

APPENDICES

APPENDIX No.1: TABLE OF RETENTION

<p>Class 1:</p> <p>Risks which under normal circumstances are not prone to major losses either by nature of the construction or processes/activities carried out in these buildings.</p>	<p>Class 2:</p> <p>Risks which under normal circumstances are prone to major losses either by nature of the construction or processes/activities carried out in these buildings.</p>	<p>Class 3:</p> <p>Risks which under normal circumstances are very prone to major losses either by nature of the construction or processes/activities carried out in these buildings.</p>	<p>Class 4:</p> <p>Risks which under normal circumstances are hazardous either by nature of the construction or processes/activities carried out in these buildings</p>
<ul style="list-style-type: none"> Schools Hospitals Places of Worship-Churches, Mosques, Temples, Chapels Residential buildings Office buildings Desalination Plants Water processing plants Public Buildings Auditoriums Banks Gymnasiums Museums Nursing Homes Radio and TV Broadcasting Stations <p>Notes:</p> <ul style="list-style-type: none"> Radio and TV Broadcasting Stations, moved from Class 2 to Class 1 Cinema Halls/ Cinema Theatres moved to from class 1 to Class 2 	<ul style="list-style-type: none"> Hotels/Casinos/Restaurants/ Bars/School Kitchens/Hostel where cooking is done Video & Sound recording rooms/studios Sale of goods (excluding showrooms and stores, malls, supermarkets) Electrical and electronics industry Food Processing plants and bakeries Wine and Beverage manufacturing Fruit & Food processing plants/ Ghee factories/ Dairy products processing Cinema Halls/ Cinema Theatres Leather tannery industries/Shoe manufacturing Unoccupied Buildings/ Buildings under construction Abrasives Manufacturing Airport Terminals Aircraft Hangars Alumina/Bauxite Refining Aluminum Casting and machining Automobile Parking & Showrooms Glass products Manufacturing Brick or Tile Manufacturing Bus Terminals Pottery Manufacturing Shipyards 	<ul style="list-style-type: none"> Grain silos Flour and meal mills Cold Storage Premises Warehouses with non-hazardous goods Dry cleaners/Laundries Aircraft Hangars Wines & Spirit Manufacturing /distillers Department stores Supermarkets and department stores Sugar processing Tea Processing Furniture Assembly Hair Products Manufacturing Vegetable Oil manufacturing Soap and detergents manufacture Chemical plants except petrochemical risks Pharmaceutical industries and Drug Manufacturing Cement Factory/plants Greenhouses Cigar & Cigarettes manufacturing <p>Notes:</p> <ul style="list-style-type: none"> Pharmaceutical industries moved from class 2 to class 3 Sugar processing added to Class 3 Tea processing added to Class 3 given the highly combustible leaves 	<ul style="list-style-type: none"> Petrochemical risks Foam/Mattress manufacturing Plastics industries Explosives and mattress industries Production or trade in Weapons and Ammunitions Tobacco factories including trade in tobacco products Paper & pulp industries/printing works Wood/Timber processing/sawmills and chipboard/wallboard/wall paper manufacturing Furniture manufacturing (including woodwork, carpentry & upholstery) Textiles/clothing/cotton risks- Production and processing of raw cotton, semi-finished and finished products of cotton Cotton ginning factory Sisal factories Rubber goods and tyre factories Paints and Vanish manufacturing Any construction with a thatch/makuti element including decorative makuti

	<ul style="list-style-type: none"> • Animal Slaughterhouses/ Abattoirs • Laundries • Steel & Metal fabrication Plants- Fabrication, Forging & Casting • Stone Quarrying • Agricultural facilities including agricultural equipment assembly • Aircraft assembly • Amusement parks • Vehicle Garages and showrooms • Battery Manufacturing • Cable Manufacturing • Construction Equipment Assembly • Fertilizer's manufacturing • Telecommunication risks <p>Notes:</p> <ul style="list-style-type: none"> • <i>Power plants moved to Class 3</i> • <i>Telecommunication risks and steel fabrication added to class 2</i> • <i>Cement plants pushed to class 3 given the current issues mainly in moral hazards</i> 		<ul style="list-style-type: none"> • Transmission and distribution lines • Candle manufacturing • Fiberglass operations • Shops dealing in hazardous goods (Petrol/Diesel stations) • Cafes, Restaurants, Kiosks & Shops selling non-hazardous goods • Mining risks on referral basis only.
Maximum Acceptance:100%. Minimum Acceptance: 80%	Maximum Acceptance: 80% Minimum Acceptance: 60%	Maximum Acceptance: 60% Minimum Acceptance: 40%	Maximum Acceptance: 40% Minimum Acceptance: 20%

APPENDIX No.2: FIRE MINIMUM RATES FOR TREATY CESSION

Warranty: it is hereby warranted that all risks emanating from Kenya and attaching herein shall be subject to the below minimum rates guidelines. It is hereby declared that any claim/s arising from a risk which does not comply with warranty on the date of loss is not admissible under this contract.

It is further agreed that any claim/s arising from a risk which does not comply with this warranty on the date of loss is not admissible under this reinsurance contract.

Note: Unless otherwise specifically provided for, this guideline is applicable to land-based properties only.

Policy(ies) covering Buildings and/or contents shall show blockwise separate amounts on

- (i) Building
- (ii) Machinery and accessories
- (iii) Stock and Stock-in-Process and
- (iv) Furniture and other contents.

Any risk, which has not been provided for in the guideline, shall be referred to the lead reinsurer for rating.

For add-on covers, additional rates shall be charged as shown in the provided in table below.

Rates shown under this guideline are minimum rates. Insurers may charge rates higher than those given under the guideline.

