services presumed to be of equal value. The insurance contract, however, is aleatory because the value given by each party will not be equal. The insured gives up the amount of the premium. If he/she suffers loss, one may receive a much larger amount from the insurer than the premium paid and if he/she does not suffer loss, he/she receives nothing. Secondly, a contract of adhesion is where one party controls the writing of is terms, thereby making the contract a "take or leave it" proposition. In contradistinction to a bargaining contract (contract of cohesion), the insured is in no position to even suggest that the insurer alter this provision or change a word in clause such and such. But the good news about this is that any vague terms or ambiguities will be construed by the courts against the insurer.

Thirdly contracts may be bilateral or unilateral. An exchange of a promise for a promise is bilateral, whereas exchange of an act for a promise is unilateral. Now, the insurance contract is a unilateral contract. Once the insured pays the premium only one of the parties (the insurer) is exposed to a legally enforceable promise because the insurer has promised performance. Fourthly, the insurance contract is conditional. Even after payment of premium, the insured has further conditions to meet if he/she is to get one's claim paid. In fact, there are three categories of conditions and these are outlined in the policy itself.

Let us now turn to the issue of how to read an insurance policy. As already stated above, an insurance policy is, in reality, a written contract. Policies are issued in all sorts of formats: A policy can be short and simple or long and complex. Whatever form it takes, the insurance policy tells the rights and duties of the contracting parties in the legal agreement that it represents. But though insurance policies do not look alike, they all have the same anatomy. The layout of the policy can be broken down into various parts including the preamble, the recital clause outlining the insurance agreements, exclusions, conditions and warranties, endorsements, and policy schedule.

The preamble states the parties to the contract and their respective address, refers to the proposal as the basis of the contract and also makes reference to the payment of the premium as consideration for the insurance. Either here or as a separate condition, the proposal (application) and declaration are incorporated into the contract. The implication of this statement is that the answers given to the questions in the application must be correct—the reason you should always keep a copy of your proposal form.

The insurance agreement broadly defines the losses covered and this should be read together with the policy schedule. The latter is usually the only part of the policy that is typed in. It is personalised to you giving the name and address of the insured, type of policy, duration of cover and its extent, premium and any excess applicable, and makes reference to endorsements. In insurances of property, the specifics of, say, the vehicles covered, or exact situation of property insured is other important information that will be in the policy schedule. It also carries the signature of the company's representative.

In some policies, the insurance agreement will contain a section for definitions. This explains the meaning of important terms used in the contract. The standardised IRA- approved insurance policies contain such sections to help policyholders better understand their insurance contracts.

After the insurance agreement come exclusions (exceptions). Let's put it this way: the insurance agreement is the cloth from which the final cover is cut. The exclusions are the cuttings from the cover. Insurers modify broad, sweeping insuring agreements through exclusions, first, to facilitate the management of the physical and moral hazards and second, to eliminate uninsurable perils as well as eliminating cover that requires special underwriting and rating. Some types of insurance policies, such as, those described as "all-risks" or "comprehensive" are more anomalies than the fact. For these types of policies, it is particularly important to read the policy exclusions thoroughly because not every conceivable risk is covered as the name of the insurance may imply.

Following closely on the insurance agreement and exclusions parts will be conditions. These set out ground rules of the insurance transactions and control the insurer's liability on covered losses by imposing obligations on both parties; for example, the insured's duties after a loss. These may include giving prompt notice to the insurer and protecting against further loss. The terms under which a loss will be settled also appear in the conditions part.

Understanding the conditions section along with the warranties is important—especially with regard to preserving one's rights under the policy when a loss occurs. This part of the contract will also specify how your losses will be measured pursuant to the policy. Most policies require you to comply with specific procedures when filing claims and disputing insurer decisions concerning those claims. These requirements and procedures will be in this portion of the policy. Your failure to comply could result in loss of money you would otherwise have obtained, or at least delay payment, and could also prevent you from having the right to take the insurer to court.

Lastly, regarding endorsements and riders, let us mention that very often it is necessary to amend a standard policy to fit the cover or a particular need. These changes make the policy flexible and are made by attaching to the policy a written, stamped or printed form that becomes a part of the insurance contract. These are known as endorsements or riders. When a policy is endorsed, the rider supersedes the policy provisions. It is to be noted that endorsements can restrict or extend cover. For this reason, one should keenly read these attachments. There was once an endorsement to a life policy (not in Kenya) by an underwriting agent that read, "Notwithstanding anything herein contained, the sum insured will become payable providing the life insured is kicked to death by a goose in a Pullman car."So, beware.

It is unlikely that your life policy contains a clause that provides for payment only if the life insured is kicked to death by a guinea fowl in an SGR coach. But the wording could be so convoluted that a claim will be paid when cows come home. That can happen, more by default rather than design. Get your agent or lawyer to explain your policies.

Always remember that understanding the policy is the first step towards unravelling the insurance mystery and, indeed, winning the insurance game.

The writer is the lead consultant with Ng'aru & Associates. He is also the Founder & Executive Director of Insurance Information Bureau.

> ***"A riddle wrapped in a mystery inside an enigma"***
>
> *Sir Winston Churchill on the Soviet Union (1874-1965)*

IMIDS; potential game changer in motor insurance

By Brettah Muthuri

The Integrated Motor Insurance Data System (IMIDS) is a centralised repository of motor insurance data domiciled at AKI. Sharing of motor insurance data from the various insurance companies enables the system to generate insights and trends in motor insurance making it easier to detect fraud at both the underwriting and claims levels. The system is also promoting standardisation for the processing of underwriting and claims information thus enhancing transparency in Motor Vehicle Insurance.

The system provides statistics such as stolen motor vehicle data, salvage data, written-off motor vehicle data, accidental claims and other key indicators.

Why was the system created?

The system was created with two main objectives in mind; Fraud mitigation/detection and data aggregation.

Motor insurance is one of the businesses that is heavily affected by fraudulent claims. IMIDS is able to aid in early detection of fraud and save the industry millions of shillings from fraudulent claims.

Each insurance company that insures vehicles has its own set of data, but this is not valuable on its own. However, when combined with data from other insurance companies, the analysis of that information is able to provide insights and trends on various critical elements that will assist in making better business strategies.

What are the benefits?
The system will benefit both insurance companies and motor insurance customers:

- Insurance companies: They will be better placed to detect fraud early on and save on millions of shillings that have been fraudulently claimed in the past. The data provided by the system will also help insurance companies make better business decisions regarding motor insurance.

- Consumers: Given that there is historical data and going forwards more details about motor insurance customers, creating a form of 'track record', it will be possible for customers to enjoy better discounts or benefits. In addition, centralisation of data will improve the efficiency and effectiveness of processing claims—an action that will greatly improve customer service delivery levels in insurance companies.

How many companies have connected to the system?

Thirty five insurance companies that provide motor insurance have been integrated to the system.
To make the system more valuable, integration with other key players in the motor industry is ongoing. Discussions are at advanced stage to integrate with NTSA (National Transport and Safety Authority)

How can I access information from the system?
Each insurance company that is integrated into the system has access to information therein. However, for purposes of confidentiality, members only access full information relating to their business portfolio and for limited access to information in other companies business portfolios' such as car number plate, insurance policy number, period of insurance. Anyone seeking confidential information must seek authorisation through AKI.

