

REFORMS

THE OFFICIAL MAGAZINE OF KENYA REINSURANCE CORPORATION LIMITED.



MAIN STORY:
FIRM STRATEGY FOR IMPROVED PERFORMANCE

PAGE 7
INVESTOR BRIEFING

PAGE 12
SECURITY (ANTI-TERRORISM)
AND SAFETY

PAGE 18
SENSITIZATION ON THE
2017-2021 STRATEGY

WE'RE LISTENING. WE'RE HERE. WE CARE

Kenya Re is committed to delivering the highest levels of service quality to its customers. We intend to provide services through 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 time frame.
- 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 have 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 or writing to:

Assistant Communications Officer | Kenya Reinsurance Corporation

P.O Box 30271- 00100 | Nairobi, Kenya

Call: (+254) 0703083212

Email: complaints@kenyare.co.ke | ongicha@kenyare.co.ke



WORD FROM THE MANAGING DIRECTOR

Mr. Jadhav Mwarania, OGW

It's a new year, a new dawn for the Corporation. I would first and foremost like to take this opportunity to thank all our Board for their commitment to guide and steer the Corporation towards success. The management and staff for the dedicated and tireless efforts they put in 2018. Your diligent, sincere and industrious efforts continue to propel Kenya Re to greater heights. As we trudge towards the end of quarter one, let us strive to do even better in our respective departments so as to enable us achieve the set Corporation's objectives and deliver shareholder value and enhance investor confidence.

Real GDP grew an estimated 5.9% in 2018, from 4.9% in 2017, supported by good weather, eased political uncertainties, improved business confidence, and strong private consumption. On the supply side, services accounted for 52.5% of the growth, agriculture for 23.7%, and industry for 23.8%. On the demand side, private consumption was the key driver of growth. The public debt-to-GDP ratio increased considerably over the past five years to 57% at the end of June 2018. Real GDP is projected to grow by 6.0% in 2019 and 6.1% in 2020. Domestically, improved business confidence and continued macroeconomic stability will contribute to growth. Externally, tourism and the strengthening global economy will contribute.

The business environment in 2018 was very tough and competitive and this had an impact on our financial performance for the year ending 31st December 2018 which saw the Corporation recording a 32% drop in pre-tax profits to record Ksh3.104Billion profit before tax compared to Ksh4.558 Billion in the year 2017.

As this first quarter draws to a close, I would like to recognize the hard work and effort you all put in. More precisely, the Corporation through the Corporate Social Responsibility (CSR) initiative Niko Fiti received global recognition as Best CSR Company – in Kenya whilst the Retakaful window was recognized as the Best Retakaful Company in Africa, in 2018. It definitely took a concerted effort to bring these two awards home.

Despite the dip in profits, the year 2018 saw the Corporation embrace new positive developments such as upgrade of our ISO certification from ISO 9001:2008 to ISO 9001:2015 which targets quality management systems geared towards improved customer service.

We also carried out competitive recruitments of various positions to ensure that we have the right people in the right jobs. This effort was geared towards building human capacity of qualified and skilled professional staff in order to retain a competitive edge in the market place.



We also acquired new systems to bolster the operations of the Corporation such as:

a) PROPHET

Prophet that assists in actuarial work in life & non-life that includes reserving, Pricing and capital modeling in line with International best practice. The system allows us to benchmark with the best actuarial practice across the world. It also allows us to automate actuarial work increasing accuracy and efficiency in delivery of work. It has improved the skills of the staff in the actuarial department.

b) SICS

The Corporation acquired a reinsurance system to serve the reinsurance life and non-life business. The system which was implemented over a period of two years went live on 1st March 2018. The acquisition of the new software was driven by the need for the corporation to stay relevant within the rapidly changing global reinsurance market. The system will enable the business to improve on service delivery and enhance efficiency and effectiveness of the business processes.

c) GOVERNANCE RISK & COMPLIANCE (GRC)

The Corporation acquired a Governance Risk & Compliance (GRC) software that is expected to automate risk management operations as well as enhance embedding of a suitable risk culture across the corporation.

On the CSR front, Kenya Re's renowned Corporate Social Responsibility - Niko Fiti partnered with the

Kenya Institute of Special Education (KISE) to adopt a block in their new state of the art Psycho Education National Assessment and Rehabilitation Centre in Kasarani that will cater for persons with physical disabilities. This will be the Niko Fiti legacy project that will see thousands of persons living with disabilities benefit from the services offered by the center. The center is expected to be launched by His Excellency the President of the Republic of Kenya later in the 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 reinsurance services 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.

I look forward to seeing and experiencing team efforts in accomplishment of duties in the Corporation through professional and skillful conduct. In all our undertakings, let us place all our stakeholders at the nerve center of all our operations through offering world-class customer experience that will turn result in sustained investor and shareholder confidence.

2018 was a remarkable year. Let us all remain devoted to implementation of our key blue-print which is the strategic plan and I have no doubt that we will achieve improved performance in 2019 and years to come May 2019 bring colossal success to you and your families! Enjoy the read.



Sylvia Karimi
Ag. Corporate
Affairs Manager

WORD FROM THE EDITOR

**“SAME BOOK DIFFERENT
PAGE – WELCOME 2019.”**

As American novelist Alice Walker states, “time moves slowly but passes quickly.” It is hard to accept that we have just concluded the first quarter of 2019. A few months ago we were all excited and planning for the forthcoming 12 months of the New Year which has now eight months to go! Time flies indeed.

For those of you who have joined us this year, welcome to the family. Please feel as part and parcel of the Kenya Re team. 2018 is now behind us, a new year is now with us and provides an opportune moment for us to carry vital lessons learnt into 2019 for the prosperity of our Corporation.

There are a lot of exciting things happening. In Kenya, the current government is on course with Kenya’s Big Four (B4) economic plan, introduced in 2017 that is focused on manufacturing, affordable housing, universal health coverage, and food and nutrition security. It envisages enhancing structural transformation, addressing deep-seated social and economic challenges, and accelerating economic growth to at least 7% a year. By implementing the Big four strategy, Kenya hopes to reduce poverty rapidly and create decent jobs.

Closer home – here at the Corporation, we just released our full year 2018 financial results in accordance

with stipulated Capital Markets (securities) (Public offers, Listing and Disclosures) Regulations, 2002 as required by one of our regulators, Capital Markets Authority (CMA), Kenya.

Despite reporting a dip in profits, the over-reaching message being that we should all remain focused in implementing the turn-around strategies to realize financial and sustainable growth for Kenya Re in the midst of a very dynamic and competitive business environment.

