

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 1st October 2013

The House met at 2.30 p.m.

[Hon. Deputy Speaker (Dr. Laboso) in the Chair]

PRAYERS

PAPERS LAID

Hon. Deputy Speaker: I can see that the Leader of the Majority Party has Papers to table. Are there other hon. Members who have Papers to table? I can see hon. Bett and hon. Antony Kimaru.

Proceed, Leader of the Majority Party.

The following Papers were laid on the Table:-

The Annual Report and Audited Accounts for the Independent Electoral and Boundaries Commission for the year ended 2012/2013;

The Constituencies Development Fund Board Report on Projects Approval and Disbursement Status, dated August, 2013;

The Monthly Report of the Transition Authority for August, 2013;

The Report of the Auditor-General on the Financial Statements of the Kenya Power Company Limited for the year ended 30th June 2012;

The Report of the Auditor-General on the Financial Statements of the Energy Regulatory Commission for the year ended 30th June 2011;

The Report of the Auditor-General on the Financial Statements of the National Water Conservation and Pipeline Corporation for the year ended 30th June 2012 and the Certificate of the Auditor-General therein;

The Report of the Auditor-General on the Financial Statements of the Kenya Industrial Estates Limited for the year ended 30th June 2012 and the Certificate of the Auditor-General therein;

The Report of the Auditor-General on the Financial Statements of the National Water Conservation for the year ended 30th June 2012 and the Certificate of the Auditor-General therein;

The Report of the Auditor-General on the Financial Statements of the Postal Corporation of Kenya for the year ended 30th June 2012 and the Certificate of the Auditor-General therein;

The Report of the Auditor-General on the Financial Statements of the Maseno University for the year ended 30th June 2012 and the Certificate of the Auditor-General therein;

Consolidated Annual Report and Financial Statements of the Agricultural Development Corporation and its subsidiary Land Limited for 31st March 2012 and the Certificate of the Auditor-General therein;

The Annual Report and Financial Statements for the Civil Aviation Authority for the year ended 30th June 2012; and

Annual Accounts and Reports for Uaso Nyiro North River Basin Development Authority for the year ended 30th June 2012 and the Certificate of the Auditor-General therein.

(By hon. A.B. Duale)

Hon. Deputy Speaker: Thank you, Leader of the Majority Party. Hon. James Kimaru Bett, do you have a Paper to lay?

Hon. J.K. Bett: Thank you very much, hon. Deputy Speaker. Last week, I moved a Motion to do with the prices of milk. For now, I have neither a petition nor a question to put across.

Hon. Deputy Speaker: Are you sure? What did you say?

Hon. J.K. Bett: Hon. Deputy Speaker, I moved a Motion last week. So, it is supposed to continue tomorrow.

Hon. Deputy Speaker: Hon. J.K. Bett, I appreciate that you are still learning the rules of the House. Tuesday is set aside for Government Business. It is only on Wednesday morning that we have Private Members' Motions. That is when Private Members' Motions are taken. When you find a Private Member's Motion on Tuesday, it would have been agreed or there would be an issue on the Government side that may not have been listed. So, if you do not find your Motion on tomorrow morning's Order Paper, then you can raise a question.

Yes, hon. Benjamin Langat.

The following Papers were laid on the Table:-

The Report of the Departmental Committee on Finance, Planning and Trade on the Vetting of Mr. James Maina Muhoro, nominee to the Salaries and Remuneration Commission

(By hon. Langat)

The Report of the Departmental Committee on Education, Research and Technology on Vetting of Nominees to the Teachers Service Commission: Mr. Kiragu wa Magochi as the Chairman; Mr. Albert Fred Ekirapa; Ms. Jacinta A. Kapiyo; Mr. William A. Makubo; Mr. James Nkoroi; and Mr. Mwijuma Mwinyipembe as members.

(By hon. (Ms.) S.W. Chege)

NOTICES OF MOTIONS

ADOPTION OF REPORT ON VETTING OF NOMINEE TO SRC

Hon. Langat: Hon. Deputy Speaker, I beg to give notice of the following Motion:-

THAT, this House adopts the Report of the Departmental Committee on Finance, Planning and Trade on the vetting of Mr. James Maina Muhoro, nominated to the Salaries and Remuneration Commission, laid on the Table today Tuesday, 1st October, 2013.

ADOPTION OF REPORT ON VETTING OF NOMINEES TO TSC

Hon. (Ms.) S.W. Chege: Hon. Deputy Speaker, I beg to give notice of the following Motion:-

THAT, pursuant to Section 8 of the Teachers Service Commission Act and provisions of Standing Order No.45, this House adopts the Report of the Departmental Committee on Education, Research and Technology on Vetting of Nominees to the Teachers Service Commission: Mr. Kiragu wa Magochi as the Chairman; Mr. Albert Fred Ekirapa; Ms. Jacinta A. Kapiyo; Mr. William A. Makubo; Mr. James Nkoroi; and Mr. Mwijuma Mwinyipembe as members.

STATEMENTS

Hon. Deputy Speaker: Hon. Members, we will begin with replies to Statements and then the requests. Hon. Eng. Mahamud, you can have the Floor.

Hon. (Eng.) Mahamud: Thank you, hon. Deputy Speaker. I am not sure whether or not the Member is in the House. This is a Statement in response to a request by hon. Esther Gathogo.

Hon. Deputy Speaker: Esther Gathogo is seated behind you and so you may continue.

ENFORCEMENT OF TRANSPORT LICENSING BOARD RULES

Hon. (Eng.) Mahamud: Hon. Deputy Speaker, on Wednesday 10th July 2013 the Member for Ruiru Constituency, hon. Esther Gathogo, requested for a Statement from the Chairperson of the Committee on Transport, Public Works and Housing regarding the enforcement of Transport Licensing Board (TLB) Rules.

The Committee summoned the Cabinet Secretary for Transport and Infrastructure on 12th August 2013 to appear before it and answer the Member's request. The Committee also invited hon. Esther Gathogo for the meeting. I wish to report the following to the House:

The Ministry of Transport and Infrastructure informed us that the Transport Licensing Act was repealed by the National Transport and Safety Authority Act, Section 55. Further, Section 26 of the National Transport and Safety Authority Act vests all the rights and obligations of the former TLB to the Authority. The Ministry of Transport and

Infrastructure undertakes through the National Transport and Safety Authority (NTSA) to ensure that all public service vehicles are registered with a company or SACCO for the purpose of streamlining the sector.

The NTSA plans to work closely with the Traffic Police Department to coordinate a monthly traffic law enforcement programme. The NTSA will also work with the 47 County Transport Safety Committees (CTSCs) which are to be established to ensure that the *matatu* subsector is streamlined. All the PSV operators and owners will be members of the CTSCs according to the guidelines. The Ministry of Transport also plans to launch a countrywide “safety first” campaign in conjunction with the NTSA and the Traffic Police Department to increase public awareness on road safety.

Hon. Deputy Speaker, the Ministry has prepared a raft of measures through the NTSA to improve safety on our roads. This includes guidelines for safe transport and a syllabus for driving schools has been developed. As you know, driving schools come up with their own training and there is no syllabus agreed on by the sector. There is also implementation of the intelligent transport solution and second generation drivers licence to eliminate fake documents; and enhancement of compliance and proper management of records through the use of biometric data technology.

The Ministry, through the NTSA is developing regulations to enhance effective road use and safety by ensuring that all members of the transport sector comply with the traffic rules, employ competent drivers and operate on approved routes, only based on approved timetables. We are in the process of studying the Act properly to see whether there are areas we could streamline. Also, the regulations are being developed and they will be brought to the House in due course.

I thank you.

Hon. (Ms.) Gathogo: Hon. Deputy Speaker, I want to thank the Committee on Transport, Public Works and Housing for I have really waited for an answer from them. I am sorry that by the time they invited me for their meeting I was not in the country. My concern, however, was whether we are following rules on our roads. We have had so many fatal accidents. Given what they have reported, I know we are going to change the state of our roads. If we use the “Michuki Rules” and we follow them to the letter, I know that the number of accidents in our country will reduce.

Hon. (Eng.) Mahamud: Hon. Deputy Speaker, the other request was from hon. Gikaria David. I do not know whether he is in the House.

Hon. Deputy Speaker: Is hon. David Gikaria in the House? He is not. Move to the next Statement. We will not have Statements read for Members who are not here.

Can I get indications from those who have requested for Statements? Hon. Nassir.

REQUESTS FOR STATEMENTS

REASONS FOR POWER OUTAGES IN THE COUNTRY

Hon. Nassir: Hon. Deputy Speaker, pursuant to Standing Order 44(2)(c) I wish to request for a Statement from the Chairperson of the Committee on Energy, Communication and Information regarding the constant power outages experienced countrywide. Taking the example of Mombasa City, the residents recently experienced a power blackout that lasted four days adversely affecting both large and small-scale

businesses resulting into a loss of Kshs400 million. As we speak right now, there are still those power outages within various parts of Mombasa.

In his Statement, the Chairperson should inquire and report on what effective measures Kenya Power Company (KPC) has put in place to handle emergency power blackouts in the country to avoid recurrence of these power outages. He should also say whether a policy can be put in place to compel KPC to compensate persons for any losses incurred due to power outages that are not restored in time without reasonable reason.

Hon. Kamau: Hon. Deputy Speaker that, indeed, is a very urgent issue. I think we could provide an answer within one week. It is really urgent.

SHORTAGE OF TEACHERS IN THE COUNTRY

Hon. Mwadime: Thank you, hon. Deputy Speaker. Mine is actually about a Statement which I sought the last Tuesday before we went on recess from the Committee on Education, Research and Technology. It is flabbergasting, astonishing, amusing and mesmerizing to note that up to this very moment, I have not been answered. It is about shortage of teachers in my constituency of Mwatate.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: If the Chair of the Committee on Education, Research and Technology is not convinced by the huge number of adjectives--- You can see how serious the hon. Member is. Can you tell the hon. Member why he has not received an answer to his Statement?

Hon. (Ms.) S.W. Chege: Thank you, hon. Deputy Speaker. Despite the hon. Member using very many big terminologies, it is common knowledge that the Committee on Education, Research and Technology was last week vetting six Teachers Service Commission (TSC) nominees. That is why we did not invite him to come to our Committee, but we have started a new week. Since we have now tabled our report, we will be inviting him to come to our Committee this week.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Okay, so hon. Member as much as you are very disappointed by the length of time it has taken, you have to be a little bit more patient. The Committee on Education, Research and Technology seems to receive a lot of Statements on the Floor of this House and we need to be a little patient with them as they process those Statements.

Hon. Emmanuel Wangwe, is yours a signed and approved Statement?

CRITERIA FOR IDENTIFYING KDF RECRUITMENT CENTRES

Hon. Wangwe: Thank you, hon. Deputy Speaker. Mine is a concern I raised on the Floor of the House on Thursday. It is a Statement concerning the recruitment of Kenya Defence Forces (KDF) and, indeed, you made a ruling that we get the Statement ready today. So far, up to this moment the Departmental Committee on Defence and Foreign Relations has not submitted that Statement. May I know the position?

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Okay, I clearly remember that was an urgent matter as that exercise is ongoing. Can we know the status from the Chair or the Vice Chair of the

Committee on Defence and Foreign Relations? What is the status as we said this is an urgent matter that needed immediate reaction or report?

I see the Vice Chair, hon. Elias Bare Shill.

Hon. Shill: Thank you, hon. Deputy Speaker. I am sorry; I was not very attentive to that question. Can it be repeated because somebody was consulting me? Was it the earlier question that was asked on KDF?

Hon. Deputy Speaker: Yes, it was the earlier question that was asked last week on the ongoing recruitment.

Hon. Shill: Yes, we had a problem because that question was not sent to the Committee on Defence and Foreign Relations by the Clerk's Office.

Hon. Deputy Speaker: So you are saying that the problem is with our own administrators who did not take the matter seriously? Hon. Members, this is very serious, we said this is a very urgent matter.

Hon. Shill: This is not the only question for the Committee on Defence and Foreign Relations that has been asked on this Floor and has not been sent. There is another question that was asked on the issue of a Kenyan who was killed in an accident by a diplomat. You remember I said I was going to give the answer in three weeks and up to now that question has not yet gone to the Principal Secretary, Ministry of Foreign Affairs. So, it is the problem of the Clerk's Office.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: So, something must be happening in our Clerk's Office. We need this information on the ongoing recruitment very quickly. I order that the Clerk gives to the Speaker's Office a response as to why this matter has not been forwarded to the relevant Committee, for them to give us a report to be brought to this House.

We would like a report on this matter to be presented on the Floor on Thursday. That is after they have returned and also given the report to the Committee. Thursday, it shall be.

Hon. Jacob Waweru Macharia, do you have a signed and approved Statement or request?

MEASURES TO DEAL WITH CARTELS TARGETING MOTORCYCLE SUBSECTOR

Hon. Macharia: Thank you, hon. Deputy Speaker, I also have a concern. I requested for a Statement from hon. Kamama, the Chairman of the Committee on Administration and National Security - I urge him to listen - about the sector of motorcycles. I sought to know exactly what the Government is doing to organize the motorcycle sector. As at that time and up to now, cartels are targeting motorcycle riders and killing them. A new twist has come up again where motorcycle riders are now turning assassins. I still do not have the answer to the Statement. I do not know whether the Committee has reacted to that. That is what I seek.

Hon. Deputy Speaker: The Chair of the Committee.

Hon. Abongotum: Thank you, Deputy Speaker. I am not able to get a Statement because of what has transpired for the last one week. Officers in the Office of the President and the Ministry of Interior and Coordination of National Government have actually been very busy coordinating the operation at Westgate and also organizing for

prayers. So, I want to request the hon. Member to give us one week and we shall provide this Statement.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Okay, one week it shall be. I think that is understandable and we all know what transpired.

Hon. David Kangogo.

Hon. Bowen: Thank you, hon. Deputy Speaker. Mine is just a clarification from the Chair of the Committee on Defence and Foreign Relations regarding the boundaries they are going to use this time round when they are recruiting the KDF.

Last year or two years ago, in my constituency, Marakwet East which was formally a---

Hon. Deputy Speaker: Now, David Kangogo, are you giving or requesting a Statement that has been signed and approved?

Hon. Bowen: It is not a Statement.

Hon. Deputy Speaker: Or you are giving supplementary information to a Statement that has not even been presented?

Hon. Bowen: Just a clarification from hon. Bare Shill on the issue of recruitment of KDF.

Hon. Deputy Speaker: Okay, that is the question he has been asked to deal with. So, can you wait for him to bring the report, and then you can ask any supplementary questions on that Statement? I have asked that it be brought on Thursday, so you can reserve your questions for then.

I see no more requests on the monitor. Therefore, I would ask that we move to the next Order. The Chairman, Selection Committee, I apologize, but I do not see you on the screen, hon. Aduma. I know you had a Personal Statement to make, but there is nothing, no indication on the monitor. Is it showing on yours? There is nothing, it is completely blank. Go ahead, but I do not know how you will be given the microphone because you are not--- I see hon. Grace Kipchoim, but I do not see your card. I had seen it earlier and so, there must be a problem with the card. Come to the Dispatch Box. Please, use the Dispatch Box.

Hon. Owuor: Thank you, hon. Deputy Speaker. First of all, I want to raise the issue that I made a request for a Statement which was supposed to be responded to last Thursday. I was in the House and I was given an indication that it would be given today by the Chairman of the Committee on Administration and National Security, but no response has come. I am surprised that even today no response has come on this matter. I want to take this opportunity to make a Personal Statement.

PERSONAL STATEMENT

INSECURITY IN NYAKACH

This House is honourable and there are issues which have touched on me, which I think need to be brought to the attention of the House. If you look at the precincts of this Parliament, at the end of it lays the remains of our late loving father of this nation, the Founding President, Mzee Jomo Kenyatta. The fact that, that body is lying in the precincts of this Parliament is an indication of the sanctity and how this country holds life

dear and the role that was played by our founding President. That is why that body is lying there and that is why all those national flags are there.

