

# WRight News

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*It is said that a journey of  
a thousand miles begins  
with one step.....*

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*Chancery Wright editorial team during the launch of the newsletter*

## Editorial Team

Ephantus Mwangi (Editor)  
Gladys Kiambi  
Daniel Kinuthia  
Dancan Kamau  
Robert Mugo  
Ben Kiriungi

## Letter from the Editor

Welcome to the first edition of Chancery Wright News. In this edition we celebrate the collective accomplishment of Chancery Wright Insurance Brokers staff and management which have resulted in good results in our company.

Our continued emphasis is on customer delivery, service and excellence as well as various development initiatives aimed at making us even stronger as a company.

It is said that a journey of a thousand miles begins with one step. We at Chancery Wright have taken the first steps towards achieving our dreams.

In this issue we focus on our values which we have always tried to achieve, which are: Team work, Integrity, Customer focus, Commitment and professionalism.

*the Editor*

*[chancerynews@chancerywright.com](mailto:chancerynews@chancerywright.com)*

We welcome your comments and feedback.

## Our Vision

To be the market leader offering world class, customized and professional brokerage insurance services.

## Our Mission

To provide quality professional insurance brokerage services at affordable costs for the benefit of our clients, shareholders, staff and the Nation

## Core Values

Team work, Integrity, Customer focus, Commitment and Professionalism.

## Message from the C.E.O

It gives me great pleasure to welcome you all to this first issue of Chancery Wright news. Firstly, I would like to thank the Editorial Team for the time and effort they have put to ensure the production of this edition.



Throughout our 19 years of existence, Chancery Wright has built a strong culture of Customer Care. To achieve this objective, we recognize that staff training must become a core component of our business strategy. The Company therefore has sponsorship schemes for staff professional training in the relevant fields in order to achieve necessary skills. This has helped us to serve our customers better.

Years 2008 and 2009 witnessed challenging trading periods due to global recession and political violence experienced at the beginning of 2008 following disputed elections. Year 2010 has seen global economy pulling out of

the recession and Kenyans have also been able to overcome the hurdles of enacting a new Constitution. There is therefore a great deal of optimism of businesses achieving remarkable growth in the future. We at Chancery Wright wish to be part of that optimism and partners with our customers in offering them support in risk management.

Over the last few years, the Insurance market has witnessed Insurance Companies coming up with very innovative products at very competitive premiums. The downside of it, the insurance motor industry has suffered over the same period horrendous loss ratios that have threatened the very existence of the industry. The Insurance Regulatory Authority (IRA), has acted fast to revert the trend by issuing guidelines on minimum motor rates. The application of these rates is mandatory for all insurance companies and insurance brokers and penalizes bad drivers (bad claims experience). This development therefore, calls for prudent management of company motor fleet as adverse claims experience will translate to higher premiums, and an extra cost to the company.

The contentious issues pertaining to Work Injury Benefits Act (WIBA) still remain unresolved since the High Court's decision of March 2009, which declared certain sections of the Act unconstitutional. It is hoped that the authorities will act with speed to address the pertinent issues in order to forestall impending crisis of the implementation of the Act, and also enable the employers to plan with certainty. We will keep you updated of developments, but in the meantime, we will assist in reorganizing insurance coverage for your employees.

Thank you for taking time to read this brief and hope you will enjoy reading the remaining articles.

**In the End, we will remember not the words of our enemies, but the silence of our friends. (Martin Luther King Jr).**

## Motor Plus

The Insurance Regulatory Authority (IRA) came up with new motor insurance rates guideline applicable to the whole insurance industry. The rates became effective from 1<sup>st</sup> March 2010. All the benefits which clients used to get at no additional cost are now charged. This means that the whole insurance industry is selling a product which is not differentiated in any way other than the level of service and the creativity of the service provider.



In view of the foregoing, Chancery Wright Insurance Brokers Limited has developed a partnership with the Automobile Association of Kenya (AA Kenya) to add value to the motor insurance sold to clients by Chancery Wright Insurance Brokers Ltd. With this partnership, clients will be able to procure motor insurance along with AA Kenya membership at a much discounted rate from Chancery Wright Insurance Brokers Ltd. As a member of Automobile Association of Kenya (AA Kenya), the client will be guaranteed access to motoring services offered by the association.

