

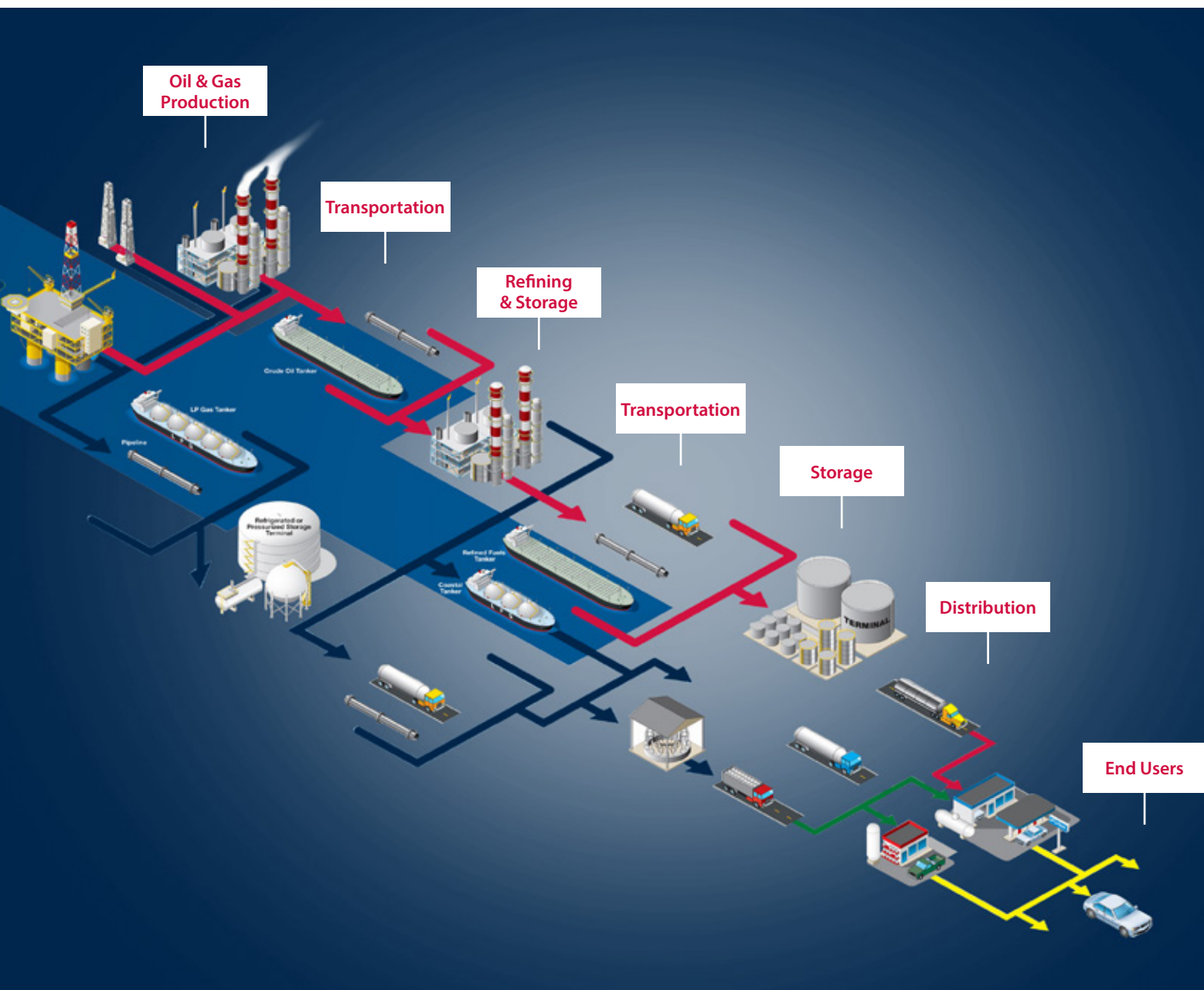
Re-News

The Official Magazine of Kenya Reinsurance Corporation Ltd.