I have had a lot of challenges in my constituency where I have lost not less than 20 lives because of insecurity. The most basic obligation of any Government in power is to ensure the protection of property and lives. This issue has been of concern to me. I have raised the issue with various Government agencies. I have had occasion to visit the Principal Secretary in charge of Interior and Coordination of National Government who acted very swiftly and instructed his officers to take appropriate action to ensure that there was peace in my constituency. That has not been so.

I have also taken my time to meet the County Coordinator to ensure that there is security, but that has not happened. This has caused great concern and in pursuit of this, I have not been able to discharge my parliamentary---

Hon. Deputy Speaker: Hon. Aduma, are you making a Personal Statement or are you asking a Chair of a Committee to respond on security? Personal Statement is really about yourself and issues about you and not about your constituency.

Hon. Owuor: Hon. Deputy Speaker, this is about me. As you have been reading, I have not been able to discharge my parliamentary duties. Even when the Members attended an induction course in Mombasa, I was not able to attend because of problems in my constituency.

I am quite concerned because I raised this issue and nothing has been done. If you have been following the news, last week, I was arraigned before a Kisumu Court where I was charged with a non-existent offence on the allegation that I had dumped a body at the PC's office. I want to table a document of what I was alleged to have done, which is not true. That was a relative and on that particular day, I made every effort to reach the PC and the regional coordinator in vain. When he did not come and claimed that the Government had not funded them and they did not have fuel, I think the family took the body to Kisumu to draw the Coordinator's attention to that. That is what happened. That *mzee* was aged over 80 years. He had a wife of similar age who had equally been battered. He had lost a son not more than 12 months earlier in a similar way.

After meeting the sub-district coordinator, while I was driving to Kisumu to raise the issue with the regional coordinator, my vehicle was stopped and my driver was badly battered for an alleged traffic offence. My driver suffered spinal injury and is at the intensive care unit at Kenyatta National Hospital. I have a copy of the names of the officers who were involved and I also want to table the list for the record of this House.

The Leader of Majority Party is my very good friend. I knew him when I was serving the Government at a higher rank before he joined the Government, but things have changed and he is now in the Government. I had raised this issue also---

(Laughter)

Hon. A.B. Duale: On a point of order, hon. Deputy Speaker. My very good friend, I can only receive documents when they have been confirmed as admissible and through the Speaker later.

Hon. Deputy Speaker: That is true. I do not know who is distributing these documents that we have not authenticated. Hon. Mbadi, the documents have not been

accepted in the House and you are distributing them. Hon. Aduma, please, finish your Statement, then we can authenticate your documents.

Hon. Owuor: Hon. Deputy Speaker, I want to thank you. I have all the medical documents from Kodiaga Prison. My driver was then put in police custody at the instruction of the PCIO, Kisumu, where he was tied in the cells facing down and tortured. I have raised this issue with the Inspector-General and I want to thank him that, at least, he is taking action. He has made an inquest into the matter and we are waiting for the result.

I have copies of the treatment documents in regard to my driver, both from Kodiaga Kisumu District Hospital, Moi Avenue Hospital in Kisumu and the cost of the ambulance that ferried him to the KNH in Nairobi, where he is currently admitted. With your permission, I would like to table these documents.

Hon. Deputy Speaker: Allow us to authenticate them first. You know what we always do with documents that come to this House. We have to look at them for authenticity, authorship and whether they are signed. So, can you just allow us to do that exercise for both the documents?

Hon. Ng'ongo: On a point of order, hon. Deputy Speaker. My point of order was when I heard you caution me that I am distributing documents that have not been authenticated. I did not table any documents. Whatever I was sharing with my colleagues is not in the Chair's knowledge. I probably was distributing the Order Paper.

Hon. Deputy Speaker: That is okay. On the face of it, from what I see, the documents that you have just given have the Ministry of Health logo. They are signed documents and the X-Rays. These appear to be genuine documents. With respect to the pictures, we are not clear who the authors are, hon. Aduma. It is not clear whether you are the author. There are headlines, but we do not know whether these are newspapers coming from the media or who exactly is the author of the pictures.

Hon. Owuor: Hon. Deputy Speaker, I will go by your guidance. I also want to table a copy of the letter dated 17th September, which I addressed to the Inspector General and which I copied to the various other agencies which are concerned with this matter. I also want to table a letter which I did to the Principal Secretary, Ministry of Interior and Coordination of National Government dated 22nd September 2013.

(Hon. Owuor laid the documents on the Table)

Hon. Ng'ongo: On a point of order, hon. Deputy Speaker. I have just heard the Chair rule that it is not clear the origin of the pictures. If you look at the document, and I believe what I have is what the Chair has, the Member has written, "by Member of Parliament for Nyakach". There is only one Member for Nyakach and being a Member, if he can confirm that these documents are from him and he has confirmed that because he is the one who has tabled them, then I think the documents are authentic and can be accepted.

Hon. Deputy Speaker: Okay. We will make a ruling on that. But hon. Owuor, have you finished? You know how we prosecute Personal Statements.

Hon. Owuor: I have not, hon. Deputy Speaker. As I was pursuing this matter, when I went for trial I was also subjected to another charge, that small as I am, I was capable of breaking Kodiaga Prison and releasing all the prisoners.

Hon. Deputy Speaker, I am not able to discharge my duties now because as I stand in this august House; today in the evening I have to travel to Kisumu for another trial for that matter. So, these are issues of concern and I am greatly affected. As I stand here, I have received various threats from some of the security agents within the country, which I would not wish to take lightly. I have information that we lost about five lives in my constituency, which is related to some of the issues I want cleared by this House.

As I stand here, I have got the names of some of my constituents who have been killed by persons using bows and arrows. I am greatly concerned that if we cannot save Kenyans from criminals, then it would be very difficult to deal with terrorists who will attack us in places like Westgate Mall.

Hon. Deputy Speaker, I want to table a list of my constituents who have died. As I stand here, I have the names of 72 members of my constituency who have been affected and I have got a list of 13 people--- They are Eric Owiti, Henry Oyoo, Onyango Aduoga, Morris Agumba, Joseph Oonche Bodo, Timothy Ayieko---

Hon. Deputy Speaker: Please, do not read all the 72 names because you are tabling the list.

Hon. Owuor: Hon. Deputy Speaker, let me give you the names so that, at least, you can know there are people down there----

Hon. Deputy Speaker: Hon. Owuor, because we want to share the time we have with all the hon. Members; your concern has come out very clearly. It is grave, it is very serious; but hon. Members, please---

Hon. Owuor: Can I table the list of names?

Hon. Deputy Speaker: Yes. Please, table it.

Hon. Owuor: Thank you, hon. Deputy Speaker. I wish the House would look at this issue. As a Member of the Departmental Committee on Transport, Public Works and Housing, I had intended to invite my colleagues to my constituency, but at the moment with the situation in my constituency, my hands are tied. I had also spoken to the Chief Whip because I was anticipating that the Head of State would visit the area, but I think it will be a big risk to expose the Head of State to such risk.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Owuor, before you go, can you confirm that these pictures are from you? That you are the author of these pictures of police torture and of bows and arrows? We want to attribute them to you.

Hon. Owuor: Hon. Deputy Speaker, that is true. If you look at the letter that I wrote to the Inspector General, and which I have laid on the Table, we managed to take those photos and their numbers.

Hon. Deputy Speaker: So, they are attributable to you and we shall accept them on that account. Hon. Member, remember you have given a Personal Statement. The hon. Members of the Committee on Administration and National Security can take up the matter as a security problem. I do not know whether it would have been better if you had requested for a Statement so that the matter can be investigated by the relevant Departmental Committee. By making it a Personal Statement, we cannot get clarification and we cannot make any comments.

Hon. Owuor: Thank you, hon. Deputy Speaker; I would like the Committee to investigate the matter.

Hon. Deputy Speaker: You have given us a lot of documents, but it is a Personal Statement. So, really there is no much that the Committee can do.

Hon. Owuor: Hon. Deputy Speaker, I request that this matter be investigated by the relevant Committee. I have shared it with my friend, the Leader of Minority Party and I want him to have a copy of this.

Hon. Deputy Speaker: Okay. Let us have the Chair of the relevant Committee, hon. Abongotum.

Hon. Abongotum: Hon. Deputy Speaker, listening to the tone and tenor of the statement by the Member of Parliament for Nyakach Constituency, hon. Owuor, I think he is really undergoing tribulations. As a Committee and the House, we need to get to the bottom of these issues.

I think hon. Owuor is not the only one. There are several hon. Members who have gone through the same brutality. One of them is hon. Ngunjiri and several others.

(Applause)

So, this harassment by police officers must actually be brought to a stop. I want to confirm that we will combine about three requests and ask the Inspector General himself to come and tell us what is happening in this country. This is because looking at those pictures you would imagine that we are actually living during the dark days. These pictures used to be common during the *Mwakenya* period. So, we do not want this situation in these modern times. Therefore, on the Statement that was requested sometime back, we will try to fast-track and get it read on Thursday.

This matter must be subjected to thorough investigations because we heard that 20 people had died, but the hon. Member is talking about 72 members and that his life is in danger. I think the situation is being mishandled by police officers in Nyanza Province or in Kisumu area. So, hon. Deputy Speaker, we will take up the matter and report to the House when we are through with investigations. Meanwhile, I just want to confirm to the hon. Member that, with regard to the security of the Head of State, he is not in danger. His security is well taken care of.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Okay. Thank you. We really want to say that you have undergone some very traumatic experiences and we hope that can be brought to an end.

I am exercising my authority under Standing Order No.1, to give hon. Benjamin, who seems to have had several questions and answers and left out one that he needs to prosecute before tomorrow, the Floor. He can take this chance. We have already skipped that Order.

PAPER LAID

The following Paper was laid on the Table:-

The Report on the Departmental Committee on Finance, Planning and Trade on the Insurance (Amendment) Bill, 2013.

(By hon. Langat)

11 Tuesday, 1st October, 2013(P)

Hon. Deputy Speaker: Thank you. The Leader of Majority Party, you may now proceed.

MOTION

APPROVAL OF CHANGES TO MEMBERSHIP OF SELECT COMMITTEE

Hon. A.B. Duale: Thank you, hon. Deputy Speaker.

On behalf of the Selection Committee, I beg to move the following Motion:-

THAT, notwithstanding the resolutions of the House of 16th May 2013, regarding the appointment of Members to respective Committees, this House further approves the following changes to the membership of the Select Committees:-

1 The Hon. Geni Charles Mong'are, M.P. be appointed a Member of the Public Accounts Committee;

2 .The Hon. Mukwe James Lusweti, M.P. to move from the Departmental Committee on Transport, Public Works and Housing to the Departmental Committee on Agriculture, Livestock and Co-operatives;

3. The Hon. John Kobado, M.P. be appointed a Member of the Departmental Committee on Agriculture, Livestock and Cooperatives;

4. The Hon. Paul Simba Arati, M.P. to move from the Departmental Committee on Education, Research and Technology; and Committee on Implementation to the Departmental Committee on Agriculture, Livestock and Cooperatives, and also be appointed a Member of the Joint Committee on National Cohesion and Equal Opportunity;

5.The Hon. Rege James Gordon, M.P. be appointed a Member of the Departmental Committee on Defence and Foreign Relations;

6.The Hon. Silverse Anami, M.P. be appointed a Member of the Departmental Committee on Education, Research and Technology;

7. The Hon. Richard Makenga Katemi, M.P. be appointed a Member of the Departmental Committee on Environment and Natural Resources;

8. The Hon. Mwamkale William Kamoti, M.P. be appointed a Member of the Departmental Committee on Justice and Legal Affairs;

9. The Hon. John Serut, M.P. be appointed a Member of the Departmental Committee on Labour and Social Welfare;

10.The Hon. Janet Nangabo, M.P. to move from the Departmental Committee on Lands to the Departmental Committee on Labour and Social Welfare;

11.The Hon. Mwanoyha Hassan Mohammed, M.P. to move from the Budget and Appropriations Committee to the Departmental Committee on Labour and Social Welfare;

Commented [AN1]:

12. The Hon. Mwanyoha Hassan Mohammed, M.P. to be appointed a Member of the Joint Committee on Parliamentary Broadcasting and Library;

13. The Hon. Mlolwa Jones Mwangogo, M.P. to move from the Constitutional Implementation Oversight Committee to the Departmental Committee on Labour and Social Welfare;

14. The Honourables Kanini Kega, M.P.; Aburi Lawrence Mpuru, M.P.; and King'ola Patrick Makau, M.P. to be appointed Members of the Departmental Committee on Lands;

15. The Hon. Hezron Awiti Bollo, M.P. be appointed a Member of the Departmental on Transport, Public Works and Housing;

16. The Hon. Joe Musyimi Mutambu, M.P. be appointed a Member of the Committee on Appointments;

17. The Hon. Silas Tiren, M.P. to move from the Committee on Delegated Legislation to the Committee on Constituency Development Fund;

18. The Honourables Abass Mohamed, M.P.; Hon Benson Mbai, M.P.; David Wafula, M.P.; Elijah Mosomi Moindi; Abdikadir Omar Ore and Thomas Mwadeghu be appointed Members of the Committee on Constituency Development Fund;

19. The Hon. Kedogo Dorcas Luvalitsa, M.P. be appointed a Member of the Committee on Constituency Development Fund and also Member of the Committee on Implementation;

20. The Honourables John Ndirangu Kariuki, M.P; Jacob Macharia; Lempurkel Mathew Lekidime and Bedzimba Rashid Juma be appointed Members of the Committee on Implementation;

21. The Hon. Andrew Toboso, M.P. be appointed a Member of the Committee on Regional Integration;

22. The Hon. Timothy Moseti Bosire, M.P. to move from the Departmental Committee on Agriculture, Livestock and Cooperatives to the Committee on Regional Integration;

23. The Hon. James Mukwe Lusweti, M.P. to move from the Departmental Committee on Transport, Public Works and Housing to the Budget and Appropriations Committee;

24. The Honourables Isaac Mwaura, M.P. and Chris M.N. Bichage, M.P. be appointed Members of the Budget and Appropriations Committee;

25. The Hon. Ali Fatuma Ibrahim, M.P. to move from the Committee on Regional Integration to the Budget and Appropriations Committee;

26. The Hon. Eusilah Jepkosgei, M.P to move from the Departmental Committee on Labour and Social Welfare to the Committee on Delegated Legislation;

27. The Honourables Hassan Aden, M.P; Agostinho Neto, M.P.; Timothy Wetangula Wanyonyi, M.P.; Marcus Mutua Muluvi, M.P. be appointed Members of the Committee on Delegated Legislation;

28. The Honourables James Lomenen, M.P.; Peter Gitau Njuguna, M.P.; Protus Akuja Ewesit, M.P.; Enock Kibunguchy Wamalwa, M.P.; Samuel Chepkong'a, M.P. and Boniface Otsiula, M.P. be appointed Members of the Constitutional Implementation Oversight Committee;

29. The Hon. Ibren Nasra Ibren Ibrahim, M.P. to move from the Catering and Health Club Committee to the Constitutional Implementation Oversight Committee;

30. The Honourables David Kiaraho, M.P.; Oscar Sudi, M.P.; Peter Njuguna, M.P.; James Murgor, M.P.; Bare Shill, M.P.; Alice Ng'ang'a, M.P.; Abdul Rahim Dawood, M.P.; Alice Wahome, M.P.; David Wafula, M.P.; Mbui Robert, M.P.; Johnson Many Naicca, M.P.; Joe Musyimi Mutambu, M.P.; Nyiva Mwendwa, M.P. and Ken Obura Mirenga, M.P. be appointed Members of the Procedure and House Rules Committee;

31. The Honourables Susan Chebet, M.P.; Osca Sudi, M.P.; Raphael Otaalo, M.P.; Joshua Aduma Owuor, M.P.; Shakila Mohammed, M.P.; Halima Duri Ware, M.P.; Hon. Mishi Khamis Juma, M.P.; Shukran Hussein Gure, M.P. and Regina Muia Nthambi, M.P. be appointed Members of the Catering and Health Club Committee;

32. The Hon. Mishi Khamis Juma, M.P. to move from the Committee on Appointments to the Joint Committee on Parliamentary Broadcasting and Library;

33. The Hon. Rose Museo Mumo, M.P. to move from the Catering and Health Club Committee to the Joint Committee on National Cohesion and Equal Opportunity;

34. The Hon. Bady Twalib, M.P. be appointed a Member of the Joint Committee on Parliamentary Broadcasting and Library;

35. The Hon. Kenneth Okoth, M.P. to move from the Departmental Committee on Justice and Legal Affairs to the Joint Committee on Parliamentary Broadcasting and Library; and,

36. The Honourables Rachael Shebesh, M.P.; Moses Cheboi, M.P.; Kimani Ichung'wah, M.P.; Joyce Emanikor Akai, M.P.; Jamleck Kamau, M.P.; Peter Shehe, M.P. Hon. Simon Ogari, M.P., Hon. (Dr.) Susan Musyoka, M.P. Hon. Geoffrey Makoha Odanga, M.P., and Hon. James Onyango Koyoo, M.P. be appointed Members of the Committee on Privileges.