PARTIAL INSURANCE It is not permissible:

- to issue a policy covering only certain portions of a building (notwithstanding this, the plinth and foundations or only the foundation of a building may be excluded).
- to issue a policy covering only specified machinery (except Boilers), parts of machine or accessories thereof housed in the same block/ building.

No first loss basis policies can be issued for Fire & BI

Industrial All Risks & Asset All Risks:

The rates and terms provided relate to Fire & Allied Perils (FAP). For industrial All Risks or Assets All Risks rates to be loaded by 25%

Perils covered under Fire & Allied Perils stipulated rates:

Fire, Lightning, Explosion/Implosion, Aircraft Damage, Riot, Strike, Malicious damage, Storm, Cyclone, Typhon, Tempest, Hurricane, Tornado, Flood & Inundation, Impact Damage, Subsidence & Landslide including Rockslide, Bursting and/or overflowing of water tanks, Apparatus & Pipes leakage from automatic sprinkler installation and Bush fire.

Occupation Family	Minimum Rates Fire & Allied Perils (FAP)
Residential Buildings	0.120%
Offices	0.125%
Multi Occupancy Buildings (Rate each risk separately. Where it is not possible, use the rate of the dominant risk or the most hazardous occupancy rate)	
Schools, Hospitals, Churches, Mosques, Temples	0.150%
Boarding Schools & Colleges (Boarding) & Hostels	0.250%
Departmental Stores (Store of consumer goods in different areas of the store, each area specializing in a product category), Shops & Shopping Malls,	0.225%
Dry Cleaners, car wash	0.200%
Food processing Industries (Sugar factories, Pasta Plant, bakeries and confectioners, Fish, Sea food & Meat Processing, Breweries/Bottling Companies, Tea factories & Withering houses, Flour Mill, etc.)	0.250%
Gym, sports Facilities, membres clubs, social halls, amusement parks, Theatres, Golf courses	0.185%
Hair salons, barber shops, spas	0.200%
Light Industries: manufacture of home appliances and consumer electronics. Motor vehicle dealers	0.200%
Metal Manufacturing, Cement Plants,	0.250%
Rollings Mills, Steel Rolling Mills, Steel Bar, Strip & Girder Makers, Steel Tubes, Steel Bed & Steel Furniture Makers	0.225%
SGR, Transportation systems	0.225%
Hotels with Standard Construction	0.200%
Soft Plastics and Foam, Tobacco factories including trade in tobacco products, Paper & pulp industries/ printing works, Wood/ Timber processing/ sawmills and chipboard/ wallboard/ wallpaper manufacturing, Textiles including risks involving cotton and cotton products/storage, furniture manufacturing and Thatch risks	Refer to treaty terms and conditions (Minimum - 0.750%, Excess 10% eel, Mini USD 20,000). For these types of risks no discount should be allowed.

Hard Plastics	0.450% (Subject to provision of a fresh survey report stating the good features of the factory and the type of plastic used- High Density Plastics) Deductible 10% of loss minimum KES 2 million
Tents/Camps	0.450%-Deductible for Flooding- 10% Minimum 2 million
Export processing zones, furniture shops (excluding furniture manufacturing), detergent manufacturing	0.450%
Match manufacturing	Refer to lead Reinsurers
Chemical manufacturing & Storage	0.350%
Mining Risks	Refer to lead Reinsurers
Green houses	1.000%
Warehouse, Godowns <ul style="list-style-type: none"> Non-Hazardous Goods Transporters, Cargo movers, warehouses in the Airport or Seaport Hazardous Goods*/Silos (not part of the processing plant) 	0.275% 0.350% 0.450%
Goods in Government Bonded Warehouses	0.350%
Tank farm Oil Storage Depot	0.450%
Refineries	0.500%
Edible oil	0.275%
Fuelling station (But excluding Garages)	0.250%
Garages	0.275%
Paints Factory <ul style="list-style-type: none"> Nitrocellulose based Water based Others & Varnish 	0.450 0.200% 0.375%
Airports	0.185%
Ports	0.225%
Power Plants/ Electricity Generating Company <ul style="list-style-type: none"> Genset Power plant Hydroelectric power plant Gas turbines Geothermal plant Coal power plant 	0.2815% 0.1250% 0.4750% 0.3000% 0.3000%

<ul style="list-style-type: none"> • Flywheel Energy Storage • Hybrid power plants • Combined cycle gas turbine plant • Wind farm • Solar Power plant 	0.2750% Referral basis 0.2750% 0.2815% 0.3250%
Mobile network operator/Telephone Exchanges	0.165%
Broadcasting Stations	0.150%

NOTE:

- KENGEN, Kentraco and KPLC risks to be quoted separately by the technical committee and should not be lower than previously listed industry rates.
- Please note that the above rates are excluding EQ rate. EQ is an add-on cover and therefore the rate should be added on top of the above rates. If the EQ rate is not added and separate EQ premium Bordeaux is not submitted with the quarterly returns, then it is considered that the risk is not covered per the terms and conditions of the treaty.
- The earthquake rate is not subject to any discount (whether LTA or NCB)
- Climate change is having a profound impact on our lakes causing rising the water level, threatening properties along the lake shores. The rising water levels in lakes is therefore a foreseeable exposure, accordingly, Business Interruption (BI) as a result of flooding due to rising level of the water of a lake shall be excluded and not covered under the treaty

The types of dangerous goods, classified under nine groups can be listed down as follows:

- Group I: Explosive Materials
- Group II: Gaseous Materials
- Group III: Inflammable Liquids
- Group IV: Inflammable Solids
- Group V: Materials containing peroxides, easily oxidising contents
- Group VI: Substances highly toxic and infective
- Group VII: Radioactive substances and materials
- Group VIII: Erosive Materials
- Group IX: Dangerous materials and substances miscellaneous in nature

The above rates are subject to the following Active Fire Protection Systems facilities:

- Functional Fire Hose Reels & Fire Hydrant System,
- Trained Fire team,

- Carry out annual Fire Drills
- Silos with moving mechanical components should be equipped with temperature sensor
- Silos storing products liable to ferment should be equipped with temperature sensors
- Infra-red testing of the electrical installations,
- Automatic extinguishing systems to cover the dryers (woodworking) Warehouses & Godowns
- Clean-up of workshops exposed to higher dust concentrations (woodworking or metal-working shops).
- **Disposal of** combustible dusts
- Storing conditions: To reduce the high accumulation value, the following measures should be followed:
 - ✓ 1.50m between the roof and the upper level of the stock
 - ✓ Divide the warehouse into plot and have a minimum distance of 2.50m between them
 - ✓ Maximum height of each plot not more than 6.00m
 - ✓ Keep a corridor of 70cm between the peripheral plots and the walls.
- Handling of stocks:
 - ✓ The handling of stocks is made manually or by an electric forklift inside the warehouse or the exhaust to be fitted with metal end-piece
- Hot work permit:
 - ✓ Hot work permit should be an obligation prior to the carrying out of any hot work operation. Prior to the starting of the operation, the concerned machine is cleaned, steel barriers are installed all around as well as fire extinguishers.
- Lightning Arresters
 - ✓ The complex should be provided with lightning arrestors.

DISCOUNT FOR LIMIT OF LIABILITY - LOL

- The limitation intends to limit the exposure of the cedant.
- When the limit of liability is below the TSI by a certain percentage a discount should be granted according to the schedule below

- The discount should apply to both material damage and BI separately
- The limit of liability is applicable to the total of the sum insured subjected to an insured peril.
- The limitation does not exclude the application of the average
- The discounted rate of premium should apply to the TSI. It is forbidden to have a Limit of Liability for a contract without indicating the TSI of the contract. If the TSI are not mentioned, it will be difficult to apply the average clause.
- The discount for the limit of liability will apply first to the rate granted followed by the one for the excess
- The following schedule is subject to get the most recent survey report to be able to assess the PML. The Limit of Liability should not be less than the PML or Top Location value.

TSI (Million of USD)	L.O.L/PML (%)							
	+ 90 %	90 - 70	70 - 50	50 - 40	40 - 30	30 - 20	20 - 10	Upto 10%
Upto 7.5			5.00%	7.00%	9.00%	11.00%	13.00%	15.00%
7.5 to 37.5			7.00%	9.00%	11.00%	13.00%	15.00%	20.00%
37.5 to 75			9.00%	11.00%	13.00%	15.00%	20.00%	25.00%
More than 75			11.00%	13.00%	15.00%	20.00%	25.00%	30.00%

The discount should be computed step by step starting by Limit of Liability, Voluntary deductible, claims ratio and LTA. However, the above total discount should be capped at 30%.

The step to follow while applying more than one discount: The example below is based on a Tank farm

Tank farm – Minimum rate	0.45%	Discount To be deducted from the net rate
Discount due to L.O.L of 10% (30%)	-30%	-0.135%
Net	0.32%	
Voluntary deductible -10M (10%)	-10%	-0.032%
Net	0.28%	
Disc due to claim ratio - 5%	-15.00%	-0.043%
Net	0.24%	
Discount due to LTA – 15%	-15%	-0.036%
Net	0.20%	
Total discount	$(1-0.20/0.45)*100 =$	55.55% Capped at 30%

However, as mentioned above the total discounted value is 30% maximum

RATES FOR SHORT PERIOD INSURANCE

For a period not exceeding	15 days	10% of the Annual rate
-do-	1 month	15% of the Annual rate
-do-	2 months	30% of the Annual rate
-do-	3 months	40% of the Annual rate
-do-	4 months	50% of the Annual rate
-do-	5 months	60% of the Annual rate
-do-	6 months	70% of the Annual rate
-do-	7 months	75% of the Annual rate
-do-	8 months	80% of the Annual rate
-do-	9 months	85% of the Annual rate
For a period exceeding	9 months	The full Annual rate
N.B.: Extension of short period policy (ies) shall not be permitted.		

VOLUNTARY DEDUCTIBLES

On receipt of application from the insured, Insurer may consider suitable discounts for voluntary deductibles as per the scale shown in the table below.

Table of discounts for Voluntary Deductible		
Deductible Amount		Discount (%)
<i>AOG Perils</i> 5% of Claim amount subject to minimum of KES.	<i>Other perils</i> In KES	
2,000,000	1,000,000	2
4,000,000	2,000,000	4
6,000,000	3,000,000	6
12,000,000	6,000,000	8
20,000,000	10,000,000	10
> 20,000,000	> 10,000,000	On referral

DISCOUNT FOR LONG TERM AGREEMENT-LTA

Duration of Policy	Premium to be Charged
3 years policy with signed LTA agreement	Premium payable annually at the beginning of the year less 15% discount subject to no material change in the risk

CLAIMS EXPERIENCE DISCOUNT

Risks (on buildings and contents of all blocks in one compound of one complex in one location) of this guideline shall attract claims experience discounts based on the incurred claims experience of all the **policies covering the Insured's interest for the preceding 36 months excluding the expiring policy period.** (If there is any break in insurance, available 36 months experience shall be taken into account) as per the table given below.