ISSUE 10: JANUARY - MAY 2015

Oil and Gas Chain



Inside

Kenya Re profits
grow by 20pc

Insurance professionals discuss
opportunities in oil and gas

Let us eye a chunk of the oil and gas market

FOREWORD FROM THE MD



expertise, we will be able to cover part of the businesses in the oil exploration sector. We cannot sit down and watch as potential underwriting businesses are exported to international insurers. For Kenya Re, our resolve is further demonstrated after we recently received retrocession treaties which now give us the much-needed risk muscle to indulge in oil and energy sector.

Financial report

Continuous review of our corporate strategy has enabled Kenya Re achieve growth in the midst of a very competitive and dynamic reinsurance business environment both in the country and beyond. During our investor briefing, we announced a 20 percent improvement in gross premiums written to KSh 11.5 billion for the financial year 2014. This projects Kenya Re's profit for the year to hit KSh 3.1 billion, up from KSh 2.7 billion registered in the previous year.

We are aware of the need for responsiveness to satisfy market needs. The Corporation has carefully selected its investments and will continue doing so during this financial year. Kenya Re's capability and track record of providing excellent services in insurance, co-insurance and reinsurance is well known. We believe the investments we are making will strengthen the Corporation's capacity to reach the untapped and potential markets in Africa.

As part of the Corporation's expansion strategy, plans are at advance stage to set up a subsidiary in Zambia to enhance service delivery. The Lusaka office is set to be a regional hub that will serve the Southern African markets such as Zimbabwe, Zambia, Botswana, Lesotho, Namibia, Mozambique and Swaziland. This will be in addition to Kenya Re's operations in Abidjan, Ivory Coast, which serves the West African and francophone markets.

*Jadhiah Mwarania
Managing Director*

EDITOR IN CHIEF:
Andrew Ongicha
Communications Assistant

CONSULTING EDITOR:
Carole Kimutai

CONTRIBUTING WRITERS:
Ann Wangeci
Munyao Kathitu
Andrew Ongicha
Millicent Mwololo

PHOTOGRAPHY:
Kenya Re Image Library

RE-NEWS IS PUBLISHED BY:
Kenya Reinsurance Corporation
Reinsurance Plaza, Taifa Road
P O Box 30271 – 00100
Nairobi, Kenya
Tel: +254 20 2202000
Email: kenya@kenya.co.ke
web: www.kenya.co.ke
f KenyaReinsurance
@Kenya_Re

DESIGN AND LAYOUT:
Pixel Art Ltd.
Tel: 3741712
051- 8005865
Email: jimi@pixel.co.ke

Editorial Committee



Munyao Kathitu



Andrew Ongicha



Michael Mbeshi



Lucy Kagwiria



Samuel Ruugia

Kenya Re attends AAOIFI conference

NEWS

By Munyao Kathitu



Kenya Re staff represented by Mr. Munyao Kathitu (c) and Mr. Bilal Laving (r) pose for a photo during the AAOIFI seminar.

The Corporation took part in the seminar which was held on 22nd and 23rd March, in Manama Bahrain. It was organized by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) under the auspices of the Central Bank of Bahrain. The conference provided a platform for discussing important issues focused on AAOIFI's efforts to standardize the global Islamic Finance Industry. Currently in its 14th year, the conference also solicited feedback from industry leaders on existing AAOIFI standards, which guide much of the business conduct for Islamic financial institutions. As Islamic finance has expanded in recent years to represent approximately \$2 trillion in assets, AAOIFI has established itself as the leading standard-setting body for the industry.

The conference was held in 7 sessions discussing topics relating to application of Sharia to international Islamic finance products, services and practices as well as continuing innovation of Islamic finance to support further growth and expansion of the industry across the world.