From the outset, I would like to say that these changes were done by the whips and the deputy whips of the two coalitions. The names that are coming from the CORD Coalition came from the Minority Whip of the CORD Coalition. All the queries from the Jubilee Coalition will be directed to the Majority Whip and his deputy. The re-organisation has been brought about by a number of factors.

First, the CDF Act was amended and the membership of the CDF Committee was expanded. You will remember that when we brought the names to the House on 16th May 2013, the membership to the CDF Committee was as per the Act. However, following the amendments we made to the CDF Act, 2013, the membership increased. That is why you will see more Members joining it.

The same applies to the Privileges and House Rules Committee which has also been expanded. More fundamentally, there are two Committees which we are supposed to jointly form with the Senate. That is the National Cohesion and Equal Opportunity Committee and the Committee on Parliamentary Broadcasting and Library. It is this House that has delayed the process because our colleagues in the Senate have provided the list. I am sure those two Committees will be formed today so that they can elect their leadership and fulfil their mandate as per the Standing Orders.

Finally, there was the issue where some Members were in three Committees, others in two Committees while others were in no Committee. As I was coming to the House, I found one Member who told me that he is still in one Committee and I hope that the Majority Whip and the Minority Whip will look at this because we are a House that will have this membership in the next five years. So, if there will be other small issues, we will write to the Speaker, the Clerk and the Director of Committee Services to do the adjustments and replacements. We do not have to wait that long. I am sure that the issues that will arise will be of very little significance. We felt that since there are Members who are earning because they are in many Committees and Members who are earning less because they are in one Committee, we needed to do something. We felt that to be discriminatory and unfair.

Hon. Deputy Speaker, these are the reasons and I request my good friend, Chris Wamalwa, the Deputy Minority Whip because I do not see the other leadership, to second my Motion. This is because we are all together in this project.

Hon. Wakhungu: Thank you, hon. Deputy Speaker. I rise to second this Motion. But before I do so, I want to confirm to the Majority Leader that I was not around when this list was being done. I was out of the country. So far, we have heard complaints about this list.

Hon. Deputy Speaker: Are you seconding the Motion?

Hon. Wakhungu: Hon. Deputy Speaker, I am raising my concerns. Just give me a minute.

Hon. Deputy Speaker: We need the Motion to be seconded first. You cannot second the Motion and raise your concerns.

Hon. Wakhungu: Hon. Deputy Speaker, I have said that I second this Motion but I am giving my reservations.

Hon. Deputy Speaker: Unless somebody else raises the concerns.

Hon. Wakhungu: Hon. Deputy Speaker, before---

Hon. Deputy Speaker: Before what?

Hon. Wakhungu: Hon. Deputy Speaker, we agreed that every Member must be in, at least, two Committees; that is in one Departmental Committee and any other Committee.

Hon. Deputy Speaker: Hon. Chris Wamalwa, have you seconded the Motion because I need to, first of all, propose the Question?

(Question proposed)

Yes, hon. ole Metito.

Hon. Kato: Thank you, hon. Deputy Speaker. I rise to support this Motion.

From the outset, I want to take full responsibility on the list of Jubilee. I am ready to answer any queries. That is one message I want to send across. I am saying this because this list has been long overdue. Every time, we are taken back by one side of the coalition by not being ready today and tomorrow it is the other side which is not ready. This list should have been approved by the House before we went for the long recess. This was the time that every Member of this House should have benefited. The long recess was for the Committees to meet and tour this country in executing their mandate. I felt that we denied very many Members an opportunity to be in two Committees and enjoy the privileges of being in the two Committees.

(Loud consultations)

Hon. Deputy Speaker: Order, Members! The consultations are too loud. Let us hear the Majority Whip.

Hon. Kato: Hon. Deputy Speaker, I want to propose that if today, there are still some concerns, we will ask the House Business Committee to authorise the Jubilee side of the coalition to submit their list to the Floor of the House for approval. This is because it is taking us a lot of time. Every time it is being said that this side is not ready.

Hon. Deputy Speaker, let me point out the following: First, there will be a comprehensive list to be published by the Office of the Clerk after this Motion is passed so that the current position of each and every Committee is known by all Members. This is because it has also come to our attention that some Clerks of the Committees were not sending invitation to some Members of the Committees. So, it is good that a comprehensive and most up to date list is produced today after this Motion.

Secondly, I also want to emphasize what the Leader of the Majority Party has said, the issue of the two joint committees.

(Loud consultations)

Hon. Deputy Speaker, I wish Members could lower their---

Hon. Deputy Speaker: Order, hon. Members! We cannot conduct business with these loud consultations. I am giving the last warning; the next person who will disrupt the continuous flow of business will have to leave the Chamber. So, let us listen to each other.

Hon. Kato: Thank you, hon. Deputy Speaker. I want to give some facts on this matter concerning Committees. The joint committees of both Houses, that is the Senate and National Assembly, were approved by the House the same day all the Departmental Committees were approved but that Committees never sat. I am sure that the hon. Member who had approached the Leader of the Majority Party saying that he is only in one Committee is in one of those joint committees. But since those joint committees never met, that Member is justified to say that he is only in one Committee. So, I would kindly ask the Office of the Speaker to fast-track the constitution of the joint committees of the two Houses of Parliament, so that they can elect their leadership and continue with business.

Hon. Deputy Speaker, as it has been explained, a Member should belong to one Departmental Committee and one Select Committee but we previously had a lot of

challenges because there were fewer slots than hon. Members. I want to commend some hon. Members for giving up their slots in some Committees to ensure that other hon. Members sit in two Committees. These include some hon. Members who were in the House Business Committee.

As we all know, 72 per cent of the membership of this House consists of hon. Members who are serving their first term in Parliament. The House Business Committee has never been a Committee that you can count on and say that an hon. Member sits in it, because its business is to just meet and agree on a timetable of the business to be transacted by the House. Nothing else! Nevertheless, some of its Members who were Chairpersons of other Committees gave up their slots in Select Committees.

Secondly, I would like to thank the hon. Members from the Jubilee Coalition side who are in the Parliamentary Service Commission (PSC) for giving up their slots in other Committees. Those hon. Members are now in only one Departmental Committee each despite the fact that each one of them is entitled to be in a Departmental Committee and a Select Committee. The hon. Members who are in the Speaker's Panel, namely, hon. Cheboi and hon. Rachael Shebesh, have also given up their Select Committee slots. They are now in only one Departmental Committee. In fact, hon. Shebesh has even given up her slot in the Departmental Committee on Labour and Social Welfare. So, she is not in any Committee. She is in the Speaker's Panel only. That is how we got the slots for those hon. Members who were in only one Committee.

Hon. Deputy Speaker, I want to talk about two Committees, namely, the Powers and Privileges Committee, and the Committee on Procedure and House Rules. These Committees never met in the entire life of the Tenth Parliament. I do not see why the Powers and Privileges Committee should meet in the life of this Parliament. The Committee meets only if one of the hon. Members of this House is supposed to be disciplined. Since we were told by the Speaker in the Tenth Parliament that we were a disciplined lot of Members, this Committee did not meet. So, we should not deny somebody sitting in the Powers and Privileges Committee a chance to sit in Committee because sittings of the Committee are hinged on gross misconduct of Members of this House. Since we are hon. Members, I do not see this Committee meeting.

While moving the Motion, the Leader of the Majority Party put it very clearly that the Procedure and House Rules Committee only meets to review the Standing Orders. So long as you do not want the Standing Order changed, the Committee will never meet. Therefore, Members of the Procedure and House Rules Committee are just there in case there is need to review the Standing Orders. Otherwise, they do not meet. So, it is not a Committee you can say that somebody belongs to. The reason as to why I am explaining this is that I have noted a tendency in this House that when one's name appears in these inactive Committees, in addition to being in another active Committee, some hon. Members feel that he is in many Committees. The Committee on Appointments only meets when His Excellency the President makes appointments to the Cabinet. The Cabinet has since been formed. Hoping that there will be no new appointments for the remainder of the life of this Parliament, this Committee will never meet again. The rest of public appointments go to the respective Departmental Committee.

Hon. Deputy Speaker, finally, I want to urge hon. Members that it is good that we take the business of these Committees very seriously by attending their sittings. Every attendance of a Committee comes back to the leadership of the House. So, we get to

know how many Members attended Committee sittings. If a Committee has a membership of 29, with a quorum requirement of nine Members and you find that in every meeting only 10 people attend, you wonder why the rest of the Members do not attend. It is good that we attend Committee sittings and take the business of this House seriously.

Therefore, I want to say that I support this Motion. At least, for the Jubilee Coalition side, I would like to say that if this Motion goes through, everyone will be in one Departmental Committee and one Select Committee.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Members, since the Minority Whip is not here, I will give the first opportunity to the Leader of the Minority Party.

Hon. Nyenze: Thank you, hon. Deputy Speaker for giving me this opportunity.

I just want to say very few things about the list that has been tabled before us. Some hon. Members have suffered very much for not belonging to any Committee. Others have suffered for belonging to only one Committee. As the House Business Committee, we met and agreed to harmonise this list once and for all. However, speaking from the CORD Coalition side, this list does not reflect what we had earlier agreed on. This is wrong. Therefore, I cannot stand here and support something that is not right to just make sure that we do away with that issue. It is good to be frank, faithful and do the right thing to shame the devil. It is not good to do something illegal just because some people have not been in Committees.

I want this list withdrawn and done properly. The party will take disciplinary action against the people who have done this.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Members, let us now hear the Leader of the Majority Party.

Hon. A.B. Duale: Hon. Deputy Speaker, if you allow me to make my statement, at some stage, you will allow me to withdraw my Motion because after listening to the Leader of the Minority Party, it looks like there is a huge problem with the leadership of my colleagues. I must confess that there is a serious leadership problem. The National Assembly is in possession of a list from the CORD Coalition signed by the Minority Whip. He tabled it in the House Business Committee, in which the Leader of the Minority Party sits.

Hon. Deputy Speaker, I do not want to go into solving other people's issues. Before I withdraw the Motion, I will ask that you allow us, in the Jubilee Coalition, to table our list tomorrow morning, so that our Members can move on because we do not want our Members to be dragged any longer. Five months have lapsed since this initiative was started. So, I will ask you tonight, in the House Business Committee, that the Jubilee Coalition is allowed to table its list as the other coalition sorts out its leadership issues.

The Minority Whip and the Majority Whip were in the last House Business Committee meeting. I have a document that was compiled after the Majority Whip and the Minority Whip presented their lists. This is what Parliament has tabulated. So, as a House, we need to move forward. We need to give our colleagues time. Once they are ready, they can bring their list but I will ask that you allow us to table the list from the Jubilee Coalition tomorrow.

Hon. Mutambu: On a point of order, hon. Deputy Speaker.

Hon. Deputy Speaker: What is it, hon. Joe Mutambu?

Hon. Mutambu: Thank you, hon. Deputy Speaker. I just want to seek clarification. The Leader of Majority Party said that it is laxity from CORD. However, when I look at this list, particularly No.2, I see hon. Mukwe James Lusweti is being moved from the Departmental Committee on Transport, Public Works and Housing to that one on Agriculture, Livestock and Cooperatives. In No. 23, the same hon. Member is being moved to the Budget and Appropriations Committee. I want to believe that he looked at this statement. I am wondering why he is blaming CORD and yet he is the one who presented it. Did he go through it?

Hon. A.B. Duale: Hon. Deputy Speaker, forget about typographical errors which are not there. The Member who is being moved from the Departmental Committee on Transport, Public Works and Housing to that one on Agriculture, Livestock and Cooperatives to the Budget and Appropriations Committee is from the CORD Coalition. That question can be put to the leadership. I do not know why they are moving him. You are asking me and yet he is not my Member.

Hon. Deputy Speaker: I hope the matter has been clarified.

Hon. Mutambu: No, hon. Deputy Speaker. How can you move a Member from a Committee---

Hon. Deputy Speaker: Whom are you asking?

(Loud consultations)

Hon. Members, on the issue of these Committees, we cannot continue to have lists brought and withdrawn. There are two Committees that have never met. The Senate has been waiting for us for the last, I think, six months to give names from the National Assembly, but we have not been able to do it. You have heard about the increase in number of Members of the CDF. I can confirm from the list that I have here that the Leader of Majority Party is right. Most of you who have asked to speak are from the CORD Coalition. I want to ask the Leader of the Minority Party that we provide leadership on this matter once and for all so that we clear this matter.

Hon. Nyenze: Hon. Deputy Speaker when there was delay in submitting the list of Committee Members we did our part early enough. The two Whips from both Coalitions agreed to harmonize the list. We did so. The changes that are there are slight and they were introduced in the last minute. We agreed as a Committee and we chose hon. Kaluma, hon. Odhiambo-Mabona and hon. Musau who came up with a list that was acceptable to every hon. Member. However, when it went for printing, something different came up. The hon. Members I have mentioned can confirm that they came up with a list. So, it is not a leadership crisis; rather it is a sneaky crisis and sabotage and it maybe from Jubilee – you never know. However, we will sort it out within a day's time.

(Loud consultations)

Hon. Deputy Speaker: Order, hon. Members! All of you will want to speak on this matter. Can we make a decision whether it is being withdrawn and we agree---

(Loud consultations)

Let us hear one or two contributions then we make a decision.

Hon. Wandayi: Hon. Deputy Speaker, I had initially intended to support this Motion only to be taken aback by the revelation by the Leader of Minority Party that along the way names have changed. I think it is important to note even as we think of whether or not to withdraw this list that it has really been unfair to most Members in this House that five months down the road some of them do not appear in any Committee, including my good friend hon. Mwaura.

I would want to suggest that even if the list is being withdrawn you make a very firm ruling as to when this list must come to this House and be voted on without further delay.

Hon. (Ms.) Odhiambo-Mabona: Hon. Deputy Speaker, I want to indicate that, indeed, I am in the Opposition and I am proud to be there, but we need to own up when we are doing wrong things. I will challenge the Government side when they are doing wrong things---

Hon. A.B. Duale: Majority side!

Hon. (Ms.) Odhiambo-Mabona: Not Government side, but majority side. Thanks for the correction. At least, today, Duale has got something right. I will challenge their side when they are doing wrong things and I will also challenge our side when we are doing wrong things.

