

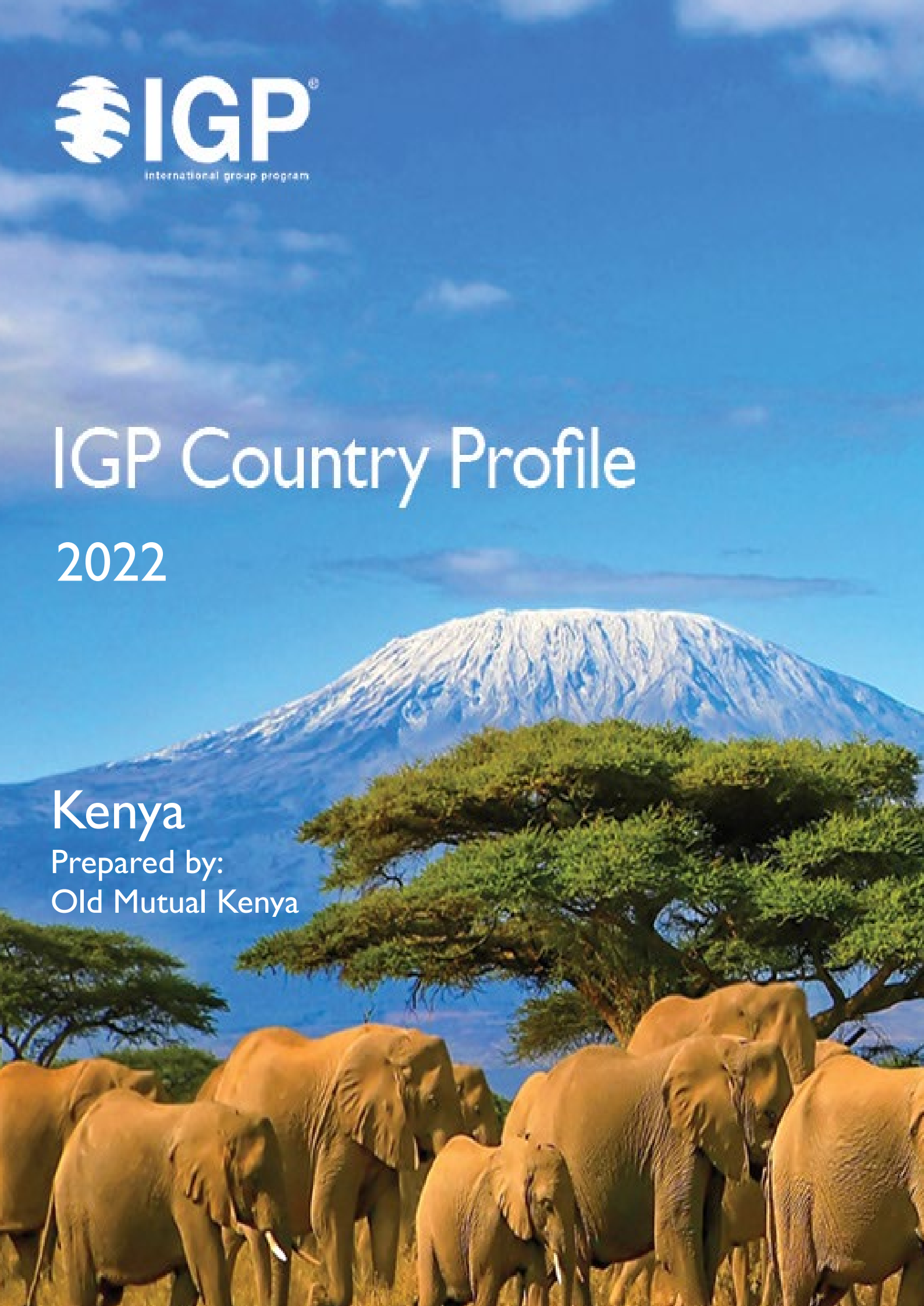


# IGP Country Profile

2022

Kenya

Prepared by:  
Old Mutual Kenya





## Preface

This Country Profile has been prepared by **Old Mutual Kenya** for the International Group Program (IGP).