### **a) Free road side assistance services countrywide**

These are minor problems that cause major headaches to motorists and some examples of assistance frequently required are:-

- Puncture
  - Flat battery
  - Key lost/locked in a car
  - Alarm fault
  - Out of fuel
  - Overheating
  - Mechanical failure
- b) Free towing services in accordance with AA Kenya terms and conditions.**
  - c) Free legal advice on motoring matters with AA Kenya terms and conditions applicable**
  - d) Motor vehicle recovery services**
  - e) Technical services and advice on motoring matters**
  - f) Driving school instruction**
  - g) Touring and licensing**
  - h) On-line Auto news magazine**
  - i) Referral to AA certified garages**
  - j) Defensive driving and road safety seminars**
  - k) Information on state of roads, border crossing and other vital facts both locally and internationally.**
  - l) Free accident management with AA Kenya terms and conditions applicable.**

We trust that with all the above benefits, you will enjoy driving your vehicle stress free having in mind that it is insured through a professional insurance broker with added benefits provided by a professional motoring organization.

## Medical Platform – Live Healthy

At Chancery Wright we value your life as an individual by offering personalized medical cover to take care of your health.

We have strengthened our customer care by engaging a full time professional medical nurse.

Our 24x7 hour lines are always open where you can directly talk to our medical nurse M/s Carol Mwenda regarding your medical situation. Please for more information reach our medical personnel On +254 728 760061 / +254 738 188 449 or send your request to [chancery@chancerywright.com](mailto:chancery@chancerywright.com). Also visit our website [www.chancerywright.com](http://www.chancerywright.com)



*When health is absent, wisdom cannot reveal itself, art cannot manifest, strength cannot fight, wealth is useless and intelligence cannot be applied - Herophilus*

## Pension Scheme News

We are pleased to bring to your attention a number of changes contained in the finance bill 2010 / 2011

### 1. Changes to the Retirement Benefits Regulations



#### Appointment of Administrator – Related Service Provider

- Schemes that have appointed external administrator must ensure that the administrator is independent and not associated in any way with the contracted fund manager and vice versa, this is effective 11<sup>th</sup> June 2010

#### Payment of Retirement benefits

- Trustees are now required to pay members their retirement benefits within a period of 30 days. Benefits paid after 30 days shall be paid with interest, this is effective 11<sup>th</sup> June, 2010

#### Appointment of Chairperson of the Scheme Board of Trustee.

- Schemes whose current chairpersons are either the Chairperson of Board of Directors, Chief Executives or Scheme Administrator are required to ensure re-election of chairpersons of the board from the other trustees. This is effective 11<sup>th</sup> June, 2010.

#### Trivial Pension

- The minimum basis for the determination by the Retirement Benefits Authority of the threshold for a pension to be declared trivial and thus commutable in to a lump sum has been reduced from 2/3 of the minimum wage to 50% of the average minimum wage, this is effective 11<sup>th</sup> June, 2010

#### Annuity Purchase Option

- Retiring members of Pension schemes do not have to purchase their annuity immediately upon retirement. Members can choose to purchase the annuity any time within a period of one year after date of retirement; this is effective 11<sup>th</sup> June, 2010.

### 2. Proposed changes to the Income Tax Act

Conversion of Gratuity Arrangement and Transfer of Gratuity Funds to the retirement benefits scheme;

- Companies paying gratuity to their employees will enjoy tax exempt treatment upon conversion and payment of gratuity equivalent to the years of the gratuity to a registered retirement benefits scheme, this will be allowed a deduction for tax on the same subject to a maximum limit of Kshs.240,000/- per year per member.

## Quotes

**Ask not what your country can do for you; ask what you can do for your country (John F. Kennedy)**



## Ask the expert

By Simon Kinuthia

### Thinking outside the box

While the adoption of East Africa's common market now provide huge opportunities for member states to benefit from the wider market, it nonetheless opens a Pandora of risk management issues that need to be addressed by those wishing to venture in the wider market .An example is the recent bomb incident in Uganda where nationals from the wider region were killed or injured.

It is important that nationals seek insurers brokers advice about insurance coverage to ensure their insurance policies are extended to cover such eventualities. It is equally true that majority of East Africa states are going through a stage of political transformation and political violence is going to be a major issue. It is recommended Political violence insurance be a major consideration.

People taking chartered flights equally should seek insurance advice as the insurance market offers varied cover under Group Personal Accident Policies. It is quite common to find chartered flight related incidents are not covered by the majority of the wording issued in the region. For those piloting own aircraft special Personal Accident cover should be issued as the normal policy excludes aircrew duties.