We have brought this House to a standstill on a very simple issue. I want to encourage our leadership, both the Whip and the Leader of Minority Party to sit together and deal with this minor issue. There are Members who are not in any Committee. There are Members who are in one Committee. Those of us who are senior do not mind - I can be in one Committee like I am. However, there are people who are here for the very first time and they need to be involved in the business of the House. We formed a sub-committee and we looked at this issue. We assigned every single Member two Committees. We requested the leadership to call our membership so that Members can agree whether they are comfortable with the Committees we have suggested. I do not like us washing our dirty linen in public. Please, let us put our house in order and let the country move forward.

Hon. Deputy Speaker: Thank you, hon. Millie. You have made that clarification and made my work easy. Hon. Members, if there are any outstanding issues on this list, I am giving you between today and tomorrow. This list should come back here on Thursday and we pass it in this House so that we dispense with this matter once and for all. If you need to call meetings for your coalitions, do it between today and Thursday. Let us leave that matter now. I will allow the Leader of Majority Party to withdraw it for now so that it is brought back by Thursday.

Hon. A.B. Duale: Thank you, hon. Deputy Speaker, for giving that Communication. I am sure that, as we go home and wait for Thursday, the CORD Coalition will assess its leadership. They will go back, burn the midnight oil and look into whether their leadership is up to the task. I wish to thank hon. Millie Odhiambo for speaking for the country because the CORD Coalition, with its leadership problems, cannot hold the House to ransom. So, under Standing Order No.58, I withdraw. The Jubilee Coalition is ready today, tomorrow and Thursday. I hope the leadership of CORD will live up to the mandate that it has been given. I withdraw.

(Motion withdrawn)

Hon. Deputy Speaker: Next Order.

BILL

Second Reading

THE INSURANCE (AMENDMENT) BILL

(Loud consultations)

Hon. Langat: Hon. Deputy Speaker, I wish you could protect me. There is a lot of loud consultations.

Hon. Deputy Speaker: Order, Members! Hon. Members, we cannot have Members standing on the Floor of the House. If you are withdrawing, do so quickly.

Hon. Langat: Hon. Deputy Speaker, I beg to move that the Insurance (Amendment) Bill, National Assembly Bill No.5 of 2013, be now read a Second Time.

The insurance sector has been undergoing serious changes and this has been aimed at ensuring that claimants benefit whenever necessary. Many Kenyans do not trust the insurance sector. They always believe insurance firms are there to take their money and when there is a claim, they never pay. Therefore, these are very important amendments which are geared towards ensuring that there is public confidence in our insurance sector. Over the last few years, Kenya has become a global hub and even our insurance sector is increasingly becoming global. We are becoming regionalised day by day.

(Loud consultations)

Hon. Deputy Speaker, I still seek your protection.

Hon. Deputy Speaker: Members, we cannot have this level of consultations. Hon. Mpuru Aburi, can you leave the Chamber until the end of this session. I have ordered you out of the Chamber until the end of this session today. That means today's session and not until the end of this term. Let us not hear another sound. Allow hon. Langat to move the Bill.

(Hon. Aburi withdrew from the Chamber)

Hon. Langat: Hon. Deputy Speaker, I wish you could do that to many of the Members who are consulting loudly because making law is the main business of this House. It is unfortunate that Members start to walk out when we start the main business of this House.

These are fairly small amendments to the current Insurance Act. They have been forwarded to this House by the Cabinet Secretary in charge of the National Treasury pursuant to the 2013/2014 Budget, so that this sector can be further reformed to ensure

that it grows and the public gets confidence in our insurance sector. One of the things that this Bill seeks to achieve is to ensure that insurance supervision is clearer through the Insurance Regulatory Authority. That is one of the reasons for these amendments.

The other major issue that these amendments seek to achieve is to place Kenya in the East African market where, in the past, the law used to look at Kenya as an island. You realise that as we go, Kenya has become more regionalised and we are talking about the East African Community. We are talking about other regional markets. So, one of the issues that have come up is the EAC Common Market Protocol which the insurance sector must comply with in terms of the ownership of those companies. That Protocol requires that the people of EAC, from Tanzania, Rwanda, Uganda and Burundi, should be able to come to Kenya and invest in our insurance sector without necessarily being termed as foreigners. The East Africans are brothers. Therefore, these amendments seek to give recognition to the fact that our brothers from Uganda or Tanzania can team up with Kenyans without necessarily being referred to as foreigners and build better and bigger insurance companies. This Bill seeks to allow easy cross-border trading of insurance policies. It seeks to expand the insurance market to Uganda, Tanzania and other investors. The amendments in part say that the ownership is not limited to Kenyans only. It can be EAC and beyond.

The other issue that is being clearly recognized is compensation of policy holders. Just like we have deposit protection for the banking sector, there is also more recognition of the Policy Holders Compensation Fund, so that those who have policies are protected. We have insurance companies collapsing with people's policies. One of them was United Insurance and the people who had policies and investment schemes lost. This Bill seeks to recognise further that we can enhance the protection of policy holders, so that, in the event that the insurance companies collapse, the Policy Holders Compensation Fund can compensate the holders, even if it is not 100 per cent. At least, somebody will have something to take home given their investments. That is one of the key issues that this Bill seeks to achieve.

The other thing that this Bill proposes to do is to enable the Insurance Regulatory Authority to assess the professionalism and integrity of the people who own insurance companies. This is a financial sector and the risks are too high. This Bill seeks to ensure that the Insurance Regulatory Authority vets the owners of insurance companies - just like we vet the owners of banks - to ensure that they are of the right integrity and character. They should have the right professionalism to manage successful insurance businesses.

Hon. Deputy Speaker, again this is very good because the moment you invest your money to a third party, then there must be somebody else who will be checking on your behalf to make sure that your investments are safe. Like when you save with the bank, if you do not have Central Bank, you will not be sure whether you will get your money back. So, this is the same thing that gives power to Insurance Regulatory Authority to assess professionalism, financial capability and the suitability of persons managing or having significant control on interest, or a licensed person, in terms of the

insurance company. So, this is a very good provision so that we can create confidence in our insurance sector.

Hon. Deputy Speaker, the other thing that is being done in this Bill is to align it to the Constitution. For instance, in the former Constitution, the Office of the Attorney-General (AG) and the Public Prosecutor were one and the same thing. This Bill also seeks to ensure that we align the constitutional requirement that it is no longer the Attorney-General to prosecute. It is now the Director of Public Prosecutions (DPP). So, some of the amendments are going to recognize that change in the Constitution. The DPP is now the person who does the prosecution and not the AG.

Hon. Deputy Speaker, the other thing that these amendments seek to achieve is that, previously, the insurance sector was supposed to read its own financial statements four months after the expiry of the financial year. But now, these amendments seek to reduce that period so that, the more time the financial statements are not prepared, the more irrelevant they become. So, I think these amendments seek to increase the relevance in those financial statements and, indeed, make it an offence for an insurance company not to comply.

*[The Deputy Speaker
(Dr. Laboso) left the Chair]*

*(The Temporary Deputy Speaker
(Hon. Cheboi) took the Chair]*

Really, this Insurance (Amendment) Bill shortens the period for publication of audited financial statements from four to three months; which is again very good. The other major issue that these amendments seek to achieve is to require that those who have claims against insurance companies need to be paid within 90 days. That way, we are going to avoid a situation where insurance companies take advantage. If you look at most of them, that is what has spoiled the name for the insurance sector. In many insurance companies, when you take a policy, it is like a wedding. It is like going to wed because they come and seduce you until you accept to pay to take the policy. But the day you claim, it turns into a serious matter; it is like a funeral. You cannot get compensated. It takes time and some of them even introduce unnecessary procedures to delay the payment to the policy holders as much as possible.

So, personally, I will encourage the House - because I think we are going to look at more amendments - that we make our insurance companies to be responsible to ensure that if there is a claim, it must be paid within the shortest time possible, failure to which, we may have to bring amendments to ensure that if you delay, then interest starts piling up on the claims. So, from day one, the claimed amount starts accruing interest until the day it is paid. That way, we will make them responsible and make them do what they say.

Hon. Temporary Deputy Speaker, basically, those are some of the reasons that these amendments have been brought before this House. I have laid the Report on the Table and I believe it is at the door there. It really analyzes the Bill clause by clause, for the convenience of hon. Members.

I really do not want to talk much because these are not really controversial amendments and before we are through with the Third Reading, we will have fully

consulted the stakeholders to ensure that everybody is brought on board, the way we usually do.

For example, the amendment under Clause 8, which proposes amendments to Section 67C of the principal Act, on the power of the Commission to intervene in management, what is in the Act is that, if there is an insurance company that is having challenges, the Insurance Regulatory Authority can intervene to manage that company. But the law as it is now, the regulator can just appoint anybody. In fact, they can even appoint somebody who does not understand issues to go and manage that insurance company which is having problems. This amendment says that they can intervene, but they must get somebody who is conversant with the insurance issues. So, to me, that is a very good step forward. You cannot pick a teacher to go and manage an insurance company. You must get somebody who is conversant in that field, especially when you are dealing with a sector which is failing. Actually, you need somebody who is more conversant to bring that insurance back to normal operations.

Hon. Temporary Deputy Speaker, I do not want to say much. I think I have said most of the things. I want to leave other issues to be said by hon. Members. Last week hon. Members were too ready to discuss this Bill. We disappointed them when it was withdrawn midway. I hope today, they are still as willing as they were last week, and they are still passionate to discuss this Insurance (Amendment) Bill.

Hon. Temporary Deputy Speaker, I wish to move that this Bill be read a Second Time. I want to ask the Leader of Majority Party to second.

Thank you very much.

Hon. A.B. Duale: Thank you, hon. Temporary Deputy Speaker, Sir. I beg to second that the Insurance (Amendment) Bill be now read a Second Time.

I want to echo my colleague, the Chairman of the Committee on Finance, Planning and Trade. The fundamental objective of Parliament is to amend and make laws. As you can see now, we have a very important law; the Insurance (Amendment) Act. When the names were being laid on the Table, the House was full. Now that the names have been withdrawn because of some particular reasons, the House is empty. But this is a very important Bill.

Hon. Temporary Deputy Speaker, Sir, one of the reasons why we have so many amendments to a number of laws is because we want to align them to the new Constitution. Secondly, the industry stakeholders or industry players are using these rules in a very competitive global environment. So, they want to catch up with what is happening in the rest of the world with regard to the insurance sector.

Hon. Temporary Deputy Speaker, Sir, I will be very brief. I want just to highlight that when we have an amendment Bill, the first thing that we need to have as hon. Members, is to have the principal Act. It is only when you have the principal Act, the Insurance Act; that you can follow the sections which are being deleted or introduced through the amendments. So, I have asked hon. Members, now that Parliament is under construction, we should have our library back so that when we have amendments, hon. Members can be given the principal Act.

Hon. Temporary Deputy Speaker, Clause 2 of this Bill is seeking to introduce a new section called Section 3A, Sub-section (2). This just provides clarity and objectives of supervision of the insurers and the re-insured; both sides. So, this is more of creating a new development in the growth of the industry.

Clause 3 of this amendment Bill is trying to amend sections of the principal Act - the current existing Act. This amendment is removing restrictions for foreign ownership. There was a restriction that foreign companies could not join the insurance sector. So, it opened up the ownership of the insurance companies to persons, mainly from the East African Community region.

Clause 4 of the Bill seeks to amend Section 23 of the principal Act. Again, this is about clarity on the kind of citizenship of the East Africa Community partner states. It gives them more ownership than somebody working in a far foreign land. It clarifies who are East Africa Community citizens who want to invest in the insurance industry.

Clause 5 is amending Section 29 of the principal Act. Basically, this empowers the regulator to introduce new strategies or arrangements for risk mitigation, approval and supervisory purposes.

Hon. Temporary Deputy Speaker, Sir, Clause 6 of this amendment Bill seeks to amend Section 54 of the principal Act. I am sure hon. Members can follow this if they have the principal Act. The new section states that it is an offence for insurance companies not to submit their annual financial report in the form and manner described by the principal Act. So, it gives more weight. It says that if you do not want to submit your annual financial reports, you will pay a penalty.

Clause 7 seeks to amend Section 61 of the principal Act. Again, this one only reduces the period for insurance companies to submit their financial statements. Before, it was four months, but the amendment is reducing it to three months. We will know the reason why this is so. Maybe, this is to protect the customers. We must not agree with this as a House. We might agree with part of these amendments. We might also not agree with these amendments. We might introduce new sections at the Committee of the whole House.

Clause 8 seeks to amend Section 67 of the principal Act. Again, this empowers the Commissioner of Insurance to appoint competent people to be statutory managers. That is because there are cases where somebody who is not competent, does not have the know-how, the experience and the qualifications might be appointed as a statutory manager of a troubled insurance company.

Hon. Temporary Deputy Speaker, Sir, it also clarifies the moratorium through which one may be declared a statutory manager.

Clause 9 seeks to delete and insert a new sub-section called 68(A) in the principal Act. Again, this one empowers the Commissioner of Insurance to do assessments on the persons who are managing or who have a significant shareholding in an insurance company. More so, it is about governance. It creates a new governance structure to the Insurance Act.

Clause 10 seeks to amend Section 146 of the principal Act. It deletes a whole sub-section 147(2). Whether we agree with these amendments or not, that will come at the Committee of the whole House stage.

Clause 11 seeks to amend Section 153 of the Act. Again, this removes restrictions on foreign ownership of insurance companies.

Clause 13 seeks to amend Section 170 of the principal Act. This is in line with a reformed Judiciary that we have, where the Insurance Tribunal is being equated to a Resident Magistrate.

Clause 12 seeks to amend Clause 169 of the principal Act. Basically, it provides for the position of a Vice-Chair in the Insurance Tribunal.

Clause 14 seeks to amend Section 174 of the principal Act. Basically, this aligns this section to the new Constitution because of what the Chair said. There is a defined and fundamental shift of the roles of the Attorney-General and the Director of Public Prosecution. So, Clause 14 is amending Section 174 of the principal Act. It is doing what the Chair very ably expounded on - to be in line with the Constitution.

Clause 15 seeks to amend Section 179 of the principal Act. Basically, it replaces Sub-section 179(1). It talks about compensation, claimants of an insolvent insurance company and the policy holders. It talks about how to wind up an insurance company.

Clause 16 seeks to amend Section 197A of the principal Act by deleting item (b). Basically, they are trying to remove the reinsurance premium levy which was there before.

Finally, Clause 18 seeks to amend Section 204 of the principal Act to be in line with the Constitution. Again, as the Chair has put it very well, the prosecution powers of the Attorney-General have shifted to the DPP.

Clause 17 seeks to amend Section 203 of the principal Act by deleting the words "where the claimant has submitted all the relevant documents in the opening statement".

The insurance industry is a huge industry in our country. I am sure that in the honest opinion of the Eleventh Parliament, these are the amendments that have been done to the principal Act. I will request the Chair that when we are in the Committee Stage, Parliament should provide the principal Insurance Act so that, as Members debate the amendments they can have the benefit of looking at both the existing principal Act and the amendments to that Act.

Hon. Temporary Deputy Speaker, Sir, I pray that this trend will change; that Members will walk in when there are serious Bills which are being amended. I want to thank the Members who are now in the House. They are the serious law makers. I would like to tell my colleagues that we are supposed to deal with the law - both the Private Members' Bill or Government Bills - that will come before this House. Of course, Motions are part of the business of the House.

Hon. Temporary Deputy Speaker, Sir, I humbly second the Insurance (Amendment) Bill, 2013.

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Members, I also want to take this opportunity to encourage you to take more interest in our core mandate of law making. Contrary to what the Chairman has stated, there is little interest going into this Bill.

(Question proposed)

Yes, hon. Shakeel Shabir.

Hon. S.S. Ahmed: Thank you, hon. Temporary Deputy Speaker. I stand to support the Bill.

As the Chairman of the Committee and the Leader of the Majority Party have said, this Bill seeks to update the principal Act, Cap. 487; which is very old. Insurance companies in Kenya are very few. Therefore, they have been monopolising the insurance business. Only lately, there have been other insurance companies that have been coming

up. However, many of those companies that have come up have gone under because they have not been properly constituted, and have not been able to serve the requirements of the insurance business.