The writer is the ICT Manager at the Association of Kenya Insurers

INSURANCE FRAUD;

The pointers and safeguards

By Margaret Apima

Insurance fraud refers to any dishonest act performed with the intent to obtain an improper payment from an insurer. Insurance fraud occurs most often when an insured individual or entity makes a false or exaggerated insurance claim. Insurance fraud can also be committed upon customers, through the sale of unlicensed or bogus insurance coverage to unsuspecting clients, or an insurance broker or agent's diversion or theft of insurance premiums paid by clients. The vice has existed since the beginning of insurance as a commercial enterprise and is committed by individuals from all walks of life. Law enforcement officials have over the years prosecuted doctors, lawyers, car salesmen, insurance agents and people in positions of trust.

In Kenya, insurance fraud continues to be a major concern with the 2016 industry report showing higher claim rate and losses, an indication of fraudsters jamming the market. The pervasiveness of insurance fraud drives up costs for all consumers and costs the insurance industry billions of shillings each year. The Insurance Regulatory Authority (IRA) 2016 report shows that general insurance business incurred Ksh. 2.1 billion in losses, with claims growing by 11.8 per cent from Ksh. 49.05 billion in 2015 to reach Ksh. 54.86 billion in 2016.

Insurance fraud is categorised as either opportunistic or professional fraud. Opportunistic fraud is perpetrated by an individual who simply has a chance to inflate a claim or get an exaggerated estimate for losses or repairs to his or her insurance company. This kind of insurance fraud is the most common though its loss magnitude to insurance companies is relatively low. On the other hand, professional fraud is often perpetrated by organised groups with multiple, false identities, targeting multiple companies or insurance brands. Incidences of professional fraud are minimal but its loss magnitude to insurance companies is far greater.

Most insurance fraud in Kenya is perpetrated in the medical and motor insurance sectors, meaning that they paid more claims than the premiums they received.

The Perpetrators

The increasing fraudulent claims in medical and motor insurance classes in the country are attributed to collusion between insurance companies' employees and loss assessors.

Some of these persons/bodies may be involved in insurance fraud include: Policyholders/policybeneficiaries; insurance agents; insurance company employees; medical insurance service providers such as pharmacies, laboratories; doctors; lawyers; police officers; organised fraud syndicates and members of the general public.

Detection and Prevention

Insurance fraud costs insurance companies billions of dollars per year across the globe. It is therefore in the best interest of insurers to move forcefully against it. This begins by adopting a proactive stance toward fraud detection. Insurance companies should not wait for fraud to occur and deal with it after the fact; instead, they should take actions and implement processes that identify potential fraud early and provide the ability to move quickly when fraud is detected.

There are various available measures the insurance companies and industry as a whole can adopt.

Utilizing analytics and technology

Insurance companies can rely on statistical models to detect fraud. This can entail using insurance company's software to conduct in-depth review in the event an individual or company has a high number of claims or unusual circumstances.Also, insurers can employ modern technology especially analytics and social media to pull together all available information concerning complainants to help verify the circumstances of their claim.

Using common sense and typical red flags

Insurers should commit themselves to conduct a comprehensive investigation in the event where a policy holder submits a claim that does not make sense or looks highly suspicious. For example, where a policy holder owns a business that has a large insurance policy and it is in financial crisis and there is suddenly a fire that burns the business down to the ground, the insurance company should conduct a thorough investigation. Other flags depicting insurance fraud can be missing police reports, lack of witnesses and a long delay in filing a claim.

Checking claim history

Where an insurance company observes that a complainant has a track record of filing many claims, they should investigate such claims more closely before settling them or even offering cover. Therefore, an insurer should consider investing more resources to investigate any situation where a single policy holder files a lot of claims.

Cooperation and information sharing

Companies should consider joining forces through sharing various fraud related data as well as conducting collective investigations. Working together can enable insurers stay ahead of fraudsters. Cooperating can also entail joining various specialty consumer reporting agencies that collect and share information regarding insurance claims. Through this, companies will have access to reports by these agencies which they will easily assess to establish whether they should pay a claim filed by a particular policy holder or should they undertake further investigation on the same.

Using a system of checks and balances

This will ensure that no particular employee of an insurance company performs more than one task. For example, those individuals involved in claim assessment should perform their duties and submit their findings to claim investigation who in turn should liaise with claim compensation department. This process can also ensure constant rotation of duties where an employee is not allowed to remain in one given department for a long time as this will give them a chance collude and perpetrate fraud.

Conducting insurance claim audit

Claims departments should regularly conduct surprise audit of various claims lodged in order to establish their extent, magnitude and authenticate their legitimacy. Ad hoc audits discourages fraudsters, especially within the company, as they will not be aware of the actual date when such an audit will be undertaken.

Setting company policies

Insurers should set strict policies when recruiting their employees. Such policies can entail regular audit of their employee's life-styles such as checking whether a particular employee lifestyle is correlating with their company pay.

Fraud PreventionTips

- Adopt the best practices
- Conduct awareness among employees and customers
- Engage forensic consultants as fraud takes new trends and designs everyday
- Have proper vetting criteria for new employees
- Develop Database that tracks down and blacklist those individuals involved in fraud
- Sharing of information amongst the insurance companies and stakeholders
- Develop a formal and common platform to share information
- Effective prosecution of fraud cases

Insurers should consider joining forces with each other by sharing various fraud related data as well as in conducting collective investigations

The writer is the Head of the Insurance Fraud Investigation Unit

THE CLAIMS PROCESS;
Understanding the small print

By Boniface Irungu

Insurance is a risk transfer mechanism. In exchange for a sum of money referred to as the premium, insurance transfers the financial consequences of risks from individuals and companies to insurers. If a loss which falls within the terms of cover provided occurs, insurers are required to pay for the loss, subject to policy terms, conditions and limitations.

Insurance can either be based on a named perils policy which specifies what is covered or an All Risks policy that covers everything that is not excluded. A peril is the trigger that causes a loss and consequently gives rise to a claim. While it is important for an All Risks Policy to be explicit on what is excluded, the guide on a named Perils Policy is what is specifically mentioned as covered. The onus of proof in all cases that cover applies is on the insured who is expected to prove both liability and quantum of the claim.
Current policies have been redrafted to conform to simplicity and ease of understanding. This initiative was spearheaded by the Insurance Regulatory Authority and now covers most policies in use in the Kenyan Market.

For there to be a contractual relationship between an insurance company and the insured, there should be a policy document which is the evidence of the existence of a contract. A valid contract of insurance has certain essential elements and these are:
1. Offer to insure and acceptance by the insurer
2. Intention to create a legal relationship
3. Consideration which is by way of premium payment
4. Parties must have the capacity to contract
5. There must be consent between the parties as to the contract terms
6. The contract must be legal and capable of performance

Insurers should ensure their customers know their products in terms of scope, basis of claim settlement and any limitations

The Claims Process
The procedure for dealing with claims depends on the type of cover and amount of claim. Prompt notification allows insurers to carry out any investigations that may be necessary when evidence is still fresh and also raise a reserve for the claim. Reserving is a process through which a company assesses the level of funds required to meet current and future claims liabilities. Once a claim is recorded, insurers normally acknowledge the notification and provide a claim reference. Supporting documents to be supplied by the insured include a duly completed claim form and proof of amount of claim as well as ownership. Theft and motor accidents require a police abstract.

For small straightforward claims as defined by the respective company's claims guidelines, adjustment may be done in-house and a settlement offer made. As regards motor accidents, the practice is to authorize repairs in an approved garage. In cases where the vehicle is a write off, settlement based on pre-accident value is concluded. For property claim that cannot be adjusted in-house for reasons such as claim value and complexity, a loss adjuster is appointed to adjust the loss.