The International Group Program (IGP) is a network of major life insurance companies (Network Partners) operating throughout the world, who work together to meet the group insurance and pension needs of international corporations and their affiliates, branches, and subsidiaries.

Since 1967, the International Group Program has been an industry leader in the field of international benefits management, serving more multinational companies than any other network. IGP is represented in around 70 countries throughout the world and is known for the flexibility and quality of service we provide to our clients.

Working closely with our headquarters' staff in Boston, our regional offices in Brussels and Singapore, IGP Network Partners offer corporate clients the advantages of experienced local insurance management coupled with the resources of a professionally trained staff that specializes in international employee benefits.

IGP is managed by John Hancock Life Insurance Company (U.S.A.), the U.S. operation of Manulife Financial Corporation, a leading financial services group based in Toronto, Canada. Manulife offers its clients a diverse range of financial protection products and wealth management services. Both Manulife Financial and John Hancock are internationally recognized brands that have stood for financial strength and integrity for more than a century.

*The information contained in the IGP Country Profiles is considered proprietary and any material extracted from a profile must be attributed to IGP.*

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## Your Local Link to IGP in Kenya: Old Mutual Kenya

### Old Mutual Group The IGP Network Partner in Kenya

Old Mutual Kenya is comprised of three key players as a result of the acquisition of a controlling stake in Faulu in 2014 and UAP in 2015 by Old Mutual. The acquisitions resulted in Old Mutual Kenya, UAP Holdings and Faulu Microfinance Bank forming one of the largest financial services groups with a growing footprint in East and Central Africa.

The Group is part of Old Mutual Limited (OML), a Pan-African financial services group that offers a broad spectrum of financial solutions to retail and corporate customers across key markets in 14 African countries. With a rich heritage of 175 years, Old Mutual's primary operations are in South Africa and the rest of Africa and runs a niche business in China. The primary listing of Old Mutual Limited, which includes the East Africa business – UAP Old Mutual Group, on the Johannesburg Stock Exchange is a milestone the business attained in June 2018, with Secondary listings in Zimbabwe, Namibia & Malawi.

Old Mutual Kenya is one of the largest financial services groups with a growing footprint in East and Central Africa. It currently operates in Kenya, Uganda, Tanzania, South Sudan and Rwanda. UAP Old Mutual offers customers a comprehensive and enhanced range of financial services which includes Investment, Insurance, Savings and Banking, as well as a wider and more accessible distribution network.

Old Mutual Kenya has been an IGP Network Partner since 2020.

### Key Products

#### Life (Group Life Assurance)

- Lump sum death benefit
- Funeral benefit
- Permanent & total disability
- Temporary disability
- Critical illness
- Medical reimbursement

#### Disability

- Work injury

#### Medical

- Corporate health insurance

#### Pensions

- Retirement Plans

#### Other

- Group Personal Accident

<b>DEATH BENEFITS</b>	
<b>Social Security Benefits</b>	<b>Customary Private Employee Benefits</b>
<b>Benefits</b> None	<b>Benefits</b> A factor of the annual salary from 3 – 5 years' Earnings or a fixed sum benefit of KES 1 Million to 10 Million

### Customary Private Employee Benefits – Additional Information

The Death benefits often come with rider benefits such as funeral expense, permanent and total disability and critical illness.

<b>DISABILITY BENEFITS</b>	
<b>Social Security Benefits</b>	<b>Customary Private Employee Benefits</b>
<p><b>Benefits</b> None</p>	<p><b>Benefits</b>            Permanent Total Disability benefits fall as riders to the Group Life cover. Normally equivalent to the death benefit under Group Life with benefits from 3 – 5 Years' Annual Earnings or a fixed sum benefit of KES 1 Million to 10 Million.</p> <p>Partial Disablement is calculated based on the continental scale.</p> <p>Medical Reimbursement benefit applies to medical expenses incurred due to injury.</p> <p>Accidental Disability Income benefit that pays out weekly income due to temporary disability up to a limit of 104 weeks.</p>