Hon. Temporary Deputy Speaker, the Bill before us basically seeks to ensure that policy holders are not swindled any more. In 2008, when there was violence and other things in Kisumu, certain insurance companies decided that they would not meet the claims that arose from that situation. They came up with some vague conditions like saying that riots and other things were not covered by them. At this moment in time, the insurance companies that are operational do not entertain *matatu* vehicles and other commercial vehicles. Where they do they charge very high insurance premiums.

If you want to insure your car right now, even if you are a legislator or a very senior business person, you are required to pay up to 6 per cent of the value of your car. I think that is a huge premium. It is one of the highest rates of insurance in this part of the world. Compared with insurance covers in other countries, ours is excessive and yet, when it comes to insurance claims, insurance companies in this country are the worst. They have been telling us that they are self-regulatory. In fact, for them, “self-regulation” means “self-satisfaction”. I am pleased to see that the Commissioner for Insurance no longer plays such an important role and that there is a regulatory board. Again, we feel that the regulatory board must be more effective and operate as such. It should not allow insurance companies to get away with what they always try to do at the expense of *wananchi*.

Hon. Temporary Deputy Speaker, I suffered in the Westgate Shopping Mall incident. Many businessmen have already been told by insurance companies that the assets that they had insured will not be covered. Many of those people who had parked their cars at Westgate Shopping Mall have already been told that they are not covered. So, I wonder what sort of exclusions those companies come up with and who decides what exclusion is and what is not. As the Chairman said, when insurance company officials come to you, they seduce you but when you go to claim what is yours, they treat you like a pariah.

Clause 4 of the Bill says that out of the amount of the paid up share capital, not less than one-third shall be owned by the citizens of East African partner states. That is a very good amendment. We want to make sure that the insurance trade and the insurance financial services sector in this country is indigenised and one that can improve. We do not want companies from South Africa and other places to come over here and run our insurance trade. They are welcome to be part and parcel of the business, but they should not decide the way our insurance business should be done.

*[The Temporary Deputy Speaker
(Hon. Cheboi) left the Chair]*

*[The Temporary Deputy Speaker
(Hon. Kajwang') took the Chair]*

Hon. Temporary Deputy Speaker, I have a problem with Clause 9, which suggests that the Insurance Regulatory Authority should make an assessment of the management of insurance businesses. That is very good. However, insurance companies keep on

insisting that they want to be self-regulatory. They say that their operational policies should be their decision. As far as we allow them to be business companies that make profit and whatever, they have a corporate social responsibility. They must not use the situation to make money unfairly. I also think that self-regulation has a limit. They are like the banks. There are only about 10 banks and 15 insurance companies in this country. Everybody else should either shape up or they take them over.

The proposed amendment under Clause 16 suggests that we remove “Kenya” and replace it with “East Africa”, in accordance with the East African Protocol. We are saying, well, there is already an amendment in place. This should only apply to those countries that are reciprocating. As we speak, Rwanda is kicking out Kenyans, saying that Kenyans have got “plastic smiles”. Likewise, Tanzania is throwing out our businessmen. However, as a country, we want to welcome the citizens of those countries to participate in this business, in accordance with the East African Protocol, even though their countries are not following the rules. So, we must say that we shall enact laws that will only bind us with those countries which are also enacting laws that meet the East African Community Protocol.

With those few remarks, I beg to support.

The Temporary Deputy Speaker (Hon. Kajwang’): Thank you, hon. Shakeel.

Yes, hon. Gichigi.

Hon. Gichigi: Thank you, hon. Temporary Deputy Speaker. I rise to support the Bill.

For a long time, I have seen many Kenyans suffer despite having invested in insurance cover because the insurance companies collapsed. This particular Bill seeks to introduce amendments to the insurance law to give the regulatory authority more powers to regulate the sector and ensure that insurance companies behave. Some of the insurance companies that went under include the Kenya National Assurance Limited, Stallion Insurance Company Limited and United Insurance Company Limited, among others.

Hon. Temporary Deputy Speaker, I have seen people who had lost their limbs in tragic accidents, and others who had lost their loved ones, waiting for compensation from insurance companies but the insurance companies collapsed. So, there has not been any way of compensating the particular policy holders. Therefore, it is important that the Commissioner of Insurance and his team make sure that we have people of good conduct and serious companies operating in the insurance sector.

Clause 9 of the Bill requires a bit of clarity before we pass it. I do not think it would be in order for the authority to be allowed to access the morality of people in-charge of insurance companies without a clear criterion. We need clarity. Certainly, that bit remains the responsibility of this House, as we amend the law. I also have a problem with Clause 11, which seeks to open up the ownership of insurance companies to citizens of the East African countries. I do not have a problem with countries like Burundi, Uganda and, possibly, Rwanda. However, I strongly suggest that if we are going to extend the courtesy of inviting our colleagues from Tanzania to become shareholders in our insurance companies, we do so at a later date. We should suspend the date on which it becomes applicable to our colleagues from Tanzania until their Government also opens up their insurance sector to other East African citizens.

Hon. Temporary Deputy Speaker, I am aware that--- May I be informed by my colleague.

Hon. Langat: Hon. Temporary Deputy Speaker, we signed the Common Market Protocol of East Africa which binds all the states in terms of free movement of investments and investors. This is something which is being carried by the protocol which all the countries have signed. Therefore, it is not for Tanzania, Uganda or Rwanda to decide. They are already bound by the Common Market Protocol.

The Temporary Deputy Speaker (Hon. Kajwang’): Hon. Langat, I think what hon. Gichigi is talking about is a situation where there is fair play. I do not know if that is what--- Anyway, let him proceed.

Hon. Gichigi: Thank you, hon. Temporary Deputy Speaker. My colleague also needs to be informed---

The Temporary Deputy Speaker (Hon. Kajwang’): Order, hon. Gichigi. Is your classmate hon. Ms. Kajuju having a point of order against you? What is out of order?

Hon. (Ms.) Kajuju: Hon. Temporary Deputy Speaker, it is not in order for the hon. Member to pick out Tanzania as one of the states that we should really slow down on in terms of the implementation of the Insurance Bill. We are East Africans and we signed the East African Treaty. Tanzania is a partner state as we speak. So, if we signed the East African Community Protocol then Tanzania must come on board. It is on board. It is not for the hon. Member to pick out Tanzania and say that they are not opening their markets. I do not know if he has attempted to go to that market and he has been stopped from exercising his free market movement.

The Temporary Deputy Speaker (Hon. Kajwang’): Are you actually confirming that the Tanzanian market is open?

Hon. (Ms.) Kajuju: Hon. Temporary Deputy Speaker, I am the Chairperson of the committee concerned with East African integration. I have made several visits to Tanzania and Arusha specifically. I have never received any complaint or question from the hon. Member that Tanzania is not complying with that protocol. As we speak, we can only take that to be a prejudice on the part of the Member, which is not proper.

The Temporary Deputy Speaker (Hon. Kajwang’): Hon. Gichigi, I think you will proceed and you will note that whatever you have just heard is from the Chairperson of the Committee on Regional Integration.

Hon. Gichigi: May I continue. I am losing my trail because of the many interruptions. First of all, I would like to tell hon. Kajuju---

The Temporary Deputy Speaker (Hon. Hon. Kajwang’): What is it hon. Kimaru? Is it on the same thing? Let us have it. It is good to ventilate on this matter.

Hon. Kimaru: With a lot of respect to my Chairperson in the Committee of Regional Integration, I choose to differ strongly because today some of my constituents who are teaching in Dar es Salaam are harassed every day and they have been sent home. There is a lot that needs to be done about this protocol. I think the issue of fair play and honesty is not there.

The Temporary Deputy Speaker (Hon. Kajwang’): Hon. Kimaru, I might be sympathetic with what you are saying, but it actually cannot be a point of order.

Hon. Kimaru: It is a point of information.

The Temporary Deputy Speaker (Hon. Kajwang’): If it is a point of information, you should have used the right channel. Your sentiments have been heard, unfortunately the wrong way. They have been heard anyway.

Hon. Gichigi: Hon. Temporary Deputy Speaker, just a few weeks ago, the Tanzanian Government decided that it was going to increase the cost of resident permit for foreigners, Kenya included. This was just a few weeks ago. For you to go and conduct business in Tanzania, it is becoming horrendous. As we speak, and this is something I actually confirmed before coming to this House, there is no corresponding domestication of the protocol to permit Kenyans to invest in banks and insurance companies in Tanzania. My very good friend and collegemate, hon. Kajuju is completely misinformed. Her Committee needs to do its job by making sure that we get corresponding favors and domestication of laws by Tanzania. Let us get our sister state to give us corresponding openings and opportunities for us to open up our market. I am happy that Uganda and Burundi and even Rwanda are doing it.

The Commissioner for Insurance and his team need to be very careful. It is not that the insurance companies are not doing very well, but looking at the amount of money that they are charging especially on motor vehicle insurance, I do not think they are justified. Since we have given that office a lot of power, we need to make sure that Kenyans are being served and not fleeced.

I support, but subject to those provisos and riders.

Hon. (Dr.) Nyikal: Thank you, hon. Temporary Deputy Speaker, for giving me this opportunity to address this amendment Bill. I stand to support this Bill because I think it is progressive in nature. I am particularly happy with the idea to include the East African countries. Whereas I have heard my colleagues raise issues that some of the countries may be having restrictions, my approach to this would be that we put no legal restrictions. Let us use the protocols and treaties in place to force our colleagues that are not really allowing the East African people to move freely and have businesses freely across the region. If we go *quid pro quo*, I think things will only get worse.

I personally think that it is actually a shame that 50 years after the East African countries became independent, we are still not able to operate as one. Maybe some of you here will remember the East African Community which was actually one country. We had one currency. Do you remember the ten cent with a hole? We actually had one university---

The Temporary Deputy Speaker (Hon. Kajwang’): Hon. Nyikal, I think the only person who can remember with you is the Chairman of the Luhya Council seated right there. I cannot see anybody else who will help you.

Hon. (Dr.) Nyikal: You remember that we had only one university. We had one airways. One could move from Dar es Salaam to Gulu without requiring any piece of paper. In any case, if you look at the whole of East Africa, the people are together. If you look at the southern part of Kenya and the northern part of Tanzania you will realize that the Maasai there move across the border. In the Mara area, the Luos move across the border. In fact, some of them say they do not need any identity card because they believe it is one country. The same thing happens in the western Kenya/Uganda border. It is time we actually brought our people together and widened the market. In that context, I think this amendment Bill brings what is very desirable. We should address the little hiccups.

I also support this Bill because it is, for once, protecting people who have taken insurance policy. Time has come when we have to move the mindset of our people. Those of us who live in the cities might think that we are all in the money economy.

There are a lot of us who have actually not moved into the money economy; they are scared of the losses they hear people incur when they take insurance.

We would wish to actually extend into very many areas of insurance such as agriculture, livestock and things like funerals. We would like to put in more insurance covers. People should be sure that they are protected, and that the money they put in will give them benefits, This Bill does that.

I am particularly happy with this Bill also because it is looking at integrity, although my colleague was asking how we can check the morals of our insurance people. I think that is one thing this country needs more than anything else. Our morality, in terms of protecting public goods and interests, is important. We really try as much as possible--- This Bill tries to remove corruption from the insurance industry.

United Insurance Company was indicated as having gone down. Basically, it is not that the motor industry is complex. It is because people are corrupt. Most of you know my view on corruption. The day we will bring a Bill to hang those who are corrupt, I will be very happy. I will work on it because things like these are retarding our development.

This Bill will work very well. It brings the DPP into place. We have been saying all the time: "Give more funding to the office of the DPP." Therefore, we must give him more work to do. This Bill also protects the beneficiaries in case of insolvency. Maybe, in the past, it looked basically at only the principal who was insured, but this one now looks at other beneficiaries.

The Bill again brings in the issue of time; when you need to be compensated and how long it should take. Those are things that have made it very difficult for people to get insurance. When they get into insurance, at the time they need the benefits, it does not serve them. Since this Bill brings in that, I think it is extremely important.

I have looked at it and there may be a few places that we will have to amend. In Clause 5, I wonder whether the word should be "after" or "before" but when we come to the Committee of the whole House, I think weaknesses will be brought out and we will get clarifications on them.

The Bill has very many clarifications. Instead of saying "any person---". How can you put "any person" in a law? It should state the qualifications you need in the person.

May I end up by repeating what I started with; the East African Community is something that we must bring into effect. Even animals know that boundaries do not really mean much to people. In my earlier life as the Director of Medical Services, I knew that diseases are among the many things we share. So, let us widen the market in terms of insurance and any other thing that we may look at. We should encourage the community to be one thing.

I have read that our brothers are being sent away from other countries. There are treaties and protocols that we can enforce and put such countries to task. Let us show them what we have signed and what they are doing.

The Bill is really progressive and I support it.

The Temporary Deputy Speaker (Hon. Kajwang'): Very well. Hon. Kathuri.

Hon. Murungi: Thank you, hon. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to this important Bill. On the outset, I stand to support this Bill because Kenyans really have suffered due to the problems they have encountered with

insurance companies. I note that the time for processing of compensation for policy holders will greatly be reduced from four to three months. This is really remarkable. All the issues that have been raised here and the amendments are okay, but my problem is, again, with the way Kenya is really opening its borders and businesses to all the East Africa Community partner states.

I am a member of the Committee on Regional Integration which is chaired by hon. Kajuju. I remember raising this issue again in Mombasa when we had a conference there with East Africa Legislative Assembly (EALA). Kenya is giving too much when we compare it with the other partner states. Kenya, for example, waived the work permit fees for all the member states. Kenya and Rwanda are the only two countries which have waived the permit fees. So, you can come to Kenya to work or to sell sweets and there are no restrictions. Many foreigners are selling second hand clothes and they are not being asked for anything by the Government agencies.

The problem is that when you go to other states, the protocol is signed yes, but how far have they given into some of these issues? How many Kenyans, even professionals like doctors, accountants and environmentalists like myself, can go and work freely in other partner states? As much as we open our borders and businesses to the other EAC partner states, let us also take stock and see how much leeway the other states have been able to give us.

Personally, I have an office in Dar es Salaam and it is not easy getting even one professional from here and taking him or her to Tanzania to work. Getting a work permit is hell. We should also be able to protect our citizens. We have Kenyans in the insurance industry. Have they been consulted widely to give their input?

It is high time we held thorough consultations as we make our laws so that tomorrow, we are not accused by some people of killing their businesses. Kenya is very generous and very welcoming, but when you go to other countries, the mistreatment you get is really disturbing.

I support but, maybe, in future, we can see whether the other partner states can also give us something. As we open our businesses in future, we should be very careful

Thank you, hon. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Hon. Kajwang'): Very well. I am going to give a chance to an hon. Member from this side because he is the first in the order of requests, The hon. Members who are on the right hand side of the Chair have about five requests following each other. Hon. Gumbo, you will get your chance in a short while.

Hon. (Eng.) Gumbo: Thank you, hon. Temporary Deputy Speaker, Sir, for giving me the opportunity to support the Bill. Much as I support the Bill, my good friend, hon. Langat, who I believe is a student of management science, in my humble view, and I stand to be corrected, seems to have adopted with his Committee, a rather superficial total quality management approach to this amendment as opposed to what we engineers do, which is business process engineering. As we go along, I will explain myself. Most of what has been proposed tends to be traditional and really it is more or less the same way of amending Bills. But going to the crux of the matter, which hon. Kajuju raised as a distinguished lawyer, you know that sometimes when you look at it critically, the reason we need laws is perhaps because of depravity of nobility. We have to speak about these things and I am happy hon. Kajuju sits in the Committee on Regional Integration. We get a lot of problems with our brothers across the border.

