

**THE INSURANCE (AMENDMENT) ACT, 2006****No. 11 of 2006***Date of Assent: 30th December, 2006**Date of Commencement: By Notice***AN ACT of Parliament to amend the Insurance Act****ENACTED** by the Parliament of Kenya, as follows—

1. This Act may be cited as the Insurance (Amendment) Act, 2006 and shall come into operation on such date as the Minister may, by notice in the Gazette, appoint and different dates may be appointed for different provisions.

Short title and commencement.

2. Section 2(1) of the Insurance Act, in this Act referred to as “the principal Act”, is amended —

Amendment of section 2 of Cap. 487.

- (a) by deleting the definition of “Advisory Board”;
- (b) by deleting the definition of “tax”;
- (c) in the definition of “Commissioner”, by deleting the expression “section 3” and substituting therefor the expression “section 3E”;
- (d) by inserting the following new definitions in proper alphabetical sequence —

“assessment report” means any report in respect of a claim;

“Authority” means the Insurance Regulatory Authority established by section 3;

"Board" means the Board of Directors of the Authority constituted under section 3B;

"Insurance Training and Education Trust" means the Insurance Training and Education Trust declared as such by instruments of the trustees dated 3rd May, 1988;

"Insurance Training Levy" means the insurance training levy payable under section 197H;

"Insurance Premium Levy" means the insurance premium levy payable under section 197A.

Amendment of heading of Part II of Cap. 487.

3. The principal Act is amended by deleting the heading of Part II and inserting the following new heading—

**"PART II — THE INSURANCE REGULATORY AUTHORITY"**

Amendment of sections 3 and 4 of Cap. 487.

4. The principal Act is amended by repealing sections 3 and 4 and replacing it with the following new sections—

Establishment of the Authority.

3.(1) There is established an Authority to be known as the Insurance Regulatory Authority.

(2) The Authority shall be a body corporate with perpetual succession and a common seal and shall in its corporate name be capable of

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
- (c) borrowing or lending money, and
- (d) doing or performing all other things or acts for the furtherance of its functions under the provisions of this Act, which may be lawfully done or performed by a body corporate.

Objects and functions of the Authority.

**3A.** The objects and functions of the Authority shall be to—

- (a) ensure the effective administration, supervision, regulation and control of insurance and reinsurance business in Kenya;

- (b) formulate and enforce standards for the conduct of insurance and reinsurance business in Kenya;
- (c) license all persons involved in or connected with insurance business, including insurance and reinsurance companies, insurance and reinsurance intermediaries, loss adjusters and assessors, risk surveyors and valuers;
- (d) protect the interests of insurance policy holders and insurance beneficiaries in any insurance contract;
- (e) promote the development of the insurance sector;
- (f) advise the Government on the national policy to be followed in order to ensure adequate insurance protection and security for national assets and national properties; and
- (g) undertake such other functions as may be conferred on it by this Act or by any other written law.

Board of  
Directors.

**3B.(1)** The management of the Authority shall vest in the Board of Directors of the Authority which shall comprise—

- (a) a chairman to be appointed by the President on the recommendation of the Minister ;
- (b) the Commissioner of Insurance appointed under section 3E;
- (c) the Permanent Secretary in the Ministry for the time being responsible for matters relating to finance or his representative;
- (d) the Chief Executive Officer of the Retirement Benefits Authority;
- (e) the Chief Executive Officer of the Capital Markets Authority;
- (f) the Governor of the Central Bank of Kenya or his representative, and
- (g) a nominee of the Insurance Institute of Kenya;
- (h) four other members, not

being public officers,  
appointed by the  
Minister.

(2) The chairman and every member appointed under paragraphs (a), (g) or (h) of subsection (1) shall be appointed from amongst persons who have knowledge or experience in matters relating to insurance, finance, banking or actuarial science.

