

CIC insurance taps Kenya's rich marine business

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Leading insurance provider CIC Insurance Group, is mulling over the lucrative marine cargo cover as it seeks to venture into the business largely dominated by foreign firms.

The firm recently made public its new web-based portal dedicated to marine cargo ahead of the rollout of new policy guidelines by the government to boost participation of local insurers. The new initiative targets insurance

intermediaries, including brokers and agents.

CIC Insurance Group CEO Tom Gitogo said they want to be ahead in the untapped industry as the sector continues to grow.

“Currently, 90 per cent of imports are insured in their country of origin. We already do marine insurance but we have not been so keen to do it in a bigger way as this opportunity portends,” Mr Gitogo said.

The new push has been attributed to the recent rise in imports to Kenya and a legal push by government for local industry players to penetrate the market.

Kenya has continued to witness a sharp rise in imports in recent years owing to the strategic location of the Mombasa port which is the major gateway to East Africa.

Statistics reveal that Kenya imports goods worth Sh1.57 trillion per year, with 90 per cent of this being insured with offshore providers.

The imports are estimated to hit between Sh2 trillion and Sh2.2 trillion by 2020 and is expected to yield annual marine cargo insurance premiums of over Sh30 billion.

“The insurance premiums that this level of growth visits on local companies here is tremendous,” said Mr Gitogo.

The [National Treasury](#) supported the role of local insurers in the sector this year when Cabinet Secretary Henry Rotich, in his 2016/2017 budget, outlined the modalities to help grow the penetration of local players by making sure imports into Kenya are on cost and freight basis only.

The CS in his budget speech, directed the [Kenya Revenue Authority](#) to work with relevant stakeholders to ensure that this part of the law is implemented.

The measures also prohibited placement of marine insurance in the hands of foreign insurers except in rare circumstances.