I am a registered consulting engineer, one of only 200 in the country and I am very proud and I thank God for that. It is an uphill task when the Association of Consulting Engineers of Kenya has a protocol with our brothers in the Association of Consulting Engineers of Tanzania. To integrate, it is an uphill task. When our brothers from Tanzania ask us for business here, we embrace them. The protocol is there, there is no doubt about it. We all know that we have the letter of the law, but what has been lacking in this protocol is the spirit. The letter may be there. We have seen what is happening to our brothers. Who can be happy when, for example, the Tanzanians are ordering our teachers to come back home? That is a problem being imported back into our country, a problem that we thought we had got rid of.

I thank the Chairman for this attempt, but when we make laws, and I am glad I am speaking to the Jubilee Coalition; the digital Coalition, let it be intended with our contemporary times. I say this because there are a lot of things now and insurance is no longer just about tangible assets. Insurance now should even go beyond what you can touch and feel. It should go beyond things that you cannot touch and feel. I will give you an example. Anybody who has attempted to insure, for example, a mobile phone, when you raise a claim two years later, if, and this is a big if, the insurance company decides to give you compensation, it is usually a tenth of the price. The argument is that because of the depreciation in technology, the mobile phone that you bought two years ago is no longer of the same value. But one fundamental point is lost in that argument and this is the point of data contained in that mobile phone. I hope, God willing I will be here for the next four years, so that we make amendments that are in tandem with the times that we live in.

For instance, as I speak, the issue of data protection is a major issue. Loss of data can bring this House not to transact business. Today, if you lose your mobile phone, for most of us, what will concern you most are the contacts, emails and appointments in your mobile phone. These are issues that we need to address as we move forward. So, I would request my colleague and distinguished lawyer, hon. Kajuju, to please, in her Committee on Regional Integration, to impress upon our brothers that we embrace them and we should see that reciprocal treatment, not just in the issue of insurance, but in all facets. When our lawyers go to look for work in Tanzania, let them be embraced as brothers. When our engineers go to look for work, let them be embraced as brothers. This is a sincere and genuine fear and if we cannot address it here, we will not be doing justice to this amendment.

I come from the fishing community. Rarieda Constituency has about 30 fish landing sites. I would have been happy if the Chairman of the Committee, hon. Langat, would have looked at the issue of expanding the insurance space. A lot of the people who do fishing work at the lake are not even aware that with Kshs20 per day, you can get insurance to help you with your canoes, nets and most fundamentally to help you when you are sick. This is lacking. The penetration of insurance in Kenya is still far too low. The mandate of the Insurance Regulatory Authority should now expand to include, for instance, what the Retirement Benefits Authority is doing. If you look at the advertisements that they are putting on our television, they are targeting the ordinary Kenyan and this is the right way to go. As a country and as they have said all along and it is as it is said everywhere, we are like a chain. We are as strong as the weakest link. I thank God that we are privileged to belong to the well-to-do in Kenya and the only way

we can sufficiently protect the well-to-do in this country is if we can find safeguards for those of us who are not as well to do as we are. So, as we go along, these are areas that we need to look at, so that we promote public awareness, so that even those in the rural areas, the peasants like my parents, who were there before me, can appreciate and understand the value of getting insurance and be made to know that to be insured is not as difficult as it looks.

Along with that public awareness, we have had many issues and I think this is known to everybody. As it has been spoken about by my colleagues who spoke before me, insurance companies are quick to accept premiums, but then usually when it comes to paying, it is a bit uphill. They will find all manner of excuses. We need to bring discipline into the insurance industry. The only way you will get many Kenyans being insured, is if they know that, for instance, when the time comes to call the premium, you can get it. If we can do this, it can be very good. The truth is that we still have a lot of unscrupulous insurance companies in this country and these are people that we need to deal with through legislation.

As I wind up, so that I give time to some of my colleagues also to contribute, the realities of our times are here with us. Today, we just had the National Prayer Meeting. Terrorism is a reality. Why does it not become a basic requirement now that part of the life insurance policy should also include acts of terrorism? If you look at the losses which have been incurred in West Gate, for example, I can bet that only a few of those people who have lost their assets will get compensation. Most of the insurance companies will only be too keen to look at ways of avoiding their responsibility by saying:- “Look here, yes, we accepted the premium from you and you were insured with us, but as you can see, our policy here does not cover acts of terrorism”.

I have talked about cyber security. It is a real threat and it can bring down an entire nation. We need to talk about it. Finally, as an engineer, let us also insure intelligence.

The Temporary Deputy Speaker (Hon. Kajwang’): Your time is over. You have good ideas, hon. Gumbo, and I think the better way to handle it is to propose amendments. It would make a lot of sense. You have that avenue.

Hon. (Ms.) Kajju: Thank you, hon. Temporary Deputy Speaker, Sir. As I stand to support this Bill, I have seen in the preamble of the Bill that the Committee on Finance, Planning and Trade consulted various stakeholders which include the Price WaterhouseCoopers and the National Treasury among others. The way forward is that they should have more consultations because the stakeholders do not end up with the three institutions that I have indicated. If they had consulted the Ministry of the East African Affairs, Commerce and Tourism, the Members would have understood, more importantly, the Committee on Regional Integration.

There are very good amendments that have been made in this Bill. That is what I support. As a practising lawyer in my other life, I have had cases where accidents have happened and claimants have gone to court to seek redress. Judgements have been given in favour of these victims, but it is always a problem executing the judgement against the insurance companies. It has become common practice where victims are awarded judgements after accidents and the insurance companies wind up. We have seen this with various insurance companies. The victims are left with nothing and nobody to turn to. They hold judgements in their favour, but then they have nobody to turn to.

What makes me happy about these amendments is that under Section 67C, the Bill introduces the Policy Holders Compensation Fund.

Hon. Temporary Deputy Speaker, what I understand this to mean is that, when accidents occur and the insurance company ends up under statutory management; it means the policy holder can assist the victim to get compensation. To that extent, I find this to be a very good amendment that will not leave our people suffering or at the mercy of a judgment that they cannot execute.

The other provision that I find really encouraging in this amendment is Section 197A of the principal Act. It has been argued by my colleagues that we should slow down in the integration process in as far as one of the partner states is concerned. The mission of the East African Community is to deepen and to widen the EAC integration. What this means is that, we should widen the political, economic, social and cultural integration so that we are able to better the lives of the EAC partner states.

Hon. Deputy Speaker, there was a protocol that was signed by the partner states; Rwanda, Kenya, Tanzania, Uganda and Burundi. We have seen some of the countries being quite fast in the integration process. There are others that have not been as quick as the other partner states. But I do not think the best way is to condemn these countries. We have the letter of the law, what could be lacking is the spirit of the law. We need to look at it as a country and as East Africa and see where our brothers are failing and we probe them, so that we move at the same pace.

It is, therefore, proper for this amendment to be done to include the EAC states and to bring them on board so that we can move forward as East African states because the motto of EAC is to become one people under one destiny. So, I believe that this is good law and it will help us in the course of our business.

Hon. Temporary Deputy Speaker, I have also seen Section 204 of the principal Act. As we are aware, the prosecutorial powers are no longer vested in the AG. This amendment seeks to bring out or to delete the provision of the AG and to replace it therefore, with the Office of the Director of Public Prosecutions; which is quite right as the AG can no longer prosecute criminal processes. It can only be done by the DPP. This Bill also seeks to bring the Insurance Act in tandem with the Constitution as it was promulgated in August, 2010. That is good because the Insurance Act came into being before the new Constitution. Therefore, this is a good amendment in its entirety. I beg this Committee that in future, they need to hold more consultations so that each one of us can move on the same path.

Hon. Temporary Deputy Speaker, as I sit down, I think it is important for this Committee to consider the stakeholders. In this case, I refer to policy holders and how they will get to understand the insurance law. This is because we find most of the policy holders end up taking a cover and they execute it by way of signing documents. But at the end of the day, most of them do not understand what exactly the policy holds for them. So, if there is a way– I will think about it and see how I can engage the Committee on Finance, Planning and Trade – we can bring on board the issue of sensitization into this Bill. I think we are going to protect policy holders who are taking up policies and then they are not able to understand. I am alive to the fact that ignorance has no defence in law. But with the new Constitution that has expanded the rights of the people, I think it is important we take up that issue as the House and be able to lead our people in the right way.

With those remarks, I support the Bill.

Hon. Limo: Thank you hon. Temporary Deputy Speaker. I stand to support the Bill and before I do so, I need to really say that insurance is one of the key issues that can bring stability of mind to our people. This will affect directly the growth of our economy. In most of the times you will find that the investor is driven by the confidence he has in what he does. If this country will get an opportunity to develop the insurance industry, we will have minimum loses. Investors will actually concentrate on developing their businesses and leaving the other part of compensating losses to the insurance.

Hon. Temporary Deputy Speaker, Sir, the biggest problem in this country in the development of the insurance industry has been the difficulty in getting compensation. This Bill is actually strengthening the settlement of claims in two ways: One, in strengthening the Insurance Regulatory Authority to make sure that they vet management of the insurance companies. Secondly, this actually enhances the performance of the insurance companies and gives confidence to the people in terms of compensation.

Hon. Temporary Deputy Speaker, Sir, insurance companies normally produce books in four months and this is where the issue of relevance comes in. The purpose of producing books, other than helping management in decision making, is to help the insurance companies assess the level of premiums and also give compensation at the right time. If we support this Bill, it will actually strengthen the insurance companies and the insurance industry as a whole.

One other issue which this House needs to take seriously is the responsibility of harmonizing all the laws under the 2010 Constitution and ensure that they are complied with. I will urge my colleagues to support the implementation of the Constitution, not through talking but by doing the amendments of the laws to meet the timelines as set by the Constitution. Only then would we have performed our work.

Hon. Temporary Deputy Speaker, Sir, one of the key issues which the amendment in this Bill is bringing forth is the recognition of the expertise. We have had problems in this country because we are not aligning jobs to the right skills. You find that somebody is given a very senior position in the insurance company by virtue of having the financial muscle, but he does not have the knowhow. They do not understand the principle of insurance. So, the Bill is bringing out the importance of recognizing expertise in the management of insurance companies. We really have to support this amendments. As much as we really want to go by the treaty, it is also important that we do it diligently so that we do not kill the industry by moving towards that direction without being conscious of what we are doing.

The Bill is proposing that we make the premiums charged in East Africa uniform because currently they are different for different countries in East Africa. I want to say that we need to avoid any wrangles in East Africa. We need the insurance industry in East Africa to sit down and share notes so that we move together. This will ensure that we do not point fingers at anybody or say a certain country is not moving this way whereas Kenya is moving this way.

I propose that as we approve the amendments, we look at what the other countries are doing. We need to have a consultative forum so that we move together as East African brothers.

Hon. Temporary Deputy Speaker, Sir, we have many things to do in this country. We have had many people lose their relatives and assets through motorcycle business

popularly known in this country as *boda boda*. Why is this the case? It is because we do not have information. Most people do not have information on the importance of insurance.

Many people buy motorcycles, put them on the road without insurance covers and leave them with riders who have no driving licence. They do not even have Third Party insurance cover. So, we need to see how we can move forward and how we can inform our people because information is power. We need to educate people on the importance of taking insurance cover. We have to tell them that the only way we can grow in this country is to be our brothers' keeper.

I remember one time when people were being educated on the importance of taking medical cover, they asked what will happen if they do not fall sick. They need to be told that when they are not sick, they should thank God because He has actually sustained their lives. There are very many people who use that fund. So many people in this country are not informed. They do not even understand why we take insurance cover. We need to look for a way in which we can revamp the Insurance Act so that our people are not compelled but rather given incentives or inspired to see the importance of taking insurance cover. It is sad when people get into a situation where they become jobless because they have lost their properties.

I remember one time in my constituency in a place called "Kipchir Centre", a whole line of shops got burnt and when we talked to the people in that centre about insurance, they wondered what insurance was all about. This was the case and yet they had lost millions of shillings. So, I want to encourage people to take insurance cover, there will be advantage of numbers and the premiums will come down.

The Temporary Deputy Speaker (Hon. Hon. Kajwang'): Hon. Kirui, your time is up!

Hon. Limo: Hon. Temporary Deputy Speaker, with these few remarks, I beg to support.

Hon. (Ms.) Oticho: Thank you, hon. Temporary Deputy Speaker, Sir, for finally giving me this opportunity. First, I must appreciate our Chair for articulating most of the provisions. I think he has done a very good job.

Having said that, I rise to support the amendments. In particular, I am very glad to support Section 68(A) that proposes to give more power to the Insurance Regulatory Authority so that it can continuously assess the management of these insurance companies. Members have said here and it is common knowledge that most of the policy holders have actually lost their claims in the past or they have not been compensated because most of these companies went down. More often than not the reasons for this are poor management and incompetence which eventually culminates into fraud. So, by ensuring that the authority is given powers to carry out the assessments on issues of professionalism, moral suitability--- This amendment seeks to protect not only the policy holder but also the insurer himself. That is a very good amendment and I support this Bill.

Secondly, I am also touched by the amendment on the period for compensation because by reducing the period for submitting the final accounts to the Commissioner of Insurance from four months to three months, we will ensure that there is timely compensation. Most policy holders went through stress in the past when they were involved in accidents. You have to start boarding a *matatu* for months if your car is

involved in an accident as you wait for compensation. I want to believe that this amendment will go a long way in ensuring that there is compliance and that the policy holders get their money on time.

Hon. Temporary Deputy Speaker, Sir, I also want to comment on the amendment to Section 153 that refers to open or free trade within the East African partner states. This was also our concern as a Committee; that Kenyan residents are not being given the same treatment in some of the East African Community partner states. That is why we are proposing in our Committee an amendment that apart from just saying “to the East Africa and partner states”, we are saying “East Africa partner states that will comply or that will reciprocate” because if they are not reciprocating, then why should we reciprocate in Kenya? We are concerned that there should be free trade but we should get the same from the other partner states.

I agree with hon. Kajuju that the purpose of the East African Treaty is to widen and deepen integration. That is the same thing that we are doing. That is why we are having sports for East African countries but there should be reciprocation.

Thank you, hon. Temporary Deputy Speaker, Sir. I beg to support.

Hon. Kimaru: Thank you, hon. Temporary Deputy Speaker, Sir. I rise to support these amendments given that insurance is very important not just in commerce---

Hon. Wamunyinyi: On a point of order, hon. Temporary Deputy Speaker, Sir. This House has 350 Members. The Bill before the House now is such an important one and we all appreciate that. We are interested in contributing to it.

The Temporary Deputy Speaker (Hon. Kajwang’): Hon. Wamunyinyi, I get your point that you are interested in contributing to this Bill. You are three Members down the line. Proceed, hon. Kimaru.

*[The Temporary Deputy Speaker
(Hon. Kajwang’) left the Chair]*

*[The Temporary Deputy Speaker
(Hon. Cheboi) resumed the Chair]*

Hon. Kimaru: Thank you, hon. Temporary Deputy Speaker, Sir. I was saying that insurance is very important not only in commerce but in everyday life. Those who are in commerce depend a lot on insurance because of the risks that are involved. I would appreciate if hon. Wamunyinyi could consult in a low tone so that I could also be heard.

Hon. Temporary Deputy Speaker (Mr. Cheboi): Proceed, hon. Kimaru. You must be having very good ears.

Hon. Kimaru: Thank you, hon. Temporary Deputy Speaker. Maybe, I am not as loud as they are.

I was saying that insurance is very important in both commercial and ordinary lives. It cannot be gainsaid how important insurance is, for example, in life and business. When insurance is not run properly, many people lose out on their lifetime savings and the gains that they would have had, if insurance worked properly. For a long time, our insurance industry was a rogue industry that was unregulated, unreliable and which could

not be depended upon to deliver what it was supposed to deliver. I am glad that in the recent past, we have seen better management and better reliability in this particular industry. I would like to thank the Mover of this amendment Bill because he is trying to further streamline the insurance industry to make it more reliable.

