

THE NAIROBI INTERNATIONAL INSURANCE CONVENTION

**SPEECH BY H.E. HON. UHURU KENYATTA, EGH, MP,
PRESIDENT OF THE REPUBLIC OF KENYA**

6TH JULY 2017 AT THE KICC AT 9.00 A.M

Distinguished Guests,

Ladies and Gentlemen,

1. It is my pleasure to be here with you today to officiate this important milestone as we celebrate the Insurance Regulatory Authority's 10 years of existence. Let me first take this opportunity to express my utmost appreciation to our distinguished guests who have joined us for this occasion in particular the first International Insurance Convention in Nairobi.

2. I am informed that many regulatory bodies and insurance companies as well as other insurance stakeholders are represented in this important occasion for IRA. In particular, I note with appreciation the presence of all insurance regulators from the East African Community region. We welcome this demonstration of solidarity with our sister institutions which is a clear indication of our commitment to the regional integration agenda that we are implementing.

3. **Ladies and Gentlemen,** this occasion is an important milestone not just for the Insurance Regulatory Authority but for the country as a whole. I say so because the

Authority, has played a pivotal role in risk management for both households and firms. By providing confidence and peace of mind, insurance ensures that businesses and other activities of households go on uninterrupted.

4. Indeed, the Authority has successfully steered the insurance sector across a volatile landscape characterized by global and domestic challenges, and technological innovations. The Insurance Regulatory Authority diligence and commitment have ensured that our financial sector remains one of the most vibrant, competitive and innovative on the continent. For this, I truly commend the Board, Management and Staff of the Authority for their commendable contribution.

5. **Ladies and Gentlemen,** over the last 10 years the Insurance Regulatory Authority has supported the country's financial inclusion agenda, by promoting consumer education and consumer protection thereby fostering a stable financial system.

6. As you may be aware, one of the goals of the Kenya's Vision 2030 is to foster greater efficiency and delivery of financial services to a wider population. In order to achieve this, all stakeholders and associated financial sector players, both in the private and public sectors, have been working towards enhancing financial inclusion through offering appropriate and affordable financial products and services.

7. Indeed, the Authority has placed more focus on low-income households as well as Micro-, Small-, and Medium-Scale Enterprises, who are, as a whole, benefiting from these positive and significant endeavours.

8. **Ladies and Gentlemen,** another area where the Authority's leadership continues to be felt is in our financial sector. The Insurance industry in Kenya has expanded

dramatically over the years, in terms of number of companies, the amount of premiums written and in asset base. Kenya is currently commanding a leadership position in the East African region, with premiums underwritten reaching KShs 197 billion as of March 2017, compared to KShs 47 billion as of 2007, the Authority's inception year. Moreover, Kenya is not left behind on the international map as the Kenyan insurance sector was ranked 4th largest insurance market in Africa after South Africa, Morocco and Egypt.

9. While the Insurance Regulatory Authority has done a commendable job in supporting the growth of the sector through supervision and monitoring of its performance, we have not been immune to difficulties. The financial crisis in the 2008 resulting largely from weak corporate governance, lack of proper risk management practices and poor asset quality and management impacted negatively on our market. During this challenging period, the Authority played a key role in coming up with appropriate reforms to address these challenges and foster financial stability.

10. Some of the key reforms undertaken included implementation of stronger legal and regulatory framework popularly known as risk based supervision. AS a result, the Authority is now able to focus and allocate resources to entities that pose higher risks to policyholders.

11. **Ladies and Gentleman,** Kenya's financial sector is also widely recognized for its leadership in leveraging mobile phone technology. As a consequence, financial inclusion has increased substantially, with access to formal financial services having grown from 26 percent in 2006 to over 75 percent currently. The Authority has facilitated these developments by supporting innovation in the sector while applying safeguards to mitigate the potential risks.

12. While these developments have yielded substantial progress, further work is needed to realize the Vision 2030 objective of a vibrant and competitive financial sector that drives financial inclusion and supports investment. Our micro insurance market in Kenya is still under developed, although insurers are increasingly becoming active on the micro space.

13. This calls for enhanced access to insurance at affordable rates to the lower end of the market is important and in this regard, I urge insurance companies to be more innovative and, working closely with the Insurance Regulatory Authority, to ensure that Kenyans have access to affordable insurance products.

14. **Ladies and Gentlemen,** to cement progress made thus far, and in the spirit of consolidating Kenya's position as the financial hub in the region, as government we have drafted the Nairobi International Financial Centre (NIFC) Bill, which has already undergone extensive stakeholder consultation and is in the final stages of finalization. The Bill provides a framework to strengthen Kenya's position as the financial hub of choice in the region through incentives, addressing bottlenecks and putting in place necessary market infrastructure and market development.

15. We have also drafted the Financial Services Authority (FSA) Bill, which provides for much more than a simple merger of the existing non-banking regulators by encompassing issues of market conduct, financial services consumer protection and addressing existing regulatory gaps.

16. **Ladies and Gentlemen,** as the Insurance Regulatory celebrates its 10th anniversary, it has engaged in several initiatives aimed at popularizing its role and mandate as well as promoting financial literacy. I commend the

Authority on training our youth on insurance in all counties in Kenya, as they are the key drivers of the development of our nation. I must applaud the Executive Certificate of Proficiency (ECOP) Training Program, which is in line with my Administration's effort to build skills for the youth and effectively tackle unemployment.

17. Finally, as we celebrate the Authority's 10 years of existence, we will also launch the insurance exhibition. The exhibition will offer Kenyans and our visitors an opportunity to understand the value and importance of insurance as well as the authority achievements over the last 10 years. I encourage you all to use this opportunity to visit the exhibition.

Thank You.

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