Incurred claim ratio for the preceding 36 months excluding the expiring policy period	Discount (%)
Up to 5 %	15
Above 5% & up to 10%	10
Above 10% & up to 15%	5

On renewal of business by a new insurer, a provisional loading of 15% must be charged in all cases where certified details of claims experience by respective insurers are not available. This loading shall be adjusted subsequently on receipt of the exact claims experience.

SILENT RISKS

1. Definition of silent risks

Silent risks are risks where no activities are carried out continuously for 60 days or more during this COVID-19 period with **effect from.....to.....**

The silent rates are not applicable if a risk goes silent following a loss under the policy.

- Premium for entire policy period shall be collected in advance.
 - Business Interruption/Loss of profit are not covered under silent risk.
 - If maintenance is carried out during the silent period, Machinery breakdown cover should be granted with no discounted rate.
2. Discounted rate for silent risks:

2.1 Industrial and Manufacturing Risks: Maximum of 20%

2.2 Offices, hotels, shops etc. located outside the scope of industrial / manufacturing silent risks: According to the class of construction below:

2.2.1 CLASS 1 Construction risks: Maximum 20%

2.2.2 For other than CLASS 1 Construction Risks (and other than Makuti/Thatched Risks): maximum 15%

2.3 Makuti/Thatched Construction :

2.3.1 Structures completely or substantially of Makuti/such material serving functionally as roof or walls: No discount

2.3.2 Structures with walls of burnt brick, stone or concrete blocks and roof of RCC slab with Makuti/such material without functional value but only as a decorative structure: Maximum 5%

2.3.3 Where Reinsurers have granted approval for differential rating of the same risk based on the Sum Insured of different classes of construction, differential discounts may also be granted as applicable to each class of construction.

NOTE: The refund will be done only at the end of the policy and subject to no loss under the Fire/Material Damage section. And machinery breakdown

In case of any loss (whatever the amount) during the silent period, there will be no discount.

OTHER CONDITIONS:

Where insurers agree to provide coverage for a Silent Industrial or Manufacturing unit, the following shall be applicable:

- (a) Insured to intimate to insurers that they are ceasing operations and risk will be silent from a prospective date
- (b) When insured proposes to resume operations they have to give a notice 7 days in advance of the same
- (c) During the silent phase the higher of the 2 rates- risk rate or applicable storage rate shall be applicable, in case the Insured desires storage of goods.
- (d) In event of any discounts being enjoyed on risk rates, the same shall not be applicable for the silent period.
- (e) The cutout for electrical connections be removed, except those essential for operation of fire safety, alarms, fire mitigation installations (pumps, hydrants, sprinklers), CCTV, electric fences.

WARRANTIES

WARRANTY 1: Silent Risk Warranty (*Applicable for only Industrial and Manufacturing Risks*):

Warranted that during the currency of this policy the said industrial risk be silent and that the machinery be not worked (except occasionally for the purpose of keeping it in order, no material being passed through it) and that no repairs to machinery or millwrights' work, be carried on.

It is further warranted that the insured premises are not used for the storage or deposit of goods. * *unless the policy is endorsed to cover storage and the applicable storage rate or risk rate whichever is higher is charged/applied.*

WARRANTY 2: Silent Risk Warranty (*Applicable for offices, hotels, shops etc. located outside the scope of industrial / manufacturing silent risks*).

Warranted that during the currency of this policy the said risk be silent and no activities (like quarantine, **press conference etc...**) be held.

It is further warranted that the insured premises are not used for the storage or deposit of goods.

Further warranties:

WARRANTY 3: 24 Hours Security Guard

Warranted that during the currency of this Policy, the premises shall be protected by security guards who are:

- a) in uniform;
- b) on continuous twenty-four (24) hours duty, including public holidays; and
- c) with a minimum of one (1) guard per shift on duty at any time

No liability shall attach to the Company under this Policy unless the terms of this warranty are complied with.

WARRANTY 4: Maintenance – 1:

The sprinkler system (where installed) must be maintained and tested weekly in accordance with the Automatic Sprinkler Installation Weekly Test Card as outlined below: -

1. Inspection must be carried out by designated personnel to ensure that:
 - the sprinkler heads, where installed, are free from paint, whitewash or other coating.

- the sprinkler heads are not obstructed by storage of goods etc. and sufficient clearance must be maintained below sprinkler heads.
- the sprinkler water storage tank is clean without debris inside; the water level indicators and ball valve are in good condition and the water level is adequate.
- all the control valves in the sprinkler system are secured in their appropriate position.
- power supplies, batteries and battery chargers are in good condition and the battery water level topped up if necessary.
- fuel, oil and coolant levels topped up if necessary.

2. The pumps must be tested for manual starting and automatic starting. The pumps must be run for the recommended period to reach maximum operating temperature.

3. In addition to the above weekly maintenance procedures, a flow test must be carried out on a monthly basis to ensure that the sprinkler system is capable of providing sufficient flow and pressure at the highest and most remote parts of the protected premises.

Note: Immediate notice must be given to the Company should the water supply(ies) be turned off or the sprinkler installation(s) be rendered inoperative from any cause.

WARRANTY 4: Maintenance requirements II:

Inspections must be carried out by a competent person weekly to ensure that:

- a. the detectors (where installed) are not obstructed or painted over so as to prevent normal operation.
- b. no obstruction is placed within 0.3 metre (1 foot) horizontally or 0.6 metre (2 feet) below a detector head; and
- c. the detectors are protected against mechanical impact damage.

The central fire control panel must be inspected to ensure maintenance in good condition and all bulbs tested weekly to be in proper working order.

Selected heat and smoke detectors must be tested monthly to ensure they are in proper working order.