The market now offers insurance cover for Kidnap and Ransom which is an exposure

for those travelling to insecurity prone areas .You will appreciate with the discovery of the oil in parts of Uganda and the intended future plan for DRC to join the East African Community, the risk of kidnap and ransom will become close to reality .The same can also be said for those planning to venture Southern Sudan and

the surrounding war torn regions.

Other exposures that should be considered are the insurance for assets and employees. Until the current laws are harmonized, the insurance covers must be taken

locally in each country. There is also the increased risk of fraud through electronic transfers which should be looked afresh. Hijack of goods in the course of transit is also a new exposure, and the tax authorities' demand for tax for goods lost within their borders calls for re-examination of the adequacy of the covers. Travel Insurance packages are also available to cater for loss of baggage, medical cover, personal accident and repatriation. Finally motor insurance geographical coverage should be expanded to include Rwanda and Burundi with the chosen Insurers being able to demonstrate ability to deal with repair claims in these countries.

Arising from the above, it is quite clear consultation with insurance broker is an important component of your business plan when venturing into the region.

**It is important that nationals seek insurers brokers advice about insurance coverage to ensure their insurance policies are extended to cover such eventualities**

### Quotes

**"We are not only responsible for what we do, but also what we missed to do"**

## Achievements

Chancery Wright Insurance Brokers Ltd has been perfecting insurance brokerage services with remarkable success.

This success has been globally recognized by Association Otherways Management and Consulting, International Star for Quality (Golden Category) by Business Initiative Directions (BID) and the International Arch of Europe award symbolizing job well done by scooping international awards.

According to the BID President Mr. Jose Prieto, the awards recognize commitment to quality of the awarded companies operating in areas of industrial production and services. "The awarded companies are symbols of commitment to leadership, technology and innovation, which makes them models for other companies," Mr. Prieto added in communiqué the company. Some of the awards scooped by Chancery Wright below;

### The International awards



International Star of Quality



The Arch of Europe



The Golden Europe Award

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## Jokes Corner



Expecting the world to treat you fairly because you are good is like expecting the lion not to attack you in the park just because you are a vegetarian.....Anonymous

Wise men make proverbs, but fools repeat them .....*Samuel Palmer*

I only go to work on days that don't end in a 'y'....*Robert Paul*

For all your Insurance needs please reach us on the following addresses;

**NAIROBI (HEAD OFFICE)**

Chancery Wright Insurance Brokers Ltd  
ACK Garden House, 4th Floor  
1st Ngong Avenue  
P.O Box 55537 - 00200  
Tel. No. +254 (02)2721555 pilot line  
Mobile: +254 722 209 547  
Fax. No. +254 (02)2724817  
24 hour Line - +254 728 760 061, +254 738 188 449  
**E-Mail:** [chancery@chancerywright.com](mailto:chancery@chancerywright.com)  
**Website:** [www.chancerywright.com](http://www.chancerywright.com)

**UHURU HIGHWAY OFFICE**

Chancery Wright Uhuru Highway  
Plessey House, 1st Floor next to Bank of Africa  
P.O. BOX 55537-00200  
Tel: +254 020 557981;  
Tel: +254 020 8045186;  
Fax: +254 020 557991  
Mobile: +254 728 158 365  
**Email :** [chanceryuh@chancerywright.com](mailto:chanceryuh@chancerywright.com)  
**Website:** [www.chancerywright.com](http://www.chancerywright.com)

**MOMBASA (BRANCH)**

Chancery Wright Insurance Brokers Ltd  
Mombasa Trade centre, 1st Floor  
Nkurumah Road  
P.O Box 83001 - 00800  
**Tel. No.** +254 (041)312497/223410  
**Fax. No.** +254 (041)223410  
**E-Mail:** [chancerymsa@chancerywright.com](mailto:chancerymsa@chancerywright.com)  
**Website:** [www.chancerywright.com](http://www.chancerywright.com)

**KAMPALA (Uganda) (SUBSIDIARY)**

Chancery Wright Insurance Brokers (U) Ltd.  
Fifth Floor, Impala House  
Kimathi Avenue  
P O Box 25672  
Kampala Uganda.  
**Tel. No.** +256 (00641)348464  
**Fax. No.** +256 (00641)348341  
**E-Mail:** [chancery@africaonline.co.ug](mailto:chancery@africaonline.co.ug)  
**Website:** [www.chancerywright.com](http://www.chancerywright.com)

