



THE JUBILEE INSURANCE UMBRELLA SCHEME
MINUTES OF THE ANNUAL GENERAL MEETING HELD AT JUBILEE
INSURANCE COMPANY OF KENYA LIMITED, NAIROBI, ON 13TH
NOVEMBER, 2019 AT 9:30 A.M

ATTENDANCE:

1. Members of the scheme {respective employers' representatives}
2. Corporate Trustee Representative – Catherine Kang'ata, Jubilee Insurance
3. Administrator – Paul Omondi, Jubilee Insurance
4. Auditor - David Oyugi, PKF
5. RBA - David Lentiyo

AGENDA

1. Welcome Remarks and Introductions
2. Confirmation of 2018 minutes by members
3. Trustee Report
4. Presentation of the Audited Financial Statement
5. Presentation of the Investment Report
6. Presentation on Administration Report
7. Presentation on Industry Developments Report
8. Q & A session.
9. A.O.B

MIN 01/2019 Welcome Remarks and Introductions

The meeting was called to order at 9:40am by Philip Kimani, the Principal Officer for the Jubilee Insurance Company. He welcomed the participating employers represented in the meeting, members of The Jubilee Insurance Umbrella Scheme, stakeholders, guest speakers and the Jubilee Insurance team.

In his speech, he thanked the members for honoring the invitation as the Annual General Meeting is a compliance requirement and a platform for giving updates on the scheme's performance. He stated that insurance penetration in the country is still low at 2.43% compared to 2.71% in 2017 despite Kenya's economic growth in 2018. He gave reassurance of Jubilee Insurance's commitment to providing solutions in savings, group life among other products.

He gave an update on the Jubilee Insurance Umbrella Scheme performance which he stated of having a fund value of Kes 5.1 Billion as at 31st December 2018. He identified that the Jubilee Insurance Investment policy is guided by security of



members' benefits, sustainable growth and safety of assets of the fund to ensure that Jubilee Insurance remains the home of pensions for the members of the Umbrella Scheme.

MIN 02/2019 Reading and confirmation of 2018 minutes

Mr. Lemmy Mwea read through the minutes of the previous AGM meeting which had also been sent previously to members via email.

The minutes were proposed and confirmed by Patience Otieno and Peter Ng'ang'a Mwega respectively.

MIN 03/2019 Trustees Report

The members present were taken through the trustees' report by Catherine Kang'ata, Head of Corporate Pensions.

She highlighted that the principle objective as the scheme's trustee is to oversee the efficient management of the scheme by ensuring that the scheme is compliant with provisions of the Retirement Benefits Act and timely settlement of benefits for members leaving the scheme.

She stated that the Umbrella Scheme commenced on July 1st, 2009 as a defined contribution scheme and is registered with Retirement Benefits Authority (RBA) and has a tax exemption certificate from Kenya Revenue Authority that allows every member of the scheme to enjoy a tax deductible amount of Kes. 20,000 per month.

In line with the RBA's requirements to engage services of various professionals in order to protect the interests of stakeholders, she listed that the trustees have appointed the following service providers;

- i. Auditors – PKF Kenya
- ii. Legal Advisors – Daly & Inamdar Advocates
- iii. Administrators – The Jubilee Insurance Company of Kenya Limited
- iv. Investment Advisor – Kenbright Actuarial & Financial Services Limited

On the scheme's performance and growth, she gave the membership statistics as 7,026 members in 2016, 9,057 in 2017 and 11,745 in 2018 which she pointed as a significant growth due to the Umbrella fund providing a suitable solution to many employers as a retirement saving option.

The scheme fund's net assets grew from Kes 2.3 Billion in 2016 to Kes 3.9 Billion in 2017 and Kes 5.1 Billion in 2018. She stated that this performance has also been sustained by net rates of investment income averaging 10.35% for the last ten years. She further highlighted the competitive declared rates by Jubilee



Insurance for the previous three years which were 9% in 2016, 12% in 2017 and 8% in 2018.

On industry updates, she informed the members that it will now be possible for scheme funds to be transferred to another fund manager within 12 months upon termination of contract under the guaranteed fund management. She also informed the members to urge deferred members of the scheme to access their benefits as early as possible because any unclaimed funds that are yet to be claimed with in a period of 2 years will be transferred to the Unclaimed Funds Authority (UFA).

She informed members that the Umbrella Scheme shall be engaging the services of another corporate trustee from the coming year and that the evaluation process was in the final stage. This will be communicated to all participating employees in writing later on. She also informed members that the 2019 statements will be accessed through the online portal and requested the participating employers to support the team with information which will be necessary in setting up login credentials for each member.

