

Re-News

The Official Magazine of Kenya Reinsurance Corporation Ltd.



KENYA RE
STRENGTH & WISDOM BEYOND BORDERS

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First Niko Fiti Caravan for 2014 kicks off



Inside

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Trees Richer**

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Leadership is really about focus



A lot has been said and written about leadership. I recently came across an interesting article in the June 2014 issue of the Harvard Business Review written by Raymond Edwin Mabus Jr., the 75th secretary of the United States Navy. His main argument is how focusing on the ultimate goal can lead to success.

When Mabus was the governor of Mississippi, he learned the power of setting a few specific priorities and relentlessly pushing them. Later when he was a CEO of a private company, he led by creating a compelling vision and crafting an inspiring narrative so as to achieve results. "Devote your energy as a leader to reminding your organization what its crucial role is, creating the vision and the narrative, and looking out for the health of the system," he writes.

These words were brought to life when Kenya Re's Niko Fiti-Ability Beyond Disability campaign won the Corporate Leadership Award during the Annual Disability Rights and Advocacy Awards (ADARA) held on 31st July, 2014 in Nairobi, Kenya. ADARA seek to highlight, analyse and recognize disability mainstreaming and inclusion of good practices in the implementation of disability rights by companies and individuals.

At Kenya Re, every success has been achieved through focus. All employees have put their mind on achieving a goal and this can be

demonstrated by our financial performance. We posted a six percent growth in pretax profit for the six months ending June 30 – from KSh1.62 billion to KSh1.72 billion in a similar period. This was mainly contributed by improved customer service, market segmentation, enhanced intermediary relationships and product development.

In this issue of Re News we have put together various articles to keep you updated on what is going on. Our Cameroun office is vibrant and making great headway in West Africa. We are also very excited about the KSh 87.5 million Kenya Re invested in the African Trade Insurance Agency, an export credit agency. With the emergence of reinsurance needs around Africa and Kenya Re's eagerness to capitalize on these demands, this partnership will create a platform through which the Corporation can strengthen its capacity to reach the untapped and potential markets in Africa.

As we head towards the end of 2014, the second Niko Fiti-Ability Beyond Disability campaign caravan of the year will be headed to Mt. Kenya region. We remain committed and focused to improving the quality of life for persons living with disabilities and empowering them to go through their daily activities with minimal dependence on other people.

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Insurers Trained on Marine



A section of the participants during the training.

By Andrew Ongicha

Insurers from Africa have been trained by Kenya Re on various aspects of marine insurance. The reinsurance department conducted seminars for local and international clients in the months of May and June, in Ethiopia and Kenya respectively. Participants came from Kenya, Rwanda, Sudan, Tanzania, Ghana, Nigeria and Ethiopia. Some of the topics covered during the training include: development of marine insurance and international markets, marine hull underwriting, piracy and its effects on marine insurance. These trainings are part of a deliverable in the 2014 performance contract between Kenya Re and the Government of Kenya.

Kenya is 1,000 Trees Richer

By Nancy Imunde

According to the Kenya Forestry and Wildlife ministry, Kenya needs 384 million trees to meet the United Nations' requirement of a 10 percent forest cover by the year 2030.

Towards meeting this goal, Jadhiah Mwarania Kenya Re Managing Director led staff in planting 1,000 tree seedlings during the corporation's annual tree planting day that was held in August.

Staff spent time at Kibiku Secondary School in Ngong Town planting seedlings that were provided by the National Environment Trust Fund. Kenya's forests are rapidly declining due to pressure from increased population, fuel wood, building material and other land uses. Roda Kosgey, the deputy principal of Kibiku Secondary School thanked Kenya Re for the initiative and identifying the school.

Kenya Re MD Jadhiah Mwarania (c) is assisted to water a seedling during the annual tree planting day.



Kenya Re Registers 6% Pre Tax Profit



Guests and staff follow proceedings during the investor briefing.

By Andrew Ongicha

Kenya Re has attributed strong investment returns and reinsurance premium growth to the six percent growth in pre tax profit for the six months ending June 30 – from KSh1.62 billion to KSh1.72 billion in a similar period last year.

Improved customer service, market segmentation, enhanced intermediary

relationships and product development contributed to the 22 percent growth in gross written premiums from KSh4 billion to KSh4.9 billion over the same period last year. Claims incurred grew by 36 percent to KSh2.1 billion up from KSh1.5 billion last year.

Going forward, Jadhah Mwarania Kenya Re Managing Director says the

Corporation will focus on six key areas: teamwork, integrity, service culture, learning and innovation, employee focus and good corporate citizenship to sustain good performance and increase shareholder value.