(3) A person shall not be eligible for appointment under paragraphs (a), (g) or (h) of subsection (1) if such person —

- (a) has at any time been convicted of any offence involving fraud, theft, dishonesty, breach of trust or moral turpitude;
- (b) was previously involved in the management or administration of a financial institution which was deregistered, wound up or placed under statutory management for any failure on the part of the management or the administration thereof;

- (c) is a director, officer, employee or shareholder of any insurer, broker, insurance agent or any other member of the insurance industry; or
- (d) is disqualified under any other written law from holding public office or being a director of any institution.

Powers of  
the Board.

**3C.(1)** The Board shall have all the powers necessary for the performance of its functions under this Act, and, without prejudice to the generality of the foregoing, shall have power to—

- (a) control, supervise and administer the assets of the Authority in such manner and for such purposes as best promote the purpose for which the Authority is established;
- (b) determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Authority;
- (c) receive any grants, gifts,

donations or endowments on behalf of the Authority and make legitimate disbursements therefrom;

- (d) enter into association with such other bodies or organizations, within or outside Kenya, as it may consider desirable or appropriate and in furtherance of the purpose for which the Authority is established;
- (e) open a banking account or banking accounts for the funds of the Authority; and
- (f) invest the funds of the Authority not currently required for its purposes in the manner provided in this Act.

(2) The conduct and regulation of the business and affairs of the Board shall be as provided in the Schedule, but subject thereto, the Board may regulate its own procedure.

(3) The Board may, by resolution either generally or in any particular case, delegate to any committee



of the Board or to any member, officer, employee or agent of the Authority, the exercise of any of the powers, or the performance of any of the functions or duties of the Authority under this Act, or under any other written law.

Remuneration  
of Board  
members.

**3D.** The Authority, in consultation with the Minister, shall pay the members of the Board such remuneration, fees or allowances for expenses as it may determine.

Commissioner  
of Insurance.

**3E.(1)** There shall be a Commissioner of Insurance who shall be the chief executive officer of the Authority and who shall be appointed by the Board, in consultation with the Minister, on such terms and conditions of service as may be determined by the Board in the instrument of appointment, or otherwise in writing from time to time.

(2) The Commissioner shall be an *ex officio* member of the Board but shall have no right to vote at any meeting of the Board.

(3) The Commissioner shall, subject to the directions of the Board, be responsible for the day-to-day management of the affairs of the Authority.

(4) A person shall be qualified to be appointed under this section if such person –

- (a) has considerable knowledge, competence and at least ten years' experience in a managerial capacity in insurance, accounting, finance, actuarial science or banking; and
- (b) is not engaged in the insurance business as a director, employee, officer or shareholder of any insurer, broker, insurance agent, or in any other sector of the insurance industry, and if appointed shall be disqualified if he, his spouse or dependent child becomes such director, employee, officer or shareholder.

Appointment  
of Secretary  
and other  
staff.

**3F.(1)** The Board shall appoint a secretary to the Board on such terms and conditions of service as it may determine.

(2) The Board may appoint such officers or servants as are necessary for the proper discharge of the functions of the Authority under this Act or any other written law, upon such terms and conditions of service as it may determine.

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Common seal  
of the  
Authority.

**3G.(1)** The common seal of the Authority shall be kept in such custody as the Board may direct, and shall not be used except on the order of the Board.

(2) The common seal of the Authority, when affixed to a document and duly authenticated, shall be judicially and officially noticed, and, unless and until the contrary is proved, any necessary order or authorisation by the Board under this section shall be presumed to have been duly given.

**5.** The principal Act is amended by repealing section 4 and replacing it with the following new sections –

Repeal and  
replacement of  
section 4 of Cap.  
487

The Insurance  
Regulatory  
Authority Fund.

**4.(1)** The Authority shall establish a general fund to be known as the Insurance Regulatory Authority Fund, hereafter referred to as “the Fund”, which shall vest in the Authority.