The amount payable in settlement of a claim is dependent on the type of cover granted. The main variations are:

• **Indemnity settlement:** This assesses the value of the claim at the time of loss, having regard to depreciation to reflect the age of the subject matter.
• **Reinstatement:** This type of cover, referred to as "new for old" allows for reinstatement of old with new. Depreciation does not apply.
• **Valued Policy:** Amount payable in the event of a total loss is agreed in advance and is fixed as the sum insured.
• **Agreed Value Policy:** This is common in motor insurance where a valuation is done at inception or renewal of cover and the amount shown on the valuation becomes the basis of claim settlement in the event of a total loss.
• **Outsourcing:** This involves using skilled resources outside the company to handle work traditionally performed in-house. Some of the outsourced services include assessments, loss adjusting, investigations and legal matters.

Treating customers fairly
This is an important concept. While every insurer had its own approach to fairness, the Insurance Regulatory Authority has taken up the responsibility of ensuring customers receive fair treatment. What constitutes fairness is dependent on circumstances but insurers are not expected to unfairly decline claims if the reasons advanced did not materially affect the claim or prejudice their position.

The claims process is an opportunity for insurers to offer a good customer experience. Insurers should ensure their customers know their products in terms of scope, basis of claim settlement and any limitations.

The decision as to whether to pay cash, repair or reinstate ultimately rests with insurers. In determining what option to adopt, Insurers are guided by what is most appropriate in given the circumstances.

The writer is the Senior Manager- Claims, Heritage Insurance Co. Ltd

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HOMAGE TO AN ICON;
The story of James Kamore

By Francis Muriuki

Selling insurance four decades ago was nothing to write home about. Unlike today, when financial advisors are well regarded and well remunerated, insurance sales people in the 70's had to contend with various drawbacks among them 'pushing' products that were not well understood by a majority of Kenyans. Nevertheless, there are those who preserved and made it big in the industry and in their lives. Among these, was Mr. James Njomo Kamore who passed on early this year.

For over 40 years, the late Kamore was a well-known name in Kenya's insurance industry. An outstanding insurance salesman, he bagged some of the most prestigious and coveted industry performance awards in the country, and inspired many in the process.

Born in Githunguri, Kiambu County during the height of Kenya's struggle for independence in 1949, Kamore was unable to pursue his education further than the then Advanced Level, due to the financial strain a tertiary education would impose on his peasant parents; he chose to find employment to support his nine siblings.
"In the rural areas when a family is large they look at the older boys or girls to help the parents educate the younger ones.So as much as I wanted to go to college, I couldn't, but I don't regret it," the late Kamore said during a past interview.

He began by working clerical jobs in several banks and later moved into the hotel industry beginning at the now defunct New Avenue Hotels and ending up at the Hilton Hotel as the assistant food and beverages manager.

Kamore joined Britak—now Britam—in 1974. He enjoyed telling the anecdote of how a chance meeting with a Britak manager during a visit to Madagascar led to his leap of faith into the unknown world of insurance sales. During that meeting, the manager managed to convince him that he could triple his salary at the time by selling insurance. He took the leap of faithand never looked back. This ability to take risks and his steely determination to succeed bore fruits as he consistently remained at the top of his game.
The father of three sons was modest about his skills saying that he could not see in himself the special skill that led Britak to court him so aggressively, until he underwent a three-month training course and had an epiphany.

"When I finished my training, it was like a bomb exploding...I realised that this job could save very many homes from destruction, and provide education to children." To him, selling insurance was more than a job; it was an opportunity to save many homes from destruction, and to provide education to those who need it.

> ***To him, selling insurance was more than a job, it was an opportunity to save many homes from destruction, and to provide education***

"I witnessed first-hand the devastations families go through after the death of a breadwinner, and how insurance can assist those left behind to continue their lives," he recalled during the interview.
When Kamore joined Britak, the company had operated in Kenya for 10 years, having been established in 1965.As the organisation grew, so did Kamore. From his work, he was able to educate his children, bought a home in the leafy Karen suburb, and a couple of other assets elsewhere. The ability to take risks and his determination to succeed bore fruit as he consistently remained at the top of his game.

The late James Njomo Kamore

In the interview done during Britam's Golden Jubilee celebrations in 2015, he recalled that when he started working, premiums were minimal, ranging—from around Ksh.32.30. He proudly stated that he was the first salesman to sell a Ksh.77.30 policy, the highest in Kenya at the time. "I have insured the high, mighty and the low. A broad spectrum of people in terms of income, but to me they are all my clients, and I give them the same kind of respect regardless of how much they had," he stated.

Over the years, Kamore also mentored hundreds of budding insurance sales agents, constantly asserting that honesty is paramount for success. His values of honesty, patience and organisation—which he drilled into those under him—were the key to his success.

Known for his wit and sense of humour, he once said that he would continue to sell insurance until he was no longer able to, saying, "As long as I can continue talking to clients and selling products, I will do so. Retirement does not exist in my vocabulary. Why should I retire?As long as I can still speak to people, sell insurance and other products, I shall continue working," he said.

Courtesy of his performance as a top salesman, Kamore was able to visit various places across the world.
The industry icon breathed his last on March 11, 2018, at his Karen home, where he was laid to rest. The insurance industry will always remember him for his unrelenting energy and contribution to the insurance sales profession.

The writer is PR and Strategic Communication consultant

INSURANCE AGENTS; Getting it right

By Wahome Ngari

Insurance in Kenya is at a penetration rate just below three per cent of the population which is a half-way point of the world average of six per cent.We have about 6,500 sales agents in the country who account for about 35 per cent of business. Looking at the industry statistics for the year 2016, the industry collected premiums of Ksh197 billion meaning agents brought in an estimated Ksh67billion.

The role of insurance agents in increasing insurance penetration in the country is very significant. These foot soldiers are many a times the only people the client will get to meet while dealing with all their insurance contracts.

It is often the sales person who introduces people to insurance, educates them about the various types of insurance, helps them to identify and quantify their needs, attends to their concerns, helps them with the information they need to make decisions, helps them with the decision making process, helps them with the paper work and any other necessary requirements and collects the documents required from them including the initial premium deposit on behalf of the company.

The sales person also fulfils a duty on behalf of the insurance company by delivering the customers documents and premium payment for underwriting. It is often the practice that the agent delivers policy documents to the customer.

> *It is imperative for the sales leadership in every company to groom new entrants in the right way so that they prospect properly*

The insurance sales person's role does not end there; they still cater to the client in terms of addressing renewals of short term policies, handle any queries or changes to the policy and assist in claims. Many clients see the sales agent as a part of the insurance company.
Renewal of short-term policies and fulfilling premium payment for the long-term policies is not guaranteed. The insurance sales person has a critical role to play in this space. If the sale was well done from the word go, meaning the customer was well aware of the purchase and benefits, it is likely a renewal will be done. However, in instances of buyer remorse, the policies are either not renewed or premium payments are discontinued.

Considering the above roles, we can then confidently say the sales person has a very important role in getting people to understand insurance. Within the insurance company, the sales person will be critical in delivering feedback from clients to the teams that handle product development and marketing.

An insurance sales person is expected to know something about everything because they will have to deal with people from diverse fields who expect them to make a sensible contribution even to a technical discussion. Sales people are also expected to know enough about insurance, the company they represent, company procedures, processes and policies, financial services and financial trends as well the economy among other subjects.These can be learnt over time and in a structured manner.

