

THE INSURANCE (AMENDMENT) ACT, 1993**No. 5 of 1993***Date of Assent: 25th November, 1993**Date of Commencement: By Notice*

An Act of Parliament to amend the Insurance Act to provide for the imposition of an insurance training levy on gross direct premiums and for connected purposes

ENACTED by the Parliament of Kenya as follows:—

1. This Act may be cited as the Insurance (Amendment) Act, 1993 and shall come into operation on a date to be appointed by the Minister by notice in the Gazette.

**Short title
and
commencement.**

2. The Insurance Act is amended by inserting immediately after section 197 the following new Part—

**Insertion of
new Part XXB
in Cap. 487.**

PART XXB—INSURANCE TRAINING LEVY

**Interpre-
tation.**

197H. In this Part, unless the context otherwise requires—

“Insurance Training and Education Trust” means the Insurance Training and Education Trust declared as such by instrument of the trustees dated 3rd May, 1988 and which is responsible for the establishment and management of the College of Insurance for educating and training personnel for the insurance industry in Kenya;

“gross direct premium” means the premium after deductions of discounts, refunds and rebates of premium written by an insurer excluding any reinsurance premium accepted and any premium in respect of annuity contracts and before deduction of—

(a) any premium payable in respect of mandatory cessions under section 145 of this Act;
and

(b) any other reinsurance premium ceded.

**Imposition
and
purpose of
Insurance
Training
Levy.**

197I. (1) Subject to this Act, there shall be levied and collected a levy, to be known as the "Insurance Training Levy", (referred to in this Act as the "levy") in respect of the gross direct premiums written by every insurer.

(2) All monies realized from the levy shall be used by the Insurance Training and Education Trust which is responsible for the management of the College of Insurance for the purpose of running the affairs of the College.

(3) The levy shall be calculated at a rate of 0.35 per cent of the gross direct premiums written by each insurer or at such rate as the Minister may from time to time prescribe by notice published in the Gazette.

**Liability to
pay levy.**

197J. (1) Subject to this Act, the levy shall be paid by every insurer who shall, after the end of each calendar month, submit to the Commissioner in accordance with the prescribed form, a monthly Insurance Training Levy return, showing the total Insurance Training Levy due to him for that particular month.

(2) 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:

Provided that where the payment of the premium by instalments is permitted by this Act or regulations made thereunder, the levy shall become due and payable in respect only of the amount of each such instalment paid to the insurer in the particular month.

**Payment of
penalty.**

197K. (1) Where any amount of the levy remains unpaid by the insurer after the last day of the month immediately succeeding the month in which the levy became due, a penalty equal to five per cent of the unpaid levy or part thereof shall become due and payable by the insurer concerned.

(2) Any penalty payable under subsection (1) shall be deemed to be a levy for the purpose of this Part.

Mode of payment of the levy.

197L. Any levy or penalty payable under this Part shall be paid by crossed banker's draft drawn in favour of "The Insurance Training and Education Trust" and submitted together with the monthly Insurance Training Levy return to the Commissioner who shall forward the banker's draft to the Insurance Training and Education Trust.

Recovery of the levy.

197M. Any levy or penalty due and payable by an insurer under this Part may be recovered by the Commissioner as a civil debt due to the Insurance Training and Education Trust, and where the amount of such levy or penalty does not exceed one hundred thousand shillings, the debt shall be recovered summarily.

Commissioner to call for information and examine documents.

197N. (1) For the purpose of obtaining full information about the liability of any insurer in respect of the levy, the Commissioner may in writing require the production for examination and retention for such period as may be reasonable for the examination and at such time and place as he may specify, of any records, books of account, statements and other documents which he may consider necessary for such purpose.

(2) The Commissioner may in writing require any person to attend, at such time and place as may be specified, for the purpose of being examined respecting any matter or transaction which appears to him to be relevant to determine the liability of any insurer.

Regulations.

197O. The Minister may prescribe all matters which by this Part are required or permitted to be prescribed, or which in his opinion are necessary, desirable or convenient to be prescribed, for giving full effect to this Part of this Act.