(2) There shall be paid into the Fund –

- (a) all proceeds of the insurance premium levy imposed by section 197A;
- (b) such moneys as may accrue to or vest in the Authority

in the course of the exercise of its powers or the performance of its functions under this Act;

- (c) such sums as may be payable to the Authority pursuant to this Act or any other written law, or pursuant to any gift or trust;
- (d) such sums as may be granted to the Authority by the Minister pursuant to subsection (3); and
- (e) all moneys from any other source provided for, donated to or borrowed by the Authority.

(3) There shall be made to the Authority, out of moneys provided by Parliament for that purpose, grants towards the expenditure incurred by the Board in the exercise of its powers and the performance of its functions under this Act.

(4) The Authority may invest any of its funds in securities which trustees are by law allowed to invest trust funds, or in any other securities which the Treasury may, from time to time, approve.

(5) There shall be paid out of the fund all such sums of money required to defray the expenditure incurred by the Authority in the exercise of powers and performance of its functions and duties.

Financial  
Year and  
Annual  
Estimates.

4A.(1) The financial year of the Authority shall be the period of twelve months ending on the thirtieth of June in each year.

(2) At least four months before the commencement of each financial year, the Board shall prepare estimates of revenue and expenditure of the Authority for that year.

(3) The annual estimates shall make provision for all the estimated expenditure of the Authority for the financial year and in particular, the estimates shall provide for—

- (a) the payment of salaries, allowances and other charges in respect of the staff of the Authority;
- (b) the payment of pensions, gratuities and other charges in respect of the retirement benefits which are payable out of the funds of the Authority;

- (c) the proper maintenance of the buildings and grounds of the Authority;
- (d) the maintenance, repair and replacement of the equipment and other property of the Authority;
- (e) the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of buildings or equipment, or in respect of such other matter as the Board may deem appropriate.

(4) The annual estimates shall be prepared at least three months before the commencement of the financial year to which they relate and shall be submitted to the Minister for approval and after such approval, the Authority shall not increase the annual estimates without the consent of the Minister.

(5) No expenditure shall be incurred for the purposes of the Board except in accordance with the annual estimates approved under this section or in pursuance of an authorisation by the Minister.

**2006**Accounts  
and audit.

**4B.(1)** The Authority shall cause to be kept all proper books and records of account of the income, expenditure and assets of the Authority.

(2) Within a period of four months after the end of each financial year, the Board shall submit to the Controller and Auditor-General or an auditor appointed by the Board under the authority of the Controller and Auditor General, the accounts of the Authority together with -

- (a) a statement of income and expenditure during that year; and
- (b) a statement of the assets and liabilities of the Authority on the last day of that year.

(3) The accounts of the Authority shall be audited and reported upon in accordance with the Public Audit Act, 2003.

No. 12 of  
2003.

Supersession.

**4C.** Where there is a conflict between the provisions of this Act and the provisions of any written law with regard to the powers or functions of the Board or the Authority under this Act, the provisions of this Act shall prevail.

**No. 11**

Amendment of  
section 5 of Cap  
487.

**6. Section 5 of the principal Act is amended –**

(a) in subsection (1) -

(i) by deleting paragraph (a);

(ii) by deleting the word “Minister” appearing in paragraph (e) and substituting therefor the word “Board”;

(b) in subsection (1A), by deleting the word “Commissioner” and substituting therefor the word “Board”, and

(c) in subsection (2) by deleting the word “Commissioner” and substituting therefor the word “Board”.

Repeal of section 6  
of Cap 487.

**7. The principal Act is amended by repealing section 6.**

Amendment of  
section 7 of Cap.  
487.

**8. Section 9 of the principal Act is amended in subsection (2) by deleting the word “Minister” appearing in paragraphs (c), (d) and (e) and substituting therefor the word “Board”.**

Amendment of  
section 10 of Cap.  
487.

**9. Section 10 of the principal Act is amended -**

(a) in subsection (1) by deleting the word “Minister” and substituting therefor the word “Board”.

(b) in subsection (2) by deleting the word “Minister” and substituting therefor the word “Board”.