Technical Training In Cameroun

By Lucy Kagwiria

Kenya Re's office in Abidjan, Cameroun has been active in educating clients about the dynamic global risk landscape. In May, 40 participants from nine Francophone countries attended a seminar on Engineering Reinsurance and were taken through technical aspects to enable them offer client-centered solutions.

Among other strategies, the Abidjan office has been using market seminars to increase its client portfolio. This has led to a growth of market share since the office was opened in 2010. In January 2014, the management increased staff members from one to five. One staff member was seconded to Abidjan from the head office to guide on the policies and procedures of the Corporation.



The Kenya Re training team consisting of Longin Nterere, Lucy Kimathi, Arthur Levy and Rahab Kariuki.

2014 Niko Fiti campaign is now reloaded

By Nancy Imunde

At the beginning of 2014, Kenya Re set aside KSh29 million for the Niko Fiti-Ability beyond disability campaign with the long-term objective of supporting paraplegics and donating assistive devices to special learning institutions that cater for persons with disabilities.

The 2014 edition of the campaign themed Niko Fiti - Ability beyond Disability Journey saw the first caravan headed to Western Kenya flagged off on 2nd July, 2014. Between 2nd and 4th July, the caravan transversed Kisii, Kisumu and Busia regions distributing assistive devices to 465 beneficiaries - 87 in Kisii, 93 in Kisumu and 285 in Busia. Beneficiaries came from far and wide including counties like: Nakuru, Eldoret, Bungoma, Vihiga, Kakamega, Homabay, Siaya, Migori, Nyamira and Migori.

Living with disabilities can be challenging. People who do not have



An elated Mr. Henry Makokha is all smiles as he receives a prosthetic leg from Kenya Re's Corporate Affairs Manager, Nancy Imunde at the Busia Polytechnic grounds.

any disabilities may find it difficult to understand the plight of those who do. The personal stories of those living with disabilities offered a refreshing perspective on the meaning of life and the ability to endure an entirely new way of living. One such story is that of Henry Makokha, a beneficiary from Busia who says he regained his self-esteem after he received a prosthesis for his right leg that was amputated following a bone infection. As a teacher, he can now teach full time which was not possible before he received the prosthesis from Kenya Re.

The second caravan of the year 2014 will go to Mt. Kenya region. Kenya Re remains committed to improving the quality of life for persons living with disabilities and empowering them to go through their daily activities with minimal dependence on other people.

Disability campaign wins corporate leadership award

By Nancy Imunde

The Niko Fiti-Ability Beyond Disability campaign has won the Corporate Leadership Award. The recognition was given during the Annual Disability Rights and Advocacy Awards (ADARA) that was held on 31st July, 2014 in Nairobi, Kenya.

ADARA seek to highlight, analyse and recognize disability mainstreaming and inclusion of good practices in the implementation of disability rights by companies and individuals. It also provides a platform for sharing challenges, experiences and lessons learnt for persons with disabilities as well as have stakeholders and investors increase their commitment to uplifting the lives of persons with disabilities.

The Niko Fiti-Ability Beyond Disability campaign which kicked off in 2011, aims at de-stigmatizing disability, promoting independence, ease in mobility and accessibility for persons living with physical disabilities through provision of assistive devices to enable them participate in social and economic nation building activities. The assistive devices provided range from: wheel chairs, special seats, tri-cycles, walking canes, crutches, prosthesis, polio boots, calipers and urine bags. So far, the campaign has assisted over 1,000 persons with disabilities in Kenya.

In 2013, the campaign won the "Best Corporate Social Responsibility Campaign" at the Public Relations Society of Kenya Awards.



The Corporate Leadership Award trophy.



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1. Participants and staff of Kenya Re after the conclusion of the Marine Insurance training held in June at the Sarova Stanley hotel. 2. A section of participants during the Marine Insurance training that was held in May in Ethiopia. 3. Staff of Kenya Re and participants of the Marine and Technical insurance seminar from the Tanzania insurance market pose after the conclusion of the training that was held between 20th - 22nd August 2014 at Hyatt Regency Hotel in Dar es Salaam, Tanzania. 4. Some staff and participants from Francophone countries during the Engineering Reinsurance seminar held in May in Cameroun. 5. Kenya Re Chairman Mrs Nelius Kariuki (2nd r), MD Jadhiah Mwarania (2nd l) engage Directors Felix Okatch (l) and Maina Mukoma (r) after the investor briefing that was held on 15th August 2014 at the hotel Intercontinental.

