

PERTINENT ISSUES FROM THE 2ND IBAU CONFERENCE THAT REQUIRE ACTION / OBSERVATION

BUSINESS RESILIENCE:

- Make the cost of credit and infrastructure low to de-risk the economy. *The question is how?*
- Work with UMA on emphasizing the existence of agricultural insurance so as to increase the uptake
- Marine cargo in-country insurance opportunity – Importation current value at Ugx 38 trillion plus. Tap into it.
- Uptake of 3rd party insurance due to regulator driven innovation – 25,000 accidents annually. Leverage on that (*unfortunate*) trend.
- Offer flexible and bespoke insurance covers with flexible terms for refund to businesses down-trading cover due to reduced economic activity
 - *Like in the cases of transport companies with fleets stepping down from comprehensive to only motor 3rd party, fire and theft.*
- Suspend lapse clauses in Life policies
 - *Collaborate with regulators to suspend lapse clause for up to 12 months*
 - *The insured being able to postpone payments and the policies not being rendered active*
 - *Claims being honored irrespective of policy premium payment status*
- Ensure adequate premium rates
 - *Need for adequate premium to meet policy obligations*
 - *Avoid granting huge premium discounts to rival competition*
- Ensure robust and proper re-servicing policy – Regular computation of actuarial reserves
- Don't rely on exclusions as safety nets to manage exposure for life insurance business – Have enough assets to cover for long term exposure
- Return to basic underwriting professional standards that guarantee sustainability by ensuring the industry relies on underwriting surplus for survival and not investment income
- Ensure proper reserving and robust management of statistics and data on risk exposures
- Apply discipline on maximum age – Standard age is 60 – 65 years and some underwriters go up to 80 years. Note that COVID is fatal among the elderly.
- Offer discounts for silent risks – Like in the case of industries which shut down or drastically scale down operations remaining protected at very low cost
- Advocate for regulatory support to relax premium payment terms – Flexibility in enforcement of “cash and carry” regulations
- Advise business clients to be agile and have an adoptive capacity
 - *De-risking of entire supply chains*
 - *To have in place relevant and diversified products / services*
 - *Ensure flexible processes and systems to be able to respond to changing demands*
 - *Robust cost and cash flow management*
- Advise business clients on robust risk management
 - *Adoption of a holistic approach and assess all significant risks that a client is exposed to and work on mitigation measures*
 - *To consider and prepare for unknown risks*
 - *To embrace risk management culture*

- Advise business clients on the safety and wellbeing of employees
 - *Protection from illness and mental health*
 - *Safe working environment*
 - *Social protection for staff and dependents*
 - *Remote working and flexible hours*
 - *Empowering and adaptive learning*
- Embrace and adopt digital technology (*This applies to both brokers and business clients alike*). Continue to transfer and adopt the use of digital technology to expand the ability to access new markets for operational efficiency, sustainability and future survival. Go DIGITAL, DIGITAL, DIGITAL!
 - *Transform business processes and operations*
 - *Remote access and remote working*
 - *Online presence*
 - *Transform distribution channels and payment systems*
- Extend terms for single premium mortgage products
 - *12 months extension of term to match loan moratorium by banks at no extra cost*
- General Insurance support during COVID 19;
 - *Give discounts for silent risks -*
 - *Advocate for regulatory support to relax premium payment terms*
 - *Offer flexible and bespoke insurance covers with flexible terms for refund to businesses downgrading cover due to reduced economic activity*
- Take advantage of the enabling regulatory environment to cure the chronic problem of premium collection and burden of old debt
- Design new products (*that resonate with the general population*) in relation to issues like pandemics

HEALTH:

- Adopt the MINET Kenya 360 degree national public targeted counselling approach. IBAU and UIA can draft and embark on a partnership strategy with Min of Health and clients for joint support
- Commit to pay COVID 19 related death and medical insurance claims - -Ensure continued support from the regulator and particularly in the case of death, the relaxation of the policy exclusions for pandemics
- Collaborate with various government agencies to offer life covers to front line workers fighting COVID 19
 - *Offer to compensate dependents of health workers in case of death*
 - *Payment of daily hospitalization cash for infected health workers*
- Extend health insurance policies offering cover for COVID 19
- Ensure proper risk assessment of proposed lives for insurance – COVID 19 has higher fatality rates among people with underlying conditions. High cover limits expose insurers by denying them proper risk assessment of insured lives

BUSINESS RESILIENCE / HEALTH

- Offer unique insurance products for private clinics that have capacity to engage in pandemic cases
Introduce new life insurance products
 - *Individual life products with varied benefits for individuals contracting COVID 19 or any other infectious diseases*
- Expansion of benefits under existing life policies
 - *Hospital daily cash, covering of burial expenses for policy workers contracting COVID 19 at no extra cost*
- Importance of charging adequate premium rates for life insurance
- Disciplined application of maximum insurable age
- Don't rely on exclusions as safety nets to manage exposure for life insurance business
- Have strong ERM frameworks to be able to properly identify, measure and mitigate the risk of pandemic outbreak on their expectations