**10. Section 11 of the principal Act is amended –**

- (a) subsection (1) by deleting the word “Minister” and substituting therefor the word “Board”; and
- (b) in subsection (2) by deleting the word “Minister” and substituting therefor the word “Board”.

Amendment of section 11 of Cap. 487.

**11. Section 22 of the principal Act is amended by inserting the word “wholly” immediately before the words “owned by citizens of Kenya.”**

Amendment of section 22 of Cap.487.

**12. Section 31 of the principal Act is amended—**

- (a) by deleting the word “Minister” and substituting therefor the word “Board”;
- (b) by deleting all words appearing immediately after paragraph (h) and substituting therefor the following—

Amendment of section 31 of Cap. 487.

“the Board shall, subject to such terms and conditions as it may consider necessary, approve the registration of the applicant in respect of such class or classes of insurance as it may direct, and shall notify the Minister accordingly.

**No. 11***Insurance (Amendment)*

Amendment of  
section 33 of Cap  
487.

**13.** Section 33 of the principal Act is amended in subsection (1) by deleting the word “Minister” and substituting therefor the word “Board”.

Amendment of  
section 67C of Cap  
487.

**14.** Section 67C of the principal Act is amended—

- (a) in subsection (2) by deleting the word “Minister” and substituting therefor the word “Board”;
- (b) in subsection (7), by deleting the word “Minister” and substituting therefor the word “Board”;
- (c) in subsection (8), by deleting the word “Minister” and substituting therefor the word “Board”.

Amendment of  
section 123 of Cap.  
487.

**15.** Section 123 of the principal Act is amended in subsection (1) by deleting the word “Minister” and substituting therefor the word “Board”.

Amendment of section  
154 of Cap.487.

**16.** The principal Act is amended in section 154 by deleting the words “maximum of three insurers” wherever they appear and substituting therefor the words “more than one insurer”.

Amendment of section  
156 of Cap.487.

**17.** Section 156 of the principal Act is amended in subsection (2) by inserting the following proviso-

Provided that in the case of motor vehicle or fire insurance business, the broker shall remit

the amount of the premium to the insurer the same day he receives the premium from the policy holder, and the insurer shall assume risk upon receipt of such premium.

**18.** The principal Act is amended by repealing Part XVI.

Repeal of Part XVI of Cap. 487.

**19.** Section 168 of the principal Act is amended by deleting the word “Commissioner” and substituting therefor the word “Board”.

Amendment of section 168 of Cap. 487.

**20.** Section 177 of the principal Act is amended in subsection (1) by deleting the word “Minister” and substituting therefor the word “Board”.

Amendment of section 177 of Cap. 487.

**21.** Section 179 of the principal Act is amended –

Amendment of section 179 of Cap.487.

(a) in subsection (4), by inserting the following new paragraph immediately after paragraph (a) -

(aa) the Commissioner of Insurance or his designated representative;

(b) by inserting the following new subsections immediately after subsection (5) -

(5A) The Minister shall, in consultation with the Board, appoint a Managing Trustee who shall be the chief executive and secretary to the Board, and who shall hold office for such period and on such terms and conditions of service as may, from time to time be determined in writing by the Minister in consultation with the Board.

Amendment of  
section 181 of Cap.  
487.

**22.** Section 181 of the principal Act is amended by inserting the words “on the advice of the Board” immediately after the word “may”.

Repeal and  
replacement of  
section 195 of Cap.  
487.

**23.** The principal Act is amended by repealing section 195 and replacing it with the following new section —

Refusal to  
register.

**195.** Where the Board refuses an application for registration, renewal or alteration of registration, the Board shall record the reasons for its decision and shall furnish copies thereof to the applicant and the Minister.

Amendment of  
section 196 of Cap.  
487.

**24.** Section 196 of the principal Act is amended in subsection (2) by deleting the words “and with the approval of the Minister”.

Repeal and  
replacement of Part  
XXA of Cap. 487.

**25.** The principal Act is amended by repealing Part XXA and replacing it with the following new Part—

### **PART XXA—THE INSURANCE PREMIUM LEVY**

Imposition of  
Insurance  
Premium  
Levy.

