

Marine cargo insurance grows 40pc in months

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ASSOCIATION OF KENYA INSURERS CHIEF EXECUTIVE TOM GICHUHI. FILE PHOTO | NMG



The Marine Cargo Insurance has recorded a 40 per cent growth in first two months of compulsory local underwriting, according to industry lobby.

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In January and February this year, Sh407 million worth of MCI premiums were locally underwritten, up from Sh284 million during the same period last year, said Tom Gichuhi, Association of Kenya Insurers (AKI) chief executive officer.

“There is an increase in business and we expect that the figures will keep rising especially considering there were challenges during the first three months of implementation. We are currently in the process collecting data for the month of March,” he said.

But the statistics, according to Mr Gichuhi, are not dramatic since the industry was expected to have underwritten at least more than Sh1 billion going by the potential of over Sh20 billion annual premium.

Mr Gichuhi warned the growth might be undermined by stiff competition that could lead to undercutting.

“The 40 per cent is impressive but it may not necessarily be a representative of absolute numbers. My fear is that if we go to the old ways of undercutting this might undermine this growth,” he said.

The government started enforcing section 20 (1) of the Insurance Act that requires all insurance for imports to be procured locally on January 1.

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