The year 2019 looks very promising; we are looking forward to the events lined up this year that will shape brand visibility for the Corporation. Among them being; the launch of the Psycho Education National Assessment and Rehabilitation Centre which hosts the adopted Kenya Re block at the Kenya Institute of Special Education (KISE) in Kasarani, Annual General Meeting, corporate golf tournaments, market cocktails and market engagement in our subsidiaries, media roundtables, Niko Fiti campaign activities and so much more.

I will leave you with this quote from Aristotle. Always remember, we are repeatedly what we do. Excellence then, is not an act but a habit! Strive to have an excellent year, will you?

CONTRIBUTORS

EDITOR

Sylvia Karimi

EDITORIAL TEAM

Sally Waigumo
Andrew Ongicha
George Njuguna
Sylvia Karimi

CONTRIBUTING WRITERS

Andrew Ongicha	Davis Onsakia
Edwin Muthabuku	Peter Angwenyi
Joakim Omache	Ben Monda
Yvonne Mwanacha	Ann Wangeci
Martin Mati	Jane Nyambeki
Jennifer Mutinda	

Wisdom Goes **BEYOND THE HORIZONS**



Kenya Reinsurance Corporation is the oldest reinsurer in Kenya. It is 60% owned by government and 40% by public through National Securities Exchange.

We provide reinsurance services to over 265 companies in over 62 countries in Africa, Middle East and Asia. The corporation has a branch in Abidjan, Ivory Coast that caters for the West African Francophone markets and another in Lusaka, Zambia that caters for the Southern Africa





ROI

INVESTOR BRIEFING

PROFITS TRIM FOR KENYA RE BUT A FIRM STRATEGY FOR IMPROVED PERFORMANCE

By: Edwin Muthabuku

The tough business environment impacted financial performance of Kenya Reinsurance Corporation in the year ending 31st December, 2018. Kenya Re recorded a 32% drop in pre-tax profit, to record Kshs. 3.104 billion profit before tax compared to Kshs. 4.558 billion the year 2017. Profit after tax declined by 36% from Kshs. 3.577 billion to Kshs. 2.278 billion.

Factors that contributed to this were: a 64% drop in profits of the associate investment in Zep Re, Increase in claims reserves due to higher incurred claims ratio, Forex loss in Sudan as a result of currency devaluation by the Sudan government from Kshs. 15.4 per Sdg to Ksh. 2.24 per Sdg which adversely affected both reinsurance receivables and investments and Lower than expected investment property value appreciation compared to prior years. These factors formed the basis on which the corporation issued a profit warning in March 2019 given their impact on the profitability.

The financial results were presented during the Investor Briefing held at the Intercontinental Hotel on the 29th March 2019. The briefing was attended by guests from insurance & reinsurance industry, investment banks, banking industry as well as Kenya Re investors & shareholders.

Gross premiums written grew marginally from Kshs. 14.827 billion in 2017 to Kshs. 14.838 billion in 2018. The net earned premiums grew from Kshs. 13.680



Xplico Insurance Chief Executive Officer, Mr. Mike G. Muriithi, makes a comment at the Corporation's Investor Briefing held on Friday, 29th March 2019 at Intercontinental Hotel, Nairobi.

billion to Kshs. 14.206 billion, which is a 4% increase. The investment income grew by 7% to stand at Kshs. 3.86 billion up from Kshs. 3.166 in 2017. The net claims incurred increased by 16% to Kshs. 8.830 billion from Kshs. 7.599 in 2017. The asset base grew by 4% to stand at Kshs. 44.371 in 2018 compared to Kshs. 42.732 billion in 2017. On the other hand, the shareholders' funds went up from Kshs. 27.205 billion in 2017 to Kshs. 28.373 billion in December 2018, a 4% growth.

Non-life premium constituted 87.5% of the total GPW of Kshs. 13.2 billion. Life premium constituted 12.5% of the total GPW or Kshs. 1.9 billion.

Life business grew by 16.6% in 2018 over 2017 to reach Kshs. 1.9 billion. On the other hand, non-life grew marginally (by 0.03%) from Kshs. 12.933 million in 2017 to Kshs. 13.196 million in 2018.

Managing Director, Mr. Jadhiah Mwarania, noted that the Corporation had some positive developments in 2018 such as:

1. Acquisition of an actuarial software called "prophet" that assists in actuarial work in life & non-life that includes reserving, Pricing and capital modeling in line with international best practice.
2. Acquisition of a reinsurance system to serve the reinsurance life and non-life business. The system which was implemented over a period of two years went live on 1st March 2018.
3. Acquisition of a Governance Risk & Compliance (GRC) software that is expected to automate risk management operations as well as enhance embedding of a suitable risk culture across the corporation.
4. Competitive recruitment aimed at ensuring that the Corporation has the right people in the right jobs. This effort was geared towards building human capacity of qualified and skilled professional staff in order to retain a competitive edge in the market place.
5. Partnership with Kenya Institute of Special Education (KISE) for the Niko Fiti legacy project. This project saw Kenya Re adopt a block in their new state of the art national Psycho Educational Assessment and Rehabilitation center that will cater for persons living with disabilities.



Kenya Re MD Mr. Jadhah Mwarania (2nd left) explains Kenya Re's full year 2018 results to AIG Insurance Kenya MD - Mrs. Catherine Igathe (left), APA Life Insurance CEO- Mrs. Catherine Karimi (2nd right) and First Assurance CEO- Mr. Johannes Kitaka (right) during the Kenya Re full year Investor Briefing held on the 29th of March 2019 in Nairobi.

6. Upgrade of our ISO certification from ISO 90001 : 2008 to ISO 90001:2015. With this new adoption of ISO 9001:2015, the Corporation is targeting quality management systems geared towards improved customer service.

He added that financial performance in the reinsurance business include; pursuing new reinsurance markets such as Northern Africa, Middle East and Asia, pursuing new opportunities in existing markets, increasing our risk appetite, aggressive collection of outstanding premium returns, balances and closings, taking smart investments decisions to maximize capital gains and investment income prudently managing investment exposure as well as strategies focused on improving occupancy rates in our commercial buildings.

Speaking at the Investor Briefing, Kenya Re's Chairman, Mr. David K. Kemei cited mispricing of risks, domestication in our markets, forex losses and intense competition in both local and international markets as factors that contributed to the decline in the Corporation's revenues in 2018. "The industry also experienced mergers and acquisitions of insurance companies by global players

leading to increased capacities of the companies. The adverse effect of this activity is reduction in reinsurance premium," said Mr. Kemei. He however pointed out that the Corporation has put in place strategies to take advantage of opportunities in the markets we operate in. He affirmed that implementation of the strategy will enable the Corporation increase its financial strength and yield targeted profits in the coming years.