Records must be kept of all tests and inspections carried out, any faults discovered, and details of all replacement fitted.

ADD ON COVERS

Rates to be charged for such add-on covers shall be as under:

Sl.No	Add-On Cover	Rates applicable	Value on which premium has to be charged
1.	Earthquake	0.025%	Sum Insured
2.	Architects, Surveyors and Consulting Engineers Fees (Excess of 3% claim amount)	Policy Rate	Specified sum insured not exceeding 7.5% of sum insured
3.	Removal of Debris (Excess of 1% claim amount)	Policy Rate	Specified sum insured up to maximum 10% of sum insured
4.	(A) Deterioration of Stocks in Cold Storage premises due to accidental power failure consequent to damage at the premises of Power Station due to an insured peril	25% of Policy Rate	Sum insured of stocks
5.	(B) Deterioration of stocks in cold storage premises due to change in temperature arising out of loss or damage to the cold storage machinery(ies) in the Insured's premises due to operation of insured peril.	Policy Rate	Sum insured of stocks
6.	Spontaneous Combustion	0.70‰	Sum insured of relative commodity
7.	Spoilage Material Damage Cover	Stocks in specified blocks 5 times the Policy Rate Machinery, Containers & Equipments in specified blocks <hr/> 2.5 times the Policy Rate	Value of stocks in specified blocks M/A value in specified blocks.
8.	Temporary Removal of Stocks Clause	10% of policy Rate	Policy sum insured

9.	Loss Of Rent clause	Policy Rate	Specified sum insured
10.	Insurance of Additional Expenses of Rent For An Alternative Accommodation	Policy Rate	Specified sum insured
11.	Start up Expenses	Policy Rate	Specified sum insured

FIRE & ALLIED PERILS - BUSINESS INTERRUPTION

BI Sum Insured: (BI annual sum insured x indemnity period in months)/12.

Base Rate: Analogous to FAP rates.

Indemnity Period: 12 months. An Ind Period less than a year should not be allowed.

Deductible: 3 days

Loading for risks where the BI loss amount is more significant than the material damage: 1.5

Example :

- ✓ Mobile network operator/Telephone Exchanges
- ✓ Breweries, Bottling Companies
- ✓ Metal Manufacturing, Cement Plants, Sugar factories,
- ✓ Paper, rubber, leather
- ✓ Food, beverage and tobacco industry
- ✓ Energy, heat, water,
- ✓ Etc.

BI DEDUCTIBLE DISCOUNT

Deductible-days	7	15	30
Discount – %	10	20	30

APPENDIX No.3: ENGINEERING MINIMUM RATES FOR TREATY CESSION

It is hereby warranted that all risks attaching herein shall be subject to the minimum rates as may be defined reinsured or regulatory authority, but in no way less than the listed rates below for respective occupations, for risk that are otherwise not excluded and/or with separately defined rates in this contract.

It is hereby agreed that any claim/s arising from a risk which does not comply with this warranty on the date of loss is not admissible under this reinsurance contract.

A. CONTRACTORS/ERECTION ALL RISKS (CAR/EAR)

SCOPE OF COVER: MUNICH RE CAR/EAR Standard Wording or equivalent, Extension covers will warranty additional premium

Contractors/Erection All Risks	Minimum Rate – for Maximum Contract period of 36 months and 12 months maintenance period
Residential Buildings Including residential houses, schools, churches with no more than 5 storeys	0.200%
Commercial Buildings Including office blocks industrial buildings, and buildings over 5 storeys	0.225%
Warehouses	0.215%
Greenhouses	0.215%
Pure refurbishment/internal partitions	0.150%
Water tanks	0.250%
Fuel Tank Farm	0.400%
Water/ sewerage pipelines/treatment plants	0.275%
Water Irrigation systems	0.500%
Power Substation	0.300%
Power Transmission lines and Substation	0.400%
Power Transmission lines	0.350%
Excavation works	0.300%
Stadium	0.275%

Bridges <ul style="list-style-type: none"> • Truss bridge/ Truss steel bridge • Concrete girder/ Box girder bridge/ Concrete slab bridge • Cable stayed bridge/ Wobbly ropes bridge/Suspended bridge • Floating Bridges • Foot bridges • Any bridge not specified above should attract higher rate of 	0.500% 0.600% 0.750% 1.000% 0.250% 1.000%
Dams	Refer to your reinsurer, not less than 0.500%
Petroleum Tank farms	0.450%
Roads <ul style="list-style-type: none"> • Roads in urban areas • Roads in rural areas • Open area paving (cabro works) 	0.300% 0.300% 0.275% <ul style="list-style-type: none"> • 5% discount on the above rates for pure rehabilitation works (potholes) that <u>does not involve</u> any element of excavation • Loading of 10% for roads in mountainous areas
Airport including runways	0.325%
Airport excluding runways	0.225%
Railways	0.275%
Ports and harbor works	Refer to your reinsurer, not less than 0.55%
Power Plants/ Electricity Generating Company <ul style="list-style-type: none"> • Genset Power plant • Hydroelectric power plant • Gas turbines • Geothermal plant • Coal power plant • Flywheel Energy Storage • Hybrid power plants • Combined cycle gas turbine plant • Wind farm • Solar Power plant 	0.300% 0.325% 0.450% 0.300% 0.300% 0.300% Refer to your lead reinsurer Refer to your lead reinsurer 0.275% 0.450%
Communication Towers and Broadcasting equipment	0.275%

Contractors Plant and Machinery	0.75% per annum
Inherent Defects Liability	Refer to your lead reinsurer

For any risk or period which is outside the scope of this engineering guidelines should be referred to the reinsurer.