**197A.(1)** Subject to this Act, there shall be charged and collected a levy to be known as the insurance premium levy, which shall be paid by every insurer registered or authorized under this Act to carry on insurance business in Kenya, at such rate and in such manner as the Minister may prescribe.

(2) The Minister may, in consultation with the Board, by Order published in the Gazette, prescribe the rates of the levy imposed under subsection (1) in respect of—

- (a) gross direct premiums written by all insurers registered or authorised under this Act to carry on insurance business in Kenya; and
- (b) reinsurance premiums (before deducting commissions, allowances or other payments) paid or credited to reinsurance business outside Kenya by an insurer registered or authorised under this Act to carry on insurance business in Kenya in respect of risks ordinarily in Kenya, except for reinsurance premiums relating to marine, aviation, industrial fire, catastrophe, excess of loss relating to marine, aviation and industrial risks, and such other category of insurance as the Minister may prescribe upon recommendation of the Authority.

(3) The levy shall be computed as a percentage of the gross direct premiums written by an insurer or reinsurer

under subsection (2) (a) or reinsurance premium paid or credited to a reinsurance business outside of Kenya, as the case may be, under subsection (2) (b).

(4) An order under this section may contain provisions as to the time at which any amount payable by way of the levy shall become due.

(5) All moneys received in respect of the levy shall be paid into the Insurance Regulatory Authority Fund.

(6) If a person fails to pay any amount payable by him by way of the levy on or before the date prescribed by the order, a sum equal to five per cent of the amount shall be added to the amount due for each month or part thereof during which it remains unpaid.

(7) Any amounts of money which are outstanding on the date prescribed by the Order issued under this section shall be a civil debt recoverable summarily by the Authority.

Repeal and  
replacement of Part  
XXB of Cap. 487.

26. The principal Act is amended by repealing Part XXB and substituting therefor the following new Part—

**PART XXB—INSURANCE TRAINING  
LEVY**

Imposition of  
Insurance  
Training  
Levy.

**197B.(1)** Subject to this Act, there is imposed a levy to be known as the insurance training levy which shall be charged on policyholders and collected by the insurer, and which shall be paid in accordance with this section.

(2) The Minister may, in consultation with the Board, by Order published in the Gazette, prescribe the rates of levy, which shall be calculated as a percentage of the gross direct premiums written by the insurer in respect of general insurance business.

(3) The levy shall be paid by every insurer who shall, after the end of each calendar month, submit to the Authority a monthly return thereof in the prescribed form, showing the total levy due to him from policyholders for that particular month.

(4) The levy shall become payable at the end of each month in which the premium was received by the insurer and shall be paid not later than the last day of the month immediately succeeding that in which the levy became due.

(5) Where any amount of the

levy remains unpaid as specified in subsection (4), a penalty equal to five per cent of the unpaid levy or part thereof shall become due and payable by the insurer concerned.

(6) Any penalty payable under this subsection shall be deemed to be a levy for the purpose of this Part.

(7) All monies realised under this section shall be charged on the gross direct premiums written by every insurer and shall be used by the Insurance Training and Educational Trust which is responsible for the management of the College of Insurance for the purpose of running the affairs of that College.

Offences and penalties.

**197C.**(1) Any insurer who fails to pay any levy or penalty due from him on or before the day upon which the same are payable shall be guilty of an offence and liable to a fine not exceeding five hundred thousand shillings and, if the offence is a continuing one, to a further fine of one thousand shillings for every day during which the offence continues.

(2) Where an insurer is guilty of an offence under this section, then notwithstanding the imposition of any penalty under section 197C, the commission of that offence shall constitute grounds whereby the Commissioner may



apply to the Court under section 123 (g) for the winding-up of that insurer.

(3) The amount of any levy or penalty payable under this Act shall not be abated by reason only of the conviction of the insurer liable for the payment, or by reason of any payment of a fine imposed by the court on the insurer for an offence under subsection (1).