<b>SURVIVOR'S BENEFITS</b>	
<b>Social Security Benefits</b>	<b>Customary Private Employee Benefits</b>
<i>Spouse's Pension</i>	<i>Spouse's Pension</i>
<b>Benefits</b> Available for civil servants only.	<b>Benefits</b> N/A
<b>Eligibility</b> Nominated spouse (employee nominates while alive).	<b>Eligibility</b> N/A
<i>Orphans' Pension</i>	<i>Orphans' Pension</i>
<b>Benefits</b> N/A	<b>Benefits</b> N/A



## Social Security Benefits and Customary Private Employee Benefits

MEDICAL BENEFITS	
Customary Private Employee Benefits	Social Security Benefits
Benefits N/A	Benefits N/A



RETIREMENT BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
See additional info below	See additional info below Voluntary set up by employers for their staff or voluntary set up by individuals.

### Social Security Contributions:

EMPLOYER		EMPLOYEE
6%	OLD AGE PENSION	6%
This is the proposed rate, but not implemented. Currently the practice is a fixed amount of KES 200		This is the proposed rate, but not implemented. Currently the practice is a fixed amount of KES 200

### Customary Private Employee Benefits – Additional Information

Legal provisions:	Retirement Benefits Act.1997 and subsidiary regulations. Income tax Act
Conditions of Participation:	Voluntary for both the employer and employee or as specified in an employee's employment contract.
Acquired Reserves and Benefits:	N/A
Guaranteed Return:	Not regulated. Feature offered under the Insurance Regulation Circulars for statutory funds under retirement benefits to provide a guarantee on contribution and maximum guarantee on return of not more than 4%. Some retirements funds provide 100% guarantee on capital (contributions) and a minimal investment return guarantee. Other funds are segregated and as such do not have minimum guarantees.
Employer and Employee Contributions:	While this is not regulated until the NSSF Act. 2013 is implemented, many employers seem to be adopting the proposed provisions of this Act. The NSSF Act.2013 proposes contribution rates of 6% on minimum wages from both employer and employee. Additionally, they are also guided by Industry benchmarks for employers in their market to ensure they retain quality staff by offering pension as a benefit.
Vesting:	All contributions vest immediately ( Employer and Employee)

Surrender, Conversion to an  
Annuity and Termination:

Surrender can be termed alternatively as access to benefits. The options available:  
are based on forms of exit and also on structure of schemes.

Provident Funds offer Lumpsums at retirement

Pension schemes allow only 1/3 of fund as lumpsum. Remainder 2/3 commuted to  
post retirement options. Namely Income drawdown and Annuities.

1. Early Exit

- 50% of fund settled in cash less tax
- 50% of fund deferred till retirement

2. Retirement

a. Income drawdown

- Regular pre-agreed income
- Payments locked for specified period before re-valuation
- Fund credited with interest earned at year end
- Can convert to annuity or cash lumpsum if fund is depleted to trivial amount

b. Annuities

- Regular quoted lifetime income
- Ceases with death of annuitant for single annuity
- Reversionary or Joint annuities continue settlement based on contract terms
- Minimum guaranteed period

### Group Life Insurance

<b>Benefit Type</b>	<b>Level of cover</b>
Death (Illness, Accident and Natural Causes)	5 Years Annual Basic Salary
Permanent Total Disability (Illness, Accident and Natural Causes)	5 Years Annual Basic Salary (Normally equivalent to death benefit)
Staff Funeral Expense (Illness, Accident and Natural Causes)	Kes. 200,000 per member
Dependants Funeral Expense (Illness, Accident and Natural Causes)	Kes. 100,000 per family. Any one claim per family
Critical Illness Benefit	30% of the Death benefit up to a limit of Kes 7 Million



## Useful Links

Demographic information: [CIA World Factbook](#) (please select the country to review)

Macro-Economic indicators: [CIA World Factbook](#) (please select the country to review)

Social Security Benefits:

More information on the IGP Network Partner: [IGP – Your Local Link in Kenya](#)

Old Mutual Kenya: <https://www.oldmutual.co.ke/>



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