

To : Our Business Partners

From : Operations Manager

Date : Wednesday, July 14, 2021

Subject: **REVIEW OF MOTOR TERMS**

We take this opportunity to thank you for business support and especially during the current difficulty period, when Covid – 19 Pandemic has devastated the country and world at large.

The motor class of business has registered losses in the industry for a long time resulting to depletion of the shareholders' funds in most of the insurance companies.

In view of the above, with effect from 1st August, 2021, we have reviewed our motor terms as follows;

Motor Private

1. Motor Private Rates

Sum Insured	Basic Rate	With Excess Protector
1M and Below	7.5%	No Excess Protector Cover
Above 1 to 2 M	5%	5.5%
Above 2 to 3 M	4%	4.5%
Above 3M	3.5%	4%

2. Fleet renewal terms be guided by loss ratio as follows:

- Upto to 60%- 4.5%
- Upto 61%-70%- 5%
- Upto 71% - 80% - 6%
- Above 80%-7.5%

3. Minimum Premiums

- The minimum premiums increased from KShs 30,000 to KShs 35,000.
- The minimum premium for fleet to increase from KShs 25,000 to KShs 30,000 from. Fleet defined as three units and above.
- The minimum excess protector KShs 5,000.
- Political and Terrorism extension additional premium at 0.25% of sum insured, minimum KShs. 2,500.

4. Policy Excess

- Own damage excess to 2.5% of sum insured, minimum KShs.20,000.
- Own damage excess after a claim during the underwriting year 5% of sum insured, minimum KShs. 30,000.
- No Excess Protector for vehicles with sum insured KShs. 1m and below.

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5. Third Party Only (TPO)

- Minimum premium TPO KShs 7,500 for all private vehicles.
- No partial premium payment for TPO (strictly cash and carry).
- No short term cover for TPO.

Motor Commercial Vehicles

1. Minimum rate.

	Hybrid(Own goods/General Cartage)	Fleet/ Zero Mileage	Institutional Vehicles	Motor Asset
Basic Rate	4.50%	4%	3.75%	5.50%
All inclusive	5%	4.50%	4%	6%

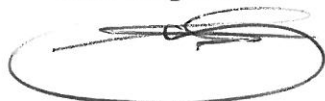
2. Minimum premium

- The minimum premiums for comprehensive cover KShs 50,000.
- Minimum premium for Third Party Only (TPO) for commercial vehicles revised as follows:
 - Up to 3 tonnes – KShs. 10,000.
 - Above 3 to 8 tonnes – KShs. 15,000.
 - Above 8 to 20 tonnes – KShs. 20,000.
 - Above 20 to 30 tonnes – KShs. 25,000.
- Excess protector - 0.5% of sum insured, minimum KShs 5,000.
- Political and Terrorism extension additional premium at 0.5% of sum insured, minimum KShs 5,000.

3. Policy Excess

- Own Damage excess- 5% of sum insured, minimum KShs. 30,000.
- Own damage excess after a claim during the underwriting year to 5% of vehicle value, minimum KShs. 50,000.

Kind Regards



Samuel Chege
Operations Manager