Highlighting the reinsurer's opportunities ahead of new financial year, Mr. Jadhah Mwarania, Managing Director - Kenya Re, undertook to maintain financial robustness for increased shareholder value. "The reinsurance industry is evolving in Kenya and the world over. As a result, we will endeavor to offer products and services that will address the ever changing needs of the insuring publics in our markets," said Mr. Mwarania.

Our financial results encourage the strategic path the corporation has undertaken. Our business sustainability will be pegged on operational prudence, portfolio diversity as well as robust investment and risk management," noted Mr. Jadhah Mwarania.





AGRICULTURE INSURANCE WHEN THE RAINS ARE NOT BLESSED

by Joakim Omache

Toto's 1982 ballad "Africa" commonly known as "blessed the rains down in Africa" had charmed beginnings. It was inspired by the tale of a Christian missionary, deep in the African bush land, very lonely and waiting for his better half. He looks longingly at when her flight is landing and to convince her he is worthy of her affection, he tells her that he can do something not a hundred men could ever do; bless the rains.

History is full of tall tales of what missionaries did, one of them was blessing the rains before the planting season started. It was believed then that the blessing will help with a good harvest. We will never know whether the blessing helped or not but fast forward a few decades later, modernity has cut through Africa and Kenya in particular, and now farmers rather than looking for the rains to be blessed, they have an option of taking agriculture insurance to safeguard their farming activities.

Despite Agriculture being the largest contributor to Kenya's gross domestic product, agriculture insurance has had a checkered past compared to its peers in other classes such as motor and medical. As of 2017 figures, the gross underwritten premiums for agriculture was KES 823 million against a market potential of KES 84.58 billion representing a paltry 1% market penetration. The loss ratio for the year reveals the reason for this apathy by insurers towards agriculture insurance. In 2017 the class posted a combined loss ratio of 99.7% with the poorest performing insurer registering a loss ratio of 555.2% while the best performer closed out at 11.7%. The poor performance has made private insurers shy away from agriculture especially crop insurance.

Reinsurers have also exhibited a similar trend, shying away from the class and only providing specialized cover in the form of facultative covers on large farms or marginal participation in quota share treaties with direct insurers. Mr. Linus K'Owiti, a reinsurance connoisseur with vast experience in the field, reckons that most reinsurers participate in agriculture chiefly not for the profit motive but for other commercial reasons.

There are a cartload of reasons why agriculture insurance performs poorly in Kenya. The main culprit is the lack of good actionable data on which to base prudent underwriting on. A substantial chunk of agriculture practiced in Kenya is done by small scale farmers who tend to have diverse farming regimes making it hard to provide indemnity insurance on a per case basis. The administrative fees alone are too prohibitive and when you chime in the claim experience, the idea becomes dead in the water.

Given the current state should the Kenyan farmer look for new blessers? The answer is an affirmative no. New trends in machine learning have improved on climate modelling which has vastly improved on agriculture insurance underwriting. The results can be seen in index insurance whose payout is event based. In 2017 livestock insurance in Kenya which is index based had a loss ratio of 38.3% compared to its peer crop insurance which is mostly offered on a per risk basis which registered a loss ratio of 204.8%. Pilot schemes such as the Kilimo Salama program have utilized the power of mobile computing to offer a bundled insurance product to small scale crop farmers. It requires the farmers to plant the right seeds which it monitors by requiring them to SMS a short code on the side of the seed bag, it then monitors the planted area by satellite and issues a payout in case of failed rains or any of the insured perils. The new schemes are mostly on their infancy stage but they are registering good results.

As the earth warms up and weather patterns shift, IPCC (Intergovernmental Panel on Climate Change) data is getting more and more incorporated by insurers and reinsurers the world over. This is improving the accuracy of climate modelling producing better premium pricing models, even for the small scale farmer and may be with the forward movement of the arrow of time, the rains will need less and less blessings.

Strength &
wisdom
***Beyond
Borders***



For over 45 years, we've spread our wings across 62 countries providing world class reinsurance services to insurance companies. Because we've been tried and tested in reinsurance coverage, we provide our clients with financially sound risk management solutions.





INTERNATIONAL WHEELCHAIR DAY 2019

By: Jane Nyambeki

International Wheelchair Day is always on 1st March and is an annual day of events and activities which take place around the World when wheelchair users celebrate the positive impact a wheelchair has on their lives. Since it was first launched in 2008, celebrations have taken place in Australia, Nepal, Senegal, South Africa, Bangladesh, Pakistan, United Kingdom and United States of America. Kenya has not been an exception. The Corporation joined other responsible corporates in the country by sponsoring the celebrations of the 11th International Wheel Chair day at the Association for the physically disabled of Kenya (APDK) grounds in Westlands, Nairobi on Friday, 1st March 2019.

The aim of the event was for wheelchair users to

celebrate the positive impact a wheelchair has in their lives, to celebrate the great work of the millions of people who provide wheelchairs, who provide support and care for wheelchair users and who make the World a better and more accessible place for people with mobility issues and to acknowledge and react constructively to the fact that there are tens of millions of people in the World who need a wheelchair, but are unable to acquire one. Among the people who attended the event was APDK Vice Chairman, Dr. Lumbi Wa M' Nabea, Chief Administrative Services – Labour and Social Protection Services, Hon. Abdul Buhari and Chief Guest who was Westlands Member of Parliament, Hon. Timothy Wanyonyi.

The Corporation was represented by Corporate Affairs staff.



Corporate Affairs staff at the International Wheelchair Day 2019 event.



A section of the attendees at the event.



Kenya Re was one of the corporate sponsors of the event.



SECURITY (ANTI-TERRORISM) AND SAFETY AWARENESS TRAINING.

By Andrew Ongicha

Terrorism presents a constant threat to institutions, businesses and individuals. While it is important to refrain from scaremongering, serious corporates consider their security and emergency response procedures and assess if they are robust enough to cope with an attack and prepared for counter terrorism training. It is also crucial that employees are aware of possible terrorist threats, as well as for employers to minimize the effects of terrorism through counter terrorism training.



Managing Director, Mr. Jadhiah Mwarania makes his remarks when he officially opened the four-day staff Security (anti-terrorism) and Safety Awareness training at the Kenya School of Monetary Studies (KSMS) on Tuesday, 2nd April 2019.

The workplace has often been the primary target of terrorism not only in Kenya but in the world. This is attributed to the fact that terrorism leads to workplace disruption, which negatively impacts on the country's economy infrastructure and health. Presently, many workplaces remain unprotected from terrorist attacks. This includes public transport systems upon which most employees rely on to get to their place of work. As such, it can be agreed that the workplace will continue to be an ideal target for terrorists—even more so due to a lack of preparedness and a perceived lack of employer emphasis on workplace preparedness for terrorism.

It is for the above reasons that the Corporation held

its first ever training on Security (Anti-terrorism) and Safety Awareness for both management and staff from Tuesday, 2nd April 2019 to Friday, 5th April 2019 at the Kenya School of Monetary Studies (KSMS). The training was officially opened by the Managing Director, Mr. Jadhiah Mwarania on Tuesday, 2nd April 2019.

Giving his opening remarks, Mr. Mwarania stated that security is an integral part of the Corporation. "This training is well-timed considering the unpredictability of terrorist attacks prone to the country in the recent and distant past.

Security is of huge importance since we all need to be prepared for all possible emergencies, including terrorism," said Mr. Mwarania. He further added that Kenya Re will continually strive to effectively make security first and a long lasting priority to enable all activities within and out of the Corporation to thrive positively. He urged all participants to be attentive as implementation of the teachings will be vital in the event of an attack.

The training was comprehensive and covered an array of topics such as defining terrorism, the safe handling and delivery of letters and packages at the workplace, dealing with bomb threats, Travel and transportation safety guidelines, Security of the workplace facility, Cyber-terrorism, and protecting business computer systems, Psychology of terrorism, Being patient, alert and extra vigilant. The training was conducted by very informative officers from the Directorate of Criminal Investigations (DCI) and Anti-terrorism Police Unit.

Staff remarked that the training was a superb eye opener in instilling best security practices for self and for the Corporation in entirety.



Seamless **STABILITY**

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FIRST TIME HOME OWNERS DILEMMA WHICH IS THE BETTER OPTION? CASH vs MORTGAGE FINANCING

By Ann Wangeci

Most people dream of owning a beautiful home once they get to a certain point in their lives. Having a property with your name attached to it, whether it is a bungalow, an apartment or even a plot is usually seen as a status symbol. Not only this but owning a home can be a good source of income if you decide to rent out the property.

Making the decision on whether to buy your home using cash or get a mortgage can be a difficult one especially if this is your first time and you don't know which the better option is. You might have saved enough cash to buy your house but then again you don't want to go broke once you go that route. Or maybe you want to get a mortgage loan and pay for it over a certain time that you will agree on with your financier. You should look at both options thoroughly because it's a big step to take.

Cash vs mortgage financing has its advantages and disadvantages. Knowing what works best for you as you are looking to buy a home will help you get what you are looking for.

Purchasing Your Home with a Mortgage

Kenyans take pride in owning a house and home ownership is considered a major milestone and a measure of success in one's life.

Unfortunately this remains an out of reach dream due to the high cost of building or buying a home in Kenya. Luckily, home ownership is gradually becoming viable through the provision of affordable mortgages by various lenders in the country.

Taking a Mortgage loan to buy your next home is a life-changing decision that you need to think through majorly. If you settle on this, you need to take some time to understand the lending process so that you are not caught in a situation where you are not able to make payments when required and also know what payments you need to make.

Advantages of Getting a Mortgage Loan

1. Ease of Payment

Buying a house can be one of the largest purchases you will ever make in your life. And doing so through a mortgage loan makes it easier to pay for it because of the monthly payments. You will decide on the payment terms with your lender for ease of payment.

2. Cost Effective

There are different mortgage plans you can choose from with reasonable interest rates depending on your situation. If you are unable to pay off the loan, the lender has a form of security – your home – which they can sell to pay off the debt.

3. Affordable

Many people panic when they see the prices of property. However, that doesn't mean that you should kill your dream of owning a home. Because of the different payment options, getting a mortgage loan will help you get your dream home when you want it without having to worry about the price.

Disadvantages of Mortgage Loans

1. High-Interest Rates

Interest rates of your loan can either fluctuate or rise. The lack of consistency means that you will be paying more than you actually borrowed. Because the loan is against your home, you need to make sure that you are constantly making your payments to avoid your home being repossessed. Luckily at Kenya Reinsurance we have fixed rate mortgages where the repayment amount never changes and remains constant over the life of the loan.

2. Added Fees

On top of the interest fees you will be paying, there are other costs you need to pay for. These fees include insurance, legal, survey, valuation penalty fees and many more.



3. Prolonged Debt

Nobody likes debt. Getting a mortgage loan might mean that you will be in debt for a long period depending on the duration you settle on for paying your loan. If you decide to make extra monthly payments, your loan repayment period may be shortened.

Advantages of Paying For a Home Using Cash

Buying a home with cash has definite advantages in today's market. The National Association of Realtors shows that about 30 percent of residential sales are cash transactions. Among investors and first time buyers, more than 70 percent of properties are bought outright. If you can afford to buy up front, the advantages are many:

1. Enjoy Discounts

Sellers love it when you pay for a house in cash because this is ready money they can see. As they say, "cash is king", therefore, you will get a house at a discounted rate on the price.

2. Sense of Security

Because you will not have a mortgage to pay for, you can relax knowing that you don't have any debt to settle with the bank. You won't have to worry about making monthly payments or interest rates that go high when the market fluctuates. Another advantage is you will not worry about losing your home if you are not in a position to repay off your loan.

3. Ease of Title Transfer

If you need immediate cash and don't know where to get it from, you can always transfer your title deed or sell your house without the hustle of an underlying loan.

Disadvantages of Buying a House Using Cash

1. Loss of Liquidity

Paying all that money upfront will leave your pockets dented for some time. Therefore, it is important to be a cash buyer once you know you can have money left in case of emergencies. It's not easy to access the money tied to your real estate property when you want to sell it. It makes it hard to get funds if you need them urgently.

2. You Can't Invest Elsewhere

If you are in a position to pay cash for a home, chances of getting a mortgage loan are high. When you get the loan, then you can invest that money into other ventures which will make you money. However, if you do buy your home with cash, you won't be able to invest the cash in other things which can bring higher returns.

3. You're Not Guaranteed a Rise in The Value of Your Home

In today's competitive real estate market, there is no assurance that the value of your home will increase. You might be unable to get a good deal if you ever decide to move or sell your house.

In conclusion, the decision to buy a home either with cash or through a mortgage lies with you. Weigh in the pros and the cons of cash vs mortgage financing. Take your time to understand the process of owning a home. Do your own research first then talk to an advisor, someone who understands the implications of both options.