The discussions were guided by eminent Sharia scholars as well as leading Islamic finance practitioners and academicians. Participants at the conference comprised of Sharia scholars and senior representatives from central banks, regulatory authorities, financial institutions, accounting and auditing firms, legal firms, universities and higher learning institutions, and other Islamic finance industry stakeholders from the Middle East, Africa, Asia, Europe and North America.

Dr. Hamed Hassan Merah, the Secretary General of AAOIFI stated that "the AAOIFI Annual Sharia Conference provided a platform for discussing important issues especially those relating to AAOIFI's efforts on standardisation and harmonisation of the global Islamic finance industry". He added that "AAOIFI is currently working on developing new standards and reviewing existing ones to better cope with ever-changing market requirements and realities. Discussions at the conference covered topics relating to some of these standards and also gathered new ideas and thoughts for future standards".

Bravo! Another good credit score

By Munyao Kathitu



US rating agency A.M. Best has assigned Kenya Re a stable rating. This means the organization is in a strong financial position in terms of ability to pay claims.

The agency assigned a strong 'BBB' (up from 'BBB-') credit rating to the firm, which is good news for our clients as it means Kenya Re can comfortably pay claims.

A.M. Best also affirmed Kenya Re's B+ rating on expectations that Kenya Re have strong financial books.

Global Credit Rating (GCR), another international credit rating agency, awarded Kenya Re AA for claims paying ability domestically and BB+ for the international market.

Kenya Re profits grow by 20pc

By Andrew Ongicha

Kenya Re has posted a 20 percent rise in net profits from KSh 3.2 billion in 2013 to KSh 3.9 billion in 2014. The results were achieved through strong investment returns and reinsurance premium growth. Continuous review of the corporate strategy in the midst of a very competitive and dynamic reinsurance business environment both in Kenya and outside has also played a major factor in the performance.

Net claims incurred grew by 26 percent largely attributed to more of severity rather than frequency of claims. Shareholders have a reason to smile after funds improved to KSh 19.9 billion up from KSh 16.9 billion.

ERP goes live

Kenya Re officially launched the Enterprise Resource Planning (ERP) on March 17th 2015. The ERP will help the Corporation streamline and smoothen its operations to make customer engagement seamless. This is due to the fact that more organizations are leveraging on technology not only to make their business processes efficient, but also to integrate all aspects of the business.

Award recognizes boardroom diversity

By Millicent Mwololo



Kenya Re Chairman Mrs. Nelius Kariuki (l) receives a special recognition award from former South African First Lady, Ms Graca Machel, at the Best Practice in Board Diversity Awards 2015. This was during the Nairobi Security Exchange Leadership forum.

Kenya Re has received a Best Practice in Board Diversity Award. The award recognises companies listed at the Nairobi Securities Exchange (NSE) that uphold diversity and inclusivity in their boardrooms. With a board composition drawn from different professional backgrounds and geographical regions, Kenya Re has given a new meaning to inclusivity and diversity.

"Our composition is drawn from the Coast, Eastern, Central, Rift-Valley and Lake region. Board members are also drawn from diverse professional backgrounds; there is an international marketer, lawyer, pharmacist, actuary and Public Service. They all bring in different capacities," says Jadhia Mwarania, Kenya Re Managing Director.

Their ages range from 40 and 60 years. More outstanding is the fact that the board chairperson – Mrs. Nelius Kariuki, was the first woman in Kenya to ring a bell at the NSE, when Kenya Re was listing in 2007.

"We have given more meaning to boardroom room debates, and ensured that diverse views are taken care of in all resolutions. Though not expected, coming seventh at the independent survey was not by surprise. As a corporate, we have always upheld good corporate governance principles. The win was a consequence," Mwarania says.

Results of a working board

The impact of good board has translated into a profitable organisation. Kenya Re's experience at the NSE has been very successful, going by the share price. The shares were initially trading for KSh 9.50 each and within no time they almost doubled to a high of KSh 18.50. At some point they dipped to KSh7.50 and have since risen to the region of KSh18.50. "In 2012, our bonus shares were all taken up by our shareholders," recalls the MD. The last four years has seen Kenya Re posting an annual growth rate of between 25 to 30 percent.

