



MANAGING DIRECTOR'S COMMENTS



History Lane

The Idea of forming PACIS Insurance Company dates back to 1997 when the conference of Catholic Bishops considered ways in which to be self sustaining.

The above idea gave birth to Waumini Insurance Agency which was formalized in the same year. The agency was set to become an Insurance company when the time was right.

It was not until 2002 that the Kenya Episcopal Conference commissioned Way ahead Insurance Brokers Ltd for a survey to be carried out aimed at determining the viability of the project. The survey also investigated what the Catholic Church and its related institutions pay annually towards premium to insurance companies. The survey established that:

- (i) The Catholic Church and its affiliated institutions pay an estimated Kshs 750million in terms of premium for both general and life business.
- (ii) The Catholic Church and its related institutions made very few claims averaging to about 35% of claims paid.

The findings were presented to the Bishops on June 24th 2002.

Various meeting were held thereafter as follows:-

- (i) 19th July 2002 for all Procurator, bursars and religious Congregation Superiors at resurrection Garden.
- (ii) 26th October 2002 for AOSK Superiors Assembly where 80 superiors attended.

In January 2003 various technical committees were constituted to work and prepare required reports /papers for submission of the application to the government in view of the survey report. The papers included research paper, legal documents, financial reports, Underwriting manual, Underwriting document, Reinsurance programme .

Application for the company was submitted on 9th March 2005

Inspection by IRA (then Commission of Insurance) to access physical premises of the proposal branch offices was done on 14th July 2005.

The company was licensed on 1st August 2005 and started accepting business in September 2009

Among the first clients to insure with PACIS in the initial four months of trading in 2005 included:-

- Limuru Archdiocesan Farm.
- Archdiocese of Nairobi.
- Catholic university of Eastern Africa.
- Assumption sisters of Nairobi.
- Kenya Catholic Secretariat.
- Dioceses of Kitui.
- Apostolic Nunciature.
- Fatima Health Centre.
- Institute of Charity

1st Insurance premium cheque to be received by PACIS Insurance Company was from Assumption Sisters Nairobi.

The first large claims to be reported to the company in the first four months of 2005 were:-

- Sarah Njeri, motor claim of shs. 1,400,000.
- Fr. John Muturi Njuguna motor claim shs. 182,700
- Conventual Franciscan Friars motor claim of shs 50,000

The first institutions to buy shares in the company were:-

- AOSK in January 2001.
- Military odinarate in January 2001.
- Archdiocese of Nairobi in September 2001 .

The Company was officially launched on 24th April 2006 and since then we have continued doing business. The company now has a staff compliment of 43 from one staff in 2005 with two branch offices. One in Nakuru and one in Nairobi Town Center. Plans are underway to establish the 3rd branch office in Meru by December 2010.

Article by Peter Chakah Makhanu, MD.

Motor Insurance Rates

You may have heard it from a friend, read on newspapers or heard it from colleagues about the changed motor rates. Yes! The motor rates have drastically changed but the big question that we need to answer is why? Who changed the rates anyway? To answer this big question or shed some more light on it we need to take a closer look at the Insurance Industry performance for the motor insurance business.

Industry Performance

Looking at loss ratio per class per year for the last five years in the Insurance Industry annual report 2009 (page 25) it clearly indicates the losses made on this line of business. For instance companies have made up to 80% losses on motor insurance business. This is a downwards trend according to research and available statistics. Something had to be done to change the situation. Insurance regulatory authority (IRA) did a comprehensive research on this matter and the discernment was that, if this goes on some companies will have to close down in the near future. Pacis Insurance company operating in this industry was not an exception, it also had its share of losses on motor insurance business. And the company had to do something to address this issue.

Why the Losses?

I must appreciate that motor insurance is a dynamic line of business and looking at it from the perspective of, how the business is underwritten and claims settled, then we can point out on the faulty areas. Look at the fraud that touches on garages, motor assessors, investigator, fraudulent client, and inexperienced drivers. Name it. Look at the claims settlement costs, then you can understand the dynamism of this line of business.

Good and Bad Drivers

Although the industry is doing badly on motor insurance, there is the need to acknowledge both the good and the bad drivers. This therefore means that the good drivers will be rewarded by paying less each year they drive carefully and safely. But this will not be the case for the reckless drivers.

What about Claim Settlement Cost

Pacis insurance company has an action plan in the pipeline to deal with this substantially. Claims settlement including determination of claim cost will this time round be done in a more streamlined way.

Stephen Wekesa - Underwriting

Ways To Grow Your Finances

No matter how much money you make, for many people, it's never quite enough. In order to get ahead, you'll need to find a way to keep your finances growing. There are many different ways that you can grow your income, both actively and passively, and over time, these small streams can converge into a river that will help you stay solvent and perhaps even well heeled, long into the future. Let's look at just a few ways to keep your finances growing.

1. Focusing on your job.

If you are due for a raise, don't be shy about asking for it. However, instead of immediately spending more, take that extra money and either invest it or put it into a high yield savings account. If you don't make enough at your current job to stay afloat every month, don't wait to start exploring your other options. Money isn't everything, but you do need to make enough to pay your bills and to ensure your financial future. Consider applying for a better paying job if you don't think your chances for advancement are good.

2. Set up multiple streams of income - active.

These are income streams that may require a little work, but will usually pay off, especially in the future. Whether you decide to open up your own business on the side, or you invest in real estate, these income streams can help you build up a nice little nest egg that will keep paying off for you as long as you keep that income stream active. For those that don't have a lot of time, passive streams may be more ideal, which we will cover next.