PICTORIAL

Kenya Re Management at the Security (Anti-terrorism) and Safety Awareness training held at Kenya School of Monetary Studies (KSMS) on Tuesday, 2nd April 2019. The Managing Director, Mr. Jadhav Mwarania officially opened the training.



Kenya Re West Africa Office celebrate birthdays of Rose Zamble and Samuel Koffi.



Kenya Re Shariah Supervisory Board pose with the trophy they won during the 12th International Takaful Summit in London on 10th and 11th July 2018.



The Corporation's risk champions pose for a photo during the last day of the Governance, Risk & Compliance (GRC) system training held at Kenya School of Monetary Studies (KSMS) from Wednesday, 20th February to Friday, 22nd February 2019.



GMR, Staff from life & Actuarial department pose for photo with a team from Swiss Re that visited the Corporation to understand the Life's department underwriting processes and procedures and discuss ways in which they could be improved.



Management team at the Governance, Risk & Compliance (GRC) system training held at Sarova Stanley Hotel, Nairobi.



Procurement department staff after receiving Valentine's Day goodies from Human Resources Manager, Ms. Sally Waigumo.



ICT Department staff in a jovial mood after receiving Valentine's Day goodies from Human Resources Department staff.



Reinsurance Department staff are all smiles after receiving a sweet treat from Human Resources Department staff on Valentine's Day.



Risk Champions at the Governance Risk & Compliance (GRC) training at Kenya School of Monetary Studies on Friday, 22nd February 2019.



Risk Champions at the Governance Risk & Compliance (GRC) training at Kenya School of Monetary Studies on Friday, 22nd February 2019.



Staff at the Security (Anti-terrorism) and Safety Awareness training at Kenya School of Monetary Studies (KSMS) on Friday, 5th April 2019.





SENSITIZATION ON THE 2017 - 2021 STRATEGY & 2019 BUSINESS PLAN

By: Martin Mati

In a bid to ensure that the Corporation's staff have an understanding of the organization's strategic focus and key deliverables, staff were sensitized on the 2017-2021 strategy and 2019 business plan between 30th and 31st January 2019. Staff in the subsidiaries were sensitized through Cisco Webex conferencing. More than 120 members of staff participated in the sensitization exercise.

The sensitization covered among other items, an overview of the 2017-2021 strategic pillars and objectives, achievements made in 2018 under each of the pillars and the 2019 deliverables. This is deemed essential to ensure that staff buy into the deliverables and carry the focus towards achieving the set targets.

The 2017-2021 strategy is premised on five pillars with a clear strategy objective for each as summarised in the Table below.

S/No.	Strategic pillar	Strategic objective
1.	Financial performance	Achieve sustainably robust Financial Performance to grow shareholder value
2.	Business Development	Grow and diversify quality portfolio for business sustainability
3.	Risk Management	Maintain robust risk management initiatives in order to achieve corporate objectives
4.	Business Process Improvement	Maintain systems and processes that address business needs and stakeholder interest
5.	Culture and People	Develop human resource capability and culture to match the Corporation's performance requirements

In addition, staff were informed that the Corporation has put in place different mechanisms towards realization of the corporate strategy. These include the following:-

- i) Monthly management monitoring and evaluation (M&E)
- ii) Board quarterly monitoring and evaluation (M&E)
- iii) Consistent monitoring of the environment to evaluate the opportunities and threats.
- iv) Strategy sessions for Management and Board.
- v) Use of Balanced Score Card (BSC) to cascade objectives.
- vi) Implementation of Rapid Results Initiatives.
- vii) Monitored weekly by management and monthly by the Board.

Staff were taken through the 2018 performance as well as the expected deliverables by 31st December 2019. Staff were encouraged to ensure that they continuously meet their weekly, monthly and quarterly targets and hence help the Corporation meet the agreed targets for 2019.



RETURNS FROM INVESTMENT

By: Peter Angwenyi

If you go to a club 8 times a month
then your investment is in
entertainment.

If you go to church 4 times in a month
then your investment is in your
spiritual growth.

If you attend business conference 2
times a month your investment is your
financial growth.

If you attend college 4 times a week
then your investment is your
education.

It is not rocket science that your
return or profit comes only from the
venture you invested in. This also
explains why certain people are ahead in life.
You cannot envy a person who is doing
well financially when they have
invested their time in business
conferences and financial literature,
while you were busy spending all your
time watching movies, partying and clubbing.

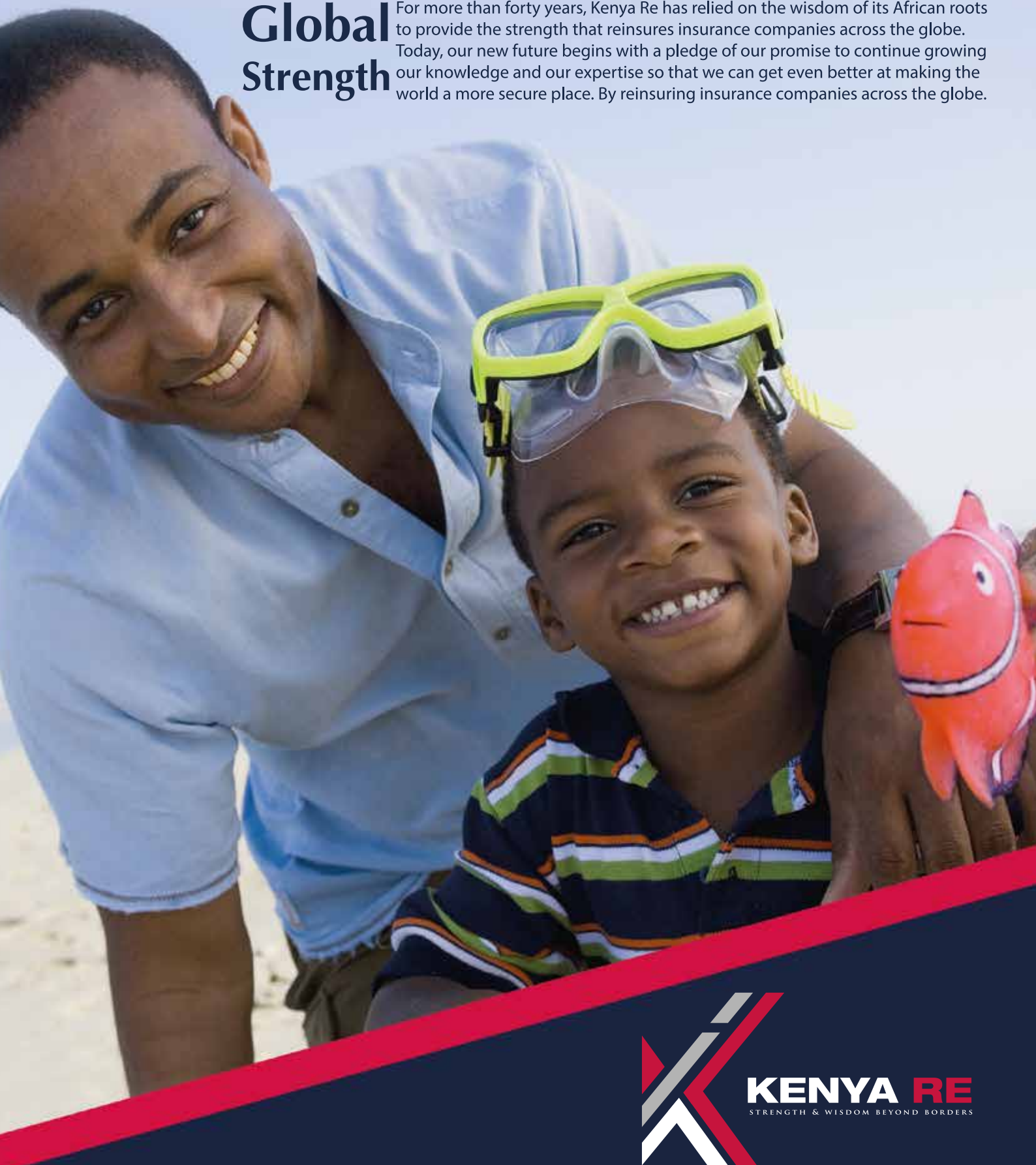
African Wisdom...