Caravan One in Pictures



1. Kenya Re's Managing Director Jadhia Mwarania and Association for the Physically Disabled of Kenya's Chairman Dr. Moody Awori flag off the Niko Fiti CSR Campaign Caravan as other invited guests look on.
2. Excited 13 year old Martha Moraa from Kisii County does the Niko Fiti symbol after receiving a special wheel chair at the Kisii Level 5 Hospital.
3. John Nyakundi Okemo arrives at the Kisii distribution ceremony assisted by Haron Sissa(l) and Mark Osoro(r) both of Kenya Re.
4. Rosemary Odira a beneficiary from Kisumu County gives her son a ride after receiving a tricycle during distribution at the Jaramogi Oginga Odinga Teaching and Referral Hospital in Kisumu.
5. Excited beneficiaries from Busia County could not wait to try out their new tricycles after receiving them from Kenya Re at the Busia Polytechnic Grounds.
6. The Niko Fiti Caravan makes a stop - over at Mumias town to sensitize the community on the Niko Fiti Campaign and how it can benefit persons living with disabilities.

Regulations affecting competitiveness of the insurance companies, says study

By Alice Mbutu

A recent survey on the challenges facing insurance companies in building competitive advantage in Kenya has revealed government regulations as a major factor. The study found the effect of regulation especially significant in life companies where return on investment have big impact on profitability and fund growth. Additionally, regulation requiring greater capital investment is restricting entry of firms while encouraging mergers and buyouts.

The study by Sammy M. Kiragu an Executive Master of Business Administration student at the Jomo Kenyatta University of Agriculture and Technology has been published in the International Journal of Social Sciences and Entrepreneurship Vol. 1, Issue 11, 2014.

According to Kiragu, insurance companies have made the changes and new services a base of marketing. This has made

insurance companies to focus on marketing innovation and creativity which includes creating new services, delivering insurance services and promoting them.

In Kenya, the main players in the insurance sector are insurance companies, reinsurance companies, intermediaries such as insurance brokers and insurance agents, risk managers or loss adjusters and other service providers. The study targeted 44 insurance companies with headquarters in Nairobi. Top management specifically the general managers and/or marketing directors were interviewed due to the role they play in ensuring the company builds its competitive advantage. The study collected both primary and secondary data.

Impact of regulations

From the study, respondents had strong views about the influence of government in how they do business. They had the following to say about the regulations: They prohibited the investment criteria for companies, government had put in place the necessary training for insurance professionals, regulations promoted ethical behaviour among the insurance industry players, regulations had controlled the level of market undercutting, regulation prohibited the use of banks to offer insurance through the bancassurance channel, and government regulations had regulated the number of insurance companies through capitalization requirement.

Majority of the respondents said the distribution channel affected service delivery levels and were of the opinion that the insurance industry should adopt internet marketing and distribution and recruit more agents respectively to improve its competitiveness through the distribution channels.

The study recommends that Government regulation should not be restrictive but should instead be geared towards providing an enabling environment for the industry to thrive while at the same time protecting the consumers. "Effective self-regulation through the established professional bodies like Association of Kenya Insurers is highly recommended. Continuous innovation is required in areas of product development, effective distribution channels and service delivery platforms required to provide for effective service delivery," writes Kiragu.

The study also recommends that insurance companies should be monitored and assessed based on their level of risk. This will ensure a stable insurance industry and this will play a major role in increasing the insurance penetration. The study further recommends that insurance companies need to count more on their internal distinguished strengths to provide more added customer value, strong differentiation and extendibility.



Kenya Re invests KSh 87.5 million in ATI



Kenya Re MD Mr. Jadhav Mwarania (L) receives a share certificate from African Trade Insurance CEO Mr. George Otieno (R) on 26th August after the Corporation subscribed to 10 shares worth Ksh87.5million

By Andrew Ongicha

Kenya Re is now a shareholder in the African Trade Insurance Agency (ATI), an export credit agency. The corporation paid and subscribed to 10 shares valued at KSh 87.5 million. By virtue of their respective continental presence and business networks, ATI and Kenya Re will increase the geographical and business penetration in the insurance industry in the field of political and trade credit risks said a statement released on 26th August, 2014.

This announcement comes in the wake of growing international interest in Africa with initiatives such as the recent US - Africa summit that saw the US commit USD33 billion in investments in Africa. This is expected to result in greater demand for investment and trade insurance as the volumes of projects and transactions are likely to spike.

The decision to invest in ATI was informed by the agency's capability and well known track record of providing excellent services in insurance, co-insurance and reinsurance that protect against credit, investment and political risks.

This partnership with ATI will not only increase Kenya Re's investment and business portfolio but also increase the corporation's credibility in East Africa and the entire continent. With the emergence of reinsurance needs around Africa

and Kenya Re's eagerness to capitalize on these demands, this partnership will create a platform through which the Corporation can strengthen its capacity to reach the untapped and potential markets in Africa

As a shareholder, Kenya Re will directly benefit from ATI through dividends as well as sharing risks in the region. Kenya Re joins ATI at a time when ATI has become a profitable company and will soon start paying out dividends to its shareholders.