Hon. Temporary Deputy Speaker, it has been said before that many Kenyans do not take insurance covers because the insurance industry in this country has not been reliable. Everybody in Kenyan should really be able to take a medical insurance cover but not many people have bothered to do so, maybe, out of ignorance or because of the history that we have had. It is pathetic that for most insurance companies in this country, once they have claims streaming in, they wind up.

I have cases of people who served in the KDF some 20 years ago, whose dependants are still waiting to be compensated. These are cases of people who died. Others were involved in accidents. Every time they try to get compensated, they are told that the companies wound up. It is, indeed, the responsibility of the companies who issued the insurance policies to ensure that these people are paid. Tragically, some of the claimants were trying to bring to life those cases more than 20 years later. I may not be a lawyer but I do not think that if you try to bring up a case 20 years down the road you will get anywhere. So, it is important that the insurance industry is streamlined and made to work.

Hon. Temporary Deputy Speaker, I am pleased that we have a working regulatory authority. I have seen it work in the co-operative movement. Before we put in place a co-operative society regulatory authority, this particular sector was badly run. After we put regulation mechanisms in place, the sector started working properly. So, the idea of having a regulatory authority in the insurance sector is, indeed welcome. The idea of opening up the market and extending it to the East African region is also welcome because if you expand the base of any business, it becomes more reliable and more lucrative.

However, we must also be wary of some of our partner states who are not true to the protocols that we signed. Earlier on, I pointed out the case of Tanzania, unfortunately, where Kenyans are not given equal opportunity, and where Kenyans are made fugitives. Kenyans have gone there to give services, as professionals. In particular, I will talk about the education sector, where we have very many teachers but those people are not given peace of mind to work. Even though we already have a protocol in place, it is not being respected.

Hon. Temporary Deputy Speaker, as a country, we must ensure that those particular countries reciprocate to ensure that we get the full benefit of expanding the area of operation. Again, the amendment is welcome because it is trying to align the Insurance Act with the Constitution. For example, the amendment to ensure that it is the Director of Public Prosecutions who prosecutes, and not the Attorney-General, in line with our Constitution, is something that is pretty much welcome.

If I may, again, cite the successful reforms in the co-operative movement, previously, co-operative societies were not required to present their audited accounts. However, after presentation of audited accounts was made a requirement by law, we saw a great change in the way things are being done in that sector. I may not particularly go to the clauses, as somebody is asking me to do. I do not think that is important. The gist of my argument is what would really matter.

With those remarks, I beg to support the amendments.

The Temporary Deputy Speaker (Hon. Cheboi): Yes, hon. Omar Aden.

Hon. Aden: Thank you, hon. Temporary Deputy Speaker. I rise to support this very important amendment Bill for two reasons. The first reason is that this Bill brings the very good element of a tighter regulation in the insurance industry, which does two very important things. The first one is protection of the interests of the clients of insurance companies by ensuring timely and speedy resolution of matters concerning compensation. This is very important, knowing that many complaints that are pending before our law courts today concern issues of clients not getting sufficient compensation from their insurers or feeling short-changed or the rules being changed midway after the accident has occurred. So, this particular regulation gives the regulator a tighter control over the insurance sector to ensure enhancement of the protection of clients' interests.

The second important thing that this particular amendment Bill seeks to do is bringing integrity to the insurance industry. As pointed out by other hon. Members, there has been, in this country, the problem of insurance companies operating for a few years and then disappearing with a lot of money of the people who have bought policies and seriously exposing not only the interests of the clients who lose but also seriously denting the integrity of the insurance sector in our country. What we know is that insurance plays an important role in the development of any economy. Insurance creates the environment needed for investors to gather the courage to engage in business, both locally and internationally while aware that their risks are covered. This gives them the ability to do more business, which is what we need in this economy.

Hon. Temporary Deputy Speaker, on the same note, one of the very important things that foreign investors look at before entering a new market is the insurance environment. As this Bill seeks to do, if the insurance industry in this country is protected and enhanced, our economy will have the advantage of foreign investors coming to do business in our country. That will indeed bring the much needed foreign investment into our country.

The second point I want to speak to, concerning this particular Bill, is the opening up of the East African Community, which is most welcome. I must say that much as there could be some countries within the East African Community that may not be having the same appetite of movement towards a full integration of our economies, I must say that Kenya, being the largest economy in this particular region, will gain the most from the opening up of the East African market.

For that reason, there is no need for us to fear and say that we should not be the ones to make the first step and wait for others to come and accept the same. We must first of all take the first step and encourage others to follow suit. Because of the kind of attraction that our insurance will have by creating openings, indeed, the countries that are around us will also see the sense in opening their markets especially in this industry as Kenya has done.

Finally, the environment of doing business should be made much easier so that we can attract more capital in this country. Ease of getting business licence in our country still requires improvement. We need to ensure that we make it easy for foreign investors to get licences. This happens in Rwanda where business licences can be got very easily in a few days time. This creates a lot of attraction for the foreign investors to come into the country. It is also important to put laws in place like the one we are passing today to

ensure that the integrity of every sector of our economy is well regulated so that we can enhance integrity.

We need to improve the situation around security and corruption in this country for us to grow our economy. The kind of insecurity that Kenya has found itself in, in the last few weeks is something that will very easily scare away our investors. I join my fellow Kenyans in sending an appeal to foreign investors and businessmen that the situation that befell us last week is not exceptional to us. It happened in New York, New Delhi and many other cities of the world which are far more advanced in terms of security apparatus. It was an unfortunate incident and Kenya must not be treated as an unsafe place for investment simply because of the incident that took place. We welcome all of them. This House will take the lead in ensuring that proper controls are put in place in future to protect this country from the kind of very unfortunate things that we have seen. In the same vein, corruption must be fought in the strongest terms possible in order to create the necessary environment for doing business in this country.

I support this Bill.

Hon. Chanzu: Thank you, hon. Temporary Deputy Speaker, for this opportunity. This is a very important amendment Bill. I want to congratulate the Committee under the chairmanship of hon. Langat for having found it fit to bring this Bill forth.

I think one of the problems we have as human beings is that we sometimes have to be told about something so many times in order to know how important it is, including the fact that all these Members here--- I think right now they are insured because it looks like when you become a Member of Parliament, it is compulsory. However, a number of them, I am sure, before they came did not even have personal insurance. Since here it is a compulsory deduction or something like that, they are insured.

For these kinds of issues, the more we talk about them as leaders the more we encourage our people to know the importance. There are many things that we do not do because of fear or uncertainties – you do not know whether or not there will be any benefit. When we started working in the university, the Kenya National Assurance Company had a very good programme for insurance. Some of us took that insurance but we always feared that we might never benefit. So, the more we talk about this the better.

Right now insurance is covering almost everything; it is not only accidents. It is covering even education. The preparation of the document, I looked through it and I found that it is well done so that it is very easy to follow. The aspect which is outstanding is the issue of settling claims. There are a number of people who are not sure whether or not their claims will be settled when they insure. So, this is very commendable.

This introduction of professionalism and ethical practices in the insurance business is remarkable. The way insurance has been carried out before looked like there was no professionalism. With these amendments, for example, Clause 67C which is introducing proper management and professionalism in the insurance sector, the public will know what the law entails and they will be more encouraged to make use of the insurance.

With regard to protection, there has been fear that once you insure, there is risk some of the insurance companies do not pay. If there is a section of the law that protects one as a policy holder then that will encourage us to see the need for insurance in our lives.

There is also this issue of resolution of disputes. A tribunal has been proposed. They have introduced the position of vice-chairman which we did not have before. It is important that as good practice of management we have in place a complete structure so that in the event the chairman is not there and we have got urgent matters to be resolved, then we have vice-chairman to sit in. The law is also granting powers to the Insurance Regulatory Authority to make assessment of the management of insurance business. This is important because there has been a lot of confusion. We should be able to take some of the other areas which have not been taken care of and bring them under some kind of law which will manage the affairs of insurance.

We have schemes such as the Hospital Insurance Fund. This was a very good idea by the Government. However, people changed the business. They moved away from the core business of insurance and went into construction and so on. This is because people have not understood what insurance means. With this kind of law, it will be easier to understand. This brings me to the issue of implementation. We have people who are competent enough to run the affairs of insurance and even the implementation so that we do not have corrupt practices as has been mentioned before.

Hon. Temporary Deputy Speaker, large businesses require insurance. It looks like it is only the people who got insurance in the beginning who understood insurance. It is, however, also good for our people to understand. By bringing this law to Parliament, we are creating public awareness and we are making it much better for our people to understand and make use of insurance.

I support.

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Athanas Wamunyinyi, hon. Jimmy Angwenyi and hon. Manga in that order. I am naming the latter two for them to prepare.

Proceed, hon. Wamunyinyi.

Hon. Wamunyinyi: Thank you, hon. Temporary Deputy Speaker, Sir, for giving me the chance to contribute on the Insurance (Amendment) Bill. This is such important Bill for this country. Looking at the proposed amendment and the work of the Committee, I want first to commend the Members of the Committee. I know that majority of them are gurus, like hon. Jimmy Nuru Angwenyi and Eng. Manga, an old *mzee* of Parliament. They have done a wonderful job.

The first reason why I support this Motion is the fact that it reinforces the policy holder interest. It ensures that the interests of the policy holder are protected. Secondly, it conforms to our Constitution which is supreme. I consider the matter of the policy holder interest very important because we understand what policy holders have gone through in this country. You are aware of many cases and civil matters pending before the court. You are aware because you represent some of them, which you prosecute before courts of law. Many Kenyans have suffered. Those who have had accidents and loss in different ways have had their matters pending and compensation has been very difficult to access. I am sure this is going to help the policy holders.

More important is the matter which we will need to consider and I am not sure if this is the right forum, but the conduct of some lawyers who handle cases for policy holders. As much as many instances insurance companies have been blamed for changing goal posts, laws and regulations, but at the same time, the lawyers acting for policy holders sometimes end up taking all the---

Hon. Member: On a point of order, Temporary Deputy Speaker, Sir.

Hon. Wamunyinyi: You do not have to raise a point of order when you are pointing a finger at me. That is very wrong. Hon. Temporary Deputy Speaker, Sir, you better get this Member to understand this.

The Temporary Deputy Speaker (Hon. Cheboi): You are totally disadvantaged, hon. Kang'ata because you do not have a card. So, it becomes a major problem. I cannot help you. Proceed, hon. Wamunyinyi.

Hon. Wamunyinyi: Thank you, hon. Temporary Deputy Speaker, Sir, for that advice to the Member. He is learning. I do not blame him. I know he does not have a point of order. I know he is a young lawyer and I am not referring to him. There are many old cases that I am talking about and we all know they are in court. They have been pending even for too long in our courts. So, there are two people who must be looked into, namely, the lawyers and our courts. We must also take interest of the policy holders in mind.

As I said, I support this Bill because of mainly the policy holder interest. Also, the Bill conforms to the Constitution which is the supreme law of the country. Any other law that contradicts the Constitution cannot be allowed. So, it is being made to conform to the Constitution and it is important for us. Something which I have been wondering is about the kind of covers that are provided by the insurance companies, for instance, the motor vehicle insurance. For public service vehicles, namely the buses and the *matatus*, it is important that they take the appropriate insurance covers because they involve members of the public. I do not normally see the reason why the owners of small private vehicles are forced to take insurance covers. In my view, this should be optional. Let whoever wants to take a cover for his car take it and whoever does not want, let him stay. In any case, some of them take the third party which protects them against third party risk. For instance, the Members of Parliament all have more than one vehicle. They all take insurance covers. You will have a small percentage of them involved in accidents in a period of five years, but they keep pumping so much money to the insurance companies.

In my view, and I think we need to explore this in the future, we should possibly look at having insurance for private vehicles as optional, so that it allows the members of public who want to take it to take it and those who are not interested should not be forced. It should be optional because you may go for 10 years without being involved in an accident. This is a proposal. I am not moving an amendment. It is something which I am thinking aloud.

Hon. Chanzu: On a point of order, hon. Temporary Deputy Speaker, Sir. I respect my brother, but he should understand the reason why we take insurance covers. He should have talked about the third party insurance cover. You may not want to protect yourself, but you are not moving on the road alone. So, I do not know how the Member will handle that. He better retract that and just ask for the third party insurance cover.

Hon. Wamunyinyi: Hon. Temporary Deputy Speaker, Sir, the Member is out of order.

Hon. Chanzu: I am not out of order. It is dangerous for a Member of Parliament to say that people should not insure private vehicles.

Hon. Wamunyinyi: Hon. Temporary Deputy Speaker, Sir, I have not brought an amendment.

The Temporary Deputy Speaker (Hon. Cheboi): He is giving his opinion and I do not think there is a problem.

Proceed, hon. Wamunyinyi.

Hon. Wamunyinyi: Hon. Temporary Deputy Speaker, Sir, I am just debating. I have not brought an amendment. Hon. Chanzu is also a senior Member and he needs to understand that I have not brought a substantive amendment to the Bill. I am just debating this. He needs to understand that.

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Wamunyinyi has the right of opinion.

Hon. Wamunyinyi: Thank you, hon. Temporary Deputy Speaker, Sir. I appreciate your protection. The fact that the amendments are looking at the investments, not only in our country, but also in the EAC member states, they are important to us. This is going to increase opportunities for investments beyond our borders. The Bill also needs to look carefully at how to balance issues. We have issues which have remained unresolved within the EAC member states, which have slowed down the pace of integration. We have been looking at how to fast-track the process of integration, so that our market will expand and investment opportunities will grow. We also need to deal with these issues, so that nothing remains outstanding. The bottlenecks and the issues that make it difficult to integrate should be looked at.

The Temporary Deputy Speaker (Hon. Cheboi): Your time is over, hon. Wamunyinyi.

Hon. Wamunyinyi: Thank you, hon. Temporary Deputy Speaker, Sir. I beg to support this important Bill.

Hon. Angwenyi: Thank you, hon. Temporary Deputy Speaker, for the opportunity to contribute to the Motion. First of all, I would like to commend the Chairman of the Finance, Planning and Trade Committee for having done a very good work and consulted widely and deeply so that he can bring a law in this House which will serve Kenyans very well.

Hon. Temporary Deputy Speaker, Sir, there are several aspects of this amendment that we must take into consideration and which will improve the insurance service in this country. As has been mentioned by my colleagues, we are now trying to integrate ourselves as the EAC. As the Chair is aware, Kenya has got favourable balance of payments to all EAC member states. It is in our interest to make sure that the integration of the EAC is achieved because it will be our advantage.

Secondly, this amendment gives power to the Insurance Regulatory Authority to manage effectively and positively the insurance industry. Prior to this, as the situation is now, the IRA does not have much power to direct or to come to the assistance of the insured policy holders.

The third aspect this amendment brings to policy holders is that, it reduces the time and the bureaucracy of making claims. Currently, you can be entitled to a claim but it can take two, three, four or five years. By that time, that company which insured you may have gone under and, therefore, you do not benefit from it.

There is one amendment which we would have brought that deals with medical or health insurance. I believe the Chairman of the Committee is here and maybe he will take it up and see how he can bring something to do with medical insurance because Kenyans are suffering. When Kenyans go to our medical facilities, they cannot get treatment.

I had an experience this afternoon. A distant relative went to Kenyatta National Hospital with a prospect of failed Kidneys. She could not be admitted because she did not have the money or the National Hospital Insurance Fund cover which cost only Kshs2000 a year. It is incumbent upon this House and hon. Members to promote medical cover for our voters and the people we represent here. Our people should not suffer unnecessarily until and when we introduce free medical care in the country; which I cannot foresee in the near future because of the cost element involved.

With those remarks, I beg to support the amendment.

Hon. (Eng.) Manga: Thank you very much, hon. Temporary Deputy Speaker. I stand to support this Motion for two important reasons. One, it is important that we make this law current. There is need to incorporate changes of names from “Minister” to “Cabinet Secretary”.