The sales person cannot give what he does not have. In this industry—where a sales person has to eat from his sweat—it is imperative for the sales leadership at every company to groom new entrants in the right way so that they prospect for business properly and avoid giving wrong information. Buying insurance is not natural, it is not a priority for a number of people and is ill understood by a big majority. Every entrant to the sales career has to deal with reluctance which is based on the fear factor natural to all human beings subject to a high rejection environment.

The high turn-over of sales people--which costs the insurance industry heavily--can be smoothened out by a well-structured training program at the entry point to help the new sales person to understand insurance and how to sell it. Any such program should aim to build the intellectual and social capital of the sales person. Research by prominent institutions like LIMRA supports this type of approach. The intellectual capital aspects will help to build capacity in knowledge, skills and attitude while the social capital deals with the ability to work as part of a team and how to build networks so as to grow in a sales career.

Our insurance sales people will help the industry to grow when they discover their role as 'creatives' who will get clients to understand insurance from a practical perspective because of how creatively it is delivered. Creativity allows people to see new uses of insurance and this is how the industry will grow.

Getting seasoned sales people to engage in self-sponsored study programs is a probable solution as is evident from those who pursue professional qualifications, those who go back to learning institutions for advanced training.

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ACCIDENT REPAIRS MADE EASY;
The case for assessment centres

By Elijah Wachira

The writer is the Managing Director at CIC General Insurance Ltd

Estimated to grow at an annual rate of 11 per cent, the rise in the population of private motor vehicles on Kenya's roads far outstrips that of the human population—which is at about three per cent. Indeed researchers atKenya Institute of Public Policy Research and Analysis(KIPPRA) note that in the next 12 years, Kenya will have about five million vehicles on the roads.

Thus despite the expansion and increase in road networks, major urban areas and especially the capital city of Nairobi, traffic jams will continue to be the order of the day.

Motor insurance is compulsory and over the years, the rate charged for motor private insurance cover has become a subject of concern to industry players as some members chose to under-price their offering in order to attract business. But as the vehicle population rose phenomenally there was sufficient business for everyone. With time however, it has become apparent that the rising tide of revenues did not automatically result in increased profits. The losses in motor insurance are staggering. And so the question then was, why were things not adding up?

Motor insurance is a fast growing class, and it is therefore in the best interest of the industry to find a solution to the various challenges faced. The solution should be two pronged; save insurers from making losses, while at the same time ensuring that the overall customer experience is pleasurable rather than a punishment.

Accidents happen, and insurance exists to take on the risk on behalf of car owners. Vehicles are expensive purchases and in appreciating the sensitivity of the asset, ownership process and experience, insurance firms have an obligation to deliver seamless service that restores the customers to their initial status with the most minimal inconvenience and at a an affordable cost.

In order to get to this point, there are several options in addressing the issue of accident vehicle repair. One of them, is to have a one-stop shop that gives the vehicle owner a better picture of the whole accident repair journey and in the process delivers a better experience for them.

The one stop facility, also known as an assessment centre, is designed to raise the standards ofaccident vehicle repair and also increase efficiency in dealing with motor accident claims. The vehicle repair standards, cover the assessment of the extent of damage to an accident vehicle, the reasonable cost of repairing it and the length of time it takes to do a good quality job. It also addresses the concerns of many customers who may not know where to take a vehicle in the event of an accident relieving them of the stress right from the accident scene to final repaired vehicle delivery.

Such facilities provide a two pronged solution to the problem; cost effective and customer friendly. Assessment Centres are currently being tested in Kenya and roll out is expected to commence in the near future.

Motor insurance is a fast growing class, and it is therefore in the best interest of the industry to find a solution to the various challenges faced. The solution should be two pronged; save insurers from making losses, while at the same time ensuring that the overall customer experience is pleasurable rather than a punishment.

INSURANCE VALUE PROPOSITION;

Simplifying the language

By Nuru Mugambi

> **"*The narrative must shift from a language of risk and loss to one of shared value and financial gain*"**

It is said that 'the best person to take care of your older self is a younger you.' This saying rings very true—especially in our African setting where we perilously rely on our social networks to step in and assist even where insurance products can be of value. Insurance alleviates some of the unexpected events such as medical emergencies, unemployment or crop failure; but to a large extent we rely on an informal framework that is inherent in our culture.

The issues that insurance caters for: Sickness, loss of life or loss of business are all quite depressing. In some cultures, it is even a taboo to discuss some of these events, until after they have actually happened. Therefore, considerations about insuring against such possible losses are avoided by families.Westruggleto write our willsor take our first life policy;we feel the act of doing so would accelerate our demise. In our African context, such superstitions can be crippling, and it has been found to cut across all social classes in urban and rural setting.

Encouraging consumers within this context to see the need for insurance—asopposed to relying on goodwill—requires both demand and supply-side approaches that factor in cultural and social norms. On the demand side, we must deal with traditions but also the reality that most human beings are inclined to 'short-termism'. The concept of setting aside money now for the probability of needing it to offset a future lossis one thatwe all may understand, but when it comes to subscribing to risk management products, it is quite another matter. This is the case for the majority who do not have disposable income and for whom every coin counts—and is accounted for.

To switch mind sets, marketers of insurance products would want to demystify their offering; and articulate its value proposition.This may sound elementary, butit is quite a difficult task especially because the concept of value is relative. Take for example the fact that the betting industry in Kenya is doing phenomenally well and growing at about eight to 10 percent annually, fuelled by youth and adults alike. Approximately 20 percent of adult Kenyans participate in betting or gaming. Why is it that people would be willing to lose such a considerable amount of money, where the probability of winning is a 'cat'swhisker' thin? The participants must derive intrinsic value from paying a premium (of sorts) for the off-chance that they will win (or make a claim).

By comparison, the rate of growth for Life insurance is about 18 per cent and 10 per cent for General. Entertainment has a lot to do with betting's value proposition, but the quest for expeditious financial gain is the more powerful motivator. Is there a nugget of insight insurers can glean from the betting/gaming companies? How do insurers demonstrate that their product translates intoa "win"?

Communication tied to product features

A change in the messaging and optics is one way. The insurance narrative must shift from a language of risk and loss to one of shared value and financial gain. In the U.S. there is a successful campaign by two companies that use humour to engage on an otherwise heavy topic. The talking gecko and cute butirritable duck have been the go-to ambassadors for Geico and Aflac insurance companies, respectively, for many years.

As marketers sign on compelling brand ambassadors and leverage on social media to connect with their audiences, they must recognise that the structure of insurance products, including how they are priced, accessed and used must also be simplified. Creative communication is never for its own sake—the language used, positioning and media engagement are important too.

Insurers' saving grace is the same digital technology which has enabled other financial institutions to decentralise their business models andcan be equally employed to reach more customers with products which they are willing to pay a premium for. The issue of reaching scale is very important as this will help drive down operational costs and thus lower the hurdle of affordability.

There is a lot that can be said about the Pay-As-You-Go (PAYG) approach to financial product innovation. Such features that leverage on mobile technology to deliver simple, accessible, easy-to-understand products, which make the users' life much easier, have revolutionised banking while driving up penetration rates to above 70 per cent of the adult population in Kenya.

Rebuilding trust is key

There is certainly room for more innovation and unconventional approaches to an industry that dates back to the fourteenth century. There is also room for trust building. According to the IRA, Kenyans do not trust insurance providers because, in their view, they are failing to deliver on their promises. Kenyans are not alone; in other countries, insurers are the least trusted professionals—they are even less trusted than bankers and lawyers. The IRA 2016 annual report states that "delayed settlement of claims, underpayment of claims, declined claims and mis-selling of insurance products," are the main reasons Kenyans prefer their informal or social network options.