ATI's shareholding currently totals to USD179.5 million with its membership comprising of African and non-African states, private and public corporations, regional economic organizations, international development financial institutions and export credit agencies. African member states or public entities join as class "A" shareholders and collectively, they represent at least 85 percent of ATI's capital stock. Non-African member states and private corporations - classes "B" and "C," respectively while regional economic organizations, international development financial institutions and export credit agencies - subscribe as class "D" shareholders. Kenya Re has joined as a class "A" shareholder.

Motivated forever and ever and ever

By Ruugia Samuel

It is said that motivation is the answer to everything we want to achieve. "If I am motivated I would lose some weight, I would write that book, I would start a business, I would propose to my girlfriend, I would become the employee of the year, I would meet and surpass my targets..." so we tell ourselves. The list is endless.

How do we develop the habits, character and mind power needed to stay continuously motivated? What if motivation never strikes? What will you do? Is motivation really the solution? You must have heard people often say "If I could just find the motivation to ..."

Within these words is an implication that motivation is the solution to your problems. But what if it isn't the solution? What if motivation is actually a consequence of the actions you take? What came first Motivation or the action? I believe there is a link between motivation and our actions. The two work together to ignite each other.

Get started

Let's get practical: What is easier to do in the next five minutes: find incredible motivation or take action? Right now can you take that first step towards achieving your life goals?

If you don't know the answer: it's "Yes". You can take action right now.

- *Want to write a book? Write one page*
- *Want to lose weight? Check your diet and jog*
- *Want to achieve your BSC objectives? Understand them and strategize*

- *Want to start a family? Take her/him on a date*
- *Want to mend up your relationship? Practice some kindness*

We know that action is easier to take than to find motivation. But within all of this another question looms: Is motivation a consequence of your actions, or are your actions a consequence of your motivation? The main unfortunate misunderstanding of motivation is that you must be motivated to achieve your goals and objectives or to act. Yes motivation is wonderful. It feels good and gets us excited. But motivation can be fickle. It is here one day and gone the next. You are going to want to give up. Don't.

Two types of motivation

We classify motivation into two ways: short-term and long-term (everlasting) motivation:

- Short-term motivation is shallow, fickle, and vulnerable to the ebbs and sways of daily life.
- Long-term motivation is not fickle nor shallow. It's not vulnerable to economy, the news, the 'experts', or anything outside the world. It's a deep lasting motivation. It's internal. You feel it deep in your soul. I call this everlasting motivation. This brings us to the ultimate question:

So how can one develop everlasting motivation? Check out the next edition of Re-News for a set of concrete steps that will help you.



“Salesmanship”

My buddy applied for a job as an insurance salesman. Where the form requested “prior experience,” he wrote “lifeguard.” That was it. Nothing else.

“We’re looking for someone who can not only sell insurance, but who can sell himself as well,” said the hiring manager. “How does working as a lifeguard pertain to salesmanship?”

My friend replied, “I couldn’t swim.”

He got the job.

“Don’t worry”



I was getting into my car when I noticed a dent. On the windshield was a note and a phone number from the driver. “I feel terrible,” the woman apologized when I called. “I hit your car as I was pulling into the next parking spot.”

“Please don’t worry,” I said to her. “I’m sure our insurance companies will take care of everything.”

“Thank you for your understanding,” she said. “You’re so much nicer than the man I hit on my way out.”

Automated phone call

As an administrative assistant at a chiropractic office, I called an insurance company to verify benefits for a patient. Although the call was important, I couldn’t reach a human being, only a recording.



“Thank you for calling,” said the message. “Our office will be closed until two o’clock as we enjoy our Customer Appreciation Week Celebration.”

Wise quotes and sayings

“It is the familiar that usually eludes us in life. What is before our noses is what we see last.” - *William Barrett*



“Life is like riding a bicycle. To keep your balance you must keep moving.” - *Albert Einstein*

“Everything that happens to us leaves some trace behind; everything contributes imperceptibly to make us what we are.” - *Johann Wolfgang von Goethe*

“One isn’t necessarily born with courage, but one is born with potential. Without courage, we cannot practice any other virtue with consistency. We can’t be kind, true, merciful, generous, or honest.” - *Maya Angelou*

“There is only one thing that makes a dream impossible to achieve: the fear of failure.” - *Paulo Coelho, The Alchemist*

“Everyone seems to have a clear idea of how other people should lead their lives, but none about his or her own.” - *Paulo Coelho, The Alchemist*

Caught Out!

Francisca Baro reminiscing her growing up days.



Renewing hope for persons with disability

Niko Fiti has been awarded **BEST CORPORATE SOCIAL RESPONSIBILITY CAMPAIGN AND CORPORATE LEADERSHIP AWARD.**

The campaign provides assistive devices to persons with disability to enable them live a productive life. We appreciate your continued support as we improve the quality of life for persons with physical disabilities.

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