



IRA

**GUIDELINES ON MARKET CONDUCT FOR
INSURANCE INVESTIGATORS AND
MOTOR ASSESSORS**

JUNE 2012

**TO: ALL REINSURANCE COMPANIES
ALL INSURANCE COMPANIES
ALL INSURANCE INTERMEDIARIES
ALL MOTOR ASSESSORS
ALL INSURANCE INVESTIGATORS**

**RE: GUIDELINES ON MARKET CONDUCT FOR INSURANCE
INVESTIGATORS & MOTOR ASSESSORS**

These Guidelines on Market Conduct are issued pursuant to Section 3A of the Insurance Act for observance by Insurance Investigators & Motor Assessors.

These guidelines set the minimum standards for proper conduct of Insurance Investigators & Motor Assessors in performing their duties. The aim of these guidelines is to enhance best practices in the conduct of insurance business and to improve the image of the insurance industry.

The Authority recognizes that trust is vested in Insurance Investigators & Motor Assessors and by observing these guidelines in the conduct of their business, integrity, moral standards and professionalism will be enhanced.

To this end, the Insurance Regulatory Authority hereby issues these Guidelines on Market Conduct for Insurance Investigators & Motor Assessors to be effected from 1st July 2012.



**SAMMY M. MAKOVE
COMMISSIONER OF INSURANCE & CHIEF EXECUTIVE OFFICER**

THE INSURANCE ACT (CAP 487)

**MARKET CONDUCT GUIDELINES FOR INSURANCE INVESTIGATORS AND
MOTOR ASSESSORS**

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1.0 Authorization

IN EXERCISE of the powers conferred by Sections 3A (a), (b) and (g) of the Insurance Act, the Insurance Regulatory Authority issues these Guidelines for observance by insurance investigators and motor assessors licensed under the Insurance Act (Cap 487 Laws of Kenya), in order to ensure compliance with international best practices in the conduct of business by insurance investigators and motor assessors.

2.0 General Introduction

The Insurance Regulatory Authority has a mandate to develop, formulate and enforce supervisory standards for the conduct of insurance and reinsurance business in Kenya.

Insurance investigators and motor assessors are recognized under part XV of the Insurance Act. The Authority recognizes the role insurance investigators and motor assessors play in the claims management process by investigating and assessing losses in the insurance industry as well as detecting fraud. Reports by insurance investigators and motor assessors determine the admissibility of a claim and the amount payable.

The Authority recognizes that trust is vested on insurance investigators and motor assessors and by observing these guidelines in the conduct of their business, integrity, moral standards and professionalism will be enhanced. Insurance investigators and motor assessors shall maintain confidentiality, preserve independence and neutrality without jeopardizing the interests of the insurer and claimant. This would promote public confidence in the profession.

The Authority further recognizes the fact that insurance investigators and motor assessors have a role to play in improving the image of the insurance industry and their conduct is pivotal to its development. Insurers, claimants and other interested parties have a right to deal with honest, trustworthy and knowledgeable insurance investigators and motor assessors.

Finally, the Authority recognizes the consumers' fundamental right to information as enshrined in Article 46 of the Constitution of the Republic of Kenya.

3.0 Application

- 3.1. These guidelines shall apply to all insurance investigators and motor assessors authorized under the Insurance Act to transact insurance business.
- 3.2. All insurance investigators and motor assessors licensed under the Insurance Act by the Authority shall be required to adhere to these guidelines in their conduct of insurance business.
- 3.3. These Guidelines should be read in conjunction with the provisions of the Insurance Act as well as directions, notices, circulars and other guidelines that the Authority may issue from time to time.