Four year ago, Kenya Re launched a rebranding exercise. "A strong brand out there has given us an edge, but it is our people who give us the most competitive advantage in the market," says Mwarania.

The Corporation has also streamlined service delivery by empowering employees. "We deal with insurance companies and we should be able to protect their risks and our risks too. Our technical team should therefore have the capacity. Our turn-around time in the payment of fully supported claims is less than 24 hours," he says.

By Munyao Kathitu



Kenya Re MD Mr. Jadhav Mwarania opens the Oil & Gas technical training seminar that was held from 13th - 15th April 2015 at the Stanley Hotel.

raising with regard to the extraction, development and management of the oil and energy resources. The extraction of energy resources, it emerged during the talks, could play a big role in our economies provided good frameworks for effective management are placed.

East African oil is projected to beat that of the Middle East in global markets over the next 20 years. Currently, much of the activity has centred on exploration, with huge discoveries in Kenya and Uganda. Most experts, however, say the march to outpace the Middle East in production could be hindered by lack of poor infrastructure.

Despite this, multinationals are seeing opportunities to fund enabling infrastructural projects and explorations, buyout of oil fields, and drilling of oil in what experts term as "the next trillion-dollar deal". The local underwriting sector are also queuing to take up the risk, even though the business requires huge capital outlays.

Exploration starts with the seismic phase, where firms obtain information on geological conditions to estimate oil and gas reserves in an area, followed by drilling and completion of wells, development of production facilities, and eventually the separation and purification of the coveted commodity. Investment in exploration is a risky and expensive affair. All activities require insurance because of the uncertainty of the ventures.

If the insurance industry in Kenya come together and pool resources and expertise, it will be able to cover part of the businesses in the oil exploration sector. The local industry should ensure the underwriting businesses are done locally.

Kenya Re's role

Kenya Re recently received retrocession treaties which now give them the much-needed risk muscle to indulge in oil and energy sector. The reinsurer is keenly aware of the need for responsiveness to satisfy market needs. The Corporation has carefully selected its investments and will continue doing so during this financial year. We are known for our capability and track record of providing excellent services in insurance, co-insurance and reinsurance.

The oil and gas chain

Oil and gas activities are categorised into upstream, middle-stream, and downstream. The first, which involves exploration and productions, carries the highest risk in the industry.



Of late, there has been rise in expectations from the insurance market as a result of recent discoveries of oil, gas and minerals in Kenya and the regional partner states. In view of this, Kenya Re felt it was timely to commence sharing of experiences and addressing challenges associated with these discoveries

Underwriters and other stakeholders in the insurance sector had a rare opportunity to listen to Ian McCallum, world-renowned global expert in oil and gas. McCallum facilitated an oil and gas seminar from 13th - 15th April at the New Sarova Stanley hotel, Nairobi that was hosted and organised by Kenya Re.

The seminar sought to define the benefits and risks that will be derived in improving welfare in the oil and gas sector hence furthering Kenya's economic growth. Of late, there has been rise in expectations from the insurance market as a result of recent discoveries of oil, gas and minerals in Kenya and the regional partner states. In view of this, Kenya Re felt it was timely to commence sharing of experiences and addressing challenges associated with these discoveries.

Major issues

The presentations and discussions that were held during the two-day seminar were stimulating and provided responses to some of the major issues the industry players have been

Picture Speak

The Corporation was involved in various activities during the first quarter that included; investor briefing, Oil and Gas Seminar, NSE Leadership forum and the Malaika Awards.