To reclaim ground, companies will need to invest in their salesforce. Approximately, 46 per cent of insurance business is driven by agents; and another 37 per cent by brokers. As much as insurers are utilising digital technology to penetrate markets, there is still a need to improve the quality of engagement through agents and brokers. As much as Kenya is recognised internationally for financial inclusion thanks to M-Pesa, our financial literacy rates are still quite low and therefore sales teams need to play the additional role of educator. This is especially the case in communities where cultural barriers prevail. Agents—including traditional and bancassurance agents—are an important communications channel through which the insurance industry can rebuild trust.

Another avenue to increase confidence and trust is through a compelling shared value proposition. Companies issue dividends for shareholders. Policyholders can also benefit from their unutilised premiums. In some countries, companies issue policyholder dividends for health, life and auto insurance. A company in Texas recently paid out a record USD260 million dividend to its clients who had lower than expected claims; and last quarter MetLife, a global financial services company, distributed USD297 million to policyholders. These firms use such incentives to retain and grow their customer base, as well as, reinforce trust.

Whether it is reframing the conversation from one of loss to one of gain and shared value, or designing PAYG products that are simple, or paying out "winnings" to policyholders as a strategy to strengthen relationships,there are many strategies that insurers can employ to build their business and contribute towards societal well-being and sustainable development.

The writer is an Eisenhower Fellow specialising in sustainability and a director at Kenya Bankers Association

INSURING DIFFERENT LIFE STAGES

One of the areas that many people think about throughout their lives is their finances and how they can better manage or better protect what they have.

While insurance is important, not all types of it are throughout your life stages. With each phase of life, our priorities change. What was a priority when you were in your twenties, may change when you are in your thirties and then again change in your forties. As we evolve, so do our insurance needs. For that reason, our stage of life, not just our age, is often a great indicator of our insurance needs.

1 Young, Single

Full of life. Few responsibilities. Get Travel insurance as you see the world. Protect yourself with personal accident insurance to cover for any injuries or disabilities. Plan your career growth with an education policy. Protect your treasured electronics and home appliances with home insurance.

2 Married

Protect the lifetime union with life insurance. Health insurance. Credit life insurance when purchasing a home via mortgage. Home insurance to protect that valued asset. Creating wealth for long term.

3 Married with children

Life insurance. Education policy. Health insurance. Investments and retirement planning

4 Business owner

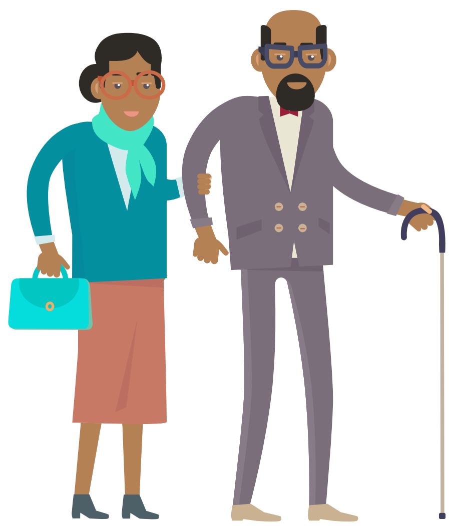
If you are running a business it should also be protected. Depending on the nature of the business there are several options, from professional indemnity, business interruption, goods in- transit, money insurance, theft insurance, fire and perils. If you have employees, group insurances such as health, life, and pension are also key.

5 Employed

Establish what kind of insurance your employer provides, then depending on which stage of life you are in, you can fill in the gaps of insurance that you require. For example, your employer may provide health insurance but no life insurance or pension. It then becomes your responsibility to plan for retirement and to protect your life.

6 Retirement

Planning for retirement is critical and this should start as early as possible. Insurance offers many options for planning for retirement in the form of schemes and annuities.



YOUR FOOD AND YOUR SENSES;

You are what you eat

By Belinda Nyakiti-Otieno

> *The food you eat can be either the safest and most powerful form of medicine or the slowest form of poison*

Ann Wigmore(1909-1994)

Nutrients from foods we eat provide the foundation of the structure, function and integrity of every little cell in our bodies — from our skin, hair, muscles, bones, digestive system and the immune system. You may not feel it but you are constantly repairing, healing and rebuilding your body. So how is it that what we eat does not give our body much to work with?

The source of nutrients is food but nutrients are not the same as food; they are chemicals found in food along with lots of other things. It is up to the digestive system to pick out nutrients from food and convert them into what the rest of the body can cope with. The whole business of nutrition would be a lot simpler if we could get our essential nutrients directly and did not have to depend on food. Converting food to nutrients is an inefficient, unimpressive and sometimes risky business. The earth is filled with things that look like food, have nutritional value which can poison us. Even when we eliminate the risk of poisoning, we often must take some bad with some good.

We have to understand that our bodies affect our minds, and our minds affect our bodies. Scientific studies have shown that skipping breakfast dulls students' memories and lowers their test scores while physical activity has been shown to sharpen thinking, reduce anxiety, reduce depression and enhance memory.
Our bodies contain similar nutrients to the food we eat. Therefore, the contents of the food we are consuming is affecting our nutrient levels and overall, our health. On average, the human body is six per cent minerals, carbohydrates and other nutrients, 16 per cent fat, 16 per cent protein and 62 per cent water. Of course these percentages vary for every individual depending on diet and lifestyle.

Practicing mindfulness

Our well-being is essential. What we eat and drink, and the way we do it profoundly affects our physical and mental well-being. It is essential to know which foods and drinks promote health and which ones harm us. Therefore, to attain well-being we need to take care of our bodies but also of our minds by practicing mindfulness. Mindfulness is being aware and being present while acknowledging feelings and thoughts; it is central to understanding the interdependence of mind and body. For example; if we experience a problem in our body or a disturbance in our feelings, mind or consciousness, some people tend to over eat, others tend to under eat and others get 'hangry' (hungry and angry). Identifying what has caused the change in eating habits is part of mindfulness which goes a long way in maintaining a healthy body and mind. Mindfulness helps us look beyond the packaging to see how we grow and where we get our food; we have to know what we are eating and how it affects us.

Our mind is the foundation of all our actions

The sense or impressions of what we see, hear, smell, taste, touch and think, all that we sense in our body and all that we become aware of in our mind is food for our consciousness throughout our waking hours, and our six sensory organs are actively engaged. The nutriments that we ingest through our sensory organs can either be healthy or harmful—especially when it comes to our attempts to reach a healthier weight. Mass media is the food for eyes, ears and mind: Many images we are exposed to through the media plant seeds of craving, fear, anger, violence or sadness in the conscious mind without our knowledge.

Consumerism dominates our culture, same is true for food. Today, we can buy food anywhere and at any time. But do we really ever stop and ask ourselves 'Why are we eating so much… are we truly hungry?' how do we stop all this? By observing the interdependent nature of our eating problems and our volition to achieve well-being, we can certainly identify and change conditions that will bring about inner peace and joy that will enable us make healthier choices

Our mind is the foundation of all our actions—whether they are actions of body, speech or mind. What the conscious consumes becomes the substance of our life, so we have to be very careful which nutriments we ingest.