None is richer than the one who has peace of mind

| Kenyan Proverb |

Global Strength

For more than forty years, Kenya Re has relied on the wisdom of its African roots to provide the strength that reinsures insurance companies across the globe. Today, our new future begins with a pledge of our promise to continue growing our knowledge and our expertise so that we can get even better at making the world a more secure place. By reinsuring insurance companies across the globe.



KENYA RE
STRENGTH & WISDOM BEYOND BORDERS



By: Davis Onsakia

I CAN ONLY IMAGINE

It is not about the song, per se, it is about the story behind the song. The movie, 'I can only imagine'.

During the long December holiday, I had the privilege and honour to watch the above movie with my young ones. In some movie hall, I still has the muscle to do this.

The young man was suppressed from being who he wanted to be and even being a child, from a tough home environment. A ran away mom, a harsh dad and no sibling.

The end is amazing. The dad restored by His grace, the young man back to winning ways with his mom by his side and finally married to the old childhood flame. Is that not the line behind all movies anyway? Not exactly this, maybe it touched me in ways in which I cannot express. Maybe because it is based on a true story. But it touched me. Knowing that I was not just watching a movie, but watching a true life story of someone, who went through so much pain and anguish, in a place where he was expected and expected himself comfort and love - someone to lick his wounds when the world out there got tough and ugly, and somewhere to rest his tired bones after kicking the ball the whole day.

There was considerable loss of time and opportunity for the young man, but at the end he overcomes it all. God is good. Are you just going through so much pain and anguish that you feel sometimes it is not worthy to keep pushing on? You feel like you've lost it? Sometimes you feel that you can really even 'touch' what you've lost? It is said, it is not over till it is over. The young man exemplifies this.

My kids learned three key lessons, from the movie: keep on pushing ahead with your talent despite the disappointments and the naysayers (including your dad, his was his 'bloody' dad!) - they can be many! Forgive. And lastly, believe in yourself. I can't agree more with them. My own take home: give somebody a chance, even when you are not very sure that he can rise to the occasion - the adrenaline rush might change everything. Amy Grant did that and that changed everything.

Not everybody will pat you on your back for a job well executed despite envying you behind your back. This includes your enemies and even your loved ones. Be extremely careful. At least, as a professional, evaluate as objectively as you can (this is not very easy) how you have done and keep on improving. Never rest on your laurels. Good enough today cannot and shall not be even near 50% tomorrow. Or even better, get some genuine and blunt friend to give you some honest feedback. Note that good friends do not belong in your 'Yes Bandwagon. So don't look for them there.

Above all, keep God first in everything. I remember reading an article about the first black CEO of Standard Bank, South Africa. His mantra of life as a CEO of a bank is simple 'God first, every body else bring data'. This is due to the simple reason that you cannot know tomorrow and some things. Like I don't believe in some parenting stuff, which I see being practised or bandied around: I believe that in some stuff you can learn as you move forward. You cannot be taught to be a parent. Ask for His grace and do your best.

Sometimes I wish my dad was just here. To have that man talk. To talk about things I can never share with anyone. A man who assisted to bring you into this world and presumably will want the best for you and sharing those nuggets of wisdom that he has gleaned from the years he has lived ahead of you. Just sharing with him those fears which you know for a fact he has gone through, to guide you ahead, as a signpost. Man, I miss that. But then I understand and appreciate that everything happens for a reason and a purpose. I don't necessarily subscribe to the thinking of making lemonade from lemons thrown your way, but I believe in taking every situation as it comes. This should not be misconstrued; I do appreciate the presence of my mom in my life. But truth be told, I strongly believe, there are things a dad can only share with a son. That is the gap but I ask that God will fill it, for only He can. I know He will because He has come through before.

I CAN ONLY IMAGINE



One thing I've come to learn in the few years I've stayed on this Earth is that there might not be a replacement of your parents. I know some parents can be mean, insensitive and unreasonable but for those well meaning ones, they are worth more than rubies. Cherish them, listen to them more. Remember they have gone through every phase of what you are going through. Although through different times, but they're no strangers to it at all. Old school or urbane.

Let's bring this home to the work place. You feel you would want a 'god father' who honestly believes in you and is proud of what you're doing. But what if s/he just doesn't exist? For those who have them, if you are doing your work, appreciate them-you know it is good to know that somebody is watching you and is happy about what you're doing. For those who have none, I believe the majority belong in this set, keep on doing your best and be in your best behaviour - the payment time will come later - for surely payment shall come, one day. You know, we live on hope and optimism of a brighter tomorrow. Too personal? Probably yes, 'I can only imagine, yeah'.

Lyrics 'I can only imagine'

I can only imagine what it will be like
When I walk, by your side
I can only imagine what my eyes will see
When your face is before me
I can only imagine
I can only imagine

Surrounded by You glory
What will my heart feel
Will I dance for you Jesus
Or in awe of You be still
Will I stand in your presence
Or to my knees will I fall
Will I sing hallelujah
Will I be able to speak at all
I can only imagine
I can only imagine

I can only imagine when that day comes
When I find myself standing in the Son
I can only imagine when all I would do is forever
Forever worship You
I can only imagine
I can only imagine

Surrounded by Your glory
What will my heart feel
Will I dance for You, Jesus
Or in awe of you be still
Will I stand in your presence
MercyMe I Can Only Imagine
Or to my knees will I fall
Will I sing hallelujah
Will I be able to speak at all
I can only imagine
I can only imagine hey ya ah

Surrounded by Your glory
What will my heart feel
Will I dance for You, Jesus
Or in awe of you be still
Will I stand in Your presence
Or to my knees will I fall
Will I sing hallelujah
Will I be able to speak at all
I can only imagine
I can only imagine hey ya ah

I can only imagine yeah yeah
I can only imagine

I can only imagine ey ey ey
I can only imagine

I can only imagine when all I will do
Is forever, forever worship You
I can only imagine

Songwriters: **Bart Marshall Millard**
I Can Only Imagine lyrics © O/B/O Capasso.

IN THE NAME OF ALLAH THE MOST GRACIOUS THE MOST MERCIFUL

African Wisdom...

All Muslims are like a foundation, each strengthening the other; in such a way they do support each other |*Abu Musa: Bukhari & Muslim*|

Global Strength

For more than forty years, Kenya Re has relied on the wisdom of its African roots to provide the strength that reinsures insurance companies across the globe. With the launch of our Retakaful Window, we pledge to continue growing our knowledge and expertise so that we can get even better at making the world a more secure place for you.

Visit our website www.kenyare.co.ke or call +020 220 2000 for more information on our Retakaful Window



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KENYA RE
STRENGTH & WISDOM BEYOND BORD



WHAT IS GOOGLE?

By Ben Monda

Majority think of Google as a search engine that can be employed to find a variety of information such as websites, pictures, maps or even just an answer but in reality Google has a hidden motive. You share your secrets with your search engine without even thinking: medical, financial and personal issues, along with all the day to day things that make you, well, you. All of that personal information should be private, but on Google it's not.

On Google, your searches are tracked, mined, and packaged up into a data profile for advertisers to follow you around the Internet through those intrusive and everpresent banner advertisements, using Google's massive ad networks, embedded across millions of sites and apps. Google tracks you on more than just their search engine. You may realize they also track you on YouTube, Gmail, Chrome, Android, Gmaps, and all the other services they run.

Google Analytics is installed on most sites, tracking

you behind the scenes, letting website owners know who is visiting their sites, but also feeding that information back to Google. Same for the advertisement themselves, with Google running three of the largest non-search ad networks installed on millions of sites and apps: AdSense, Admob, and Double Click. You know those advertisements that follow you around everywhere? Most of those are actually run through these Google advertisement networks, where they let advertisers target you against your search history, browsing history, location history and other personal information they collect.

These advertisement are not only annoying but are literally designed to manipulate you through targeting to make you buy more things, and just showing them to you is an act of Google profiting off of your personal information.

That is google...



GOVERNANCE, RISK AND COMPLIANCE (G.R.C). DONE WRONG OR RIGHT?

By: Jennifer Mutinda

I am pretty sure GRC is not new to you. Is it the software that the risk department is implementing? GRC is a process, Lets delve into understanding this animal called GRC and why we need it.

GRC as an acronym denotes GOVERNANCE, RISK, and COMPLIANCE — but the full story of GRC is so much more than those three words.

Governance, risk and compliance (GRC) refers to a strategy for managing an organization's overall governance, enterprise risk management and compliance with regulations. Think of GRC as a structured approach to aligning strategy with business objectives, while effectively managing risk and meeting compliance requirements.

Governance: Ensuring that organizational activities, like managing business operations, are aligned in a way that supports the organization's business goals.

Risk: Making sure that any risk (or opportunity) associated with organizational activities, is identified and addressed in a way that supports the organization's business goals.

Compliance: Making sure that organizational activities are operated in a way that meets the laws and regulations impacting those systems.

The acronym GRC was invented in the year 2003 as a shorthand reference to the critical capabilities that must work together to achieve Principled Performance — the capabilities that integrate the governance, management and assurance of performance, risk, and compliance activities. This includes the work done by departments like internal audit, compliance, risk, legal, finance, IT, HR as well as the lines of business, executive management and the board itself.

GRC Drivers

Think of how many of these factors you have to deal with as a business entity:

- Stakeholders demand high performance along with high levels of transparency
- Regulations and enforcement are ever-changing and unpredictable

- Exponential growth of third-party relationships and risk is a management challenge
- The costs of addressing risks and requirements are spinning out of control
- The harsh (and scary) impact when threats and opportunities are not identified.

GRC Done Wrong

GRC Maturity Surveys shows that disjointed GRC activities cause a number of problems to organizations. To address stakeholder demands, organizations develop departments and programs such as: performance management; risk management; compliance; corporate social responsibility; and so on. Unfortunately, these departments and programs are often siloed, ineffective and yield troubling drawbacks:

- High costs
- Lack of visibility into risks
- Inability to address third party risks
- Difficulty measuring risk-adjusted performance
- Too many negative surprises

When these activities are siloed, it is highly likely that counter-productive objectives are established, sub-optimal strategies are selected, and performance isn't optimized.





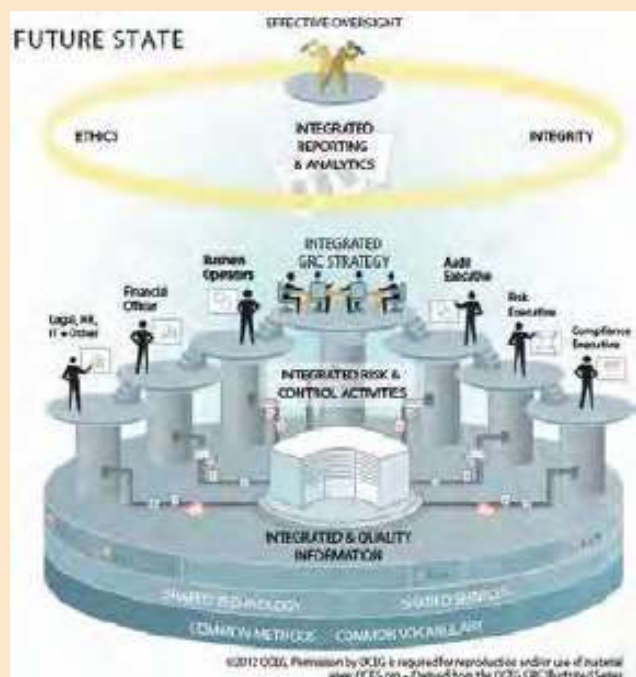
technology across all or many silos have:

- Reduced costs
- Reduced duplication of activities
- Reduced impact on operations
- Achieved greater information quality
- Achieved greater ability to gather information quickly and efficiently
- Achieved greater ability to repeat processes in a consistent manner

GRC Done Right

Integrating GRC capabilities does not mean creating a mega-department of GRC and doing away with decentralized management. Nor does it call for the use of only one GRC software system to manage it all. Rather, it is about establishing an approach that ensures the right people get the right information at the right times; that the right objectives are established; and that the right actions and controls are put in place to address uncertainty and act with integrity.