MINIMUM DEDUCTIBLES FOR CONTRACTORS ALL RISKS/ERECTION ALL RISKS (CAR/EAR)

(i) Without Discount

Acts of God/Testing claims:	10% of loss minimum 0.5% of Sums insured
All other claims:	10% of loss minimum 0.25% of Sums insured
Contractors Plant and Machinery:	10% of loss minimum KES 500,000
TPL:	Equivalent of KES 100,000

(ii) With 10% Discount

Acts of God/Testing claims:	10% of loss minimum 1.0% of Sums insured
All other claims:	10% of loss minimum 0.5% of Sums insured
Contractors Plant and Machinery:	10% of loss minimum KES 500,000
TPL:	Equivalent of KES 100,000

(iii) With 15% Discount

Acts of God/Testing claims:	10% of loss minimum 2.0% of Sums insured
All other claims:	10% of loss minimum 1.0% of Sums insured
Contractors Plant and Machinery:	10% of loss minimum KES 500,000
TPL:	Equivalent of KES 100,000

(iv) With 25% Loading

Acts of God/Testing claims:	10% of loss minimum 0.25% of Sums insured
All other claims:	10% of loss minimum 0.15% of Sums insured
Contractors Plant and Machinery:	10% of loss minimum KES 500,000
TPL:	Equivalent of KES 100,000

For the extension of Design risk, please refer to the reinsurer

B. MACHINERY BREAKDOWN/MACHINERY LOSS OF PROFIT

These rates are applicable for machinery and equipment of not more than 10 years. Machinery above the age of 10 years will attract 25% loading of the rate upon a satisfactory survey report at each renewal.

SCOPE OF COVER: MUNICH RE CAR/EAR Standard Wording or equivalent, Extension covers will warranty additional premium

Industry/Occupation	MB/MLOP Rate ‰ (per mille)	Deductible for Material Damage
Electrical Industry Including Electric Motors, Switch Gears, Accumulators, Battery Chargers, Capacitors, Transformers, Electric pumps, Compressors	4.50	1% of sums insured of each item
Transportation Industry Lifts, Conveyor bridges/belts, cable cars	3.50	1% of sums insured of each item
Food Processing Industry Centrifuges, filter presses, labeling machines, packaging machines, kneaders, boiling vessels, evaporators, crystallizers, furnace/roasters, sugar milling	4.75	1% of sums insured of each item
Printing and Paper Industry Printing presses, printers and duplicating machines, cutting presses, Laminating, corrugated machines,	4.25	1% of sums insured of each item
Cement Plants	5.00	1% of sums Insured of each item
Chemical Industry Cracking machines, Coking plants, pressure vessels, injection molding machines, extruders, purification machines, evaporators, columns, storage tanks	4.65	10% of sums insured of each item
Petroleum and Oil refineries	7.50	
Power Plants	5.75	10% of sums insured of each item

Boilers, Generators, turbines, diesel engines		
Building Machinery Cranes, forklifts, Locomotives within a construction site, Tractors, Bulldozers, Wheel loaders	7.50	1% of sums insured of each item
Other Machinery Telecommunication antennae, refrigerators, car wash machines,	4.00	1% of sums insured of each item

NOTE:

- KENGEN, Kentraco and KPLC risks to be quoted separately by the technical committee, and should not be lower than previously listed industry rates

Any risk out of the scope of the above should be referred to the reinsurer

MACHINERY BREAKDOWN – LOSS OF PROFIT

BI Sum Insured: (BI annual sum insured x indemnity period in months)/12

Base Rate: Analogous to Machinery breakdown rates

Indemnity Period: Maximum 12 months

Minimum MLOP excess is 3 working days except for Power Plants is 30 days (without discount)

MLOP DEDUCTIBLE DISCOUNT

Deductible-days	7	14	21
Discount – %	10	20	30

C. ELECTRONIC EQUIPMENT INSURANCE

(Material Damage, Electronic Data Media and Increased Cost of Working)

These rates are applicable for equipment of not more than 5 years. Machinery above the age of 5 years will attract 25% loading of the rate upon a satisfactory survey report at each renewal.

SCOPE OF COVER: MUNICH RE CAR/EAR Standard Wording or equivalent, Extension covers will warranty additional premium

Industry	Rate MD/ EDM/ ICOW ‰ (per mille)	Deductible
Data Processing Equipment Computers, servers	3.50	1% of Sum Insured of each item with min KES 20,000
Televisions, Film equipment, Advertising screens,	4.50	10% of loss min KES 50,000
Radio, Telephone and TV Transmission Equipment	4.75	10% of loss min KES 100,000
Hospital Equipment	6.50	10% of loss min KES 200,000

Any risk out of the scope of the above should be referred to the reinsurer

APPENDIX No.4: BOND MINIMUM RATES FOR TREATY CESSION

1. Minimum Rates are amended as follows:

TYPE OF BONDS	MINIMUM RATES		
	PERIOD OF CONSTRUCTION		
	Up to 12 Months	Up to 24 Months	Up to 36 Months
Advance Payment Bonds	1.50%	2.00%	2.50%
Performance Bonds	1.50%	2.00%	2.50%
Bid/Tender Bonds	1.00%	1.00%	1.00%
Maintenance Bonds	1.50%	1.75%	2.00%
Retention Bonds	1.50%	1.75%	2.00%
	Non-Construction Bonds		
Custom Bonds/Per year	1.0%		
Other Bonds Covered e.g. Immigration	1.0%		