The deepest level of our mind's 'store consciousness' has seeds that contain inherited habit energies that affect our pattern of seeing, feeling and thinking. If we allow ourselves to be in an environment day-after-day where the collective energy of anger, despair, hate or discrimination is powerful, then sooner or later this source of nutriment will penetrate into our body and consciousness will imprison us. It is therefore important to realise that the mind and body are not separate. Your previous weight loss efforts may have failed because of lack of a holistic approach. The benefits of a healthy diet are enormous, all of which can be yours: The price? Simply changing your diet and mind set. Always keep in mind that "The food you eat can be either the safest and most powerful form of medicine or the slowest form of poison".

If you nourish yourself with wholesome nutriments, consuming a healthy diet of edible food and drinks, sensory impressions, intention and mental formations of consciousness, then you—along with your loved ones—will benefit in concrete ways that are noticeable in your daily life, after all "nothing survives without food."

The writer is a Nutrition Consultant and Lead Auditor in Food Safety Management System. She is the founder of Boom's Kitchen Wellness Specialists

STARTING SMALL IN BUSINESS;
The dos and don'ts

By Juliet Gateri

> "
> ***It is a well-documented fact that money is not the only motivator for employees***
> "

Getting the right talent at a small budget is usually a tough task especially for businesses that are in start-up phase. Quality employees have multiple options of where they can take their talent, it can be particularly challenging for small businesses to compete for top talent, given their limited resources. For small businesses to succeed in the long term, they need to focus on people first; that means investing in building a great culture and structures that help them maximise the potential of their team.

Most companies start with very little capital, and it is imperative to plan carefully and conserve cash. This starts with the business model. Ideally, many businesses start with very little overheads, a small team as the primary source of labour and a model that can be scaled as the enterprise grows; and a business built on this model is prone to lots of competition hence the need for the entrepreneur to compete fiercely for customers.

Some things to keep in mind in managing your people and putting them first.

- **Have a culture champion:** Having a clear mission, values and strategy will align the team towards meeting the goals and objectives of the organisation. Employees who are aligned towards the organisations purpose are more productive; two aligned employees can do the work of 10 employees who are not aligned. A person(s) who can drive this culture (other than the business owner) would be critical, so that the business owner can focus on other things.

- **Every shilling spent should be to grow the business:** If what you are buying is not getting you more customers or enabling you to serve more customers, do not spend it. Keeping a lean mind-set will keep you focused. Your business has a higher chance of surviving and your employees will feel more secure in their jobs. Delayed salaries or unpaid expenses will make employees insecure.

- **Your business account is not your personal bank account:** Be prepared to take a small amount of salary for the first years of your business, even while paying employees. For the first few years of your business, you may be the lowest paid employee. Get your personal expenses as low as possible and avoid taking drawings from the business. Employees are watching and they will respect a disciplined business owner who cares about the longevity of the organisation.

- **Leverage on available technology:** Before spending on any software, shop around for available alternatives. Cloud and Software as a Service(SaaS) are possible alternatives that can be charged monthly for Human Resource, Accounting, Customer Relationship management, E-mail, Cloud File storage among other software and services. These platforms can be scaled to match your business needs. They make the team efficient and allows them to focus on key roles that will generate revenue.

- **Be slow to hire:** Full time employees are a huge overhead. There is the more affordable option of hiring business services and freelancers to do almost everything your business needs until you are at the scale where you need a full time employee, and even then two or three dependable part-time freelancers may still be a better option.

- **Outsource:** Some activities do not require in-house resources. For example IT repairs, accounting or marketing activation activities.

- **Involve your employees:** Employees are like partners in the business and should therefore be involved in decision making. Your business and budget involves everyone in your company, so each employee should be aware of the business goals and add any insight or ideas they deem necessary. Additionally, employees should know about any changes that might affect them or your company so they understand what is expected of them going forward. Employees will be more motivated with "Our Business" type of references and actions other than "My Business".

- **Have unique salary, benefits and allowances schemes:** identify unique benefits, both financial and non-financial, that can work in your organization. Employees can buy into the organization and benefit from bonuses or profit share. It is also a well-documented fact that money is not the only motivator for employees. There are other ways to motivate employees including flexible hours or opportunity to work from home, retirement planning, personal development, capacity building, growth and exposure opportunities among others.

- **Recognition and reward schemes:** These schemes do not need to be financial. Examples can be: Personally thank an employee for a specific job well-done; specify what was good about it and why you appreciate it, which tells the employee you do pay attention. Put that specific praise in a letter or thank-you note. Also celebrate success; for example if the team achieves a certain goal, the business owner can take them for lunch or coffee. Have a small Christmas lunch with an award ceremony recognising different individuals and teams, this can also be a small team building function. Start small as you grow.

- **Training and Development programs:** It is important for the businesses to understand the training needs of their organisation. This can mostly be collected from performance reviews. Then plan what kind of training can be offered. Training can range from; in-house training (peer-to-peer training,) in-house coaching and mentorship, online courses and audio visual aids, Encourage employees to advance their education through training partners such as Government and NGO which makes it low cost or even free. Provision of training motivates employees. Employees will also take a lower pay if there is provision of study leaves.

The writer is the Founder and Director of Alternate Doors Consulting, a Human Resource Solutions Company

THE ROLE OF INSURANCE IN ECONOMIC DEVELOPMENT

By Aram Kaboro

While addressing the 42nd general assembly of the Federation of African National Insurance Companies held in Kigali in February, President Kagame noted that, "Despite Africans making up a significant percentage of the global population, the continent's insurance firms continue to generate significantly less revenues compared to the rest of the world. The low levels of penetration are also unevenly distributed across the continent." During the function, it emerged that insurance has a noteworthy role to play in the growth of Africa's Economies.

Research has revealed that the intangible nature of insurance sometimes masks its role in development. Yet, it directly contributes to African economic development by driving growth, acting as a stabiliser for local economies and households facing random shocks, and as a vector for distribution and solidarity between people. To realise the full potential of insurance in Africa, insurers need to rethink their products and their distribution channels in line with the specific features of local markets. Insurance is a peculiar concept; it consists in paying a defined sum today to cover a risk that may or may not materialise tomorrow, its benefits remain largely hidden and intangible. However, insurance has always existed in some form and today's version is a product of tools developed by many traditional societies to create "confidence" among people, private organisations and public authorities. Indeed, in many languages the words insurance and confidence have the same roots or overlapping meanings.

> "***Insurance's significance includes mobilising savings towards domestic investments as well as helping countries detect hidden danger and plan accordingly.***"
>
> *Paul Kagame, President of Rwanda*

In Africa, traditional "self-insurance" tools designed to collectively transfer and manage risks often take the form of community savings supervised by a "wise" person, or more complex hierarchical and social arrangements. Pooling risks and resources to help people through tough times is very common in Africa. Nevertheless, moving from informal community-based "insurance" systems to formal individual ones clearly has a positive impact on economic growth and development. For a long time, because of its perceived invisibility, the macroeconomic role of insurance was not a major topic of interest. However, in 1964, the UN Conference on Trade and Development declared that "a sound national insurance and reinsurance market is an essential characteristic of economic growth."

Formal and individual insurance schemes contribute three things to economic development: Economic growth; stability and distribution. There is ample evidence of a general correlation between formal insurance penetration and GDP growth. Insurance makes it possible for individuals to take risk-related decisions that are greater than those each individual could bear on their own, such as creating a company, building a large infrastructure or a factory and developing a new technology. In emerging economies there are low-frequency, high-cost risks that individuals cannot bear; for example sole bread-winners who are unable to work because of illness, severe floods or drought for farmers. Once such risks start to be covered by insurance, the associated peace of mind allows households to take productivity-enhancing decisions and invest for the longer term.