3. Set up multiple streams of income - passive.

Passive income streams work for those that need extra money but are already well tied up with work or home life and don't have the time to actively focus on building their income. Examples of passive income include an annuity or an investment that requires a small amount of work at first, and then no additional work over time. It is a very good idea to have both active and passive income streams to maximize your earning potential.

4. Stop overspending.

One of the easiest ways to free up additional income is simply to curtail your spending habits within reason. That's not to say that you have to become frugal, but if you do spend more than you earn, it's safe to say you won't be in a very good financial position. Keep track of how much you make and how much you spend and make sure that they are all in order.

You don't have to be rich now to become rich later. However, you do have to make that effort to start developing more avenues of money if you do want to better your position in the future. Don't rely on winning the lottery as a retirement plan - take the steps you need to take now, before it is too late.

Sellah Nyakowa - Administration

PACIS PICTORIAL



Mr Peter Makhanu and Mr Jospaht Muindi of Pacis present a donation of a LCD TV and DVD Player to Mr Gabriel Beacco of Neema Hospital



Mrs Nyokabi Ngugi of Pacis Insurance takes a question at the A.O.S.K. Insurance Seminar.



Mr. Peter Mahkanu address the intermediaries during the Nakuru Branch Cocktail, looking on is Mr. Josphat Muindi (Marketing Manager) and Mrs. Caroline Ndegwa (Nakuru Branch Manager).



Mrs. Catherine Waiyaki, Operations Manager Pacis Insurance addresses the gathering during the Nakuru Cocktail. Standing are Pacis staff from left Sylvano Kiptoo (Finance), Caroline Ndegwa, Josphat Muindi and Peter Makhanu.



Participants at the A.O.S.K. Insurance Seminar organized by Pacis Insurance Company Ltd at Chemi Chemi, Karen.

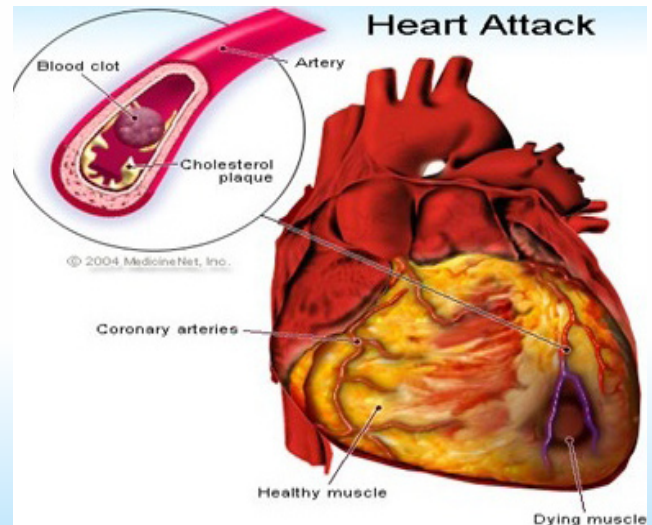


Fr. Antony Mwituria, Director Pacis Insurance, presents a gift to Rev. Gitonga of Methodist Insurance Brokers, looking on is Mr. Peter Makhanu.

Heart Attack at a Glance

A heart attack (also known as a myocardial infarction) is the death of heart muscle from the sudden blockage of a coronary artery by a blood clot. Coronary arteries are blood vessels that supply the heart muscle with blood and oxygen. Blockage of a coronary artery deprives the heart muscle of blood and oxygen, causing injury to the heart muscle. Injury to the heart muscle causes chest pain and chest pressure sensation. If blood flow is not restored to the heart muscle within 20 to 40 minutes, irreversible death of the heart muscle will begin to occur. Approximately one million Americans suffer a heart attack each year. Four hundred thousand of them die as a result of their heart attack.

- A heart attack results when a blood clot completely obstructs a coronary artery supplying blood to the heart muscle and heart muscle dies.
- The blood clot that causes the heart attack usually forms at the site of rupture of an atherosclerotic, cholesterol plaque on the inner wall of a coronary artery.
- The most common symptom of heart attack is chest pain.
- The most common complications of a heart attack are heart failure, and ventricular fibrillation.
- The risk factors for atherosclerosis and heart attack include elevated cholesterol levels, increased blood pressure, tobacco use, diabetes, male gender and a family history of heart attacks at an early age.
- Heart attacks are diagnosed with electrocardiograms and measurement of cardiac enzymes in blood
- Early reopening of blocked coronary arteries reduces the amount of damage to the heart and improves the prognosis for a heart attack.
- Medical treatment for heart attacks may include anti-platelet, anti-coagulant, and clot dissolving drugs as well as angiotensin converting enzyme (ACE) inhibitors, beta blockers and oxygen.
- Interventional treatment for heart attacks may include coronary angiography with percutaneous transluminal coronary angioplasty (PTCA), coronary artery stents, and coronary artery bypass grafting (CABG).



- Patients suffering a heart attack are hospitalized for several days to detect heart rhythm disturbances, shortness of breath, and chest pain.
- Further heart attacks can be prevented by aspirin, beta blockers, ACE inhibitors, discontinuing smoking, weight reduction, exercise, good control of blood pressure and diabetes, following a low cholesterol and low saturated fat diet that is high in omega-3-fatty acids, taking multivitamins with an increased amount of folic acid, decreasing LDL cholesterol, and increasing HDL cholesterol.

While heart attacks can occur at any time, more heart attacks occur between 4:00 A.M. and 10:00 A.M. because of the higher blood levels of adrenaline released from the adrenal glands during the morning hours. Increased adrenaline, as previously discussed, may contribute to rupture of cholesterol plaques.

Article by Margaret Iraki, Medical.

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