When GRC is done right, the benefits accrue. Organizations that integrate GRC processes and



NEW STAFF



BRENNAN MUKHIYI – ACCOUNTS ASSISTANT

Mr. Brennan Mukhiyi joins the Corporation as Accounts Assistant in the Finance & Investments Division. He holds a B.Sc in Agri. Economics from Moi University where he served as a student leader in the Moi University Student Council – MUSO – as the Director of Academics. He is currently pursuing an M. Sc in Finance at KCA University. He is a certified Professional Accountant – CPA and a Certified Financial Modelling & Valuation analyst as designated by the Corporate Finance Institute. Prior to joining Kenya Re, Mr. Mukhiyi worked as Audit and Accounts Assistant at Shah & Associates Certified Public Accountants. He has four years work experience in Finance.



MOHAMUD MOHAMED OMAR – SHARIAH COORDINATOR

Mr. Mohamud Mohamed Omar is a Shariah practitioner who comes with a solid academic background in Islamic Finance. Mr. Omar is a Certified Islamic Finance Executive from Ethica Institute of Islamic Finance (CIFE) from Dubai. He is also a CPA (K) finalist. Prior to joining Kenya Re, Mr. Omar has been working with First Community Bank Limited as an Assistant Manager, Sharia Audit and Gulf African Bank as a Sharia Auditor, the only two fully fledged Islamic banks in Kenya. Mr. Omar is the secretary to the Shariah Supervisory Board at Kenya Re Retakafu.



IRYCE KILALIA – ACCOUNTS ASSISTANT

Ms. Iryce Kilalia joins the Corporation as Accounts Assistant in the Finance & Investments Division. She holds a Bachelor of Commerce – Finance option degree from the University of Nairobi and a CPA (K). Ms. Kilalia has over five years work experience in Finance from various organizations.



DOUGLAS MWENDA MAINGI – EXECUTIVE DRIVER

Mr. Douglas Mwenda Maingi joins Kenya Re as an Executive Driver. He holds a certificate in Information Technology from Kenya Institute of Professional Studies, Nairobi. Prior to joining Kenya Re, Mr. Mwenda worked at Danke Ventures Limited and Procure Kenya Limited. He has seven years work experience as a driver.



MERCY MUSYOKI

Ms. Mercy Musyoki joins the Corporation as Accounts Assistant in the Finance & Investments Division. She holds a Bachelor of Commerce - Finance Option from Mount Kenya University. She is also a CPA part two holder. Prior to joining Kenya Re, she worked in the accounts departments of MP Shah Hospital and Zuku Kenya. Ms. Musyoki has three years work experience.

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COMMON RISK ACRONYMS

By: Peter Angwenyi

COMMON RISK ACRONYMS		
1	ERM	- Enterprise Risk Management
2	CRO	- Chief Risk Officer
3	BCP	- Business Continuity Plan
4	CAR	- Capital at Risk
5	DRP	- Disaster Recovery Plan
6	EaR	- Earnings at Risk
7	KRI	- Key Risk Indicator
8	ORSA	- Own Risk & Solvency Assessment
9	RAR	- Risk Assessment Report
10	RAROC	- Risk Adjusted Return On Capital
11	RBC	- Risk Based Capital
12	RCSA	- Risk & Control Self Assessment
13	VaR	- Value at Risk



HEALTHY BREAKFAST

**EASY TO BAKE MANGO MUFFINS!
GLUTEN FREE, DAIRY FREE & EGGLESS**

By: Yvonne Mwancha

1 cup cassava flour
1 cup oat flour
1/2 cup jaggery (unrefined cane sugar)
1 tsp ground cardamom
1 tsp baking soda
1 tsp baking powder
1/2 tsp sea salt

Wet ingredients:

1 cup banana puree
1 cup mango puree
1/2 cup coconut oil

DIRECTIONS

STEP 1: Pre heat your oven on 180C and prepare a muffin tray with linings or by adding some oil and dusting with flour.

STEP 2: Sift the dry ingredients into a large bowl. Since we are using whole unrefined ingredients there will be larger leftover pieces in the sieve. Once done just add them back to the bowl.

STEP 3: In a separate bowl, blend together the wet ingredients until well incorporated.

STEP 4: Add in the wet ingredients into the dry ingredients and mix until just well mixed in.

STEP 5: Scoop out the mixture equally into the muffin tray- about 2 tablespoons per muffin.

STEP 6: Bake for 17-20 minutes until a toothpick inserted comes out.

STEP 7: Remove from oven and cool for 5 minutes before removing the muffins to cool on a rack so that they don't become soggy on the bottom.

STEP 8: Serve with some peanut butter or on its own with your cup of favourite hot beverage.



Wisdom Is **FLAWLESS**



Kenya Reinsurance Corporation is the oldest reinsurer in Kenya. It is 60% owned by government and 40% by public through Nairobi Securities Exchange.

We provide reinsurance services to over 265 companies in over 62 countries in Africa, Middle East and Asia. The Corporation has a branch in Abidjan, Ivory Coast that caters for the West African Francophone markets and another in Lusaka, Zambia that caters for the Southern African region.

Kenya Re has investments in real estate spread around Kenya and is the proud owner of landmark commercial buildings.





Kenya Reinsurance Corporation

Reinsurance Plaza, Taifa Road,
P.O. Box 30271 – 00100, Nairobi.
Tel: +254 (020) 2202000, 0703 083 000
E-mail: Kenyare@kenyare.co.ke
Website: Kenyare.co.ke
Facebook: Kenya Reinsurance
Twitter: [kenya_re](https://twitter.com/kenya_re)