By insuring firms and households against property loss, damage and loan repayment difficulties, insurance effectively helps lower credit risk and interest rates. In addition, insurance companies generally invest the premiums they collect and match their insurance liabilities with assets of the same duration.

Health insurance premiums are generally invested in shorter-term assets but premiums collected for life insurance or retirement products can be invested over decades. Insurance is a source of stability for the economy and households,

Paul Kagame, President of Rwanda at the 42nd General Assembly of the Federation of African National Insurance Companies in Kigali

smoothing the cumulative consumption patterns of individuals that have to deal with random shocks. This stabilisation role is apparent when natural catastrophes hit lower income countries with a lack of funding and disaster preparedness. As these countries may have insufficient resources or borrowing capacity to recover from natural disasters, transferring risks to insurance companies and subsequently to financial markets can be particularly effective in avoiding major disruptions to economic growth. On a more individual basis, stabilisation is also facilitated by making income more predictable. Insurance is a powerful vector for distribution and solidarity between people and generations: It creates an invisible solidarity net between economic agents around shared preferences and priorities.

Insurance lends economic tangibility to the concept of solidarity and structures it financially through two fundamental principles: Pooling or aggregating risks and mutualising risks. As such, it ties "the misfortunes of the few to the fortunes of the many" which operates a form of distribution. This inequality has little to do with initial income levels (while admittedly risk management tools depend on income). Insurance restores a form of equality between policyholders. Once they have paid a premium, what matters is the risk they face and not their income, education or social status.

Insurance penetration in Africa remains very low across. Excluding South Africa, total premiums are around one per cent of GDP, far from the five per cent and nine per cent levels observed in Asia and France, respectively. Insurers have been slow to tailor their products and services to the local realities of the African continent. They have built their African operations along the same lines as those in developed countries—long and complex contracts, distributed through costly networks of agents and brokers that only reach the urban elite. The remaining 90 per cent of the African population have little access to or awareness of insurance. Although they are the most vulnerable with poor access to education or healthcare, they can ill afford insurance. Consequently, insurance companies have long believed that these populations were simply uninsurable. However, these populations have developed their own risk management mechanisms: They hold precautionary savings, either in cash under the mattress or in the form of equipment that can be sold in the time of need. But these mechanisms often fail. Given the traditional insurance market's failure to address these needs, new digitally-enabled players seek to reinvent protection for low-income emerging customers. Because they face three challenges—price, lack of trust due to complexity and difficulty of access—they have had to reinvent the insurance business model. The future of insurance for the emerging customers of Africa and beyond probably lies in leveraging new distribution channels, especially digital-driven ones such as Kenya's mobile payment services, which are rapidly developing across Africa.

As President Kagame observed, "The more advanced an economy, the greater the size, diversity, and efficiency of its insurance market" Indeed, it is fair to say that insurance underpins prosperity and innovation.

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DIABETES IN WOMEN; How to check it

By Eva Muchemi

Mrs. Eva Muchemi (centre) Executive Director at Kenya Diabetes Management and Information Center, receives a dummy cheque from Mr. Tom Gichuhi (left), AKI Executive Director, in support of a medical camp in Matuu, Machakos County on 9th June 2018. Looking on is Beatrice Muchoki, DMI Programme Officer

Antenatal care visits during pregnancy must be optimised for health promotion in young women and early detection of diabetes

Diabetes, often referred to by doctors as diabetes mellitus, describes a group of metabolic diseases in which the person has high blood glucose (blood sugar), either because insulin production is inadequate or the body's cells do not respond properly to insulin, or both. Diabetes is a long-term condition that requires proper management.

Types of diabetes

- Type 1 Diabetes - the body does not produce insulin. Approximately 10 of all diabetes cases are type 1.
- Type 2 Diabetes - the body does not produce enough insulin for proper function. Approximately 90 per cent of all cases of diabetes worldwide are this type.
- Gestational Diabetes - this type affects females during pregnancy.

The most common diabetes symptoms include frequent urination, intense thirst and hunger, weight gain, unusual weight loss, fatigue, cuts and bruises that do not heal, numbness and tingling in hands and feet.

If you have Type 1 and follow a healthy eating plan, do adequate exercise, and take insulin, you can lead a normal life. Type 2 patients need to eat healthily, be physically active, and test their blood glucose. They may also need to take oral medication, and/or insulin to control blood glucose levels.

As the risk of cardiovascular disease is much higher for a diabetic, it is crucial that blood pressure and cholesterol levels are monitored regularly.

Diabetes in women

There are currently over 199 million women living with diabetes. This total is projected to increase to 313 million by 2040. Two out of every five women with diabetes are of reproductive age, accounting for over 60 million women worldwide. Diabetes is the ninth leading cause of death in women globally, causing 2.1 million deaths per year. Women with Type 2 diabetes are almost 10 times more likely to have coronary heart disease than women without the condition. Women with Type 1 diabetes have an increased risk of early miscarriage or having a baby with malformations. This has a great bearing on maternal health. Scientists from the National Institutes of Health and Harvard University found that women whose diets before becoming pregnant were high in animal fat and cholesterol had a higher risk for gestational diabetes, compared to their counterparts whose diets were low in cholesterol and animal fats.

All women with diabetes require affordable and equitable access to care and education to better manage their diabetes and improve their health outcomes.

What needs to be done?

Health systems must pay adequate attention to the specific needs and priorities of women. All women with diabetes should have access to the essential diabetes medicines and technologies, self-management education and information they require to achieve optimal diabetes outcomes. They should have access to pre-conception planning services to reduce risk during pregnancy. All women and girls should have access to physical activity to improve their health outcomes. Pregnant women require improved access to screening, care and education to achieve positive health outcomes for both mother and child.

One in seven births is affected by gestational diabetes. The International Diabetes Federation estimates that 20.9 million or 16.2 per cent of live births to women in 2015 had some form of hyperglycaemia in pregnancy. Approximately, half of women with a history of GDM go on to develop Type 2 diabetes within five to ten years after delivery. Half of all cases of hyperglycaemia in pregnancy occur in women under the age of 30. The vast majority of cases of hyperglycaemia in pregnancy were in low and middle income countries, where access to maternal care is often limited

Type 2 diabetes prevention strategies must focus on maternal health and nutrition and other health behaviours before and during pregnancy, as well as infant and early childhood nutrition. Antenatal care visits during pregnancy must be optimised for health promotion in young women and early detection of diabetes and GDM. Screening for diabetes and GDM should be integrated into other maternal health interventions and services at primary healthcare level to ensure early detection, better care for women and reduced maternal mortality. Healthcare workers should be trained in the identification, treatment, management and follow up of diabetes during pregnancy. Women and girls are key agents in the adoption of healthy lifestyles to improve the health and wellbeing of future generations

Up to 70 per cent of cases of Type 2 diabetes could be prevented through the adoption of a healthy lifestyle. Promoting opportunities for physical exercise in adolescent girls—particularly in developing countries—must be a priority for diabetes prevention. Seventy per cent of premature deaths among adults are largely due to behaviour initiated during adolescence. Mothers have a huge influence over the long-term health status of their children. Research has shown that when mothers are granted greater control over resources, they allocate more to food, children's health and nutrition, and education. Women are the gatekeepers of household nutrition and lifestyle habits and therefore have the potential to drive prevention from the household and beyond.

The 2017 World Diabetes Day, celebrated on 14th November annually, recognised the importance women play in diabetes prevention and management. The key message was that women and girls should be empowered with affordable and equitable access to care and education to better prevent and manage their diabetes and improve health outcomes.

