

RE NEWS

THE OFFICIAL MAGAZINE OF KENYA
REINSURANCE CORPORATION LTD.

ISSUE 2 • 2016

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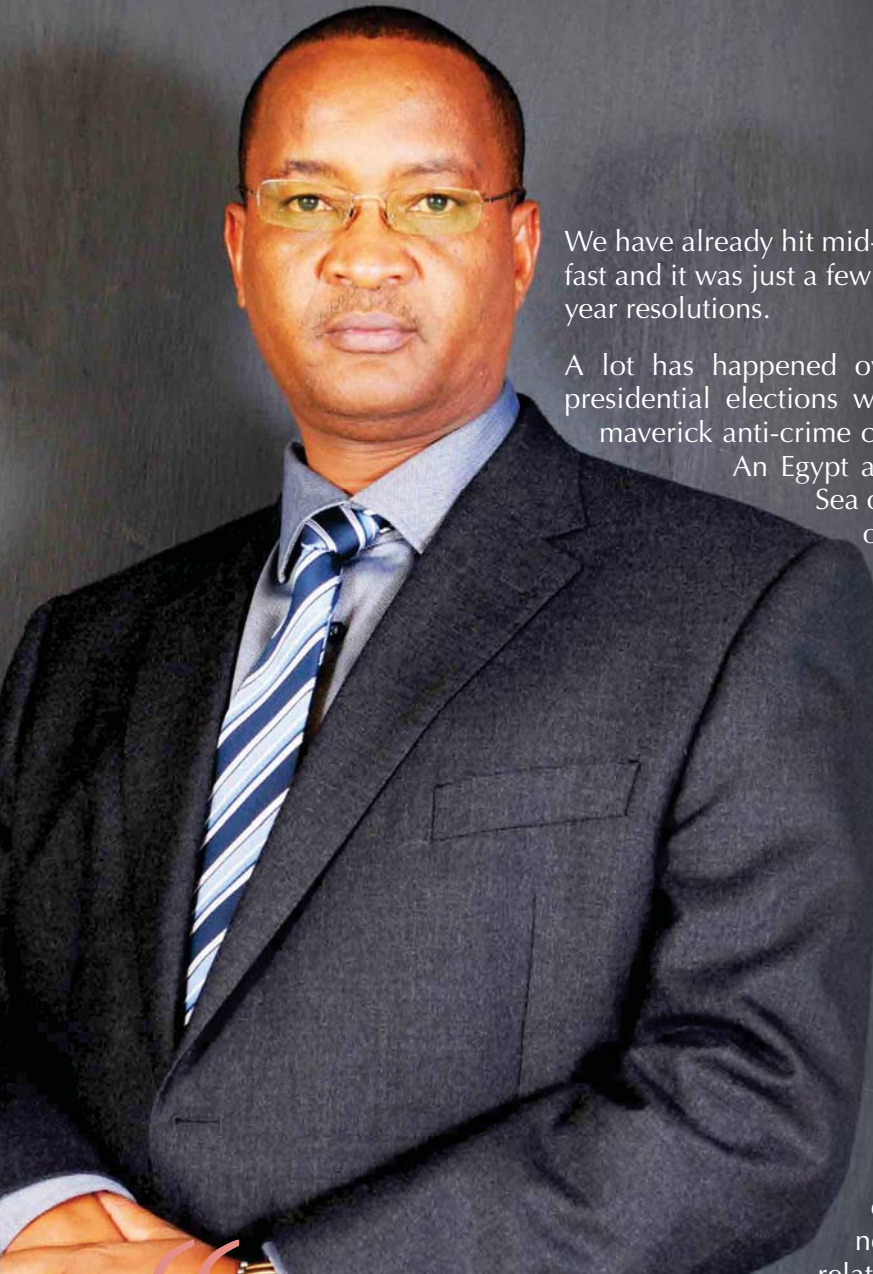
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Time for Growth

FROM THE MANAGING DIRECTOR



We have already hit mid-year! Hard to believe. Time has flown really fast and it was just a few months ago we were talking about the new-year resolutions.

A lot has happened over the last three months. The Philippine presidential elections were held last month that saw 71 year old maverick anti-crime candidate Rodrigo Duterte win the elections.

An Egypt air flight went missing in the Mediterranean Sea on its way from Paris to Cairo with 66 people on board. The United Nations held a signing ceremony for the Paris climate change accord.

At home, foreign presidents visited us during the same period. The leader of South Korea Park Geun-hye and Turkey's Recep Tayyip Erdon came to the country as part of strengthening bilateral economic and trade ties between Kenya and their countries. Several bilateral agreements were signed in various fields giving business an edge.

We are still on target with our objectives guided by our five year rolling strategic plan for year 2016 to 2020 that charts the strategic future of the Corporation.

We believe our clients, business partners, and associates are our greatest assets. They are the reason we exist as a business. To this end we held a Corporate Golf Tournament to not only thank them but to also strengthen our relationship.

We held our Annual General Meeting over the same period where the board recommended a first and final dividend of Kshs.0.75 cents per share up from the previous year's Ksh.0.70 cents.

**Mr. Jadhah Mwarania, OGW
Managing Director**



We are still on target with our objectives guided by our five year rolling strategic plan for year 2016 to 2020 that charts the strategic future of the Corporation.

The *Niko Fiti – Ability beyond disability* 2016 edition is already at hand. This year the programme will benefit at least 1000 people living with disability. The focus this time will still be a replica of last year's initiative of mobile vending units to ensure consistency in our initiatives. In addition, the programme will this time include other disabilities including Visual & Hearing (sensory) disabilities as well as Physiological/ Mental disabilities.

But just to jog our minds, exactly what is CSR? Why CSR?

The World Business Council for Sustainable Development in its publication *Making Good Business Sense* by Lord Holme and Richard Watts, defines CSR as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. This indeed is Kenya Re's ultimate aim and beyond to better the lives of those living among us and creating a positive impact in the society when it comes to people living with disabilities.

While this RE-News Edition is not entirely on CSR only, it is paramount to note that this is one key focus that appeals to human emotions. As such, we urge all members of staff and the public at large to embrace persons living with disability and find ways and means of integrating and associating with them to rid the society of stigma associated with disability. These special members of the society are our brothers and sisters and we



can only put our efforts together to ensure they lead a normal life.

