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## Kenya to create taskforce to accelerate uptake of local marine insurance

**NAIROBI (Xinhua)** -- Kenya is planning to establish a multi-agency taskforce to accelerate uptake of local marine insurance by importers.

Ministry of Transport, Infrastructure, Housing and Urban Department Principal Secretary for Shipping and Maritime Affairs Nancy Karigithu told a media briefing in Nairobi on Tuesday that the task force is also expected to establish why international traders prefer to take cargo insurance cover overseas.

“Currently less than 10 percent of all imports are insured locally due a number of challenges. The country is losing approximately 200 million U.S. dollars annually in terms of marine cargo insurance premium to off shore insurance firms,” Karigithu said.

In June, the National Treasury issued a directive requiring all importers procure local marine cargo insurance beginning in January 2017. The law will be enforced by the Kenya Revenue Authority (KRA).

The taskforce will devise strategies for implementing the directive as well as align insurance penetration strategies.

The PS said that the government will continue to provide the necessary regulatory and policy framework to create an enabling environment to promote local marine insurance.

Karigithu said that in the past, legal barriers and restrictions have denied government revenues resulting from increased uptake of local marine insurance.

Kenya wants emulate Africa nations such as Ghana that requires all importers and exporters to procure local insurance. The PS added that there is increased need for local insurance.

“Claims settlements by foreign insurers has proved difficult for a majority of importers,” he said.

According to the Insurance Regulatory Authority, total gross premium for the insurance industry in 2015 was 29 million dollars.

The Association of Kenya indicates that the lowest premium for marine insurance is 0.18 percent for fertilizers while the highest is at 1.4 percent.