JUBILEE BETS ON EXPERIENCE AND TECHNOLOGY TO UNDERWRITE MARINE

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Subheading: *Jubilee's ten-year financial journey has seen its assets grow to Ksh87.5 billion from Ksh15.3 billion over ten years*

Jubilee Holdings has applauded the recent directive by the government requiring all the importers to procure marine insurance cover from local companies. Jubilee Insurance hopes to ride on its long experience in the industry and technology to tap into the new business frontier that this government move has opened.

The Cabinet Secretary Treasury Mr Henry Rotich issued the directive when he presented 2016-2017 budgets in parliament. Following this directive, various agencies involved in cargo clearance and provision of insurance have been laying down their roadmap for January 1, 2017 roll out.

Mr. Jaideep Goel, the General Manager in charge of General Business at the company said that the government gesture was very welcome. He added that the Association of Kenya Insurers (AKI), which represents the country's insurance industry, has an excess combined capacity to underwrite all the marine insurance.

"Jubilee Insurance has the capacity to comfortably underwrite any one large marine consignment within its local and international reinsurance program on its own," he said."The Government has opened up a huge business opportunity for the service providers in the industry who should now ensure seamless implementation of the law by matching global service standards," He added

The 80 year old insurance provider was named Company of the Year at the 2015 Annual Company of the Year Awards organized by the Kenya Institute of Management. Jubilee Insurance Kenya was recognized for enacting efficient management processes and upholding the Organization Performance Index requirements to enhance the organization's performance.

"Jubilee insurance is an active player in marine insurance business and is well positioned with a large underwriting capacity to accept large risks and has a technology enabled platform for efficient service delivery and the required insurance expertise," Goel added.

There are incidences where the importers do not know whether the appropriate cover has been taken, which according to Mr. Goel exposes them to high risk of incurring huge losses. There are also some business people who avoid the cost of insurance but always incur freight costs as they do not know the value of insurance.

"But the local procurement of marine insurance will address such challenges," Goel said.

The purpose of insurance is protection against the loss of cargo in the event of a misfortune during the voyage. Thus, inclusion of insurance gives the importing client a complete peace of mind. It is always advisable to include the cost of the goods at source, the cost of freight and the cost of insurance in the insured value (CIF) to achieve full compensation at the time of loss, according to Goel.

Buying insurance locally will be very convenient. One will only need to provide a few details like the value of the cargo, voyage, shipping line, bill of lading and obtain a marine Insurance certificate. Alternatively, one would be required to talk to their insurance intermediary and clearing agent.

Also making claim will be equally easy. The insurance is bought against contingent losses and in the event of a loss, quick settlement of a claim by the insurer is of paramount importance.

"Local arrangement would mean presence of all the stakeholders- the insurer, the loss adjuster and intermediaries, if any, thus making it easier to communicate and settle the claim," said Goel.

Whether one buys insurance locally or from outside does not alter the risk profile or change the probability of a loss occurring, Goel observes. A marine cargo policy is standard world over and can always be customized to meet the clients' needs.

The volumes can be increased locally to save the country the much needed foreign exchange and grow the GDP. The local rates may end up being more competitive as more importers takes cover locally, Goel notes.

In spite of the law being very clear that all imports and exports must be insured locally except in specified instances, there has been non-enforcement of existing law, mainly due to a lack of coordination between various government agencies and industry stakeholders in implementing and enforcing the provisions of the Insurance Act.

A consultative committee was formed following the directive to discuss the framework and modalities for stemming the expatriation of millions of dollars that leave our shores every year in the form of Marine Cargo Insurance premiums from January next year.

It draws its members from the Kenya Revenue Authority – KRA, Association of Kenya Insurers – AKI, Kenya International Freight Forwarders and Warehousing Association (KIFWA) and Insurance Regulatory Authority – IRA. Other members include Ministry of Transport new department in Shipping and Maritime Affairs and the Intergovernmental Standing Committee on Shipping – ISCOS.

“We are reaching out to the prospective clients. So far, having involved various stakeholders, we seem to be achieving clear understanding and convergence on the way forward in implementing the law,” Goel said.