Well, this edition contains exciting articles ranging from tax haven demystifications, poems, and various CSR stories to recipes of delicious delicacies from Kenya.

It is my hope that you will enjoy the read.

Gladys Some-Mwangi
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Demystifying the Tax Haven Concept

By **Peter Angwenyi**
Manager Life Business



When Christopher Columbus left in search of the New World, he was looking for routes for developing trade and commerce for Queen Isabella of Spain. This was a noble motive.

When the explorers of the New World leave their shores now, they are often looking for routes to new tax havens. The motive is to

avoid paying taxes.

In a world where levying taxes is compared to the plucking of a goose, there is no shortage of demand for tax havens.

Definition

There is no universal definition of a tax haven. Some

of the definitions are:

- Tax haven is a low income tax jurisdiction.
- Tax havens are locations around the globe known for having lax or non-existent tax laws that allow individuals or companies to vastly reduce their tax liabilities by holding their assets/money offshore.
- Tax havens are tax free zones.
- A country that offers a foreign Individual and business entity little or no tax liability in a politically and economically stable environment.
- A tax haven is a locale whether country, state or territory that has less than stringent tax laws.

Despite what the name may imply, tax havens are not completely tax free. A tax haven is not a tax shelter.

Although the use of a tax haven is technically legal, its use often seem to be shrouded in mystery and is usually frowned upon by foreign Tax Authorities and viewed negatively by the public.

History

Tax havens have been around for quite some time. Some tax havens existed during the time of the ancient Greeks.

The oldest tax havens of our times include Liechtenstein, Switzerland and Panama which are believed to date back to the 1920s.

Attributes of a tax haven

1. No tax or only nominal taxes
2. High protection of personal financial information. Laws or practices do not

3. condone scrutiny of information by foreign tax authorities. There is no or minimal sharing of information with foreign tax authorities.
4. Lack of transparency. The Legislative, Legal and Administrative machinery are opaque.
5. No requirement of substantial local presence. This suggests that you can claim tax benefits by merely hanging your name plate in a tax haven. One building in a Cayman Island (a tax haven) is said to house supposedly **12,000** US based Corporations.
5. Self-promotion as an offshore financial centre. Many tax havens call themselves International Financial centres.

Examples of Tax havens

The following jurisdictions are considered to be popular tax havens:



- Andorra
- The Bahamas
- Belize
- Bermuda
- British Virgin Islands (BVI)

- Channel Islands
- Cook Islands
- Hong Kong
- The Isle of Man
- Mauritius

- Liechtenstein
- Monaco-Switzerland
- St Kitts & Nevis

Use

The use of tax havens is so prevalent in the global economy that it may be hard to find a multinational Corporation that does not take advantage of the benefits of tax havens in some way.

Tax havens have become increasingly popular with High- Net-Worth individuals (HNWIs) who want to shield their income from punitive taxation.

Tax havens do not require that an Individual reside in or a business operate out of that jurisdiction in order to benefit from its tax policies or tax regime.

Hence many HNWIs and Companies make use of offshore financial centres to significantly minimize and even eliminate their total income and capital gains tax Liabilities.

WATCH OUT FOR PART 2 OF THE ARTICLE

Always Understand your Pension Scheme

By Jackson Nganda

Assistant Manager, Learning & Development, HR



The Pension industry has grown tremendously in Kenya from less than Kshs 100 Million to a current figure of over Kshs 800 Billion as at the end of May 2016. According to Retirement Benefits Authority chief executive officer,

Dr. Edward Odundo the funds held by the Pension industry in Kenya are expected to grow by 25% per cent to 1 trillion over the next one year. With this huge investment towards retirement benefits, government has put in place a very good control mechanism to mitigate any human gaps or risks which may result in looting of public funds, under Retirement Benefit Authority Act, of 1997 which was implemented in 2000. Through the Act, the governance structure of the Pension industry was reviewed and moved away from Sponsor managed to what is currently known as, the Board of Trustee Pension Management Team.



Inertia, the sponsor elects 50% per cent of the board members and the rest of the 50% per cent members are elected by the members. The investments of the fund are guided by the RBA rules, which again, derives maximum limits in each investment class. For information, the compliance allocations are as per the table below;

Asset Class	RBA Max Limits
Government Securities	90%
Corporate Debt	30%
Local Equities	70%
Offshore	15%
Fixed Deposit	30%
Cash	5%
Total	100%

The schemes are required to operate within this range of the investment class and deviation from the norm an RBA approval is required.

The National Treasury Cabinet Secretary, has proposed the creation of a new category within

the RBA investment guidelines to allow the schemes to invest up to 10% of their Assets in private equity funds and venture capital funds licensed by the Capital Markets Authority (CMA), through an initiative called, Alternative Investments Asset Class.

Currently, most of the Pension schemes funding structure entails employees' contributions to certain percentage and sponsor contributions to a certain percentage depending on employer's ability to sustain the contributions.

It is also important to note that the contributors (Employees) are always reminded to review their beneficiary's distributions often when changes occur in their family structure. For example, when your marital status changes or you are blessed with children. However, it is also critical to note that under the RBA Act, the Pension trustees have a fiduciary responsibility to administer your benefits to your estate in manner that they deem is appropriate.

Always remember to update your records.

End. Information is power.



COMPLAINTS HANDLING PROCEDURE



Kenya Re is committed to delivering the highest possible quality and level of service to its customers. We intend to provide services through the best practice and in line with our customers' needs as we continually seek improvements.

What is a complaint?

A complaint is defined as "any expression of dissatisfaction by a customer or potential customer about service delivery by the company or its agents, and/or about company or industry policy."

At Kenya Re, we see complaints as a valuable way of meeting and responding to your expectations. We realize that in breaking down the barriers to meet your needs we value listening to feedback and complaints from you.

How will we handle your complaint?

We will:

- Acknowledge your complaint, in writing or via email, within 24 hours of us receiving it.
- Enquire into your complaint and consult any relevant persons who should help resolve it fairly and within a reasonable timeframe.
- Treat you and your information with confidence and respect, in line with our guidelines.
- Keep you and any other persons involved informed about the progress of the complaint, how we will try to resolve it and, as is appropriate, what we will do to prevent it from happening again.
- Take action to resolve the complaint as best as possible to your satisfaction and, where possible, recommend any changes needed to ensure the cause is fixed.
- Let you know in writing the outcome of your complaint and, as is relevant, the reasons behind this outcome.

What should you tell us:

- Your name, address and the best way to contact you.
- The details that will help us understand the reason/s for your complaint.
- Copies of any documents relevant to your complaint.
- If you have already discussed your complaint with us, the details of those persons in Kenya Re that you dealt with.
- What you feel would constitute a satisfactory resolution of your complaint. For example are you seeking information which you feel is being withheld, are you seeking an apology, etc.

You need to know that:

- You may make a complaint verbally and/or in writing. E.g. email, and/or calling
- We may ask for your help in the course of handling your complaint.

You can make a complaint to Kenya Reinsurance Corporation by contacting:

Write to : Manager – Corporate Affairs • Kenya Reinsurance Corporation • P. O. Box 30271- 00100 Nairobi, Kenya
Call: (+254) 0703083210 • Email: complaints@kenyare.co.ke

A Tree Planting Exercise Like No Other

by Gladys Some and Andrew Ongicha



Most often than not, organizations seek to fulfill their statutory obligations on environment by planting trees. While the same applies to Kenya Re, the Corporation has adopted a different angle towards fulfilling its mandatory obligations as a responsible entity. Instead, Kenya Re seeks to plant the trees, monitor progress and ensure follow up of the same. For the last three years, Kenya Re has consistently planted trees annually at the Kibiko Secondary School with a view to ensure afforestation and sustenance of the same through assistance in acquisition of the tree seedlings, planting of the seedlings and piping of water to ensure consistent growth of the seedlings.

It is with this background that the Kenya Re staff led by the Managing Director Mr. Jadhah Mwarania set



out to a tree planting exercise at Kibiko Secondary School in Ngong town, Kajiado County on 20th May 2016. Staff together with the Kibiko Secondary School students planted 1,500 seedlings up from the usual 1000 seedlings in previous exercises. In addition, the target is to plant at least 3,000 seedlings this year on the same ground.

While giving his remarks during the exercise, Kenya Re Managing Director, Jadhah Mwarania noted that the statistics on forest cover in Kenya pointed a bleak picture due to increased human activities that have led to, high sediment load and subsequent siltation of hydroelectric dams, decreased river flow and uncontrolled severe soil erosion. He, however, was quick to note the global efforts put in place to protect the environment guided by the Montreal Protocol and Vienna Convention. Closer home, the Corporation supports and contributes to these efforts by planting trees to protect the environment.

So far, the Kenya Re tree planting program has seen the Corporation plant a total of 4,500 trees at Kibiko Secondary School since 2013. Kenya Re encourages schools and other institutions to make the most out of their grounds by planting trees as it helps to create woodland habitat, increase biodiversity, conserve the environment and most importantly provide an excellent learning resource.

2016 NIKO FITI CAMPAIGN PLANS

by Andrew Ongicha



The Niko Fiti- Ability Beyond Disability Campaign, an anchor Corporate Social Responsibility project by Kenya Reinsurance Corporation is set to benefit over 1000 beneficiaries this year.

Previously, the Campaign has touched and changed the lives of over 2200 Persons living with Physical Disability, through the distribution of assistive and mobility devices in Kenya. The campaign traversed the whole country through 5 caravans in the last 4 years, with a dedicated team that issued various assistive devices.

Last year, the campaign took a different strategic direction with a three phased campaign that saw one hundred and sixty (160) persons living with disability from the Nairobi County benefit from the initiative.

The Board of Kenya Re understood giving devices was not enough and that rehabilitation of persons living with disabilities was not complete without Economic Empowerment. It was against this background that the Niko Fiti Campaign was allowed to move to the next level that involved financial assistance to Persons living with Disabilities to enable them overcome their physical limitations and empower the economically and socially to become self-reliant and fully integrated members of their communities. Thus, the CSR initiative will meet its obligation of rehabilitating the beneficiaries and giving them a chance to make contributions



Kenya Re Chairman Mr. David Kemei (l) and MD Jadhah Mwarania (c) buy stock items from a beneficiary during the Niko Fiti distribution at the Kamukunji DCs ground on 2nd November 2015

socially and economically.

The beneficiaries had a two-day training on leadership and governance, financial management and basic book keeping in order to equip them with skills to run successful businesses. The training was conducted by the Association for the Physically Disabled of Kenya (APDK), who are also partners of the Campaign.

The one hundred and Sixty Mobile Vending Units were distributed alongside start-up stock in a three phased campaign at the Kamukunji Sub-County Headquarters on 2nd November 2015, Kibera DCs Grounds on 6th November 2015, and at the Kasarani Gymnasium on 18th November 2015 as part of the Niko Fiti Campaign's Economic Empowerment Drive. The beneficiaries were drawn from Jogoo road/ Eastlands, Langata/ Kikuyu region, and Thika road/Kiambu areas.

This year, the campaign will widen the scope and cater for other disabilities like Persons with Visual & Hearing (sensory) disabilities and Physiological/Mental disabilities.

There will be a major event in Nairobi followed by subsequent distributions of devices in Mombasa, Eldoret and Kisumu regions. The beneficiaries will be drawn from counties bordering the distribution points.

The Corporation has already identified a suitable brand ambassador who will be the face of the campaign. The ambassador will be revealed just before the kick off of the campaign. The Brand Ambassador will represent and champion the Niko Fiti brand in a positive light and assist the Corporation to increase the campaign's visibility and popularity by participating in the Corporation's events related to the Niko Fiti campaign and through engaging members of the public in other fora such as social media, television, radio and print media.

The initiative is done in partnership with the Association of the Physically Disabled of Kenya (APDK) who assist Kenya Re to identify the beneficiaries, conduct grass roots mobilization, assessment of beneficiaries and fabrication of assistive devices and a suitable media partner.

NEW BOARD

Members join the Corporation



MRS. ZIPPORAH KINANGA MOGAKA

Mrs. Mogaka holds a Bachelors degree in Law and Masters degree in Law both from the University of Nairobi. She is also a commissioner for oaths, notary public and a Certified Public Secretary. Mrs. Mogaka started her career in the Attorney General's chambers in 1984 as a state counsel, then moved to Kenya Industrial Estates Ltd in 1985 where she served as the Chief Legal Officer. In 1997 she moved to Kenya National Capital Corporation in the same capacity. From July 1999 to February 2013 she worked at National Bank of Kenya in different capacities rising to the level of General Manager – Legal and Remedial. Currently, Mrs. Mogaka is the managing partner of Mogaka & Mogaka Advocates.



MR. ANTHONY MUTHAMA MUNYAO

Mr. Munyao holds a Bachelor of Arts degree from Kenyatta University, an MBA from the University of Nairobi and is a Certificated Public Accountant (CPA (K)). Mr. Munyao worked as an auditor at Ernst & Young from 1991 to 1997 when he moved to Agip (K) Ltd and served as a finance manager up to November 2001. He then worked in a similar capacity in Kenya Shell Ltd, Kenya Petroleum Refineries Ltd and Vivo Energy Kenya Ltd up to the year 2013. He is currently in private business and a financial consultant.



MD Jadhah Mwarania (4th right) hands a gift hamper to Kibiko Secondary Principal Mr. G. G. Mwaura after the completion of the tree planting exercise on 20th May 2016



Students of Kibiko Secondary School together with Staff of Kenya Re pose while holding tree seedlings before the start of the planting exercise at their school.



Kenya Re peer group team hand over donations from the Corporation to Paradise Childrens Home Director Ms. Pamela Owino (2nd l) on 22nd April 2016.



Former Kenya Re Chairman Mrs. Nelius Kariku (l) and Director Mrs. Jenifer Karina (c) are joined by another golfer before their tee off during the Corporation's sponsored Golf Day at the Karen Golf Club on 29th April 2016.



Kenya Re male ushers pose after the AGM at KICC.



Kenya Re ushers pose for a photo during the Corporation's sponsored Corporate Golf day on 29th April 2016 at the Karen Golf Club



Golfers pose before their tee off at the Karen Golf Club



Ushers of the Kenya Re AGM pose after the completion of the event held at KICC on 17th June 2016



A section of shareholders registering for the attendance of the 18th AGM at KICC.



event



Shareholders follow the proceedings of the 18th AGM at KICC.

KENYA RE'S OTHER CSR ACTIVITIES

By Monica Oyaro



DONATION TO PARADISE COMMUNITY CENTRE

The Corporation donated foodstuff and other items to Paradise Community Centre on Friday 22nd April 2016. This was done by the Kenya Re peer group team on behalf of the Corporation.

Founded in 2002 by Ms. Pamela Adhiambo Owino, the Paradise Community Centre was formed to focus on poverty eradication and to help young children mostly orphans and young mothers within and around the slums of Kibera. Most of the girls are victims of Gender Based Violence (GBV) who have been rescued from the community and are counselled at the centre.



DONATION OF COW

The Corporation donated a cow on Friday 13th May 2016 to Ms. Hellen Mokaya of Nyamira County. This is part of the National Aids Control Council requirement to provide an income generating support for a needy person.

The team that delivered the donation comprised of Monica Oyaro, Patrick Amonde, Emiliania Righa and James Aketch.

The occasion was presided over by the Nyamira area chief Mr. Obed Nyamweya who represented the family.



Corporate Golf Day

By Andrew Ongicha



It is no doubt that golf is a top sport throughout the world and attracts increasing interest as more and more people take it up as a pastime. It is also a highly popular corporate sport that generates enormous revenue from television and sponsorship with the best professional players earning millions of dollars.

some Kenya Re board members, stakeholders and business associates from the Insurance Industry, Banks, Property and Kenya Re staff.

While thanking the participants during the evening dinner and cocktail after the tournament, Kenya Re managing director, Jadhiah Mwarania said golf was not just about winning but also being in a competitive and engaging spirit.

The Corporation intends to hold another tournament before the end of the year.

Worldwide, the most important tournament circuits are in the United States and Europe – where the competition extends into Africa, the Middle East, Asia, Australasia and both Central and South America. There are also Australian, African and Asian circuits.

Closer home, on 29th April 2016, the Corporation held a golf tournament at the prestigious Karen Country Club. The social event was aimed at strengthening internal and external relationships with our clients and stakeholders. Competition was stiff among the players aiming to have a share of the corporate prizes. The well attended tournament was an exciting opportunity to interact with stakeholders and give a first rate platform to mingle informally.

The successful event was graced by



Colfers enjoying the greens at the Karen Golf Club

PARENTING TIPS- SELF ESTEEM

by Monica Oyaro



Self-esteem is a sensitive issue that involves beliefs you have about yourself- what you think about the type of person you are, your abilities, the positive and negative things about you and what you expect for your future.

If you have a healthy self-esteem, your beliefs about yourself will generally be positive. You may experience difficult times in your life, but you will generally be able to deal with these without them having too much of a long-term negative impact on you.

If you have low self-esteem, your beliefs about yourself will often be negative. You will tend to focus on weaknesses or mistakes that you have made, and may find it hard to recognize the positive parts of your personality. You may also blame yourself for any difficulties or failures you may have.

Let us look at low esteem in a child and how to possibly handle a child who has a low self esteem

Possible causes of low self-esteem in child
The following have been known to cause low self-esteem in children:

- 1. Comparing children**

When a child is compared with another



he/she always feel as if he/she is not good enough. Each child is unique and should be treated as different.

2. Ignoring children

Children should not be treated as though they do not exist in a given situation. When a child requests to be heard or to receive attention the child should be given due attention.

3. Child humiliation

Parents, teachers and child caregivers should not humiliate a child in any way. A child should be treated with human dignity. Humiliating punishments should be avoided at all times.

4. Unrealistic standards

Persons who care for children should not set too high standards for the child. A child should only be expected to perform tasks that are consistent with their age.