Two, I am glad that we are looking into ways of extending our insurance business beyond our borders. As the Chair knows, Kenyans are very hard working and are very good at carrying out business. So, it will give us a window to go to Rwanda, Tanzania and carry out the insurance business.

The issue that this Bill seeks to bring out is the time it takes to claim compensation. There is a provision which is very important. I would want to say that this amendment Bill is very important because we have actually looked through the problems that we will get over the borders.

Hon. Temporary Deputy Speaker, Sir, I come from the border of Tanzania. If I go to Tanzania and by bad luck I get involved in an accident, my insurance company will actually not compensate me. They will say that it was out of the territory that is insured. So, to extend the insurance territory is a very good thing. We have actually discussed this issue in the Committee, but we also say that this action be reciprocated. They should also do the same. If we extend our insurance territory and they do not, it will never have any meaning. I believe our people in the EAC integration committee will make sure that this is done.

With those remarks, I support the amendment on the Bill.

Hon. Wangamati: Thank you hon. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute on this amendment of the Insurance Act. Hon. Members have talked about this amendment Bill. I rise to support.

Hon. Temporary Deputy Speaker, Sir, this is a lot of improvement on our Insurance Act. This country needs this amendment in order to boost business even that which involves farming in this country. If you look at my age, I have had a lot of problems with the insurance. They used to have agents who recruit policy holders. These people use a lot of tricks to make you accept to be insured, yet there is no communication with their office. He is just used as an agent. He commits many policy holders without them understanding exactly what they are going to get as benefit in the insurance.

Today, I am proud that I am associated with this amendment and I thank the Committee on Finance, Planning and Trade for introducing these amendments. This country needs to do business and our people are interested in joining business and others are interesting in doing modern farming in this country. They need insurance. You cannot carry out farming if you do not insure your crops, because of the unpredictable weather in the country. Kenya is moving faster and Kenyans need a lot of information on the insurance amendments that we have proposed today. I thank this Committee and the

Chairman of the Departmental Committee on Finance, Planning and Trade for proving worthy in whatever comes before this House. I congratulate this Committee for doing a good job.

Hon. Temporary Deputy Speaker, Sir, those who were policy holders like me in the old days, when I look at these amendments I see a lot of improvement.

I also want to concur with the hon. Members who have talked about the East African Community as our partners. I feel that it is true that when you are three people, at least, one initiates something. So, if Kenya is initiating something to cover the entire East African Community, we should be proud to show these other brothers that this is the way to go to attain better business.

Hon. Temporary Deputy Speaker, Sir, because many hon. Members have talked about this I do not want to dwell very much on it but I strongly support the Motion.

Thank you.

The Temporary Deputy Speaker (Hon. Cheboi): Yes, hon. Member for Kiharu.

Hon. Kang'ata: Thank you, hon. Temporary Deputy Speaker, Sir. I rise to support the proposed amendments for several reasons. First and foremost, one of the objects of this Bill is to comply with the requirement that we free businesses so that East Africans can come to Kenya and invest in the insurance industry. Of course, our law as it is has been restricted to Kenyans. I think that is a very good idea for obvious reasons.

First, in terms of the East African market, Kenya has an edge. We have a balance of trade and a balance of payment in so far as the East African Community is concerned. But most importantly, in terms of capital, we happen to be the country with the biggest capital base. Again, I would like to call upon the Chairman to ensure, once we enact this law, that he pushes his counterparts from the other East African countries to amend their laws so that we have one uniform law. I am saying this because I have also noted a trend where Kenya is continuing to amend the law in so far as East African issues are concerned, but our counterparts are delaying. I am saying this in respect of practising lawyers.

We have a situation where we have allowed lawyers from Uganda, Tanzania and generally from the East African region to come to Kenya and practise but the other East African countries do not reciprocate. It appears as if Kenya is the one which is doing things first in so far as East African Community matters are concerned. Therefore, once we amend this law, I pray that Parliament pushes our counterparts to amend their laws so that we have one uniform law. If you are a Kenyan you can go straight to Uganda, Tanzania and everywhere in East Africa and establish insurance business.

In respect to the object of protecting the interest of policy holders, I think that is a very good idea. One of the objects that have been given for this amendment is that once this becomes law, contribution to the Policy Holders' Compensation Fund will be available for compensation to policy holders in the event an insurance company is placed under statutory management.

Hon. Temporary Deputy Speaker, Sir, we know that in public service vehicles insurance schemes, several companies have gone under. We had Standard Assurance Company and we know of several insurance companies that have gone under. Very many people who were supposed to be compensated are now suffering and they cannot access these funds because of the present law.

Once we amend this law, I foresee people being able to get money out of that fund. I think this law should have come five years ago. We all know a certain insurance company which has a very big headquarters at Upper Hill which collapsed the other day. We all know very many people who have suffered because they cannot access their money or resources. Notwithstanding the collapse of an insurance company, once we do this amendment, people can now access money from that fund. To me, this is one of the most progressive laws that we have.

Hon. Temporary Deputy Speaker, Sir, I have an issue to do with the argument by my colleagues that we, lawyers, have been frustrating victims in accident matters. I would like to say that out of 100 per cent lawyers handling insurance matters, 95 per cent have been doing a perfect work. Again, the 5 per cent who do a bad job are the ones that are always publicized.

Kenyans should know that we have two authorities which regulate lawyers. In fact, I do not know of any other profession which is regulated by two entities. The first one is in the Attorney-General's Chambers and it is called "Advocates Complaints Commission". I do not know of any Government wing which has disciplinary power against any other profession. Nursing is an independent entity. The same applies to doctors. However, lawyers can be taken to the Advocates Complaints Commission and the Law Society of Kenya (LSK). Therefore, any Kenyan who has a problem with a lawyer is at liberty under the law to go and seek remedy in either of those two institutions. Be that as it may, I want to say that 95 per cent of lawyers have been doing a good job.

The Temporary Deputy Speaker (Hon. Cheboi): The problem with the hon. Member is that he is actually addressing his colleagues. I heard hon. Wamunyinyi, he did not specify the percentage. You are actually admitting that there are 5 per cent. He probably would have been talking about the 5 per cent. So, prosecute your case. I think you are doing very well.

Hon. Kang'ata: Be that as it may---

Hon. Wamunyinyi: Thank you, hon. Temporary Deputy Speaker, Sir. It would appear as if the real issues in this Bill have been exhausted. The Member is getting into some issues which have been discussed. Will I be in order to request the Chair to call on the Mover to reply so that we can dispose of this Bill?

The Temporary Deputy Speaker (Hon. Cheboi): That will not be proper hon. Wamunyinyi. You see, you have already spoken or you have had your shot. So, let hon. Kang'ata also prosecute whatever issues he has. He is doing very well.

Hon. Kang'ata: Hon. Temporary Deputy Speaker, Sir, I would also like to draw insurance companies to good practices that are shown in one insurance company in so far as public service vehicles insurance issues are concerned. There is one insurance company which has come up with a very good management scheme of trying to rein in corrupt lawyers. The idea in that company is to appoint one lawyer into the board of directors and then concentrate on the matters of lawyers. This avoids a situation where you have many lawyers in your panel who start cutting deals with the lawyers for the plaintiff. That has been one of the key reasons why we have many insurance companies offering public service vehicle insurance policies collapsing. You have many lawyers in the panel prosecuting matters and when it comes to tax matters, that company cannot withstand the taxations advanced by those lawyers. I advise the insurance companies that

offer public service vehicles insurance policies to look at how some of the best insurance companies have been doing.

Hon. Temporary Deputy Speaker, I would also like to note that the authority that has been handling insurance matters is doing a good job. It has come up with a policy of directing insurance companies to, once in a year, publish their accounts in newspapers with nationwide circulation. That is a very good idea. We can now know the cash-flow of each company dealing in insurance matters. It is also important for us to know which company is almost collapsing. Therefore, we are on our way towards liberating insurance matters.

One of the reasons for this amendment Bill is to define a claimant in so far as compensation of a policy holder is concerned, following insolvency of his or her insurance company, to include a beneficiary such as a third party claimant. That is important because presently, the definition of “claimant” only captures the policy holder. In that kind of scenario---

The Temporary Deputy Speaker (Hon. Cheboi): Your time is over, hon. Kang’ata.

Hon. Kang’ata: Hon. Temporary Deputy Speaker, with those remarks, I beg to support.

The Temporary Deputy Speaker (Hon. Cheboi): Yes, hon. Gikaria.

Hon. Gikaria: Thank you, hon. Temporary Deputy Speaker.

First of all, let me take this opportunity to thank the Chairman of the Committee on Finance, Planning and Trade, and his team for coming up with very good amendments to the Insurance Act. I want to speak squarely on issues that pertain mostly to my constituency. People come out, follow the law and pay for their insurance policies but it becomes very difficult for them to access compensation when the risk occurs.

The Committee did a very good job but at the same time, they have bestowed the responsibility of seeing that everybody who is required to pay for an insurance policy, especially users of public roads, is pushed to do so. It is becoming an issue because in my constituency, there are so many cases of road accidents involving motorcycle and three-wheeler vehicles. The problem is that motorcycle and *tuk-tuk* owners do not insure those vehicles. This is becoming an issue because every other day, you are called upon to attend to *Harambee*. It will also be fair if the Committee could look into the enforcement part of it, a role that police officers are mandated to partake and ensure that every vehicle using a public road has the necessary insurance policy.

That notwithstanding, I would like to thank the Committee for, first of all, bringing the amendments to align the Act to the Constitution. Previously, the Attorney-General would prosecute. We know what used to happen in the past. With the Director of Public Prosecution now being in charge of prosecution, he will take charge and punish anybody who will contravene this Act. Secondly, on the issue of policy holders, I want to agree with the Member for Kiharu, who has just left.

The victims find it difficult to access their benefits. Sometime back in this House there was a Motion to discuss whether the insurance companies could be directed to make direct payments to the accident victims. That Motion was shot down. It is high time now we started thinking about that. What we are interested in are those who fall in the five per cent category who are the ones suffering most.

With regard to the integration of the East African Community, Kenya has always been in the lead. I want to thank the Chairman for taking the lead. If the other East African Community countries do not abide then we could ask them to check and amend their laws to be in conformity with what we are doing. At this rate, for business purposes and economic growth of our country, it is important that we allow our businesspeople to go outside this country. We should also allow others to come here for competition purposes now that we have taken that aspect of being the leaders. I thank the Committee for thinking about opening our borders and expanding business.

The other bit is about ownership. I also want to thank the Committee for allowing Kenyans to be part of the ownership – not less than one-third should be Kenyans. I think that is good so that whatever benefit is accrued out of that business, it is reinvested in this country. We need to encourage our citizens. We know Kenyans are very hardworking and very good businesspeople. We need to involve them by enabling them have shares in these companies so that they do business.

With regard to the punishment prescribed for people who do not abide by the law, it is important, through the office of the DPP to take charge and punish those people who contravene the Act.

I know there are many people who have invested in the insurance industry although they do not have the knowledge. They have, however, brought the money in this industry. The aspect of introduction of professionalism in this industry and the moral aspect are welcome. We want to ask the Chairman not to lock out those Kenyans who have money. In future we could look at this matter and see how best to handle it. For instance, if you are an investor and you do not have the knowledge of the insurance industry then you could have managers who are capable of running the show. We should not lock out Kenyans who have money and they want to come to this industry just because they do not have knowledge. Let us allow them to employ professionals in that field who will then assist them.

With regard to the reduction of the compensation period to 90 days, that is a welcome idea. If a person lodges his claim today, he or she will be sure that within 90 days he will be compensated. This will reduce the number of defaulters. If it takes long, say, five to 10 years for a claim to be settled, the insurance company could go under and this will not be of benefit to the claimants.

Lastly, I want to talk about the Policy Holder Compensation Fund. Whoever brought that idea in the Committee, if it is the Chairman, I want to thank him and his Members. It is a bright idea. I am saying this from experience because a friend of mine, a former prominent businessman in the public transport industry, went under because of an accident of only one vehicle. This is not because he had not made his part of the bargain. He had already paid his policy premium, but unfortunately, the insurance company with which he had taken the cover had gone under. So, the investor was ordered by the court to meet that cost and since then, he has never recovered. The Policy Compensation Fund is a very brilliant idea and it is going to assist the public.

The Temporary Deputy Speaker (Hon. Cheboi): You should be summarising. Your time is over.

Hon. Gikaria: Hon. Temporary Deputy Speaker, Sir, we have seen policy holders meeting their part of the bargain. In future, when we will be doing more

amendments to this, we would like also to protect the policy holders against any unscrupulous business people.

Hon. Chumel: Thank you very much, hon. Temporary Deputy Speaker, Sir, for giving me this opportunity. I would also like to add my voice in thanking and congratulating the Chairman and the Committee for coming up with a clear road to help our people to come out of the suffering that they have been going through for a long time.

Most of the Members have raised the concerns that I had, but I only want to emphasise what some of them have said. I want to start with the issues between us and the East African Community. The other day we were told by our leaders that one can use his identity card to travel across the partner states without having to get visas. Kenyans are now using that opportunity to do business across the borders. Kenyans move faster than others, but there are some hiccups, for example, the issue of insurance. I have a family on the other side, but when I want to go there, the insurance cover that I have cannot cover me on the other side. Sometimes, I am forced to buy another cover to cover my vehicle and myself. If that happens to me, what about other Kenyans? This is a good thing that is going to help our people.

Hon. Wamunyinyi talked about the comprehensive insurance covers on our vehicles yet you will find that for one year, you have not had an accident. You can go for two or three years on the comprehensive insurance cover, but if all a sudden a problem occurs, the insurance companies do not consider all the contributions that you have made. They charge you afresh and ask you for the excess. They either do it 70 per cent and you are asked to add the 30 per cent. It is usually between 20 and 30 per cent because I experienced that at one time. So, it forces people to take third party policies so that even if anything happens, you do not have much to lose. You just know that this is what I paid and I cannot go beyond that. It is not like when you have taken comprehensive insurance policy. I hope the Committee has considered that. It is just like a bank, when you put your money there, it accrues interest. This is part of business, just like any other.

Hon. Temporary Deputy Speaker, Sir, what happened at Westgate Mall has made some small-scale businessmen suffer. This is because there was no insurance cover for their businesses. So, their businesses have just gone down the drain just like that. Small-scale businessmen find it very expensive to insure their businesses. I agree with what was said, that we can lower insurance premiums so that such people can afford to insure their businesses and if something happens at least, they can also benefit. I think those are some of these things that I want to share with the House and ask the Committee to consider them.

With those remarks, I support the Motion.

Hon. Gaichuhie: Thank you, hon. Temporary Deputy Speaker, Sir. I want to say that insurance is a very important sector in the whole country because of the many risks that are in the world. This Bill is seeking to strengthen the IRA. As you very well know, very many companies have actually gone under because the IRA did not have enough powers. This Bill is now seeking to give more powers to the IRA in the manner that they will be able to check the way these companies are run. They will actually make sure that the companies do better bookkeeping so that they do not go under. So, I think this the right time to have this Bill amended to make sure that our insurance companies operate in the best way possible.

They are also strengthening the insurance companies by allowing only professionals to run them. As it is currently, many people who are not professionals are in the insurance companies which results into many of them going under.

Hon. Temporary Deputy Speaker, Sir, the Bill is also in line with the new Constitution which we promulgated in 2010. Most laws are still based on the old Constitution. So, this Bill is now seeking to harmonize the new rules as per the new Constitution.

Hon. Temporary Deputy Speaker, Kenya being a member state of the EAC, it is good for us to have laws that are in tandem with the EAC. This will even allow our insurance companies to have branches in the East African Region.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Cheboi): Okay. That is it. You have eight minutes remaining.

Hon. Members, it is now time to adjourn the House. Therefore, this House stands adjourned until tomorrow, Wednesday, 2nd October, 2013 at 9.00 a.m.

House rose at 6.30 p.m.

