

**FROM:** Head of Operations, Corporate.  
**TO:** All our Business Partners  
**DATE:** 20<sup>th</sup> August, 2021  
**SUBJECT:** New Motor Rates Effective 1<sup>st</sup> September 2021

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In order to ensure that our customers enjoy maximum benefits for their Motor Insurance, we have been monitoring the performance of our motor class so as to structure tailor made rates for our customers.

To this end, we are pleased to inform you of further reviews of our motor rates targeted at driving a profitable motor business.

**The premium rates shall be applicable for all new business with effect from 1<sup>st</sup> September, 2021. The minimum Premiums will be applicable to all New and Renewal Business. Renewals business rates shall be advised by the underwriting team while issuing the renewal terms/ notices.**

Attached kindly find a detailed document for your reference and advice to customers.

Your sincerely,



**James Mbithi,**  
**Head of Corporate Operations**

**Cc. Head of Operations Retail.**

**Cc. GM Business Development-Retail.**

**Cc. GM Business Development-Corporate.**

## **MOTOR VEHICLE TERMS EFFECTIVE 1<sup>ST</sup> SEPTEMBER, 2021**

<b>CLASS</b>	<b>TERMS</b>	<b>BENEFITS/EXTENSIONS</b>
<b>1. Motor Private</b>	<p>1. <b>Comprehensive</b> We have rolled out a friendlier auto-rating Motor Private calculator which is self-reliance and very easy to use.</p> <p><b>The Auto-Rater</b> Rating factors considered are:</p> <ol style="list-style-type: none"> <li>Age of the insured</li> <li>Number of claims</li> <li>Model and make of the vehicle</li> <li>Sum insured</li> </ol> <p>The basis rates vary from as low as 3% to reward high valued but with various other risk profile loading factors per client and the subject matter as shown above.</p> <p><b>Minimum Premium Kes. 37,500</b></p> <p>2. <b>Third Party Only</b> Annual premium of KShs. 10,000</p>	<ol style="list-style-type: none"> <li>Political Risks - 0.25% of value. Min - 2,500</li> <li>Excess Protector (Own Damage) - 0.5% of value. Min - 5,000</li> <li>Extra Radio Cass limit - 10% of extra limit</li> <li>Extra Windscreen limit - 10% of extra limit</li> <li>Courtesy Car (3,000/30,000) Kes. 3,000 excluding first 3 days</li> <li>Infama Assistance - Kes. 6,960 per vehicle</li> <li>AA Membership - Kes.6,500 per vehicle</li> </ol>
<b>2. Motor Commercial Own Goods</b>	<p>1. <b>Comprehensive</b></p> <ol style="list-style-type: none"> <li>Sum Insured Below 3m - 5%</li> <li>Sum Insured Above 3m - 4%</li> </ol> <p><b>Minimum Premium: Kes. 50,000</b></p> <p>2. <b>Third Party Only (TPO)</b> Annual premium of KShs. 15,000 basic for vehicles of 8 tonnage and below and those above 8 tonnes charge an additional Kes. 1,000 for every extra ton.</p>	<ol style="list-style-type: none"> <li>Political Risks - 0.35% of value. Min - 3,000</li> <li>Excess Protector (Own Damage) - 0.5% of value. Min - 10,000</li> <li>Extra Radio Cass limit - 10% of extra limit</li> <li>Extra Windscreen limit - 10% of extra limit</li> <li>Infama Assistance - Kes. 6,960 per vehicle</li> <li>AA Membership - Kes.6,500 per vehicle</li> </ol>
<b>3. Motor Commercial General Cartage</b>	<p>1. <b>Comprehensive</b></p> <ol style="list-style-type: none"> <li>Sum Insured Below 3m - 7%</li> <li>Sum Insured Above 3m - 4%.</li> </ol> <p><b>Minimum Premium Kes. 100,000</b></p> <p>2. <b>Third Party Only (TPO)</b> Annual premium of KShs. 20,000 basic for vehicles of 8 tonnage and below and those above 8 tonnage charge an additional KShs. 1,000 for every extra ton.</p>	<p>Political Risks - 0.35% of value Min-3,000</p> <p>Excess Protector (Own Damage) - 0.5% of Value min. 10,000</p> <p>Extra Radio Cass limit - 10% of extra limit</p> <p>Extra Windscreen limit - 10% of extra limit</p>

### **Applicable Free Limits of Liability/Extensions – Applicable to all Motor Classes**

a. Windscreen Limit	-	KShs. 30,000
b. Radio Cassette	-	KShs. 30,000
c. T.P Property Damage Limit	-	KShs. 5m
d. Pass Liability	-	Any one pax KShs 3m & any one event KShs 20m
e. T.P Persons Injury/Death	-	KShs. 3m
f. Medical Limit	-	KShs 30,000
g. Towing Limit	-	KShs. 30,000
h. Geographical Area out of Kenya)	-	Kenya/Uganda/TZ (Subject to Yellow card for TPO

### **Motor Private Terms**

1. Valuation is Mandatory for all new business within 30 days of cover and vehicles not valued will be downgraded to TPO. Any financed units and any unit with a claim on comprehensive covers within the first 7 days and valid for 6 months for vehicles below 15 years.
2. Renewals will be valued after every 2-year period except for vehicles that have had claims the previous period excluding Windscreen and Radio Cassette claims.
3. There will be minimum depreciation of 10% of the unit value at renewal where valuation has not been done.
4. Schemes, binders and fleets to be priced separately on case by case basis both at renewal and new business.
5. Renewals will be on existing basis except for policies that had loss ratio above 60% that would be subjected to the current terms and conditions or premium loading.
6. No reinstatement of Excess Protector and courtesy car after first claim within the same policy period.
7. Models to be declared with a disclaimer on usage: Probox, Serena, Laphard, Hiace, Succeed, Ad Van, Sienta, Wish, Noah and Voxy.

### **Motor Commercial Own Goods Terms**

1. Valuation is Mandatory for all new business within 30 days, covers not downgraded to TPO. Any financed units and any unit with a claim on comprehensive covers within the first 7 days and valid for 3 months for units below 12 years.
2. Renewals will be valued after every 2-year period except for vehicles that have had claims the previous period excluding Windscreen and Radio Cassette claims.
3. There will be minimum depreciation of 15% of the unit value at renewal where valuation has not been done.

4. Schemes, Binders and fleets to be priced separately on case by case basis both at renewal and new business.
5. Renewals will be on existing basis except for policies that had loss ratio above 60% that would be subjected to the current terms and conditions and vehicles with Minimum Premiums below the stated new Minimum Premiums.
6. No reinstatement of Excess Protector after first claim within the policy period.

### **Motor Commercial General Cartage Terms**

1. Valuation is Mandatory for all new business, vehicles not valued will be downgraded to TPO. Any financed units and any unit with a claim on comprehensive covers within the first 7 days and valid for the first 3 Months. After 3 months all vehicles will be done on pre-accident value.
2. Renewals will be valued after every 2-yearsperiod except for vehicles that have had claims the previous period excluding Windscreen and Radio Cassette claims.
3. Schemes, binders and fleets to be priced separately on a case by case basis.
4. Renewals will be on existing basis except for policies that had loss ratio above 60% that would be subjected to the current terms and conditions.
5. No reinstatement of Excess Protector after first claim within the policy period.
6. There will be minimum depreciation of 20% of the unit value at renewal where valuation has not been done.