5. Child abuse

Abuse may be imposed in form of bullying and teasing by peers or other adults. Child sexual abuse is always a recipe for low Self-esteem in children.

Manifestations of low self-esteem in children

A child with low self-esteem may manifest in the following characteristics:

1. Excessive aggressiveness

The child may engage in bullying others due to the strong need to feel in-charge. When such children become adults the person may engage in domestic violence.

2. Extreme shyness

In extreme cases the child may manifest withdrawal especially as a teenager.

3. Rebellious behavior

This is common during pre-teenage and during early adolescence stage. The rebellion is usually an attempt to seek attention.

Solutions to low self-esteem

Low self-esteem in children can be reversed in the following ways

1. Unconditional acceptance

The child needs to be accepted as a child and treated the same way. When correcting a child, care and warmth must be shown to the child. When the child is shown acceptance he/she also accept him/herself, thus raising

self-esteem.

2. Positive Activities

A child with low Self-esteem needs to be involved in positive and self-rewarding activities e.g. reading a book, singing a song, playing a game successfully. Such activities make the child to feel in charge, thereby raising their Self-esteem.

3. Compliments

Children should always be complimented whenever they achieve or perform a task properly. This helps the child to feel appreciated. Negative criticism should be minimized

4. Coping with failure

Children should be taught to cope with failure if and when it occurs in their life e.g. loss of books, failing exams, death of a pet etc. let the child know that they cannot always have their way even when they are in dire need of it.

5. Role modeling

A child needs to be exposed to a caretaker who has high Self-esteem to promote the self-esteem of the child. Parents should work on their Self-esteem to radiate the same to the child.

I believe the above tips among others can go a long way in helping our children cope with a low self-esteem given the fact that they are exposed to a variety of complex issues facing the modern world.



Kenya Re and the ISO 9001:2008 Certification

By Charles Abebe - QMR



Many learned Kenyans are familiar with the Diamond mark of quality (also referred to as D-Mark), which is a voluntary product certification scheme operated by Kenya Bureau of Standards (KEBS). It is a mark of excellence awarded to manufacturers (either based locally or abroad) which has demonstrated high degree

of excellence in product manufacturing and quality. Many of us would recall that not long ago, when we wanted to buy reliable, durable electronic, we would go for those which meet the British or the European Union standards. For those of us in ICT sector, when we are looking for Networking accessories (LAN/WAN) we always look for those which meet the IEEE 802 standards.

For users, a manufactured product with a mark of quality, is easy to pick, but for a user who wishes to use a service industry product, the market perception plays a very big role. It is a sum total of many things, unlike a manufactured tangible product. To maintain the consistency in product conformity, an active collective team work is required. Customer satisfaction is key, and that informs the reason why Kenya Re participates in the market surveys regularly, to know how we are satisfying our customers, not just once but always. We are also obliged to show

continual improvement, else we stand to lose in the stiff competition.

ISO 9001 is an International Standard that gives requirements for an organization's quality management system (QMS). It is part of a family of standards published by the International Organization for Standardization (ISO) and often referred to collectively as the "ISO 9000 series" or "ISO 9000 family".

Kenya Re is proud to be going for the 3rd Certification (recertification) having attained the first Certification in 2010. At the expiry of the first certificate in 2013, the Corporation went through the motions of certification, and was recertified in the same year, and having successfully maintained the certificate again for the last three years will be going for the 3rd cycle.

Though initially perceived as more of a government performance contract deliverable, I am happy to record that many have now fully embraced the standard as we have seen and felt the benefits of the standard. The objective



of ISO 9001 is to provide a set of requirements that, if effectively implemented, will give our clients the confidence that we can consistently provide products and services that:

- Meet their needs and expectations
- Comply with applicable regulations

The ISO 9001 adopts a risk-based (“ preventive ”) approach to quality management that focuses on

- top management commitment to quality,
- customer focus,
- the adequacy of resources,
- employee competence,
- process management (for service delivery and relevant administrative and support processes),
- quality planning,
- design of the products and services it provides,
- review of incoming orders,
- purchasing,
- the appropriate monitoring and measurement of its processes, products and services needed to ensure conformity, its processes to resolve customer complaints, corrective actions, and a requirement to drive improvement.

To achieve and maintain ISO 9001 Conformity, Kenya Re-established the Quality Management Office, which is charged with the mandate of conducting internal Audits, liaisons with the certifying agency to conduct the surveillance audits, conducting the requisite management review meetings as prescribed by the standard, sensitization of staff, training of the Internal Auditors who form the ISO core team, among other responsibilities. The core team members are drawn from across all divisions, and are all trained and certified ISO internal Auditors. Currently the Corporation also has a pool of certified Lead Auditors who are also recertified every three years. The lead auditors are Sammy Kaaria, Joseph Mwandikwa, Munyao Kathitu and Charles Abebe.

Kenya Re is also currently pursuing certification on ISO standard 27001 (Information Security Standard) which will enable the Corporation have a competitive edge, in as far as assuring the clients that information they share with us is secured, according to the best known standards, and that our databases have highest level of integrity.



Poems



IN THE PUB

A trickle for the drunk,
A triple for the drinking,
A tip for the barmaid,
A tipple for good times

One more, so they say oft,
One more, an anthem in pubs,
Filling bladders, one by one,
Like raindrops to a pool

For the fool, pull a stool,
For the wise, pull a guide,
All swallowing gallons of ale,
All wallowing to lousy tunes.

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IF YOU COULD, I WOULD

If a chance, you gave me,
If less, you loved him,
If only you could,
Then, loving thee, I would

Like never before, I would,
Strip naked of my pride,
And other women, eye less,
Then I would, love thee

If I could, then I would to thee write,
Seas of sonnets for the love that would be,
If you could love me, and genuinely do,
Then I would love thee alone, if you could

And the many a wound would disappear,
From this wounded wooden heart of mine,
That would henceforth love thee,
If only for a day, if you would.

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Understanding Internal Audit

by Peter Rop



Who are internal auditors?