Examination  
and production  
of documents.

**197D.**(1) The Commissioner may, for the purpose of obtaining full information in respect of the levy liability of any insurer, require the production of such records, books of account, statements and other documents as he may consider necessary for examination and retention for such period as may be reasonable for the purpose.

(2) The Commissioner may require any person to attend at such time and place as may be specified for the purpose of being examined in respect of any matter or transaction appearing to be relevant to the levy liability of any insurer.

Regulations  
under Part XXA  
and PXXB

**197E.** The Minister may make regulations, prescribing all matters which are required or permitted under Part XXA and Part XXB to be prescribed, or which in his opinion are necessary, desirable or convenient to be prescribed, for giving full effect to this Part of the Act.

Amendment of  
section 203  
of Cap. 487.

**27.** The principal Act is amended by repealing section 203 and replacing it with the following new section –

Settlement of  
claims.

**203.(1)** Where the claimant has submitted all the relevant documents, every insurer shall, in respect of claims arising out of policies of insurance issued by it –

- (a) admit liability;
- (b) determine the amount due;
- (c) establish the identity of the claimant; and
- (d) pay the claim,

within ninety days of the date of the reporting of the claim:

Provided that if, for any reason, the insurer is unable to pay the claim within the period specified in this subsection, the insurer shall apply to the Commissioner for extension of time, and the Commissioner may grant such extension for a period not exceeding thirty days.

(2) Where an assessment of claim has been carried out, a copy of the assessment report shall be made available to the claimant.

(3) Where the Commissioner is satisfied that undue delay is being, or is likely to be, experienced by the claimant in the settlement of the claim, the Commissioner shall, after giving the insurer a reasonable opportunity of being heard, direct the insurer to expedite payment of the claim.

28. The Insurance Act is amended by inserting the following Schedule—

Insertion of new  
Schedule in Cap.  
487.

— **FIRST SCHEDULE (S.3C)**

**PROVISIONS AS TO THE CONDUCT  
OF BUSINESS AND AFFAIRS OF  
THE BOARD**

Tenure of  
office.

1.(1) A member of the Board other than an *ex officio* member shall, subject to the provisions of this Schedule, hold office for a period not exceeding three years, on such terms and conditions as may be specified in the instrument of appointment, but shall be eligible for reappointment one further term of not more than three years.

(2) The members of the Board shall be appointed at different times so that the respective expiry dates of their terms fall at different times.

Vacation of  
office.

2. A member other than an *ex officio* member may—

(a) at any time resign from office by notice in writing to the Minister;

(b) be removed from office by the Minister if the member—

(i) has been absent from three consecutive meetings of the Board

without permission from the chairman; or

(ii) is adjudged bankrupt or enters into a composition scheme or arrangement with his creditors;

(iii) is convicted of an offence involving dishonesty, fraud or moral turpitude;

(iv) is convicted of a criminal offence and

sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings;

(v) is incapacitated by prolonged physical or mental illness, or

(vi) is otherwise unable or unfit to discharge his functions.

Meetings.

3.(1) The Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.

(2) Unless three quarters of the total members of the Board otherwise agree, at least fourteen days' written notice of every meeting of the Board shall be given to every member of the Board.

(3)The quorum for the conduct of the business of the Board shall be five (5) members excluding the Commissioner of Insurance, of whom at least two shall be from amongst the members of the Board appointed under paragraph (g) of Section 3B.

(4) The chairman shall preside at every meeting of the Board at which he is present but in his absence, the members present shall elect one of their number who

shall, with respect to that meeting and the business transacted thereat, have all the powers of the chairman.

(5) Unless a unanimous decision is reached a decision on any matter before the Board shall be by a majority of votes of the members present and in the case of an equality of votes, the chairman or the person presiding shall have a casting vote.

(6) Subject to paragraph (3), no proceedings of the Board shall be invalid by reason only of a vacancy among the members thereof.