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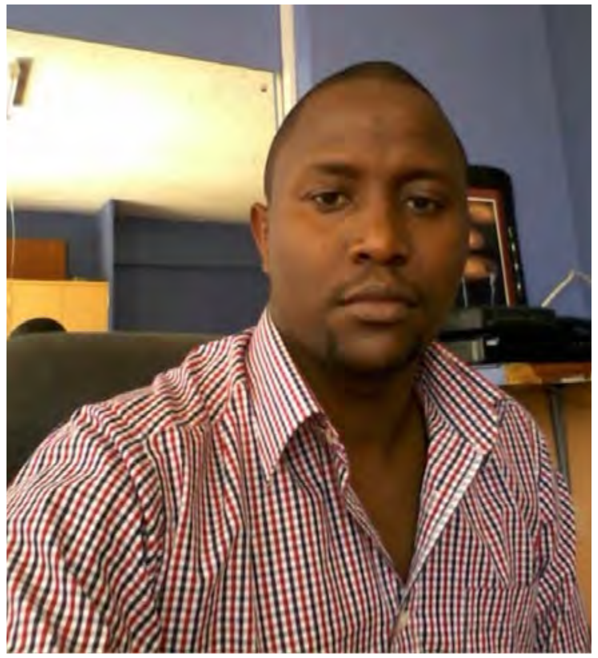
DRESSING THE PART IN THE CORPORATE WORLD

By Chris Odhiambo



In the corporate world, the amount of money you spend on your wardrobe is not nearly as important as presenting yourself as clean and well-groomed

How your dress in the corporate field is critical to your performance as most people form their impressions of us based on our appearance. Therefore, business dress etiquette is a part of building our executive presence and should be taken seriously. While what you do at work and how well you do it is important, if you really want to climb up the corporate ladder fast, you have got to increase your visibility, build influence and enhance your executive presence.

Corporate dress etiquette is all about how you present yourself. Your professional image says a lot about you; here are some tips offered by various 'experts':

Always adhere to the dress code established by the office

Whether you are interviewing for a new position or just going into the office for another day of work, you should always adhere to the dress code that has been mandated by the office. Smart options include suits, dress pants paired with a nice blouse or shirt, dresses or the like. Additionally, you may want to opt for classic business colours. While the quality of your work stands for a lot, your professional image is just as important.

When unsure, opt for business dress rather than casual apparel

If you are ever unsure of what the dress code is for a particular office or corporate event, opt for business dress. It would be unwise to arrive at an office that adheres to a business dress code in casual attire. Your image should give your colleagues the impression that you take your role with the company seriously and you are ready to get down to business. Projecting an image of professionalism is of the utmost importance in a corporate environment.

Maintain a clean, well-groomed appearance

You could be wearing an expensive, high-end designer suit, but if it is not clean, pressed and well fitted, you are wasting your money. In the corporate world, the amount of money you spend on your wardrobe is not nearly as important as presenting yourself in a clean, well-groomed image. To maintain a positive image in the workplace, a well-groomed appearance is very important.

A work wardrobe does not have to be expensive

Many professionals are under the illusion that a work wardrobe has to be expensive. You do not have to frequent high-end boutiques to purchase stylish clothing for work. Select some classic staples, and build upon your wardrobe little by little. A strong corporate wardrobe can be purchased without shelling out a lot of cash by shopping around for the best value, as opposed to only selecting high-end name brands.

A professional approach to casual Fridays

A big mistake that many professionals make is dressing too casually on casual Fridays. Do not let the name fool you. Typically, casual Fridays indicate a more relaxed dress code one day a week. Some offices will allow you to adhere to a business casual dress code, while others allow jeans with dressier accessories. Items that should never be worn on casual Fridays include sweat pants, sneakers, jogging suits, t-shirts or the like. Do not take the term too literally; it is a pass to escape the business dress code for one day a week, and opt for a slightly less dressy outfit. It is important to appear professional and well-groomed, and not look as if you are ready for a lazy day at the beach.

Get your colours correct

Clothing colours carry a lot of emotions: Each colour not only represents a mood, it also changes the mood when paired up with other colours. Hence, clothing colours are pivotal when it comes to selecting clothes. Of particular importance are the clothing colours you select when dressing up for an interview. Choose the right ones and you will be seen in the best light and have an advantage over other candidates. Choose the wrong ones; and you end up unknowingly conveying the wrong message to the interviewer.

Here are a few common clothing colours and the personality types they represent:

- Red: If you are drawn to red clothing colours, then it indicates extroversion, passion, energy, and a personality type that is driven to live fully. People who like red clothes also tend to be aggressive, energetic, and quick in releasing their emotions. Red clothing colours indicate a person who is quick in judging people and expressing his opinions. When going for a job interview, it is best to stay away from this colour as it can convey the wrong message to the interviewer.
- Orange: Like orange clothing colours? Then you probably are a social person who is well liked and makes friends easily. The personality type which prefers orange clothes is happier in occupations which involve meeting groups of people.
- Yellow: Yellow clothing colours indicate a superior mind that is able to concentrate well. Personality types that prefer yellow tend to have an aloof manner but are not shy. It is difficult to 'rattle' such people. 'Logical and consistent' are two adjectives that go hand-in-hand with the personality type which prefers yellow clothing colours.
- Green: People who like green clothing colours tend to live in good neighbourhoods, have a lot of friends and are very social. They are also environment friendly and have a good sense of balance. Such personality types tend to party well, eat well and live well. They are very mindful of their social standing, reputation and financial position.
- Blue: Blue clothing colours indicate freshness, peace and loyalty. Sometimes conceited, this personality type, especially men, tends to be witty and sarcastic. Women who like blue clothing colours often wish to portray an air of mystery along with intense appeal and sense of fashion. When attending a work interview, choose navy blue to show you are 'in control' while portraying calm, truth, confidence and security.
- Purple: Purple clothing colours were only used by the royalty in the past. Today, they indicate a personality type having great love for art, creativity and imagination. Such people also tend to have a deep insight. They are charming but prone to be temperamental.
- Black: Black is a good clothing colours choice for an interview as it indicates authority. Experts recommend using it mainly as an accent—like in scarves or ties—rather than using it as the main clothing colour in order to not connote drama.
- White: White Clothing colours are ideal especially for an interview, for both men and women. White indicates simplicity, precision and goodness.

Your clothing colours are the first thing people will notice about you and they tend to form a large part of the first impression they will gather about your personality type. In a competitive corporate market or any other aspect where one needs to impress and stand out, the choice of clothing colours is no doubt an important part of the deal.

Dressing for success in business is quite simple when you adhere to a few simple rules. Opt for classic professional pieces; maintain a clean, well-groomed image and whenever you are unsure of the dress code, over-dress rather than take the casual route.

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Jubilee celebrate clinching the Most Improved Life Insurance Company of the Year Award during the AAYA Awards in March 2018

AKI Executive Director (left) is flanked by supporting insurance company members as he hands over the Ksh1.5million dummy cheque to Mrs. Eva Muchemi, Executive Director, Kenya Diabetes Management and Information Center

Mr. Patrick Tumbo (Left), former AKI Chairman and Mr. Tom Gichuhi (right) AKI Executive Director, appreciate, with a gift, the AAYA Awards Guest of Honour Mr. Joshua Chepkwony, Chairman Jamii Telecommunications

APA receive the Overall Winner -General Insurance Company Award during the AAYA Awards

Women receive health advice as they await check-up during the AKI Medical Camp in Matuu, Machakos County

Mr. Samson Muthee (center) received Persistency Award during AAYA Awards.

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