1



2



3



4



5



6

1. The group that participated in the NSE Leadership forum pose for a photo after the completion of the seminar. 2. The Niko Fiti campaign received an award for 'Campaign of the Year' and a cheque of Ksh100,000 during the 3rd Tribute Malaika Awards 2014 held at the Safari Park Hotel. 3. Kenya Re Chairman Mrs. Nelius Kariuki (I) and MD Mr. Jadhav Mwarania confer during the investor briefing that was held on 27th March 2015 at the Hilton Hotel. 4. A stakeholder fields a question during the recently held investor briefing. 5. GM Reinsurance Mrs. Beth Nyaga (I) awards a certificate to a participant after the completion of the Oil & Gas technical seminar that was held from 13th – 15th April 2015, at the Stanley Hotel. 6. Staff of Kenya Re and participants of the Oil & Gas technical seminar pose at the start of the training that was held from 13th - 15th April 2015, at the Stanley Hotel.

Complaints Handling Charter



Kenya Re Complaints Service Delivery Charter

Kenya Re is committed to delivering the highest possible quality and level of service to its customers. We intend to provide services through the best practice and in line with our customers' needs as we continually seek improvements.

What is a complaint?

A complaint is defined as "any expression of dissatisfaction by a customer or potential customer about service delivery by the company or its agents, and/or about company or industry policy."

At Kenya Re, we see complaints as a valuable way of meeting and responding to your expectations. We realize that in breaking down the barriers to meet your needs we value listening to feedback and complaints from you.

How will we handle your complaint?

We will:

- Acknowledge your complaint, in writing or via email, within 24 hours of us receiving it.
- Enquire into your complaint and consult any relevant persons who should help resolve it fairly and within a reasonable timeframe.
- Treat you and your information with confidence and respect, in line with our guidelines.
- Keep you and any other persons involved informed about the progress of the complaint, how we will try to resolve it and, as is appropriate, what we will do to prevent it from happening again.
- Take action to resolve the complaint as best as possible to your satisfaction and, where possible, recommend any changes needed to ensure the cause is fixed.

- Let you know in writing the outcome of your complaint and, as is relevant, the reasons behind this outcome.

What should you tell us:

- Your name, address and the best way to contact you.
- The details that will help us understand the reason/s for your complaint.
- Copies of any documents relevant to your complaint.
- If you have already discussed your complaint with us, the details of those persons in Kenya Re that you dealt with.
- What you feel would constitute a satisfactory resolution of your complaint. For example are you seeking information which you feel is being withheld, are you seeking an apology, etc.

You need to know that:

- You may make a complaint verbally and/or in writing. E.g. email, and/or calling
- We may ask for your help in the course of handling your complaint.

You can make a complaint to Kenya Reinsurance Corporation by contacting:

Communication Assistant
Kenya Reinsurance Corporation
PO Box 30271- 00100
Nairobi, Kenya
Phone: 0703 083 212
Email: complaints@kenyare.co.ke

7 solutions for beating procrastination

By Ann Wangeci



The first quarter of 2015 is over. When it began we made resolutions or a list of things we want to accomplish in 2015. Have far are you? Are you one of those who has decided to wait or push forward tasks? Then you are suffering from procrastination.

Have you ever asked yourself why this happens? Why files sit on our desks grinning with agony to be returned back to where they belong after signing. Or why we postpone that important proposal or report that needs to be attended to so as to facilitate the quick process of pending deliverables?

Chinua Achebe's quote 'Procrastination is a lazy man's apology' helps to define our will to fantasize of a better future but not having the urge to get out of our comfort zones to work for that future. To avoid such frustrations and procrastinating deadlines, Henrik Edberg highlights the following seven steps:

1. Stop thinking. Start doing

A bit of planning can certainly help you to achieve what you want to achieve. A lot of planning and thinking tends to have the opposite effect. You think and think and try to come up with "the perfect plan". A plan where you don't have to make mistakes, where you will never be rejected, where there will be no pain or difficulties. Such a thing does of course not exist. But as long as you work on that plan you can protect yourself.

2. Don't blow a task out of proportion

By over thinking and putting things off you are not only trying to protect yourself from pain. You also make mountains out of

molehills. Because you are dwelling on it. And so it expands in your mind. And since you are putting it off you are probably thinking about it in a negative way. So plan a little and then take action.

