



## Kenya Re ISO 9001:2015



# Kenya Re asserts its competitiveness

Latest ISO quality management certification an indication of enhanced professionalism at the Corporation

By **MILLICENT MWOLOLO**

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The Kenya Reinsurance Corporation Ltd (Kenya Re) has successfully aligned its business processes to the latest ISO quality management system (QMS), an indication of enhanced professionalism.

The new ISO 9001:2015, for which Kenya Re recently received certification, is an upgrade of the preceding ISO 9001:2008 that the company previously operated under. "We have upgraded our standards in order to benchmark our systems of professionalism to international best standards," say Kenya Re Managing Director Mr Jadhiah Mwarania.

Kenya Re's attainment of the ISO 9001:2015 Certification was preceded by consistent internal and external audits.

Departmental ISO champions have been conducting internal audits twice every year, while SGS Kenya Ltd has been auditing the company's external systems, also twice annually, since 2010.

To streamline business operations and services, Kenya Re has in the recent past



Mr Jadhiah M. Mwarania, Managing Director

conducted a gap analysis to adjust internal processes and procedures. "This has realised continuous improvement in services delivery and better customer service, which has grown the business's customer index," Mr Mwarania says.

With better working systems in place, the employee satisfaction levels have also increased. "Our employees are our internal clients and they have demonstrated a higher level of

motivation," the MD observes.

He adds that the company has realised an increase in business in the last 10 years in terms of greater revenues and growth in market share owing to its flexibility in doing business and progressive growth strategies, not only in Kenya but in all its markets in Africa, Asia and the Middle East. Kenya Re re-insures a total of 265 insurance companies.

Mr Mwarania sees the ISO 9001:2015

Certification as useful in helping propel Kenya Re into its next phase of growing the business. "We are eyeing customer retention of not less than 97 per cent and total staff retention, which matches well with in-house risk management," he explains.

The MD adds that ISO 9001:2015 will heighten Kenya Re's compliance with laws and regulations in the financial sector to 100 per cent.

But it is the drive to offer excellent customer service that will be critical, as implementation of the ISO 9001:2015 will make it easier for Kenya Re to focus on business growth and meet given expectations at the Nairobi Securities Exchange and the Capital Markets Authority (CMA).

With the previous ISO 9001:2008, Kenya Re was able to streamline its internal processes and achieve customer satisfaction. "We continually benchmark our business operations with best international standards, and periodically conduct internal audits. Through this, we have been able to identify the gaps and close them. This has improved the quality of our products and services offering," shares Mr Mwarania.

The Corporation has consequently achieved significant growth over the years, increasing customer satisfaction index from 45 percent in 2013 to about 78 percent in 2017, and attaining a brand index of 81 percent currently against 40 percent in 2013.

Moreover, Kenya Re has maintained its impressive A.M. Best ratings. The Corporation is also rated AA by Global Credit Rating (GCR).

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## Corporation outlines its next phase of growth

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Kenya Re has adopted a five-year Strategic Plan 2017-2021 through which it targets more growth in premiums, investments, profitability, management capacity, budgeting, dividend and share price.

The reinsurer seeks to grow business through penetration and expansion of markets in Africa, Asia and the Middle East. "We are developing business through subsidiaries in Ivory Coast and Zambia. We are also setting up service centres in different countries," says the Managing Director Mr Jadhiah Mwarania.

Kenya Re will also leverage on product development that is backed with excellent technical support to insurance companies, leading to higher customer satisfaction levels. The reinsurer already runs a modern computer system that has made its business processes

customer efficient and effective.

To hinge further ahead, the reinsurer has also tightened the noose on risk management. "We are looking at risks internally and externally," says the MD. He adds that the Corporation has come up with an internal risk mitigation structure that comprises of board and management committees and departmental risk champions.

"We have come up with a risk map where we have identified 10 most common risks, which keep on changing. Through the risk pattern, we are able to foresee their occurrence before they strike."

The other critical pillar is people. Kenya Re recognises its people as

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the key drivers of business.

We identify the right skills and remunerate them well. We also focus on succession planning to ensure that the business remains competitive," the MD adds.

The reinsurer also pays keen attention to employee training and development, enhancing its competitiveness as an employer.

### Business growth is promising

No doubt that its business growth is promising. In 2012, the gross written premium was Ksh7.7 billion. This has since doubled to Ksh14.8 billion in 2017.

The investment income has also grown from Ksh3.1 billion in 2017 to Ksh3.2 billion in 2018.

The company's total assets were valued at Ksh23.7 billion in 2012. By 2017, these had grown to Ksh42.7 billion worth.

Shareholder's funds grew from Ksh14.6 billion in 2012 to Ksh27.2 billion in 2017.

"We have doubled shareholder wealth and we intend to keep growing. Given the competition, the nature of our business is maturing," Mr Mwarania says.

Kenya Re is strategically placed to serve the Big Four development blueprint for the country. For instance, industrialisation rides on a stable economy; when there is financial guarantee. "It is therefore necessary that insurance is used in the manufacturing process through fire, transport, motor and industrial staff insurance products to help mitigate risks," Mr Mwarania explains.

Towards the attainment of affordable housing, insurance is required in the construction process and also once occupancy takes place.

Undoubtedly, insurance is also poised to play a very big role in the universal health coverage agenda. "Medical insurance is the biggest class of insurance in Kenya today

due to the expensive nature of our hospitals," says the Kenya Re MD.

In agricultural development, insurance will cushion farmers against loss of crops and livestock, making the prices more stable.

It is expected that by 2021, Kenya Re's business growth will be driven by innovation in market development through inroads into new markets, development of new products and the establishment of new customers.

"This requires continuous improvement, enactment of sound policies, good human resource management and compliance with industry regulations," observes Mr Mwarania.

As a business, Kenya Re will continue to enhance value development and growth of the country through the national treasury, to which it pays dividends every year; and to KRA, where it pays hefty taxes every year. Mr Mwarania points out that "this is money which is building the country's infrastructure such as roads and dams".

Kenya Re is ISO 9001:2015 Certified, Rated B (Fair) by A M Best International Rating Agency, and AA by Global Credit Rating (GCR).