4.0 Definitions

In these guidelines references to the following terms shall have the meaning assigned in this article:

- 4.1. **Authority** means the Insurance Regulatory Authority.
- 4.2. **Claimant** means a person who has a right to a settlement arising from a contract of insurance.
- 4.3. **Insurance Investigator** means persons who carry on the business of investigating losses and tracing, on behalf of the insurer, insured or any other interested parties.
- 4.4. **Insured** means a policyholder.
- 4.5. **Motor Assessor** means persons who carry on the business of assessing, valuing and negotiating losses on behalf of the insurer, insured or any other interested parties.
- 4.6. **Principal** refers to the insurer, insured or any other interested parties on whose instructions an insurance investigator or a motor assessor provides a service.
- 4.7. **Professional engagement** means insurance business that the insurance investigator or motor assessor is authorized to transact by the Authority.

5.0 Objectives

These Guidelines set out the market conduct and service standards in order to:

- a. uphold integrity and preserve the professionalism of insurance investigators and motor assessors,
- b. provide for the effective control of the professional conduct of insurance investigators and motor assessors,
- c. promote the skills, efficiency and responsibilities of the insurance investigators and motor assessors.

6.0 Principles for the conduct of Insurance Business

6.1 Ethical Conduct

6.1.1 The relationship between an insurance investigator or motor assessor and its principal(s) is one of trust. Therefore insurance investigators and motor assessors shall observe the highest degree of good faith in all transactions.

6.1.2 Every Insurance investigator and motor assessor shall;

- a. act ethically and with integrity,
- b. conduct business with courtesy and consideration to all people with whom contact is made in the course of duty.

6.2 Professional Conduct

Every insurance investigator and motor assessor shall;

- a. only accept or perform work in insurance business for which it is authorized to transact,
- b. act within the authority and instructions of the principal,
- c. declare at inception or in the course of engagement whether there is any conflict of interest, and where one arises, to disclose and decline to act,
- d. only accept or perform work which it is competent to undertake,
- e. be objective and impartial in the conduct of duty,
- f. maintain confidentiality, preserve independence and neutrality without jeopardizing the interests of the insurer, the insured, claimant or any other interested party,
- g. carry out the investigation or assessment work promptly and fairly and submit a report to the principal as expeditiously as possible,
- h. carry out investigation or assessment work with due diligence, care and skill and with proper regard to the requisite technical and professional standards,
- i. take reasonable steps to keep the principal informed of the status of the assignment and respond promptly to the principal's instructions,
- j. conduct the assignment in a fair, transparent and honest manner,
- k. recommend and encourage the settlement of legitimate claims,
- l. at all times maintain proper record of work done and comply with all relevant laws,

- m. Use any confidential information acquired or received in the course of professional work for the intended purpose only.

7.0 Disclosure of information

Every insurance investigator and motor assessor shall;

- a. accurately disclose its role in any professional engagement,
- b. disclose to the insured , claimant or any other third party the principal on whose behalf they are acting,
- c. only disclose information, pertaining to an insurer, insured or claimant acquired in the course of engagement, to any third party, with the consent of the concerned party,
- d. Disclose to the principal all information material to the loss in accordance with the policy terms.

8.0 Presentation of Reports

Every insurance investigator and motor assessor shall;

- a. Ensure that the reports issued comply with all statutory requirements and meet the requisite professional standards.
- b. Ensure that reports are submitted to the principal as expeditiously as possible.
- c. Disclose to the principal relevant information obtained in the course of its professional engagement.

9.0 Training

Insurance investigators and motor assessors shall;

- a. be required to possess technical and professional knowledge and skill in their area of practice and as may be prescribed by the Authority from time to time,
- b. act with competence and strive to maintain knowledge and expertise necessary for the proper conduct of their business,
- c. keep abreast of developments in the insurance industry and their relevant area of expertise,
- d. ensure that its staff are suitably qualified and competent to act in the capacity so employed,
- e. endeavour to be members of professional associations.

10.0 Enforcement of the Guidelines

The Insurance Regulatory Authority shall enforce these guidelines against the insurance investigators and motor assessors.

11.0 Effective Date

1st July, 2012

12.0 Enquiry

Enquiries on any aspect of these guidelines shall be referred to;

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