2. RISK ACCEPTANCE CRITERIA

- Prior to extension of bonds facilities to companies, the Underwriting Officer(s) shall ensure that relevant searches are conducted on the entity, its shareholders and directors.
- Client and business site visit are to be conducted
- Business shall have been in existence for the last 12 months
- The client shall submit audited accounts whenever possible and the current management accounts preferably for 3 years.
- CRB reports
- Future cash flow prospects in case of Term Loan.
- If collateral is in cash it should not be less than 20% of the bonds limit.
- If collateral is in physical/movable assets it should not be less than 40% of the bonds value.
- Bond proposal form should be filled in

Notwithstanding these criteria, cover will not normally be extended:

- Where sources of repayment are unclear or unproven
 - **Where the client's ethical or business record is doubtful**
 - For financing of military equipment and/or political activities
 - For illegal purposes or for activities contrary to community interest
 - Where there is no collateral in place. For collateral value/amount please refer to above risk acceptance criteria.
3. KYC Requirement
1. Organisational structure (list of shareholders & holding capacity)
 2. Copy of Contract
 3. Details for the required guarantee
 4. Valid Counter indemnities/counter guarantees i.e one executed by the company and the other two by two directors
 5. Copy of the K.R.A PINs for the company and Directors
 6. Copy of the I.Ds of the Directors
 7. Certificate of registration/ incorporation of the company
 8. Specimen signatures
 9. Board approval for obtaining the bond.

APPENDIX No.5: POLITICAL VIOLENCE AND TERRORISM (PVT) MINIMUM RATES FOR TREATY CESSION

Description of Risk	2022 Rates ‰ (per mille)
1. Residential Building in own compound	0.50
2. Apartments	0.50
3. Pure Offices	0.60
4. Commercial Building in own compound	0.65
5. Commercial Building not protected by boundary wall	0.75
6. Hotels	0.75
7. Industrial Risks in own compound with electric fence	0.75
8. Industrial Risks without boundary wall	1.00
9. Roadside Shops	Refer to reinsurer
10. Supermarkets protected by access control	1.50
11. Churches	0.65
12. Education Institutions	0.65

Contents:

The above rates will apply if the content is not insured with the building, otherwise the content will follow the building's rate.

Class of business	Minimum rate ‰
Plants and machinery	0.65
Stock in trade	0.65
Content all risk	1.00

Class of business	Minimum rate %
Goods in transit	Any one carry: 0.20% Estimated Annual Carry: 0.02%
Cash in transit	Any one carry: 0.20% Estimated Annual Carry: 0.02%

Personal Accident/WIBA	0.075% of total benefits/ Capital sum insured
Motor – Private	0.25%
Motor – Commercial	0.45% but can reduce up to 0.30% for fleet Minimum Premium: Kes. 2,500 for both Private & Commercial

In respect of business booked under Fire Department, Underwriting Limit refers to Material Damage and Business Interruption combined on sum insured basis.

The rates should apply for risks with sums insured within the treaty limits

Note:

These rates are for standard risks with minimum security requirements like security guards and search for people, vehicles and bags, otherwise underwriters must load the premium. Additional features like CCTV or Scan can warrant a discount not exceeding 10%.

Deductibles

a. Motor

As per original motor policy without excess protector.

b. Non-Motor

		Deductible KES
SI Lower end	SI Upper end	10% eeI Minimum
Up to	50,000,000	1% of sums insured
50,000,000	and above	2,000,000

First Loss Scale

% of TIV	%	% of TIV	%	% of TIV	%	% of TIV	%
1.00	32.50	4.40	47.00	32.00	79.37	66.00	88.20
1.10	33.00	4.50	47.50	33.00	80.00	67.00	88.40
1.20	33.50	4.60	48.00	34.00	80.22	68.00	88.60
1.30	34.00	4.70	48.50	35.00	80.55	69.00	88.80
1.40	34.50	4.80	49.00	36.00	80.88	70.00	89.00
1.50	35.00	4.90	49.50	37.00	81.21	71.00	89.20
1.60	35.50	5.00	50.00	38.00	81.54	72.00	89.40
1.70	36.00	6.00	52.00	39.00	81.87	73.00	89.60
1.80	36.50	7.00	54.00	40.00	82.20	74.00	89.80
1.90	37.00	7.50	55.00	41.00	82.53	75.00	90.00
2.00	37.50	8.00	56.00	42.00	82.80	76.00	90.40
2.10	37.75	9.00	58.00	43.00	83.00	77.00	90.80
2.20	38.00	10.00	60.00	44.00	83.30	78.00	91.20
2.30	38.25	11.00	61.00	45.00	83.60	79.00	91.60
2.40	38.50	12.00	62.00	46.00	83.90	80.00	92.00
2.50	38.75	13.00	63.00	47.00	84.21	81.00	92.40
2.60	39.00	14.00	64.00	48.00	84.46	82.00	92.80
2.70	39.25	15.00	65.00	49.00	84.70	83.00	93.20
2.80	39.50	16.00	66.00	50.00	85.00	84.00	93.60
2.90	39.75	17.00	67.00	51.00	85.20	85.00	94.00
3.00	40.00	18.00	68.00	52.00	85.40	86.00	94.40
3.10	40.50	19.00	69.00	53.00	85.60	87.00	94.80
3.20	41.00	20.00	70.00	54.00	85.80	88.00	95.20
3.30	41.50	21.00	71.00	55.00	86.00	89.00	95.60
3.40	42.00	22.00	72.00	56.00	86.20	90.00	96.00
3.50	42.50	23.00	73.00	57.00	86.40	91.00	96.40
3.60	43.00	24.00	74.00	58.00	86.60	92.00	96.80
3.70	43.50	25.00	75.00	59.00	86.80	93.00	97.20
3.80	44.00	26.00	75.62	60.00	87.00	94.00	97.60
3.90	44.50	27.00	76.25	61.00	87.20	95.00	98.00
4.00	45.00	28.00	76.87	62.00	87.40	96.00	98.40
4.10	45.50	29.00	77.50	63.00	87.60	97.00	98.80
4.20	46.00	30.00	78.12	64.00	87.80	98.00	99.20
4.30	46.50	31.00	78.75	65.00	88.00	99.00	99.60

APPENDIX No.6: MOTOR / WIBA / GPA MINIMUM RATES FOR TREATY CESSION

Minimum Rates:

1. MOTOR PRIVATE COMPREHENSIVE COVER

Vehicle Insured Value - KES	Basic Rate	Minimum Premium - KES
Up to 1,000,000	6.0%	37,500
> 1,000,000 – 1,500,000	5.0%	60,000 (Max premium for lower band)
> 1,500,000 – 2,500,000	4.0%	75,000
> 2,500,000 – 5,000,000	3.5%	100,000
> 5,500,000 Upwards	3%	175,000

Minimum for TPO KES 7,500

The above rates are for basic cover only. Additional benefits e.g. Loss of Use, Loss of Keys, Accommodation etc should attract extra charges as per cedant's internal underwriting guidelines. Policy deductibles to follow cedant's underwriting guidelines.

NB:

- ✓ PVT Extension – Guidance given on PVT Treaty.
- ✓ No premium discount on the above minimum rates.
- ✓ The current rates do not support binder scheme. Vehicles need to be priced as per guidelines.

2. FLEET – MOTOR PRIVATE COMPREHENSIVE COVER

Definition of Fleet:

- (i) Corporate - 10(ten) or more vehicles registered under one corporation
- (ii) Individual - 3(three) or more vehicles registered under one name / person

Comprehensive Cover – Minimum Rate 4%

TPO – KES. 6,500 per vehicle

No premium discount on the above basic minimum rates.

However, if the loss ratio is above 50%, premium should be charged as follows:

Loss Ratio (3yrs)	Comprehensive Basic Rate
Up to 50%	4.0% of the sums insured
51% - 60%	4.5% of the sums insured
61% - 70%	5.0% of the sums insured

71% - 80%	6.0% of the sums insured
81% - 90%	6.5% of the sums insured
Above 91%	7.0% of the sums insured

3. MOTOR COMMERCIAL COMPREHENSIVE

a) INDIVIDUAL UNIT

Usage of Vehicle	Premium Rate	Minimum Prem
General Cartage	7.0%	KES 100,000
Own Goods	5.0%	KES 50,000
Fuel Tankers (referral basis)		

b) FLEETS

- Corporate - 10(ten) or more vehicles registered under one corporation
- Individual - 3(three) or more vehicles registered under one name / person

Usage of Vehicle	Premium Rate
General Cartage	6.75%
Own Goods	4.75.0%
Fuel Tankers (referral basis)	

For fleet if the loss ratio is above 50%, premium should be charged as follows:

Loss Ratio (3yrs)	Comprehensive Basic Rate
Up to 50%	Charge basic rate as above
51% - 60%	Load basic premium by 5.0%
61% - 70%	Load basic premium by 7.5%
71% - 80%	Load basic premium by 10.0%
81% - 90%	Load basic premium by 12.5%
Above 91%	Load basic premium by 15.0%

NB:

- ✓ PVT Extension – Guidance given on PVT Treaty.
- ✓ No premium discount on the above minimum rates.
- ✓ The current rates do not support binder scheme. Vehicles need to be priced as per guidelines.

4. MOTOR COMMERCIAL THIRD PARTY ONLY (TPO)

OWN GOODS (TPO) PREMIUM	Single unit	Fleet
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Up to 3 tons	KES 7,500	KES 7,000
3 tons – 8 tons	KES 12,000	KES 11,000
Over 8 tons	KES 18,000	KES 16,000

GENERAL CARTAGE (TPO) PREMIUM	Single unit	Fleet
Up to 3 tons	KES 15,000	KES 12,000
8 – 20 tons	KES 20,000	KES 17,000
20 – 30 tons	KES 25,000	KES 20,000
Prime Mover	KES 20,000	KES 18,000

The above rates do not support binder schemes. Vehicles need to be priced as per above guidelines.

NOTE:

- Motor XOL claims for motor vehicle which premium rates are below the above recommended minimum premium rates should not be admissible to the reinsurers

5. WIBA / GPA Policies - New clause for treaties covering GPA to be incorporated

WIBA and/or GPA policies covered under this treaty shall be subject to the minimum rates as may be defined by reinsured or regulatory authority, but in no way less than the listed rates below for respective occupations, for risk that are otherwise not excluded. Its hereby warranted that a schedule of all insured persons/employees plus their designations Occupation & Salaries must be provided prior for all risks being ceded to the treaty.

It is further agreed that any claim/s arising from a risk which does not comply with this warranty is not admissible under this reinsurance contract. Loading for WIBA plus/GPA will be 30% on the WIBA rates and 20% loading for passive terrorism extension.

WIBA Plus/GPA WIBA will be loaded depending on the level of benefit as below:

GPA Benefits	Loading
3 years	25%
5 years	30%
8 years	40%



WIBA RATES.xls

APPENDIX NO.7: REGULATED BROKERAGE COMMISSIONS IN KENYA

- Fire – 25%
- Engineering – 20%
- Marine Cargo– 17.5%
- Hull – 10%
- Motor and Liability 10%
- PVT – 10%
- Medical – 10%
- Aviation – 10%
- Bonds – 10%
- PA/GPA - 20%

APPENDIX No.8: PREMIUM AND CLAIMS BORDEREAU FORMAT

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