



MARINE INSURANCE IN KENYA - FREQUENTLY ASKED QUESTIONS

1. What is marine insurance?

Marine insurance is the insurance taken to cover cargo (goods), hull (Vessels such as ships), as well as other incidental losses/liability when transporting goods, in international trade from country to country. Marine insurance applies to goods transported by sea and air and also extends to road and/or rail to final destination.

Section 20, Subsection (1) of the Insurance Act, CAP 287 states that “No insurer, broker, agent or other person shall directly or indirectly place any Kenya business other than re-insurance business with an insurer not registered in Kenya without the prior approval, whether individually or generally, in writing of the Commissioner”

Importers have in the past insured their goods in the country of origin, through their suppliers.

During the budget speech of 2016, The Treasury Cabinet Secretary announced plans to enforce this law starting 1st January 2017. To achieve this, customs department will not clear imported goods unless marine insurance is placed with an insurance company registered in Kenya.

2. What is the implication of importing goods on Cost, Insurance and Freight (CIF) terms?

KRA’s customs department will not clear goods from 1st January 2017 without proof of marine insurance from a Kenyan insurance company. Importers who ship on CIF need to renegotiate shipment terms that exclude insurance, to avoid double-insurance.

3. How do I ensure compliance with the law on marine insurance?

Whenever planning any importation, organize marine insurance through local providers. NIC Insurance Agent offers such marine insurance, please get in touch with us.

4. What are the benefits of taking marine insurance locally?

Benefits to the importer

- i. Convenience - Claims will be lodged with local insurance companies
- ii. Speed – Faster cover placement and compensation of claims in case of loss
- iii. Affordable - More competitive premiums
- iv. Control - Importers have more control on the insurance placed, scope, and terms and conditions

Economic benefits

Growth of local insurance companies

Tax – Stamp duty of 0.05% of the consignment value

5. About NIC Insurance Agents Ltd

NIC Bank was among the first financial Institutions in Kenya, dating back to 1959. NIC Bank went public in 1971 and is a quoted company listed on the Nairobi Stock Exchange with over 20,000 shareholders. In 1997, NIC Bank merged with The African Mercantile Banking Limited (AMBank)



forming the 7th largest bank in Kenya. NIC Bank is currently regarded as one of the leading names in the financial sector with over 50 years of solid experience and expertise in providing financial and banking services to various institutions.

As part of the bank's strategy to offer its clients "one stop shop" for financial services, NIC Insurance Agents limited was incorporated in 2008 to deliver professional insurance services to clients. NIC Insurance Agents is a fully owned subsidiary of NIC Bank Ltd.

The agency has partnered with reputable and stable insurance companies to offer insurance solutions.

6. The NIC Insurance Agents Marine Insurance

NIC Insurance Agents provides an all risks Marine insurance. This is the most comprehensive cover, covering various perils as follows;

- i. Storage risks (Static Risks),
- ii. Fire and explosion,
- iii. Theft and robbery,
- iv. Collision, overturning and accidents,
- v. Water damage,
- vi. War and related perils,
- vii. Strikes, terrorism and political violence and others

7. What information is required to get a marine cover?

- i. Pro forma invoice (Type of goods, Voyage, Conveyance, buyer/seller details)
- ii. Premium payment plan

8. Why should I insure through NIC Insurance Agents?

- i. Wide scope - Comprehensive all risks cover, warehouse to warehouse
- ii. Affordable - Competitive pricing
- iii. Expertise – in benefits and claims.
- iv. Accessible - Loss adjusters with local and international experience
- v. Reliable - Reputable insurance companies

9. What are your Marine Insurance charges?

We have negotiated competitive rates with the best underwriters in Kenya. Pricing terms range due to nature of goods, conveyance and geographical scope of voyage.

For more information, clarification or to place your Marine Insurance cover, or for any other insurance needs, please get in touch with NIC insurance agents on email bancassurance@nic-bank.com or telephone 0202888000, 0711041111, 0732141111 or visit your nearest NIC bank branch.



You may also contact the following directly:

- A. Meshack Nzioki
Meshack.Nzioki@nic-bank.com
0711041711
0729-719023

- B. Philemon Netia
Philemon.Netia@nic-bank.com
0711041819
0727-883739

- C. Kenneth Ireri
Kenneth.Ireri@nic-bank.com
0711041155
0721-449622