As defined by the Institute of Internal Auditors (IIA), "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives

by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal Auditors' roles include monitoring, assessing, and analysing organizational risk and controls; and reviewing and confirming information and compliance with policies, procedures, and laws. Working in partnership with management, internal auditors provide the board, the audit committee, and executive management assurance that risks are mitigated and that the organization's corporate governance is strong and effective. And, when there is room for improvement, internal auditors make recommendations for enhancing processes, policies, and procedures."

Why does Kenya Reinsurance Corporation have an internal audit function?

Internal Audit function is charged with examining and evaluating the policies, procedures, and systems which are in place to ensure: the reliability and integrity of information; compliance with policies, plans, laws, and regulations; the safeguarding of assets; and, the economical and efficient use of resources.

In simpler words, we're here to help. Where does the audit function fit in the organization? The Internal Audit function has a solid-line reporting relationship to the Board and the Audit Committee of the Board. Internal Audit function also has a dotted-line reporting to the Managing Director and executive management depending on the scope of an engagement.

We're a small office with a big role.

What's the difference between external and internal auditors?

External auditors can be government auditors or independent public accounting firms that Kenya Reinsurance Corporation hires. Independent public accounting firms review the Corporation's annual financial statements to ensure the information presented accurately portrays Kenya Reinsurance Corporation's financial condition. Government agencies, Kenya Reinsurance Corporation's Board, Regulatory authorities, shareholders and other stakeholders rely on the independent auditor's opinion of Kenya Reinsurance Corporation's financial statements.

Internal auditors sometimes look at the same data or perform some of the same steps as external auditors. If there is a problem, Internal Auditors will help you find it and fix it in good time and continually monitor implementation before external auditors review. This applies to all aspects of the organizational activities and processes.

What if something isn't handled correctly?

The Internal Audit function will make recommendations for improvement. The recommendations are realistic because we want you to implement them. It is the responsibility of management to weigh possible additional costs of implementing our recommendations in terms of benefits to be derived and the relative risks involved.

Internal Audit function mission and vision

Our Divisional Vision- *"Promote good stewardship of Corporation assets and resources to uphold the highest level of integrity".*

Our Divisional mission- *"To be an independent and objective assurance and consulting function designed to add value and to improve operations."*

We, therefore, welcome you to work with us in adding value and improving operations of the Corporation.

WHAT CAN WE LEARN FROM

Leicester City FC winning the Premier League?

By Davis M Onsakia



I know there might not be many Leicester City Football Club (LCFC) fans in Kenya or even in KenyaRe, but then I believe that for those who care enough for their surroundings, they by now know that LCFC won the English Premier League (EPL).

Myself, I'm not a football fanatic, but I care enough to know what is happening globally; whether in sports, politics, climate change etc. – anything in which I can learn something from, and this is literally everything! Oh, this means that your antennae need to be up, picking the direction of the sweet smelling coffee or pungent smell of climate change blowing through the world today.

Back to the subject matter at hand. My curiosity was aroused by an article which was done by the BBC about this team and their winning strategies and I bet it is pretty applicable globally. And this applies to our work place too.

Some of the lessons learned about this team's winning tactics are herein paraphrased, from that BBC article:

- 1. You don't need to throw money at the problem:** this club won the EPL with the total budget of one Manchester City Player! Money is not always a solvent to all solid problems!
- 2. Get the right people right behind you:** Once he got onboard (the coach), he did not fire everybody and bring his possible bootlickers along, no, he made the existing team to deliver. This might work or might not – remember this coach is better known as the Tinkerman. However, get the right people where they best can deliver and you will deliver results.
- 3. Create the right culture:** have the right personality such that your team can believe in you, not just the other way round. However, this is easier said than done. The coach managed to instill discipline and

culture among his team (including players) which was exemplary.

- 4. Do the maths:** use Big Data analytics, if you can, to analyze and streamline things. Nothing speaks better and louder than tinkered data which even any subject cannot dispute. However, note that use the statistics for better future improvements not to hammer people down, they are not nails! Remember, Big Data analytics generate Smart Data – which you can then use smartly.
- 5. Create the right incentives:** the players used to be rewarded with pizza every time they did not concede a goal! Pizza! At Kenyan standards, a pizza is approximately 1 K meaning the coach was spending approximately 20 K every time the guys did not allow a goal into their goal post. This made all the difference. Did he get a refund from his office? Ranieri might as well answer that. Do note the word is 'right incentives'.
- 6. Old is not necessarily bad:** this club is 130 years old and yet the new kid on the block, in football! Old can be wisdom piled up to be used strategically. And hence anybody, any firm can devise winning ways – despite how long it has been 'down that road'.
- 7. Don't forget your family:** whatever the circumstances, challenges, failures, commitments, successes, never forget your family. He went to wish his mom happy birthday as his team was about to play a very important match. At the end, do remember, it is your family left with you.
- 8. Communicate in the team:** this is one from Richard Branson, the charismatic owner and founder of the Virgin brand (Virgin Airlines, Virgin Mobile, Virgin Music etc.). A team that does not communicate is dead, it is no longer a team, but a collection of souls. And this does not have to happen in formal settings like meetings only, informal ones are even more important.

I believe that if we apply the above tactics or ideas in our workplace, we can only be better employees and managers – or better still team leaders.



Kenya Re Board of Directors Propose Increase of Shareholders Dividends to Ksh. 0.75Cents Per Share

By Agnes Musyoka



The Corporation held a successful 18th Annual General Meeting for shareholders on Friday 17th June 2016 at the Kenyatta International Convention Centre (KICC). During the well-attended

event, the Corporation announced the approval of the board of directors' proposal of dividend payout of Ksh.0.75 cents per share from the previous year's Ksh.0.70 cents.

The increase of shareholders' dividends was attributed to the Corporation's improved full year financial results in 2015 where it recorded a profit before tax of Kshs 4.5 billion which was a growth of 15 % over year 2014 where the Corporation attained Kshs 3.9 billion in profit before tax. The Corporation's asset base increased by 12% from Kshs 32.17 billion in 2014 to Kshs 35.95 billion in 2015 while the shareholders' funds grew by 10% from Kshs 19.99 billion in 2014 to Kshs 21.93 billion in 2015.

"This growth was as the result of the implementation of our strategic plan and support from cedants across our chosen markets in Africa, Middle East and Asia. The Corporation has continued to experience increased performance in all its key areas of operations," said Kenya Re's Managing Director, Mr. Jadhiah Mwarania.

Continuous review of Kenya Re's corporate strategy, which is underpinned by five key strategic pillars namely are Maintaining Financial Sustainability, Enhance Business Development, Risk Management, Business Process Improvement and Strengthen Institutional Capacity enabled the firm to achieve growth in the midst of a very competitive and dynamic reinsurance business environment both in and out of Kenya.

Support and partnership from the Kenyan insurance industry as well as aggressive marketing in selected markets across Africa, the Middle East and Asia featured as key growth contributors.



"The Corporation's investment income stood at Kshs. 3.04 billion in 2015 compared to Kshs. 2.59 billion in 2014, a growth of 17%. "This performance was driven by interest earned from the fixed income instruments which grew by 31% from 1.36 billion in 2014 to Kshs 1.79billion in 2015," explained Mr. Mwarania.

Speaking at the AGM, Kenya Re's Board Chairman, Mr. David Kemei, congratulated the Corporation for its exemplary performance despite a gloomy global outlook and several unfortunate insurance losses such as a series of terrorism attacks that interfered with the local economic growth expectations arising from political risks and insurance claims.

"I am glad that Kenya Re continues to flourish despite the challenging business environment," stated Mr. Kemei.

The continued growth by the Corporation is working to facilitate expansion in the oil and gas reinsurance sector following discovery of oil and gas in Kenya Uganda, Mozambique and Tanzania, among other countries.

The Corporation's financial strength is attested by the continued high financial ratings by international credit rating agencies. Kenya Re was rated B+ (good) for its financial ability and BBB for credit by A.M Best. Global Credit Ratings (GCR) rated Kenya Re with AA for local claims paying ability and BB+ for its international stable outlook.

'I Am No Longer A Baby'

Says Kenya Re West Africa Branch



By Lucy Kagwiria
Directrice Adjointe –
Kenya Re West Africa

Kenya Re West Africa branch is no longer weaning. She is now full of strength and wisdom, she is running fast hoping to grow and catch up with

her successful mother, Kenya Re Head office Nairobi. From a small regional office, the baby has grown to a fully pledged branch.

The mandate of the branch is to handle business from French speaking Countries in North, West and Central Africa.

Progressive growth

In October 2010 Kenya Re West Africa region office opened its door with one employee then, the regional Manager.

1. In 2011 the branch employed a secretary
2. In 2012 a driver was employed
3. In 2013 an underwriter was brought on board
4. In 2014 an officer was seconded from head office to assist the Region Manager and take care of Business Development.
5. In 2015 the Office became a fully-fledged branch /subsidiary.
6. In 2016 the company employed an accountant

From one employee in 2010 to 6 dedicated members of staff in 2016.

The growth is not only in numbers of staff but also in business growth.

Just like head office, the branch has been growing its gross premium by a double digit each year, the results are quite impressive.



This trend is likely to continue to the positive.

With an aim to grow the branch to greater heights of success and stay ahead the branch has laid down following Strategies:-

- Aggressive marketing both in Cote d'Ivoire and international market
- Prudent underwriting
- Prompt payment of claims
- Training of Clients in the chosen francophone countries

The branch main strength lies in committed, qualified and experienced staff, this has seen the branch live up to the Corporation's tagline of "strength and wisdom beyond borders" -(Sagesse Au –Dela Des Frontiers).

The branch believes that to be the foremost authority and to hit the mark in the region it has to recognise that excellent customer care brings about customer loyalty hence customer retention. This belief has helped the branch compete with the 10 Reinsurance companies that are based in Abidjan and all aiming for a bigger piece of cake.

The greatest challenge by the branch has been to change the region's mind-set that Kenya Re is only an East African giant.

Our clients are now aware that the Kenya Re group is actually a giant in the whole of Africa not to mention Middle East and Asia.

A unique feature of the branch is that all the staff are multilingual, the following four languages are spoken and well understood.

- English and French by all staff
- Kiswahili and Japanese languages are spoken by two different staff members.



QUOTES ON PERSISTENCE

Compiled by Peter Angwenyi

"You become a champion by fighting one more round. When things are tough, you fight one more round."

JAMES J. CORBETT

"It ain't over 'til it's over."

YOGI BERRA

"There is no failure except in no longer trying. There is no defeat except from within, no really insurmountable barrier save our own inherent weakness of purpose."

ELBERT HUBBARD

"Few things are impossible to diligence and skill; great works are performed not by strength but by perseverance."

SAMUEL JOHNSON

"It is not whether you get knocked down. It's whether you get up again."

VINCE LOMBARDI

"Our greatest glory is not in never falling, but in rising every time we fall."

CONFUCIUS

"Courage is resistance to fear, mastery of fear-not absence of fear."

MARK TWAIN

"The only thing we have to fear is fear itself."

FRANKLIN D. ROOSEVELT

BASIC MANDAZI RECIPE 1KG

by Dorry Gangla



Introduction

Mandazi can be fun to make and it's amazing how great they taste straight from the pan! This is when their golden brown crust is nice and crisp, yet the inside of the mandazi is wonderfully soft, almost cake-like in texture.

To deep fry the mandazi, you will need a heavy-bottomed pan or deep fryer. Use a flavourless oil like corn, sunflower or a vegetable oil. Heat the oil over medium heat for about 15-20min. It's important to maintain that temperature as at this temperature the oil seals the outside of the doughnut so it doesn't soak in. You see, if the oil is too hot the mandazi will get too brown and crisp on the outside before the inside has time to be cooked through. Conversely, if the oil is not hot enough, the mandazi will absorb too much of the oil and the texture will be soggy and greasy. Test to see if the oil is ready by placing a small cube of bread into the hot oil. If it browns in about 30-45 seconds, the oil is at the correct temperature.

METHOD

In a large bowl, whisk together flour, sugar, and baking powder until well blended

Add the margarine and rub it in the flour mixture with your fingertips until it evenly feels like coarse sand.

Beat the eggs separately and pour into the mixture and knead slowly. Add a little milk at a time while kneading until it is firm enough to roll. Do not put too much flour or the mandazi will be tough.

With your firm dough ready, split it into three portions for ease of rolling.



INGREDIENTS

- 1kg all purpose flour
- 4 level teaspoons baking powder
- 4 eggs
- 4 tablespoons margarine
- 6 tablespoons sugar
- Milk to mix (Approx ¾ to 1 pkt)

VARIATIONS

You may add 200gms of desiccated coconut to the mixture (combine with the dry ingredients) and a teaspoon of vanilla essence (combine essence with eggs)

You may also add ½ teaspoon of nutmeg or cardamoms for varied tastes (combine with dry ingredients)

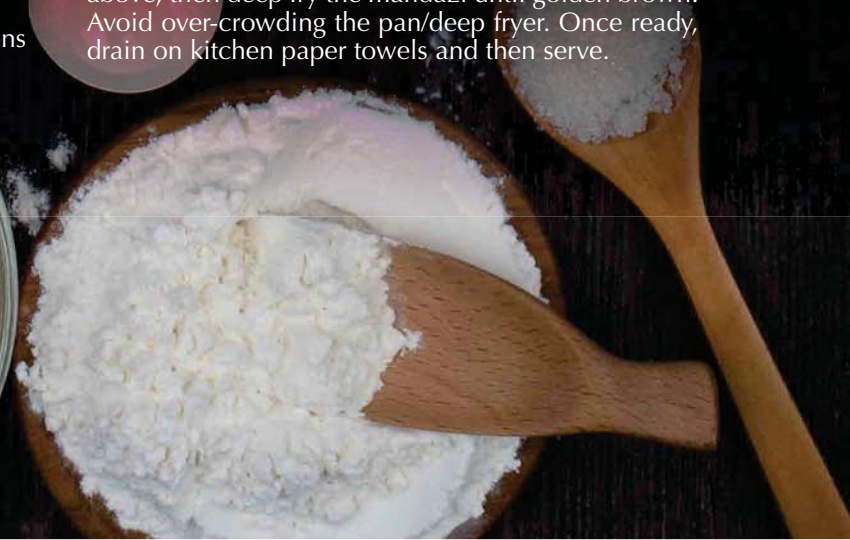
The recipe may be halved or doubled depending on quantity required.

You may use Self-Raising flour and omit the baking powder.

Flour a work surface generously and roll out one portion of the dough at a time to about 1cm thickness. Do not roll too thin to avoid having a biscuit-like product. Rolling too thick is an assurance that mandazi will not cook through. It's key to get the thickness just right.

Once rolled, cut out using a plastic tumbler for round shape or using a knife if you desire square shapes.

By this time, your oil should be hot enough, test it as above, then deep fry the mandazi until golden brown. Avoid over-crowding the pan/deep fryer. Once ready, drain on kitchen paper towels and then serve.



NEW EMPLOYEES

Join the corporation



Mr. Francis Katumo joins as an Assistant Manager in Records Management department. He holds a Bachelor's Degree in Information Science from Moi University and a Diploma in Information Studies, Librarianship and Documentation from Sigalagala Technical Training Institute. He has over ten years' work experience having worked in various organizations. He started his career in the Invesco Assurance Company as a Registry Supervisor, New Kenya Cooperative Creameries Company as an Archivist/ Documentalist and Blue Bird Aviation Company as a Records Manager. Prior to joining Kenya Re Mr. Katumo was working with Invesco Assurance Company Limited as the Records Manager.



Mr. Jackson Nganda joins as an Assistant Manager-Learning and Development in Human Resource department. Mr. Nganda holds a Bachelor's Degree in Business Administration from Kenya Methodist University (Kemu). He has a Higher Diploma in Human Resource Management from the Institute of Human Resource Management (IHRM). Prior to joining Kenya Re Mr. Nganda was working with Kenya Post Office Savings Bank (Post Bank). He has over 16 years working experience.



Mr. Phillip Sanda joins as a Manager Actuary in Reinsurance Division. Mr. Sanda holds a Bachelor of Science in Actuarial Science degree from University of Nairobi (UON). He has completed 14 out of 15 papers in Actuarial of the Institute and Faculty of Actuaries-London. He started his career at Kenya Agriculture & Research Institute (KARI) Staff Pension Scheme as a Pension Administrator in 2008. Prior to joining Kenya Re, Mr. Sande worked with Liberty Life Kenya as a Deputy Manager Actuarial. He has over eight years' work experience.



Ms. Lilian Martha Kiluku joins as a Tenancy Accountant in Investment Department. She holds a Master of Finance Degree in Finance from University of Nairobi and a Bachelor of Arts Degree from University of Nairobi (UON). She is a Certified Public Accountant -CPA-K. She has four years' experience having worked in Privatization Commission as an Accounts Assistance. Miss Kiluku has been exposed to undertaking a variety of assignments which include formulation of creditors balances, assets and receipt of Government grants. She is also an ISO 9001:2008 Lead Auditor for Kenya Bureau of Standards (KEBS).

IN THE NAME OF ALLAH THE MOST GRACIOUS THE MOST MERCIFUL

African Wisdom...

All Muslims are like a foundation, each strengthening the other; in such a way they do support each other | *Abu Musa: Bukhari & Muslim* |

Global Strength

For more than forty years, Kenya Re has relied on the wisdom of its African roots to provide the strength that reinsures insurance companies across the globe. With the launch of our Retakaful Window, we pledge to continue growing our knowledge and expertise so that we can get even better at making the world a more secure place for you.

Visit our website www.kenyare.co.ke or call +020 220 2000 for more information on our Retakaful Window

 @kenyareinsurance  #kenya-re



African Wisdom...

None is richer than the one who has peace of mind | Kenyan Proverb |

Global Strength

For more than forty years, Kenya Re has relied on the wisdom of its African roots to provide the strength that reinsures insurance companies across the globe. Today, our new future begins with a pledge of our promise to continue growing our knowledge and our expertise so that we can get even better at making the world a more secure place. By reinsuring insurance companies across the globe.



KENYA RE
STRENGTH & WISDOM BEYOND BORDERS