(7) Subject to the provisions of this Schedule, the Board may determine its own procedure and the procedure for any committee of the Board and for the attendance of any other persons at its meetings and may make standing orders in respect thereof.

Disclosure of  
interest.

4.(1) If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, he shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter:

Provided that if the majority of the members present are of the opinion that the experience or expertise of that member is vital to the deliberations of the meeting, the Board may permit the member to participate in the deliberations subject to such restrictions as it may impose.

(2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.

The common seal.

5. The affixing of the common seal of the Authority shall be authenticated by the signatures of the Chairman and the Commissioner, and any document required by law to be made under seal and all decisions of the Board may be authenticated by the signatures of the Chairman and the Commissioner:

Provided that the Board shall, in the absence of either the chairman or the Commissioner, in any particular matter nominate one member to authenticate the seal of the Board on behalf of either the chairman or the Commissioner.

Contracts and Instruments.

6. Any contract or instrument which, if entered into or executed by a person other than a body corporate, would not require to be under seal, may be entered into or executed on behalf of the Authority by any person generally or specially authorised by the Authority for that purpose.

Minutes. 7. The Board shall cause minutes of all proceedings of meetings of the Board to be entered in books kept for that purpose.

Transitional Provisions. 29. The transitional provisions set out in the Schedule hereunder shall apply with respect to the Authority.

### SCHEDULE TRANSITIONAL PROVISIONS

Interpretation. 1. In this Schedule -

"appointed day" means the day appointed for the coming into operation of the Insurance (Amendment) Act 2006;

"Department" means the Department of Insurance in the Ministry of Finance existing immediately before the appointed day.

Transfer of assets.

2.(1). On the appointed day, all the assets and other property, movable and immovable, which immediately before that day, were held for and on behalf of the Department in the name of the Permanent Secretary to the Treasury shall, by virtue of this paragraph and without further assurance, vest in the Authority.

(2) Every public officer having the power or duty to effect or amend any entry in a register relating to property or to issue or amend any certificate or other document effecting or evidencing title to property, shall, without payment of a fee or other charge and upon request made by



or on behalf of the Authority, do all such things as are by law necessary to give final effect to the transfer of the property mentioned in sub-paragraph (1).

Transfer,  
rights, powers  
and liabilities.

3. On the appointed day, all rights, powers, liabilities and duties, whether arising under any written law or otherwise, which immediately before the appointed day were vested in, imposed on or enforceable by or against the Government for and on behalf of the Department shall, by virtue of this paragraph, be transferred to, vested in, imposed on or become enforceable by or Against the Authority.

Legal  
proceedings.

4. On and after the appointed day, all actions, suits or legal proceedings pending by or against the Government for and on behalf of the Department shall be carried on or prosecuted by or against the Authority.

Employees.

5.(1) Subject to sub-paragraph (2), the Commissioner, officers and servants of the Department in office on the appointed day shall be deemed to be officers and servants on secondment to the Authority.

(2) Notwithstanding the provisions of sub-paragraph (1), within twelve months after the appointed day, the Board shall review the qualifications of all persons deemed to be on secondment to the Authority under that sub-paragraph, and may retain those found suitably qualified for employment by the Authority under sections 3E and 3F of the Act subject to—

- (a) such persons opting to remain in the service of the Authority; and

- (b) such terms and conditions of service (not being to the disadvantage of such persons) as may be agreed with the Board.

(3) Any employee not retained by the Authority under subparagraph (2) may exercise his option to either:-

- (a) retire from the service of the Government; or
- (b) in cases where the employee has not reached retirement age, be redeployed within the public service.

(4) Where an employee enters into an agreement with the Authority under subparagraph (2), his service with the Government shall be deemed to be terminated without the right to severance pay but without prejudice to all other remuneration and benefits payable upon the termination of his appointment with the Government.

(6) The annual estimates for the Department for the financial year in which the appointed day occurs shall be deemed to be the annual estimates of the Authority for the remainder of that financial year:

Provided that such estimates may be varied by the Authority in such manner as the Minister may approve.