3. Take the first step

When you start to look too far into the future any task or project can seem close to impossible. And so you shut down because you become overwhelmed and start surfing the internet aimlessly instead. That is one of the reasons why it is good to plan for the future but then to shift your focus back to today and the present moment. Focus on taking the first step today. That is all you need to focus on, nothing else. By taking the first step you change your mental state from resistant to "hey, I'm doing this, cool". You put yourself in state where you become more positive and open, a state where you may not be enthusiastic about taking the next step after this first one but you are at least accepting it. And so you can take the next step. And the next one after that.

4. Start with the hardest task of your day

Maybe you have an important call to make that you also fear might be uncomfortable. Maybe you know you have gotten behind on answering your emails and have big pile to dig into. Whatever it may be, get it out of your way the first thing you do. If you start your day this way you will feel relieved.

5. Make a decision. Any decision

We feel bad when we sit on our hands and don't take action because it's unnatural. The natural thing is to be a decisive human and take action. When you procrastinate you want to do something but you don't take the action that is in alignment with that thought. You become conflicted within.

6. Face your fear

It is easier to live on that "someday..." thought. It's harder to just take action. To risk looking like a fool. To make mistakes, stumble and not avoid that pain. To take responsibility for your own life. The easier choice can come with a sense of comfort, with a certain level of success, pangs of regret for all the things you never dared to do and a vague sense of being unfulfilled.

7. Finish it

Not taking the first step to start accomplishing something can make you feel bad. But not finishing what you have started can also leave you in a sort of negative funk. You feel fatigued or stressed and sometimes you don't even know why. If that is the case, go over tasks and projects what you are currently involved in. Is there something there you know you want to finish but haven't yet? Try to get that finished as soon as you can you will start to feel a whole lot better.

Let's have a procrastination free environment in our workplace.

WORKPLACE

HUMOUR

Insurance trivia



Question: Do you know what a woman and insurance have in common?

Answer: They are both expensive, difficult to understand and what you get is not guaranteed.

Question: Do you know the difference between a man and a whole life policy?

Answer: A whole life policy eventually matures.

The life of an insurance agent



A life insurance agent walked into a businessman's office. "You ought to feel highly honoured," said the businessman to the life insurance agent. "So far today, I have had my secretary turn away seven insurance agents." "Yes, I know," replied the agent, "I'm all of them."

A life insurance agent was completing an application and got to the part on health history. He asked his client how his grandfather died. This was his client's startling answer: "I want to die in my sleep like my grandfather...Not screaming and yelling like the passengers in his car."

An underwriter, an insurance agent, an old lady and a beautiful blonde find themselves together on a train. The train passes through a tunnel and, in the darkness, a loud slap is heard. When the train came out of the tunnel and into the light, they see that the insurance agent has a red five-finger mark on his cheek.

The blonde thinks: "The insurance agent must have tried to grope me in the dark and mistakenly groped the old lady, so she slapped him."

The old lady thinks: "That guy must have groped the blonde in the dark and she slapped him."

The insurance agent thinks: "The underwriter must have groped the blonde in the dark and she mistakenly slapped me instead of him."

The underwriter thinks: "I can't wait for the next tunnel, so I can slap that insurance agent again!"

Wise Quotes

Do the one thing you think you cannot do. Fail at it. Try again. Do better the second time. The only people who never tumble are those who never mount the high wire. This is your moment. Own it -- *Oprah Winfrey*

Not everything that can be counted counts, and not everything that counts can be counted -- *Albert Einstein*

People often say that motivation doesn't last. Well, neither does bathing -- that's why we recommend it daily -- *Zig Ziglar*

I have not failed. I've just found 10,000 ways that won't work -- *Thomas A. Edison*

Kenya Re Retakaful

إعادة التكافل

f KenyaReinsurance | t @Kenya_Re | www.kenyare.co.ke