MIN 04/2019 Audited Accounts

The 2018 audits were conducted by the independent auditor, PKF – Kenya in accordance to the Retirements Benefit Act Section 34(3). The PKF representative, David Oyugi took members through the accounts. These accounts had been available to the members through their representatives and Jubilee Insurance’s website as indicated in the AGM notice.

The Auditor presented on responsibilities of trustees and auditors, the audit approach and areas of audit.

The auditor concluded that the accompanying financial statements gave a true and fair view of the Jubilee Insurance Umbrella Scheme’s financial position as at 31st December 2018 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Retirement Benefits Act.

MIN 05/2019 Investment Report

Mr. Lawrence Karanja, Investment Manager Corporate Pensions took members present through the Investment Report. He spoke on investment management that is on maximizing returns for clients and managing risk levels.

He also took members through the structure of the guaranteed fund and investment management risks scope.

He gave a market review for 2018 and the performance of Jubilee Insurance in the market for that year and years before. He concluded by urging members to deliberately plan for and prepare for their retirement.



MIN 06/2019 Administration Report

The members were taken through the Administration report by Paul Omondi of Jubilee Insurance.

He presented to members the structure of the umbrella scheme. He talked on benefits of pooling of funds from the multi employers under the umbrella scheme which includes shared costs and capping of RBA Levy which currently is at Kes 5 million. He emphasized on capturing of member details at enrolment level and updating of beneficiary details for proper member records. He spoke on benefits payment before and after the age of retirement (50 years) depending on reason for withdrawal and scheme type (provident/pension). He concluded on explaining on taxation at exit of the scheme and tax advantages that members enjoy while in the umbrella scheme.

MIN 07/2019 Industry Developments Report

The report on Industry Developments was presented by David Lentiyo who was representing the Regulator (RBA). He took members through the role and objectives of RBA and the trustee's responsibility. He stated the members' rights and their responsibilities which include;

- i. Obtaining information on the scheme
- ii. Nominating beneficiaries
- iii. Notifying trustees of benefit payment options
- iv. Disclosing unusual occurrences in the scheme to RBA
- v. Attending AGM's

He highlighted the previous changes to the Retirements Benefits Act and Regulations that include;

1. Imposing of penalties on trustees, fund managers and administrators on late submission of audited accounts, investment returns and contribution returns respectively.
2. Empowering of RBA through the act to recover unremitted contributions by the employers.

The 2019 changes as mentioned included;

1. The proportion of reserves fund in a defined contribution scheme shall not exceed 5% of the fund value of the scheme and all members shall receive an allocation of the reserve.
2. Defined contribution schemes are required to make provisions of income drawdown funds.

Finally, he talked on the structure of the Post-Retirement Medical Fund (PRMF) touching on how contributions to the fund will be made, administration and investment of the funds and how members will be accessing their benefits.

MIN 08/2019 Questions and Answer

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1. Why is there an increase in number of member exits from the scheme (804 in 2018 as compared to 350 in 2017)?

The members were informed that the increase in member exits was mainly due to retrenchment by companies and other exits were transfer to other employer schemes due to change of jobs.

2. Why not invest in other investments (high risk) apart from equity?

The members were informed that RBA had set investment guidelines for pension funds (long term) and that Jubilee Insurance is conservative in investment to maximize members returns and minimize risk.

3. Is there awareness on Post-Retirement Medical Fund?

Members were notified that there has been ongoing seminars on the new product and were advised to sit with the Board of Trustees if they wanted to learn on the framework to set up a PRMF fund as it is on a voluntary basis. The administrators of the scheme were also mandated to educate members on the new product.

4. Why has the guaranteed fund remained at 4%?

The guaranteed fund is capped at 4% by the Insurance Regulation Authority (IRA) as a regulation.

5. What is the tax relief amount that members receive on their contributions?

The clarification was made that members receive a relief of up to Kes. 20,000 per month on their contributions and upon withdrawal there is an accumulation of tax relief and taxation is effected according to the tax bands changes made in 2017. For members who purchase annuity, they receive a relief of Ksh. 25,000 a month on withdrawal.

6. How often are member trainings?

The members were informed that member trainings should commence once the interest rate has been declared and members have received the previous year statements. The administrators would avail themselves for more contact in the coming year.

MIN 10/2018 A.O.B

The master of ceremony, Lemmy Mwea gave vote of thanks and appreciated all the stakeholders on the role each had played to ensure the success of the AGM.

There being no other business to discuss, the meeting was brought to a close at 12.45PM.

SIGNED:..... Date:

SIGNED:..... Date: