



POLICYHOLDERS COMPENSATION FUND

*"Dhamana Ya Bima Yako"*

# REVISED STRATEGIC PLAN

2020/2021 - 2024/2025



KENYA  
VISION 2030

  
**BETA**  
BOTTOM-UP ECONOMIC  
TRANSFORMATION AGENDA



# Insurance compensation



**The Policyholders  
Compensation  
Fund (PCF)  
2020/2021-2024/2025  
Strategic Plan charts  
a course for our  
organization to  
thrive in today's  
ever-changing  
operational  
landscape.**

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HON. SIMON MBUGUA



Premier  
policyholders  
compensation  
fund

## VISION

## MISSION



To promote timely  
compensation of  
policyholders and  
prompt resolution of  
insurers."



## MOTTO

Dhamana ya  
Bima Yako

## CORE VALUES



- ◆ Professionalism
- ◆ Accountability
- ◆ Innovation
- ◆ Collaboration
- ◆ Customer-Centric
- ◆ Integrity





**The Policyholders  
Compensation  
Fund (PCF)  
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Strategic  
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# Abbreviations and Acronyms

PCF	Policyholders Compensation Fund
MTP	Medium Term Plan
RBA	Retirement Benefits Authority
PESTEL	Political, Economic, Social, Technological, Environmental and Legal Strengths, Weaknesses, Opportunities and Threats
SWOT	Strengths, Weaknesses, Opportunities and Threats
MTER	Medium Term Evaluation and Review
SDG	Sustainable Development Goals
AU	African Union
GDP	Gross Domestic Product
GoK	Government of Kenya
SCAC	State Corporations Advisory Committee
ICT	Information and Communications Technology
KRA	Key Result Area
QMS	Quality Management System
AG	Attorney General
MoU	Memorandum of Understanding
OSHA	Occupational Safety and Health Act
MERL	Monitoring, Evaluation, Reporting and Learning
Kshs	Kenya Shillings
MT	Managing Trustee
DCIRM	Director, Compensation and Insurance Risk Monitoring
DSML	Director Statutory Management and Liquidation
DCS	Director, Corporate Services
DLS	Director, Legal Services
DIS	Director, Internal Audit
DDSCM	Deputy Director, Supply Chain Management
DDRSP	Deputy Director, Research, Strategy and Planning
CS	Corporation Secretary
HR	Human Resource
TNA	Training Needs Assessment
CSI	Corporate Social Investments
ISO	International Standards Organisation
ISMS	Information Security Management System
FY	Financial Year
BETA	Bottom-up Economic Transformation Agenda (BETA)



# Definition of Terms

**Baseline:** Baseline is an analysis describing the initial state of an indicator before the start of a project/ programme, against which progress can be assessed or comparisons made.

**BETA (Bottom-Up Economic Transformation Agenda):** The Bottom-Up Economic Transformation Agenda (BETA) is a Kenyan government plan aimed at achieving economic turnaround and inclusive growth through a value chain approach. The plan identifies policy priorities that are expected to have the greatest impact on the economy and welfare of households, including bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving foreign exchange balance, inclusive growth, and uplifting the lives and livelihoods of those at the bottom of the pyramid. The BETA plan will be implemented through targeted investments in five core pillars: Agricultural Transformation; MSME Economy; Housing and Settlement; Healthcare; Digital Superhighway and Creative Economy.

**Claimant:** A person eligible to make a claim from an insurer that accrues from an insurance contract.

**Compensation:** Benefits paid out to a policyholder in the occurrence of a loss of an insurer placed under a manager or whose license has been cancelled.

**Indicator:** An indicator is a sign of progress/change that results from a project. It measures a change in a situation or condition and confirms progress towards the achievement of a specific result. It is used to measure a project's impact, outcomes, outputs and inputs that are monitored during project implementation to assess progress.

**Insurer:** A person registered under the Insurance Act and carries out insurance business including re-insurance.

**Key Results Areas:** This is an outline of the organisation's areas of focus. It also refers to the general areas of outputs or outcomes for which an organisation's role is responsible.

**Liquidation:** Process by which a company is legally brought to an end.

**Outcome Indicator:** This is a specific, observable, and measurable characteristic or change that will represent the achievement of the outcome. Outcome indicators include quantitative and qualitative measures. Enrollment rates, transition rates, mortality rates etc.

**Outcome:** Measures the intermediate results generated relative to the objective of the intervention. It describes the actual change in conditions/situation as a result of an intervention.

**Output:** Immediate result from conducting an activity i.e., goods and services produced.

**Performance Indicator:** A measurement that evaluates the success of an organisation or of a particular activity (such as projects, programmes, products and other initiatives) in which it engages.

**PESTEL Analysis:** It is a framework or tool used to analyse and monitor the environmental (external) factors that have an impact on an organisation.

**Policyholder:** A legal holder of the policy for securing a contract with an insurer.

**Programme:** A grouping of similar projects and/or services performed by a Ministry or Department to achieve a specific objective. The programmes must be mapped to strategic objectives.

**Project:** A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters. Projects aimed at achieving a common goal form a programme.

**Statutory Management:** Process by which a company is placed under a manager appointed as per the insurance Act (Sec. 67C).

**Strategic Objectives:** These are what the organisation commits itself to accomplish in the long term. They establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements.

**Strategic Planning:** It is the process of defining an organisation's strategy or direction, and making decisions on allocating its resources to pursue this strategy. It involves setting goals, determining actions to achieve the goals, and mobilising resources to execute the actions.

**SWOT Analysis:** It is used for understanding the strengths and weaknesses (internal factors) of the organisation and for identifying both the opportunities open to the organisation and the threats it faces (external factors).

**Target:** A target refers to planned level of an indicator achievement.

**Winding Up:** Process by which a manager appointed under the Act undertakes management of the company.

# Foreword



The Policyholders Compensation Fund (PCF) 2020/2021-2024/2025 Strategic Plan charts a course for our organization to thrive in today's ever-changing operational landscape. As we embark on this journey, we must acknowledge the transformative shifts that have shaped our environment in the previous planning period. This context underscores the milestones achieved, challenges confronted, performance gaps identified, emerging concerns, and the valuable lessons learnt by the Fund. It is this wealth of experience that has informed the revision of our 2020/2021-2024/2025 Strategic Plan, which will guide us through the remaining two financial years.

PCF's Vision during the Strategic period is "Premier Policyholders Compensation Fund". The development of this Revised Strategic Plan is a culmination of an extensive participatory process involving the Management, Board of Trustees, Staff and key stakeholders.

This Revised Strategic Plan lays out a series of strategic initiatives designed to advance us toward achieving the Vision 2030, Fourth Medium Term Plan (MTP IV), Bottom-up Economic Transformation Agenda (BETA), and Regional Development priorities. We have placed a special emphasis on initiatives that enhance confidence in Kenya's insurance sector, effectively addressing the concerns of our stakeholders and the public.

We commit to establishing institutional frameworks and procedures that align with the Government Development Agenda, enabling us to fulfill our core mandate. The Board will provide unwavering support to the management during the plan's implementation, while also ensuring the necessary oversight and resource advocacy to meet our objectives.

Our priority is to create an enabling environment that fosters staff commitment and motivation to reach our targets. We will also maintain strong ties with relevant Government Ministries, Departments, and Agencies to promote coherence and synergy, contributing to the realization of Kenya Vision 2030, Medium Term Plan IV, and the BETA.

On behalf of the PCF Board of Trustees, I want to extend my gratitude to the Management, led by the Managing Trustee, for their instrumental role in crafting this Revised Strategic Plan. I also wish to express our appreciation to the stakeholders whose invaluable contributions have made this process a success. With the continued support of all stakeholders, I am confident that we will fully realize the ambitions laid out in this Revised Strategic Plan.

**HON. SIMON MBUGUA**  
**CHAIRMAN, BOARD OF TRUSTEES**

# Preface



Over the past three years, the Fund has achieved remarkable progress in implementing the policies, programs, and projects outlined in its 2020/2021-2024/2025 Strategic Plan. Notable achievements include increasing the Fund's value from KShs. 12,963,163,817.00 as of September 30, 2020, to KShs. 19.1 billion as of June 30, 2023, and successfully compensating policyholders for the first time in August 2021.

This Revised Strategic Plan for FY 2020/2021-2024/2025 serves as our roadmap for the next two financial years. Developed through extensive consultations, it aligns with the

Constitution of Kenya 2010, the Fourth Medium Term Plan (MTP IV) of the Vision 2030, and the Bottom-up Economic Transformation Agenda (BETA).

Reliable insurance solutions play a crucial role in achieving the Government's agenda for Agriculture, MSMEs, Affordable Housing, Digital & Creative Economy and Health. This plan places a strong emphasis on developing the insurance sector to support National and Regional development priorities.

The Plan has identified three Key Result Areas (KRAs):

- i. Promoting confidence in the insurance industry.
- ii. Ensuring financial stewardship.
- iii. Strengthening institutional capacity.

During this plan period, PCF aims to achieve a steady growth in the Fund size through prudent investment initiatives, enhanced levy collection, and prudent management of financial resources.

Our commitment is to ensure that the Fund is transparent to all policyholders and stakeholders, instilling confidence in the sector by ensuring efficient settlement of payable claims for compensation in accordance with our mandate and legal requirements. We will improve financial management, governance, and risk management while enhancing service delivery and strategic communication to bolster our reputation.

I extend my sincere gratitude to the Board of Trustees, Management, and Staff for their active participation and cooperation in the development of this Revised Strategic Plan.

A handwritten signature in blue ink, appearing to read 'Mohamed A. Sahal', written over a light blue horizontal line.

**MOHAMED A. SAHAL**  
**MANAGING TRUSTEE**



# Executive Summary

The Policyholders Compensation Fund (PCF) 2020/2021-2024/2025 Revised Strategic Plan provides the framework to guide the Fund in the achievement of its Vision “Premier policyholders compensation fund” and Mission “To promote timely compensation of policyholders and prompt resolution of insurers.”

This Plan has been aligned to the Government Development Agenda including the Constitution of Kenya, the Kenya Vision 2030, the BETA and the Sustainable Development Goals (SDG's). The Strategic Plan has been prepared through a participatory process involving the Fund's Staff, Management and the Board, while recognizing and putting in place initiatives that will effectively respond to the needs and expectations of the Fund's diverse stakeholders.

Chapter One provides the Fund's background, its mandate of providing compensation to claimants of an insurer that has been put under Statutory Management and for the secondary purpose of increasing the general public's confidence in the insurance sector.

Chapter Two is a review of the performance of the FY2020/2021-2024/2025 Strategic Plan and summarizes the achievements, challenges and lessons learnt. It is also an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT), an outline of Political, Economic, Social and Legal (PESTEL) and identification of key stakeholders.

The strategic model is detailed in Chapter Three. The Fund identified the following three KRAs to focus on:

- i. Promote confidence in the insurance industry
- ii. Financial Stewardship
- iii. Strengthen Institutional Capacity

Chapter Four presents the organizational arrangement, structure and staffing requirements. Further, the chapter projects the financing requirements for the strategic plan, highlights the resource gaps, suggested resource mobilization strategies and lastly presents the risks with associated mitigation measures which have been incorporated into the Strategic Model.

Chapter Five provides the monitoring and evaluation strategies. PCF will make monitoring and evaluation an integral part of the entire process of implementation of the Strategic Plan. This will be done with an aim of measuring and assessing performance to draw lessons from the implementation. The findings of the monitoring and evaluation exercises will inform decision-making processes. The system will largely use the corporate objectives and indicators that have been incorporated in the Strategic Plan detailed implementation matrix. Monitoring, Evaluation and Reporting will be done both at the Board and Management levels.



# POLICYHOLDERS COMPENSATION FUND

## MANDATE



# CHAPTER 01

## INTRODUCTION



*“Dhamana Ya Bima Yako”*

## 1.1 Background

Policyholders Compensation Fund (PCF) also known as ‘the Fund’ is a State Corporation under the National Treasury and Economic Planning that was established through the Legal Notice No.105 of 2004 and commenced its operations in January 2005. The Fund was established for the primary purpose of providing compensation to claimants of an insurer that has been put under Statutory Management and for the secondary purpose of increasing the general public’s confidence in the insurance sector. The decision to establish the Fund was informed by the collapse of several insurers prior to the year 2005. The Fund is governed by section 179 of the Insurance Act (Cap 487) and the Insurance (Policyholders Compensation Fund) Regulations, 2010.

The Government of Kenya provided a seed capital of Sh 35 million for operationalization of the Fund in January, 2005. A pre-funded model for the Fund was adopted which required insurers and policyholders to each contribute into the Fund a levy of 0.25% on gross direct premiums written. Currently, PCF has an asset base value of approximately KES. 19.1 Billion as at 30th June 2023.

The maximum compensation payable by the Fund on any one claim lodged by a policyholder was initially capped at KES. 100,000. This amount has since been reviewed to KES. 250,000 after consultations between the Cabinet Secretary, National Treasury and Planning, and the Board of Trustees of the Fund.

The administration of the Fund is vested in the Board of Trustees which comprises of:

- (a) Cabinet Secretary, National Treasury and Planning or a representative appointed in writing;
- (b) A Chairman appointed by the Cabinet Secretary in charge of finance;
- (c) The Commissioner of Insurance or a representative appointed in writing;
- (d) The Attorney General or a representative appointed in writing;
- (e) One person nominated by the body representing interests of insurers;
- (f) One person nominated by insurance brokers;
- (g) One person representing the general public; and
- (h) The Managing Trustee.

The Managing Trustee oversees the operation of the Fund and is responsible to the Board of Trustees. Directors and heads of selected departments within the Fund report to the Managing Trustee as depicted in Figure 4.1.

## **I.2 Mandate**

Policyholders Compensation Fund as stated in the Insurance Act is mandated to:

- (a) Provide compensation to policyholders of an insurer placed under statutory management or whose license has been cancelled;
- (b) Monitor, in consultation with the Commissioner where necessary, the risk profile of any insurer;
- (c) Advise the Cabinet Secretary in charge of finance matters on the national policy to be followed with regard to matters relating to compensation of policyholders and to implement all government policies relating thereto;
- (d) Participate in the statutory management of an insurer placed under statutory management by the regulator;
- (e) Liquidate an insurer as may be ordered by a court; and
- (f) Perform such other functions as may be conferred on it by this Act or by any other written law.

## **I.3 Relevant Legislation**

The legislation that is relevant to the mandate of the Fund includes:

- (a) The Constitution of Kenya, 2010;
- (b) The Insurance Act (Cap 487);
- (c) The Insurance (Policyholder Compensation Fund) Regulations, 2010;
- (d) The Public Finance Management Act, 2012;
- (e) The Companies Act (Cap 486);
- (f) The Trustee Act (Cap 167);
- (g) Insurance (Motor Vehicle Third Party Risks) Act, (Cap 405); and
- (h) Other relevant legislations.

## **I.4 Policies and Guidelines**

The following policies and guidelines are relevant to the mandate of the Fund:

- (a) Kenya Vision 2030;
- (b) Medium Term Plan (MTP) IV Financial Services Sector Plans (2023–2027);
- (c) The Bottom-up Economic Transformation Agenda (BETA);
- (d) Mwongozo, the Code of Governance for State Corporations;
- (e) Sector Performance Standards;
- (f) Performance Contracting Guidelines;
- (g) Sustainable Development Goals;
- (h) Africa Agenda 2063;
- (i) The Fund's policies and procedure manuals; and
- (j) Other policies, circulars and guidelines issued by the Government from time to time.

## **I.5 Fund's Compliance with the Constitution of Kenya**

PCF recognizes the Constitution of Kenya 2010 as the Supreme Law which binds all persons and all State Organs at all levels. The Fund shall uphold and defend the Constitution of Kenya, and with respect to its Mandate as espoused by the following Articles Article 6 (3):

- (a) Access to services;
- (b) Article 10 (1)(2) – The national values and principles of governance;
- (c) Article 21(3) – Address the needs of vulnerable groups within and without the PCF including women, persons with disabilities, children, youth, members of minority or marginalised communities and members of particular ethnic, religious or cultural communities;
- (d) Article 35(1) – Access to information;
- (e) Article 46 – Consumer rights;
- (f) Article 50 – Fair hearing;
- (g) Chapter Six – Leadership and integrity;
- (h) Article 201 – Principles of public finance;
- (i) Article 227 – Procurement of public goods and services; and
- (j) Article 232 – The values and principles of public service.

## **I.6 Services Offered by the Fund**

In fulfilling its mandate, the Fund offers the following services:

- (a) Compensation to claimants;
- (b) Monitoring risk profiles of insurer;
- (c) Provision of advice relating to compensation of policyholders;
- (d) Perform statutory management of insurers placed under a manager appointed under section 67C (2) of the Insurance Act or whose license has been cancelled under the Act; and
- (e) Liquidate an insurer as may be ordered by the High Court.

## **I.7 Rationale for Developing the Revised Strategic Plan FY2020/2021-2024/2025**

Several fundamental changes have taken place in the Fund's operational environment since the Strategic Plan 2020 - 2024 was developed. There have been changes in economic, fiscal and legal environment.



# POLICYHOLDERS COMPENSATION FUND

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## SERVICES

03

Provision of advice relating to  
compensation of policyholders

02

Monitor, in  
consultation  
with the  
Commissioner

01

Compensation  
to claimants

04

Perform  
statutory  
management  
of insurers

05

Liquidate an  
insurer as  
may be  
ordered  
by a court



This Revised Strategic Plan has been aligned to relevant Policy Documents which include the Kenya Vision 2030, MTP IV, the BETA, Sustainable Development Goals (SDGs), UN decade of action and the Africa Union Agenda 2063. A review of these developments and situational analysis of the Fund's operational environment informed the preparation of this Strategic Plan.

## **I.8 Methodology Deployed in Developing the Strategic Plan**

During the review of the Strategic Plan, all key stakeholders were consulted. Some of the key respondents included Ministries and Government Departments, Development Partners, Policyholders, Board of Trustees, Management and Staff. This was useful for purposes of receiving quality feedback and creating ownership of the Strategic Plan. Deployment of survey questionnaires, informant interviews, focus group discussions and direct observations formed the primary source of information for the review while the Fund's monitoring and evaluation reports formed part of the secondary data.

## **I.9 PCF Role in the National Development Agenda**

This section presents the national development agenda, specifically, the national development blueprint, the Kenya Vision 2030, MTP IV, and the BETA, the Sustainable Development Goals (SDGs) and the African Union (AU) Agenda 2063. The role of the Policyholders Compensation Fund in the realization of the National Development Agenda has also been explained.

### **I.9.1 Kenya Vision 2030**

The Kenya Vision 2030 considered the national long term development blueprint to spell out the national development plan for the country. The Vision aspires to transform Kenya into a newly-industrialized, middle-income country providing a high quality of life to all its citizenry by 2030 in a clean and secure environment. The Vision is anchored on three (3) key pillars as follows:

- (a) The Economic Pillar aimed at achieving a sustained economic growth rate of 10 per cent till 2030 to avail sufficient resources for achieving the Vision goals. As a State Agency operating in the financial sector, PCF's contribution to the attainment of Vision 2030 will primarily be through this pillar where the insurance sector falls as follows:
  - (i) Increase the level of savings in the financial sector by boosting the confidence of the public in the sector;
  - (ii) Secure private investments through prompt compensation of policyholders;
  - (iii) Increase the amount of public revenues by investing in Government Securities hence availing funds for national development; and

- (iv) Contribute to the stability of the country's macro-economic environment by ensuring the financial sector (insurance industry) is stable and sustainable.
- (b) The Social Pillar seeks to realize a just, cohesive and equitable social development in a clean and secure environment. Critical priorities in Social pillar have a connection with the mandate and functions of PCF. Through the execution of its mandate, PCF will contribute to poverty reduction and human resource development.
- (c) The Political pillar seeks to entrench issue-based, people-centered, results-oriented and accountable democratic system in the country. Through execution of its mandate, PCF will contribute to better governance, a key priority area in the pillar.

## **I.9.2 Medium Term Plan IV (2023– 2027)**

Implementation of the Vision 2030 is through successive five-year Medium Term Plans (MTPs). The current Medium Term Plan, MTP IV for 2023 – 2027, that aims to achieve sustained economic growth, address income inequality, empower youth, women and persons with disabilities, and revitalize all sectors of the economy to generate employment opportunities. The plan is aligned with the Kenya Kwanza Manifesto and is guided by the Constitution of Kenya. It builds on the achievements and lessons learned from the implementation of the preceding Medium Term Plans (MTPs) of the Kenya Vision 2030. The MTP IV focuses on achieving the priorities outlined in the Bottom-Up Economic Transformation Agenda (BETA) and incorporates international obligations and commitments including the UN Agenda 2030 on Sustainable Development and the Africa Agenda 2063

In this regard, PCF through the implementation of its Strategic Plan will contribute to the development of the architecture of the Financial Services Sector, a programme aimed at enhancing stability, sustainability and competition in the Financial Sector.

## **I.9.3 The Bottom-Up Economic Transformation Agenda (BETA)**

The Bottom-Up Economic Transformation Agenda (BETA) is a plan by the Kenyan government aimed at achieving economic turnaround and inclusive growth through a value chain approach. The plan identifies policy priorities that are expected to have the greatest impact on the economy and welfare of households. These priorities include:

- (a) Bringing down the cost of living
- (b) Eradicating hunger
- (c) Creating jobs
- (d) Expanding the tax base
- (e) Improving foreign exchange balance
- (f) Inclusive growth
- (g) Uplifting the lives and livelihoods of those at the bottom of the pyramid.

The BETA plan will be implemented through targeted investments in five core pillars:

- (a) Agricultural Transformation
- (b) Micro, Small and Medium Enterprises (MSME) Economy
- (c) Housing and Settlement
- (d) Healthcare
- (e) Digital Superhighway and Creative Economy.

The core pillars will be implemented through five BETA sectors:

- (a) Finance and Production
- (b) Infrastructure
- (c) Social
- (d) Environment and Natural Resources
- (e) Governance and Public Administration.

Implementation of the BETA initiatives is expected to usher in a broad-based inclusive and sustainable economic growth, faster job creation, and a reduction of poverty and inequality. For these initiatives to succeed, closer cooperation and harmony between the national and county governments and other key stakeholders will be critical.

In fulfilling its mandate, PCF will remain committed to the realisation of the BETA initiatives by contributing to the enhancement of the financial safety net arrangements for stakeholders through timely management of compensation for unsettled insurance claims of insolvent insurers and protection of policyholders of insolvent insurers through issuance of moratoriums. Further PCF intends to leverage on technology through automation of services offered to citizens.

### **1.9.4 Africa Agenda 2063**

Agenda 2063: “The Africa We Want” is Africa’s master plan for transforming the continent into the global powerhouse of the future. It is a strategic framework for the socio- economic transformation of the continent within a 50-year period, from 2013 to 2063.

With this plan, the African Union (AU) seeks to prioritise inclusive social and economic development, continental and regional integration, democratic governance and peace and security inter alia geared towards repositioning Africa to becoming a dominant player in the global arena.

The implementation of the Agenda is to be through a successive 50-year implementation plan ending in 2063 from 2013. The Agenda has seven aspirations namely:

- (a) A prosperous Africa based on inclusive growth and sustainable development;
- (b) An integrated continent; politically united and based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance;

- (c) An Africa of good governance, democracy, respect for human rights, justice and the rule of law;
- (d) A peaceful and secure Africa;
- (e) An Africa with a strong cultural identity, common heritage, shared values and ethics;
- (f) An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children; and
- (g) Africa as a strong, united, resilient and influential global player and partner.

PCF will contribute to the attainment of the above through the promotion of social security and sustainable and inclusive economic growth through protection of the vulnerable insurance consumers, promotion of stability in the financial sector (insurance) through risk monitoring and reporting, enhancing the public confidence in the insurance sector through prompt compensation of claimants, instill and promote good governance and ethical practices in the insurance industry and ensure prudent fiscal management and generation of revenues through strategic investments

## 1.9.5 Sustainable Development Goals

The Sustainable Development Goals or Global Goals are a collection of 17 interlinked goals designed to be a “blueprint to achieve a better and more sustainable future for all”. The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. The Government of Kenya (GoK) has committed to embed SDGs in her national development plans. The Vision 2030 and the BETA have been linked with the SDGs, especially, in the three key dimensions namely: Economic, Social, and Environmental. In executing her mandate, PCF will contribute to the realization of the following SDG’s:

### (a) **Goal 1: End Poverty**

PCF will promote poverty reduction through ensuring prompt compensation to claimants and hence enhancement of financial security.

### (b) **Goal 8: Decent Work and Economic Growth**

PCF has a critical role to play in promoting sustainable economic growth in Kenya through promoting the confidence of the public in the financial sector thus increasing financial inclusivity, protecting the public through payment of compensation, mobilization of resources through collection of revenues, and the investment of the same in Government Securities to facilitate the realization of National goals.

### (c) **Goal 16: Peace, Justice and Strong Institutions**

Strong financial sector institutions remain critical to development. PCF will play her role to ensure a strong and secure financial sector by building capacity and forging strategic partnerships to efficiently undertake its mandate including risk monitoring, research and promoting governance.



# POLICYHOLDERS COMPENSATION FUND

## ROLE IN NATIONAL DEVELOPMENT AGENDA

### Kenya Vision 2030

The Vision aspires to transform Kenya into a newly-industrialized, middle-income country providing a high quality of life to all its citizenry by 2030 in a clean and secure environment.



### Medium Term Plan IV (2023– 2027)

Implementation of the Vision 2030 is through successive five-year Medium Term Plans (MTPs).



### The Bottom-Up Economic Transformation Agenda (BETA)

The Bottom-Up Economic Transformation Agenda (BETA) is a plan by the Kenyan government aimed at achieving economic turnaround and inclusive growth through a value chain approach.



### Sustainable Development Goals

The Sustainable Development Goals or Global Goals are a collection of 17 interlinked goals designed to be a "blueprint to achieve a better and more sustainable future for all".



### Africa Agenda 2063

Agenda 2063: "The Africa We Want" is Africa's master plan for transforming the continent into the global powerhouse of the future.



# CHAPTER 02

## SITUATIONAL ANALYSIS



*“Dhamana Ya Bima Yako”*

## 2.1 Overview

This chapter provides a mid-term review of the 2020/2021-2024/2025 Strategic Plan implementation. It presents key achievements, challenges experienced and the lessons learnt. It also undertakes an analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT), Political, Economic, Social, Environmental and Legal (PESTEL) and stakeholder analysis.

## 2.2 Review of the FY2020/2021-2024/2025 Strategic Plan

### 2.2.1 Key Achievements

During the current Strategic Plan period, the Fund made some of the following key achievements under different programmes and initiatives:

- (a) Significant Growth of the Fund Value - The Fund's value increased from KShs. 12,491,502,159.00 as at 30th June 2020 to KShs. 19,121,465,498.00 as at 30th June 2023.
- (b) Successful Compensation of Policyholders - The Fund compensated policyholder claimants of several insurance companies, paying 82.3% of the lodged claims and instilling confidence in the Insurance Industry.
- (c) Implementation of Performance Contract - Actively participated in all three performance contract cycles, demonstrating improvement despite staffing challenges.
- (d) Human Resource Management Enhancements - Developed and implemented Human Resource Instruments, increased staff complement to 27, and established a model salary structure through job evaluation.
- (e) Prudent Financial Management - Received unqualified audit opinions, ensuring sound financial practices.
- (f) Enhanced Governance of the Fund - Fully constituted the Board, implemented governance documents, conducted governance audit, and implemented improvement plans.
- (g) Statutory Management - Appointed as the Statutory Manager for multiple insurance companies, ensuring effective oversight.
- (h) Risk Profiling of Insurers - Started monitoring insurance risk, providing quarterly reports to the Board and highlighting potential exposure.
- (i) Progress in Liquidation of Insurers - Engaged with the Office of the Official Receiver, finalizing the handover process for Concord Insurance Co. Ltd.
- (j) Research on Statutory Management and Compensation Models - Research has been done to guide the Fund in policy development, compensation enhancement, risk-based contribution levy, and intervention actions.
- (k) Automation of Fund Operations - Implemented ERP system, currently implementing

Compensation Management System, and improved ICT infrastructure for increased productivity and effectiveness.

- (l) **Publicity and Awareness Initiatives** - Conducted various awareness programs, media campaigns, launches, and participation in industry events to enhance confidence in the Insurance Sector.
- (m) **Benchmarking** - Undertook benchmarking exercises with international institutions, adopting best practices in compensation, statutory management, and insurance risk monitoring.
- (n) **Development of Policy Documents** - Developed 36 policy documents, procedures, and guidelines, providing a solid foundation for the Fund's operations.
- (o) **Collaboration with Sister Institutions** - Established memoranda of understanding with the Office of the Official Receiver and the Insurance Regulatory Authority, fostering partnerships for a favorable operating environment.

## 2.2.2 Challenges and Performance Gaps

A summary of PCF's Strategic Plan 2020 - 2024 challenges and performance gap analysis are presented in Table I below. It is organized departmentally on the framework of what was planned but not achieved, reason for the gap and way forward.

*Table I: What was Planned but not Achieved, Reason for Failure and Suggested Way Forward*

Strategies	Key Activities	Expected output	Implementation Status	Challenges Encountered/ Comments
Develop compensation policy	Develop compensation policy	Approved policy	The Draft Compensation Policy has been developed. The Policy is going through motions of approval	Mid -period population of structure.
	Sensitize the stakeholders on the policy	Stakeholder sensitization report	Consultant engaged in Year 2021/2022 to aid the Fund in development of a Compensation Policy. Process to be completed in FY 2023/2024. Members of staff have been sensitized on the Policy. External stakeholders will be sensitized in FY2023/24. Sensitization of Compensation Policy to be done upon approval by the Board	
	Implement the policy	Policy implementation report	Implementation of Compensation Policy to be done upon approval by the Board and stakeholder sensitization	

Strategies	Key Activities	Expected output	Implementation Status	Challenges Encountered/ Comments
Timely Compensation of Policyholders	Payment processing	Compensation Report	Compensation Guidelines have been developed which stipulate payment processing period. (90 days.) Compensation undertaken for all eligible claims for Resolution Insurance, Standard Assurance and Concord Insurance.	Late onset of compensation process. Deceased Claimants
Advise on law and regulatory framework	Undertake research on policyholder compensation	Research report	Desktop Research undertaken. Benchmarking Research undertaken during 9th IFIGS Conference. Further, an Actuarial Study which includes compensation practices was undertaken.	None
	Disseminate the output of the research on policyholder compensation	Position paper, policy brief	Research on policyholders compensation to be disseminated at appropriate time.	None
Enhance consumer awareness	Develop consumer education program	Approved program and training manual	The consumer education program was developed and approved	Mid-period population of the structure.
	Roll-out the program	Training and customer awareness reports	The program has been rolled out to targeted external stakeholders in different counties	Staff capacity.
	Develop guidelines for risk profile	Approved guideline	Risk profiling guidelines developed and approved by the Board.	Mid-period population of the structure.
	Undertake risk profile of insurer	Risk profile report	Risk Profiling of licensed insurers being undertaken.	Mid-period population of the structure.
	Issue risk profile report (certificate of compliance)	Certificate issued	Inaugural risk profiling report to be generated upon completion of risk profiling process.	None
	Provide advisory to regulator on insurer compliance level	Advisory reports	Advisory on Capital Adequacy Ratios of licensed insurers provided to the regulator.	None



## 2.2.3 Lessons Learnt and recommendations

Throughout the 2020/2021 – 2024/2025 Strategic Plan implementation, several lessons have been learnt which allow for discovery of opportunities for improvement. The lessons learnt and recommendations during the implementation of the plan are summarized in the table below.

*Table 2: Lessons learnt and recommendations*

Lessons Learnt	Recommendations
Collaborative decision making is a key ingredient for success	Cultivate a corporate environment that promotes collaborative engagement across every level of the organization. Institute cross-functional teams as a means to facilitate decision-making processes.
Innovation and creativity are key to success	Encourage a culture of innovation and creativity by providing resources and incentives for employees to generate and implement new ideas. Foster an environment that embraces experimentation and learning from failure.
Monitoring and Evaluation helps one to stay on track	Develop a robust monitoring and evaluation framework to regularly assess the progress of strategic initiatives. Implement key performance indicators (KPIs) and establish a systematic process for gathering and analyzing data for informed decision-making.
Strategic plan should be SMART	Strategically prioritize key objectives and allocate resources to align with critical areas. Continuously assess and enhance the strategic framework to ensure steadfast commitment to core goals.
Teamwork makes work easier	Foster a culture of collaboration by promoting teamwork, idea-sharing, and mutual support through regular team-building activities, workshops, and open communication channels.
Stakeholder engagement	Engage all levels of stakeholders in the strategic planning process to gain buy-in and ownership. Communicate the benefits of the strategic plan and provide training and support for implementation.
Collaboration is key, and there is a need to refocus and repurpose our strategies to ensure the achievement of our mandate	Foster partnerships and collaboration with relevant stakeholders, such as insurance companies, regulators, and industry associations. Regularly review and adapt strategies to align with evolving industry trends and stakeholder needs.

## 2.3 Environmental Scan

### 2.3.1 SWOT Analysis

SWOT Analysis was done to identify the strategies that will create a firm specific business model that will best align the Fund's resources and capabilities to the requirements of the environment in which we operate. The analysis helps to leverage on the strengths, improve the weaknesses, exploit the opportunities and minimize the threats

*Table 3: Strengths, Weaknesses, Opportunities and Threats (SWOT)*

Strengths:	Weaknesses
<ol style="list-style-type: none"> <li>1. Pioneering the First Guarantee Scheme in Africa</li> <li>2. Establishment as a Body Corporate by an Act of Parliament</li> <li>3. Stable and Reliable Revenue Source for Compensation and Fund Administration</li> <li>4. Strong Partnerships with Key Stakeholders</li> <li>5. Committed Board of Trustees with Diverse Skill Set</li> <li>6. Strong Government Support</li> <li>7. Established Policy Guidelines and Manuals</li> <li>8. Well-Equipped and Functional Workspace</li> <li>9. Competent and Highly Skilled Workforce</li> </ol>	<ol style="list-style-type: none"> <li>1. Limited Staffing</li> <li>2. Insufficient Claimant Data</li> <li>3. Inadequate Legal Framework</li> <li>4. Restrictive Organizational Structure</li> <li>5. Limited Awareness of the Fund and its Mandate</li> <li>6. Financial Exposure in Case of Multiple Insurance Firms' Insolvency</li> <li>7. Non-compliance in Levy Collection from Defaulters</li> </ol>
<ol style="list-style-type: none"> <li>1. Untapped market potential</li> <li>2. Expansion of levy collection</li> <li>3. Growth potential through strategic investments</li> <li>4. Capitalizing on technological advancements and innovation</li> <li>5. Addressing low compensation coverage</li> <li>6. Enhancing awareness of PCF's mandate</li> <li>7. Building trust and confidence in insurance services</li> <li>8. Leveraging ICT for efficient service delivery</li> <li>9. Membership in an international guarantee scheme</li> <li>10. Positive reputation and goodwill from stakeholders</li> <li>11. Industry-specific training and development programs</li> <li>12. Leveraging vibrant social media platforms and financial markets</li> <li>13. Strengthening collaboration with stakeholders</li> </ol>	<ol style="list-style-type: none"> <li>1. Litigations</li> <li>2. Regulatory changes</li> <li>3. Mergers and acquisitions</li> <li>4. Political interests</li> <li>5. Insolvencies of multiple insurers and market instability exposing the Fund to significant compensation costs</li> <li>6. Amalgamation of financial sector regulators and compensation funds</li> <li>7. Meltdown of the insurance sector</li> <li>8. Fraudulent claims</li> <li>9. Regulatory appointment of another company, potentially complicating PCF's involvement in compensation</li> <li>10. Cybercrime</li> </ol>

### 2.3.2 Strategic Response to Analyses

It is anticipated that no major adverse occurrences would come to impact the Plan and that the critical assumptions would hold. Most of the Risks and Threats identified in the Plan have been addressed through the strategies defined and continuous monitoring of both external and internal environments will be done. Some of the weaknesses and threats will require policy review recommendations and surveillance of the external environment in which PCF have no control. A mapping of strategic themes and critical success factors to overcome weaknesses and threats is profiled in table 2 and 3.

## 2.3.3 Strategic Response to Weaknesses

Strategies have been put in place to address the weaknesses that may impact negatively on strategic executions. Internal weaknesses have been cross-mapped with strategic objectives to attain a clear view on strategic responses against each weakness. Table 2 indicates weaknesses cross-mapped with strategic objectives.

*Table 4: Cross-Mapping of Weaknesses, Suggested Way Forward and Strategic Objectives*

Weaknesses	Way forward
Limited Staffing	<ul style="list-style-type: none"> <li>i. Conduct a staffing needs assessment to determine the required workforce size and skills.</li> <li>ii. Develop a recruitment and retention strategy to attract and retain qualified staff.</li> <li>iii. Consider outsourcing certain functions or engaging part-time consultants to address immediate staffing gaps.</li> </ul>
Insufficient Claimant Data	<ul style="list-style-type: none"> <li>i. Implement a comprehensive data collection system to capture essential information from policyholders and claimants.</li> <li>ii. Collaborate with insurance companies to share relevant claimant data in a secure and standardized format.</li> <li>iii. Establish partnerships with data analytics firms or research institutions to enhance data analysis capabilities.</li> </ul>
Inadequate Legal Framework	<ul style="list-style-type: none"> <li>i. Advocate for necessary legal reforms and collaborate with relevant government bodies to update and strengthen the legal framework for the Fund.</li> <li>ii. Engage with legal experts and policymakers to identify and address gaps in the existing legal framework that hinder the Fund's operations.</li> </ul>
Restrictive Organizational Structure	<ul style="list-style-type: none"> <li>i. Conduct a comprehensive organizational review to identify inefficiencies and bottlenecks in the current structure.</li> <li>ii. Redesign the organizational structure to ensure clear roles, responsibilities, and efficient decision-making processes.</li> <li>iii. Foster a culture of collaboration and communication across departments to break down silos and promote cross-functional cooperation.</li> </ul>
Limited Awareness of the Fund and its Mandate	<ul style="list-style-type: none"> <li>i. Develop a robust public awareness campaign to educate the public, insurance industry stakeholders, and policymakers about the Fund's mandate.</li> <li>ii. Collaborate with media outlets and influencers to disseminate information about the Fund's role, achievements, and services.</li> <li>iii. Establish strategic partnerships with industry associations and regulatory bodies to enhance awareness among their members.</li> </ul>
Financial Exposure in Case of Multiple Insurance Firms' Insolvency	<ul style="list-style-type: none"> <li>i. Conduct a thorough risk assessment to identify potential financial exposures and develop mitigation strategies.</li> <li>ii. Establish contingency funds or reserves to address potential claims arising from multiple insurance firms' insolvency.</li> <li>iii. Collaborate with regulatory authorities to develop policies and mechanisms that enhance financial stability in the insurance sector.</li> </ul>

Weaknesses	Way forward
Non-compliance in Levy Collection from Defaulters	<ul style="list-style-type: none"> <li>i. Strengthen the legal and regulatory framework governing levy collection and enforcement.</li> <li>ii. Implement robust monitoring and enforcement mechanisms to ensure compliance and timely collection of levies from defaulters.</li> <li>iii. Streamline the levy collection process, leveraging technology and automation to improve efficiency and reduce non-compliance.</li> </ul>

## 2.3.4 Strategic Response to Threats

The Fund has identified strategies to address threats. Table 3 indicates the Fund's key threats cross-mapped with strategic objectives.

*Table 5: Cross-Mapping of Threats, Suggested Way Forward and Strategic Objectives*

Threats	Way forward
Litigations	<ul style="list-style-type: none"> <li>i. Strengthen legal expertise within the organization to effectively handle litigations and legal disputes.</li> <li>ii. Collaborate with external legal experts to provide specialized advice and support in dealing with complex litigations.</li> <li>iii. Develop and implement proactive risk management strategies to identify and mitigate potential causes of litigations.</li> </ul>
Regulatory changes	<ul style="list-style-type: none"> <li>i. Establish strong relationships with regulatory bodies to stay informed about upcoming regulatory changes and actively participate in policy discussions and consultations.</li> <li>ii. Conduct regular reviews of the organization's policies and procedures to ensure compliance with current and future regulatory requirements.</li> <li>iii. Allocate resources for staff training and development to enhance regulatory awareness and ensure effective implementation of regulatory changes.</li> </ul>
Mergers and acquisitions	<ul style="list-style-type: none"> <li>i. Develop a comprehensive risk assessment process to evaluate the potential impact of mergers and acquisitions on the Fund's operations and financial stability.</li> <li>ii. Establish partnerships with regulatory authorities and industry stakeholders to ensure the Fund's interests are protected during merger and acquisition activities in the insurance sector.</li> <li>iii. Maintain regular communication and collaboration with insurance companies involved in mergers and acquisitions to mitigate any adverse effects on the Fund's compensation obligations.</li> </ul>
Political interests	<ul style="list-style-type: none"> <li>i. Build strong relationships with key political stakeholders and policymakers to ensure understanding and support for the Fund's mission and objectives.</li> <li>ii. Communicate the Fund's role and importance in safeguarding policyholders' interests to political decision-makers to garner their support and avoid potential interference or undue influence.</li> <li>iii. Maintain transparency and accountability in the Fund's operations to minimize the risk of political interference and maintain public trust.</li> </ul>

Threats	Way forward
Insolvencies of multiple insurers and market instability	<ul style="list-style-type: none"> <li>i. Strengthen the Fund's financial reserves and contingency planning to mitigate potential compensation costs arising from insolvencies and market instability.</li> <li>ii. Collaborate with regulatory bodies to enhance financial stability in the insurance sector and establish mechanisms for early detection and intervention in cases of insurer insolvencies.</li> <li>iii. Conduct regular stress tests and scenario analysis to assess the Fund's ability to withstand market instability and multiple insolvencies, and adjust the compensation framework accordingly.</li> </ul>
Amalgamation of financial sector regulators and compensation funds	<ul style="list-style-type: none"> <li>i. Actively engage in discussions and consultations regarding amalgamation to ensure the Fund's interests and unique role in compensation are appropriately represented and protected.</li> <li>ii. Collaborate with other compensation funds and financial sector regulators to identify synergies, share best practices, and establish a unified approach to compensation in the amalgamated structure.</li> <li>iii. Advocate for the preservation of the Fund's independence, ensuring its continued effectiveness in compensating policyholders.</li> </ul>
Meltdown of the insurance sector	<ul style="list-style-type: none"> <li>i. Establish strong risk management mechanisms to identify early warning signs of an impending meltdown in the insurance sector and take proactive measures to mitigate the impact on the Fund.</li> <li>ii. Collaborate closely with regulatory authorities and industry associations to monitor the health and stability of the insurance sector and actively participate in efforts to prevent a meltdown.</li> <li>iii. Maintain a diverse investment portfolio and prudent investment practices to mitigate potential financial losses in case of an insurance sector meltdown.</li> </ul>
Fraudulent claims	<ul style="list-style-type: none"> <li>i. Implement robust fraud detection and prevention measures, including advanced data analytics and artificial intelligence tools, to identify and mitigate fraudulent claims.</li> <li>ii. Establish strong internal controls and rigorous claim verification processes to minimize the risk of fraudulent claims slipping through.</li> <li>iii. Conduct regular training programs to educate staff and stakeholders about the risks and consequences of fraudulent activities and the importance of reporting any suspicions or irregularities.</li> </ul>
Regulatory appointment of another statutory manager	<ul style="list-style-type: none"> <li>i. Proactively engage with the regulatory body to ensure a smooth transition and continued involvement of the Fund in compensation activities.</li> <li>ii. Provide necessary documentation and information to support the regulatory appointment process and demonstrate the Fund's capabilities and expertise in compensation.</li> <li>iii. Collaborate with the appointed statutory manager to ensure a seamless transfer of responsibilities and a coordinated approach to compensation activities.</li> </ul>
Cybercrime	<ul style="list-style-type: none"> <li>i. Implement stringent cybersecurity measures, including advanced firewalls, encryption technologies, and employee training on cybersecurity best practices.</li> <li>ii. Regularly assess and update the Fund's IT infrastructure and systems to identify and address vulnerabilities and potential entry points for cybercriminals.</li> <li>iii. Collaborate with cybersecurity experts and engage in information sharing networks to stay updated on the latest cyber threats and preventive measures.</li> </ul>

## 2.4 PESTEL Analysis

The analysis looks at the environment in which the Fund operates to determine its ability to achieve its vision and mission. The Fund will endeavour to maximise on positive factors as it mitigates the effects of negative environmental factors. The factors examined range from global and regional.

PESTEL analysis was undertaken in order to describe and appreciate the environment under which PCF operates. Such analysis allowed the Board to find the best match between environmental trends and internal capabilities.

### 2.4.1 Political Factors

The Fund will endeavour to respond to the political environment as it pursues its strategic key result areas.

*Table 6: Political Factors*

Political Factors	Strategic Implication	Strategic Response
Changes in government policy	Changes in government priorities	Comply with policy and regulatory framework Align the Fund's policies with the prevailing government development agenda
Regional integration	Potential growth of the industry	Ratify policy, legal and regulatory regimes of nations in the integration framework Sensitise industry players on the prevailing legal and regulatory frameworks

### 2.4.2 Economic Factors

The economic factors listed in the table below impact on the implementation of the Strategic Plan of the Fund.

*Table 7: Economic Factors*

Economic Factors	Strategic Implication	Strategic Response
High inflation rates	<ul style="list-style-type: none"> <li>Fluctuating return on investments</li> <li>Depressed economic growth</li> <li>Low ability of PCF to pay compensation to claimants</li> <li>Low uptake of insurance products</li> </ul>	<ul style="list-style-type: none"> <li>Managing the investment risk</li> <li>Review compensation rate</li> </ul>
Strong fiscal policy stance	Growth of the Fund	Align Funds' policy to prevailing fiscal policies
Vibrant financial markets	Enhance uptake of insurance products	Encourage investment in financial markets

## 2.4.3 Social Factors

Appropriate intervention mechanisms have been put in place to address the social factors indicated in the table below.

*Table 8: Social Factors*

Social Factors	Strategic Implication	Strategic Response
Value systems	<ul style="list-style-type: none"> <li>• More compensation claims</li> </ul>	<ul style="list-style-type: none"> <li>• Influence culture change</li> <li>• Fraud risk management</li> <li>• Enhance attitude change</li> <li>• Sensitize the public on uptake of insurance products</li> </ul>
Demographic distribution	Growth in uptake of insurance products	Sensitize the public on uptake of insurance products
Education levels	Increased uptake of insurance products	Sensitize the public on uptake of insurance products
Increased poverty levels	Low disposable income	<ul style="list-style-type: none"> <li>• Sensitize the public on uptake of insurance products</li> <li>• Prompt compensation of policyholders</li> </ul>
Negative perception of financial security	Negative growth	Create awareness

## 2.4.4 Technological Factors

The Fund will keep abreast with the technological changes stated in Table 9 below.

*Table 9: Technological Factors*

Technological Factors	Strategic Implication	Strategic Response
Rapid technological advancements	<ul style="list-style-type: none"> <li>• Improved service delivery</li> <li>• Increased cybercrime</li> <li>• Risk of technological obsolescence</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously upgrade ICT infrastructure</li> <li>• Continuous training of members of staff</li> <li>• Develop and implement cyber security policies</li> </ul>

## 2.4.5 Environmental Factors

Best practices will be applied in handling environmental issues indicated so as to minimise environmental degradation in the Fund's operations. The factors are listed in Table 10.

*Table 10: Environmental Factors*

Environmental Factors	Strategic Implication	Strategic Response
Global warming	<ul style="list-style-type: none"> <li>• Extremes in weather patterns</li> <li>• Increased demand in taking insurance cover</li> <li>• Increased policy claims</li> </ul>	<ul style="list-style-type: none"> <li>• Campaigns to go green</li> <li>• Undertake research to establish risks attributable to global warming</li> </ul>
High pollution	<ul style="list-style-type: none"> <li>• High liability claims</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake research to establish risks attributable to pollution</li> </ul>



### 2.4.6 Legal Factors

The Fund is committed to adhering to the statutory requirements to minimise litigations and where necessary initiate legal amendments for better service delivery. The legal factors are listed in Table 11.

Table 11: Legal Factors

Legal Factors	Strategic Implication	Strategic Response
Dynamic legal framework	Uncertainty in the industry	Offer advisory services on legal review process
Lengthy legal process	Slows down execution	Lobby for favorable legislation
Implementation of the key pillars of the Constitution of Kenya	<ul style="list-style-type: none"><li>Has a positive bearing in the Fund if well managed especially the court processes of liquidation</li><li>Consumer protection</li><li>Enhance governance and disclosure requirements</li></ul>	PCF to institutionalize this

## 2.5 Stakeholder Analysis

A stakeholder is any person, group, or institution with an interest in the activities of the Policyholders Compensation Fund. As part of our strategic plan, we recognize the importance of fostering continuous interaction and establishing partnerships and collaborations with our stakeholders to effectively carry out our mandate. The interests and expectations of these stakeholders significantly influence the functions of the Fund, making it essential to build strong working relationships. To gain a deeper understanding of our stakeholders, we conducted a stakeholder mapping exercise, considering the power they possess, the urgency of their demands, and the legitimacy of their claims.

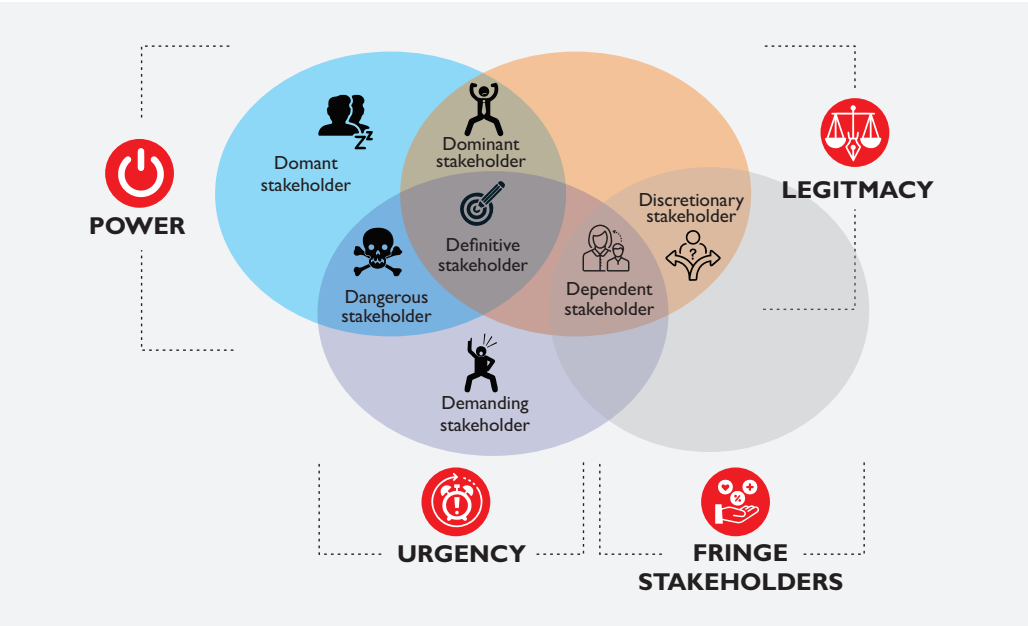
Power (P) refers to the capacity of an individual or group to exert influence over others. This influence can take various forms, such as coercive power through the use of force, utilitarian power through financial resources, or symbolic power through reputation and esteem. Legitimacy (L) encompasses the perception that the actions of an organization align with the norms, values, and beliefs of a particular system. Urgency (U) reflects the degree to which stakeholder claims require immediate attention. Based on these attributes, stakeholders who possess all three (P+U+L) are categorized as Definitive Stakeholders and hold high salience within the Fund. Stakeholders with two attributes are classified as Expectant Stakeholders and have moderate salience, while those with only one attribute are referred to as Latent Stakeholders and have lower salience. Stakeholders who do not possess any of the three attributes are considered fringe stakeholders, and their engagement with the Fund is primarily through corporate social responsibility (CSR) initiatives.

By understanding the salience and characteristics of our stakeholders, we can prioritize our engagement efforts and tailor our interactions accordingly. This stakeholder analysis

provides valuable insights into the dynamics of our stakeholder relationships, allowing us to allocate resources effectively and meet the diverse needs and expectations of our stakeholders. Through proactive engagement and responsive communication, we aim to foster mutually beneficial partnerships that contribute to the success and sustainability of the Policyholders Compensation Fund.

### 2.5.1 Stakeholder Mapping Conceptual Model

Figure 1: Stakeholder Mapping Conceptual Model



### 2.5.2 PCF Stakeholders categorization

Table 12: PCF Stakeholder’s Categorization

Definitive Stakeholders	
(Power + Legitimacy +Urgency) High salience Recommendation: Must participate in decision making process of the Fund	<ul style="list-style-type: none"> <li>• Policyholders</li> <li>• The National Treasury and Planning</li> <li>• Insurance Regulatory Authority</li> <li>• Insurers</li> <li>• Employees</li> </ul>
Expectant stakeholder	
With two qualities (Power + Legitimacy+ Urgency) Middle salience Recommendation: Authority ought to consult them during decision making	<ul style="list-style-type: none"> <li>• National Government</li> <li>• County Governments</li> <li>• Central Bank of Kenya</li> <li>• Parliament</li> <li>• Utility providers</li> <li>• General Public</li> <li>• Suppliers and contractors</li> </ul>

Latent stakeholder	
Low salience Balance between informing and consulting them.	<ul style="list-style-type: none"> <li>• Office of the Attorney General</li> <li>• Insurers under statutory managers</li> <li>• Official receiver and liquidators</li> <li>• Civil Society and Advocacy Groups</li> </ul>
Fringe stakeholder	
Work with for CSR projects only	<ul style="list-style-type: none"> <li>• Learning and Research Institutions, Media</li> </ul>

The following is a summary of PCF stakeholders analysis and their expectations.

*Table 13: Stakeholders' Analysis in the Strategic Plan FY2020/2021-2024/2025*

Stakeholder	Stakeholder Core Function	Stakeholder Expectations	PCF Expectations
National Government	<ul style="list-style-type: none"> <li>• Regulatory oversight of the insurance industry.</li> <li>• Ensuring compliance with insurance laws and regulations.</li> <li>• Protecting policyholders' interests.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with insurance laws and regulations</li> <li>• Policyholder protection through effective regulation and supervision of insurers.</li> <li>• Support in crisis situations, such as insurer insolvency or market instability.</li> </ul>	<ul style="list-style-type: none"> <li>• Strict adherence to regulatory requirements and timely submission of financial reports.</li> <li>• Collaborate with government agencies to enhance policyholder protection through joint initiatives.</li> <li>• Develop contingency plans in coordination with government to mitigate risks and protect policyholders.</li> </ul>
Parliament	Legislation	<ul style="list-style-type: none"> <li>• Execution of the Fund's mandate</li> <li>• Adherence to the policy, legal and regulatory framework</li> <li>• Prudent utilization of public resources</li> </ul>	<ul style="list-style-type: none"> <li>• Pass supportive legislations</li> <li>• Parliamentary appropriation</li> <li>• Adequate oversight</li> </ul>
The National Treasury and Planning	Planning and disbursement of Government funds	<ul style="list-style-type: none"> <li>• Adherence to the policy, legal and regulatory framework</li> <li>• Prudent management of public resources</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of policy, proposals and recommendations</li> <li>• Advisory on policies, procedures and guidelines</li> <li>• Timely appointment of Board of Trustee</li> <li>• Membership in the Board of Trustees</li> </ul>
Office of the Attorney General	Government legal adviser	<ul style="list-style-type: none"> <li>• Adherence to established legal framework</li> <li>• Timely request for legal advice and representation</li> </ul>	<ul style="list-style-type: none"> <li>• Representation in litigations</li> <li>• Legal advisory on matters relating to the functions of PCF</li> <li>• Membership in the Board of Trustees</li> </ul>

Stakeholder	Stakeholder Core Function	Stakeholder Expectations	PCF Expectations
County Governments	Devolution of services	<ul style="list-style-type: none"> <li>• Mobilization of target group for consumer education</li> </ul>	Collaborations during consumer education
Central Bank of Kenya	Regulating Government business transaction	<ul style="list-style-type: none"> <li>• Compliance with the financial sector regulatory framework</li> </ul>	<ul style="list-style-type: none"> <li>• Conducive financial sector regulatory framework</li> <li>• Effective management of investment in Government securities</li> </ul>
Insurance Regulatory Authority	Regulating insurance industry players	Compliance with the Insurance Act <ul style="list-style-type: none"> <li>• Collaboration on areas of common interest areas</li> <li>• Stability of the insurance industry</li> </ul>	<ul style="list-style-type: none"> <li>• Effective regulation of the insurance industry</li> <li>• Up-to-date suitable data on insurance companies</li> <li>• Collaboration on areas of common interest</li> <li>• Membership in the Board of Trustees</li> </ul>
Policyholders	Consumer of insurance products	<ul style="list-style-type: none"> <li>• Timely processing and payment of compensation</li> <li>• Consumer education</li> </ul>	<ul style="list-style-type: none"> <li>• Timely filing of claims</li> <li>• Full disclosure of information</li> </ul>
Insurers	Provide insurance products	<ul style="list-style-type: none"> <li>• Consumer education</li> <li>• Mechanisms to detect and prevent fraud</li> </ul>	Compliance of the Insurance Act
Insurers under statutory managers	Provide cooperation	Compliance with law and regulatory framework	Timely provision of information
Official receiver and liquidators	Provide data and cooperation	Information of wound- up insurers	Reimbursement of compensation to claimants
Learning and Research Institutions	Knowledge management	Collaborations on training and capacity building	<ul style="list-style-type: none"> <li>• Collaborations on capacity development</li> <li>• Policy research that informs decisions</li> </ul>
Civil Society and Advocacy Groups	Advocating for policyholder rights and protection.	<ul style="list-style-type: none"> <li>• Transparency in PCF operations and financial management.</li> <li>• Timely and fair compensation for policyholders in distress.</li> <li>• Inclusion of civil society input in PCF policies and decisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with civil society in policyholder education campaigns and seek their input in policy formulation.</li> <li>• Maintain an open line of communication for feedback and complaints from civil society.</li> <li>• Regularly update civil society on PCF's financial status and operational activities.</li> </ul>

Stakeholder	Stakeholder Core Function	Stakeholder Expectations	PCF Expectations
Media	Dissemination of information to the public	Collaborations on consumer education	<ul style="list-style-type: none"> <li>• Collaborations on consumer education</li> <li>• Collaborations on public awareness campaigns and sensitization</li> <li>• Responsible reporting of information regarding insurance industry</li> </ul>
Suppliers and contractors	Deliver services and products	<ul style="list-style-type: none"> <li>• Timely request for services</li> <li>• Fair selection process</li> <li>• Timely payment for goods and services rendered</li> </ul>	<ul style="list-style-type: none"> <li>• Timely delivery of services and products as per specifications</li> <li>• Compliance with set procurement guidelines</li> </ul>
General Public	Consume insurance products	Consumer education	Uptake of insurance products
Employees	Service delivery	<ul style="list-style-type: none"> <li>• Fair pay</li> <li>• Conducive working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to work ethics</li> <li>• Efficiency in service delivery</li> </ul>

# CHAPTER 03

## STRATEGIC MODEL



*“Dhamana Ya Bima Yako”*

### 3.1 Overview

This chapter provides the vision, mission and core values. It also covers the key result areas, strategic objectives and outputs.

### 3.2 Organizational Tenets

PCF recognizes that it must anchor its operations on certain principles and values. The implementation of its objectives, strategies and activities will be guided by the Vision, Mission and Core Values.

#### 3.2.1 Vision

Our ultimate Vision is our statement of intent which aims to energize and drive our organization and people to new heights and constant achievement.



#### 3.2.2 Mission

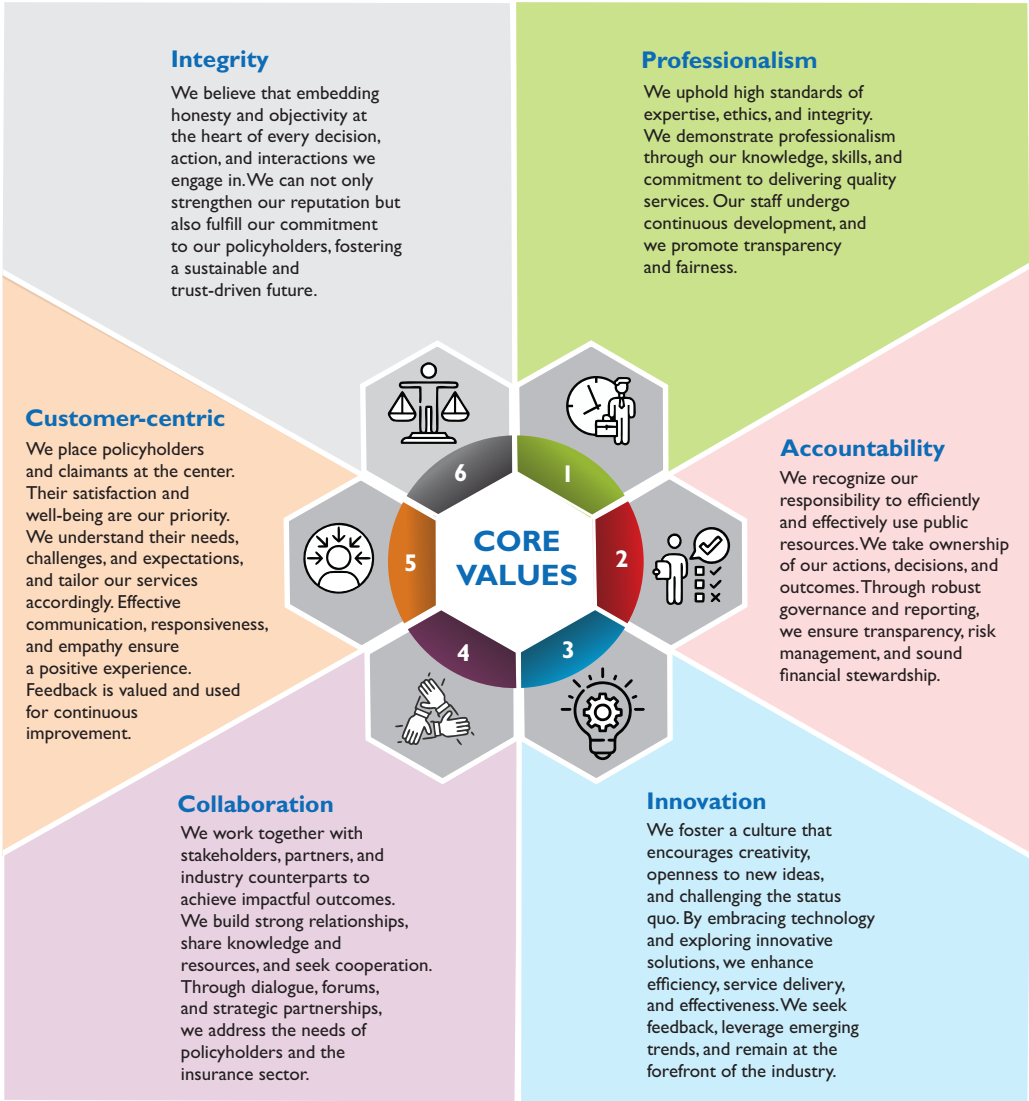
Mission is an umbrella statement defining the basic nature and scope of PCF's business, who is to be served, how to serve them and key stakeholders.





### 3.2.3 Core Values

We believe that the following core values would help us achieve our Vision, mission and goals by ensuring a consistence operation mode. The following are our five (5) corporate values.



### 3.3 Key Result Areas

PCF has identified three (3) key result areas in the 2020/2021 – 2024/2025 Revised Strategic Plan. The Key Result Areas (KRAs) include:

- (i) Promote confidence in the insurance industry
- (ii) Financial Stewardship
- (iii) Strengthen Institutional Capacity

### 3.4 Strategic Objectives

The Revised Strategic Plan 2020/2021 – 2024/2025 has introduced seven(7) Strategic Objectives which include to:

- 1. Enhance compensation of policyholders and claimants
- 2. Prompt resolution of troubled insurers
- 3. Early intervention in troubled insurers
- 4. Mobilize financial resources
- 5. Enhance service delivery
- 6. Enhance corporate brand
- 7. Enhance corporate governance

Figure 2: Strategy House

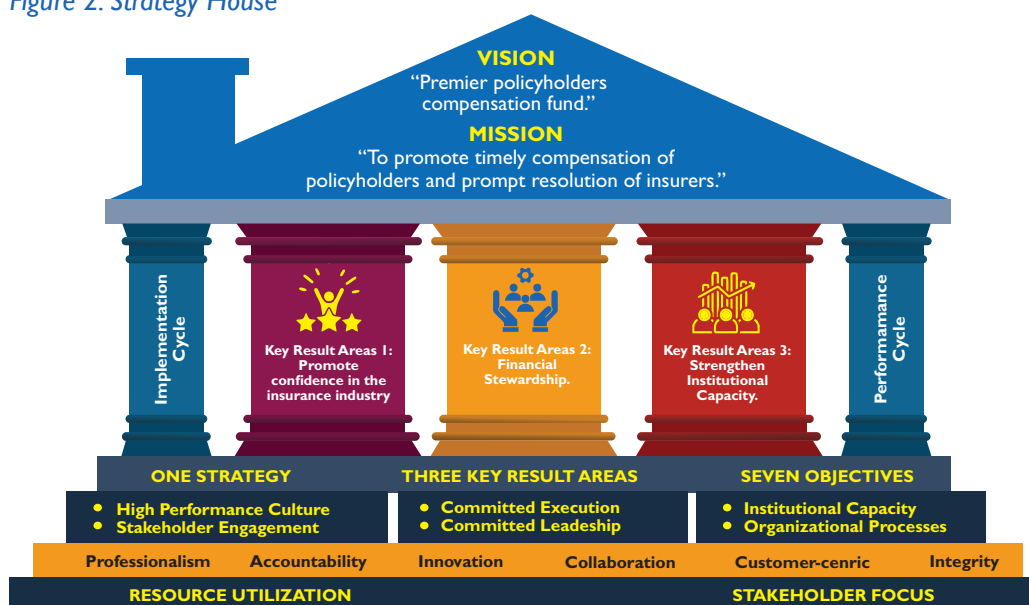


Table 14: Key Result Areas, Strategic Objectives, Strategies and Activities

KEY RESULT AREA I : PROMOTE CONFIDENCE IN THE INSURANCE INDUSTRY		
Strategic Objective	Strategies	Activity
Enhance compensation of policyholders and claimant	Timely and appropriate compensation of policyholders & claimants	Development & implementation the compensation policy
	Review of the service charter	Stakeholder engagement, validation and sensitization
	Automation of compensation process	Implementation of the Claims Management System Provision of online services
Prompt resolution of troubled insurers	Efficiency in Statutory Management processes	Implementation of Statutory Management Guidelines Conduct simulation and contingency planning exercises
	Collaboration with appointed liquidator	Information sharing with appointed liquidator
Early intervention in troubled insurers	Enhance legislative framework	Development of PCF Bill
	Enhance risk Profiling of licensed insurers	Implementation of Risk Profiling Guidelines

KEY RESULT AREA II : FINANCIAL STEWARDSHIP		
Strategic Objective	Strategies	Activity
To Mobilize Financial Resources	Timely and compliant levy administration	Undertake contribution levy collection Enforcement of contribution levy collection
	Resource mobilization policy	Develop a resource mobilization policy
	Investment Liquidity management	Conduct Asset-Liability Management (ALM) Develop investment policy
	Prudent Financial Management	Budget appropriation Financial reporting Implementation of the Finance policy and procedure manual
To Enhance Service Delivery	Staff Motivation	Develop and Implement Staff Welfare Policy
	Capacity Building	Develop and Implement training and development guidelines
	Performance Management and Productivity	Implement performance, reward and recognition policy
	Talent Management & Succession	Implement Talent Management and Succession Planning Policy
	Operational Efficiency	Quality Management System Institution

Strategic Objective	Strategies	Activity
	Value for Money in Supply Chain Management	Implementation of Supply Chain Management Policy and Procedural Manual
	Knowledge Management	Development of Knowledge Management Policy
	Research and Advocacy	Implementation of the Research Policy
		Partnership Management
	Automation	Develop Internal Systems
		Build ICT Infrastructure
		Implementation of ICT Policy and Manuals
Enhance Corporate Brand	Creation of Awareness	Stakeholder Education
		Development of communication strategy
	Corporate Social Responsibility (CSR)	Develop of CSR Policy
	Strategic Communication	Public Relations
		Social Media Engagements on two platforms
Enhance Corporate Governance	Strengthen Internal Controls	Corporate Branding
	Strengthen Internal Controls	Conduct Audit Assessments
		Conduct Audit
	Enhance Corporate Governance Compliance	Conduct Compliance Audits
	Board Capacity Building	Development of Board Training Plan
		Conduct Board Evaluation
		Conduct Board Induction

# CHAPTER 04

## IMPLEMENTATION FRAMEWORK



*“Dhamana Ya Bima Yako”*

# 4.1 Overview

This chapter presents the Fund’s organizational structure and staffing requirements. Further, the chapter projects the financing requirements for the strategic plan, highlights the resource gaps, suggested resource mobilization strategies and presents the strategic risks identified and associated mitigation measures.

# 4.2 Staffing Levels

The Fund has an approved establishment of thirty one (31) which is currently populated to twenty seven (27). To ensure the achievement of the planned activities, the Fund will maintain optimal staffing levels throughout the strategic plan implementation period. This will be achieved through proactively attracting, developing and retaining qualified and competent talents as well as enhancing motivation to ensure productivity.

The staff requirements for the Fund are outlined in Table 15.

Table 15: PCF Staff Requirements

No	Job Titles	Establishment	In-post	Variance
1.	Managing Trustee	1	1	0
2.	Directors	3	3	1
3.	Deputy Directors	10	9	0
4.	Principal Officers	4	2	2
5.	Senior Officers	1	0	1
6.	Officer	9	9	0
7.	Senior Assistant Officers	1	1	0
8.	Assistant Officer	0	0	0
9.	Senior Driver	1	1	0
10.	Driver	1	1	0
TOTAL		31	27	4

## 4.3 Structure of the Organization

The Fund is managed by Board of Trustees that is responsible for policy and strategic guidance. The Managing Trustee is responsible for the day-to-day management of the Fund. PCF will have the following Directorates and Departments:

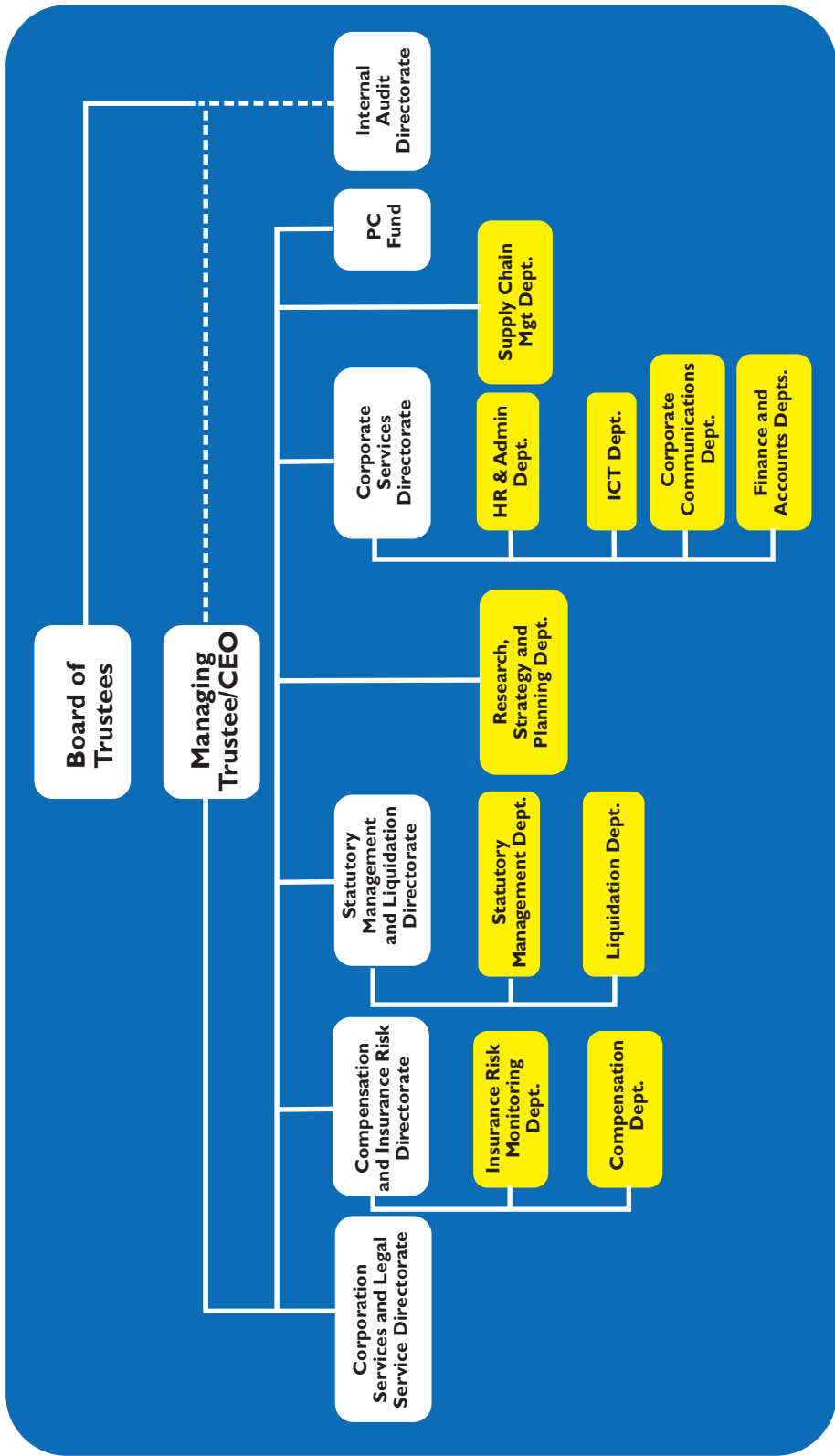
- (a) Compensation and Insurance Risk Monitoring Directorate headed by Director (PCF 2) who will be answerable to the Managing Trustee and responsible for compensation of policyholders and Insurance Risk Monitoring;
- (b) Statutory Management and Liquidation headed by Director(PCF 2) who will be answerable to Managing Trustee and responsible for Statutory Management and Liquidation;
- (c) Corporate Services Directorate headed by Director (PCF 2) who will be answerable to the Managing Trustee and responsible for human resource management and administration, finance and Accounts, ICT, and corporate communication;
- (d) Internal Audit Directorate headed by a Director ( PCF 2 ) who will be answerable to the Managing Trustee administratively and functionally to the Audit and Risk Management Committee of the Board.
- (e) Corporation Secretary/Legal Services Directorate headed by Director (PCF 2) who will be answerable to the Managing Trustee.
- (f) Supply Chain Management Department headed by Deputy Director at grade PCF 3 who will be answerable to the Managing Trustee for the overall management of the Department.
- (g) Research Strategy and Planning Department headed by Deputy Director at grade PCF 3 who will be answerable to the Managing Trustee for the overall management of the Department; and
- (h) The Fund: The Managing Trustee shall be administratively responsible for the management of the Fund while the Board of Trustee shall be functionally responsible.

These functions are outlined in Figure 3 below.



### 4.3.1 PCF Organization Structure

Figure 3: Organizational Structure



## 4.3.2 Human Resource Development Strategy

The Fund will progressively fill the vacant positions during the Plan Period as and when need arises to ensure that the staffing levels are optimal to guarantee the delivery of the Plan. The plan proposes strategies to build capacity of staff with technical and soft skills necessary for effective delivery of its strategy.

The Fund will undertake Business Process Re-engineering with the aim of increasing efficiency in operations, coordination and staff productivity enhancement. Measures will be put in place to institutionalize knowledge management within the Fund. Knowledge sharing forums will be organized periodically to enable staff share information and strengthen storage of information through an ICT platform. The Plan also provides for development and implementation of policies and guidelines that will guarantee development of staff, matching of skills to tasks and effective succession management.

## 4.4 Financial Resources

As part of its public financial management reforms, the Government is adopting programme-Based Budgeting in the allocation of its resources. In light of this, this Strategic Plan proposes to align projected financial resources with programmes that will be undertaken during the Plan period.

PCF will pursue nine (9) strategic objectives that will be achieved through implementation of the activities identified in the implementation matrix (Appendix I). The matrix indicates the resources required for implementing these activities. PCF's projected resource requirements for implementation of the Strategic Plan (2020/21–2024/25) is Sh. 5,702.5 million. The summary of total resources required for the period 2020/21–2024/25 is shown in Table 4.2.

*Table 16: Financial Resource Requirements*

No	Key Result Area	Strategic Objectives	Total Cost (KES.'000)
1.	Promote confidence in the insurance industry	Enhance compensation of policyholders and claimant	1,030,000
		Prompt resolution of troubled insurers	5,000
		Early intervention in troubled insurer	20,000
2.	Financial Stewardship	To mobilize financial resources	5,000
3.	Strengthen Institutional Capacity	To Enhance Service Delivery	419,000
		Enhance Corporate Brand	71,500
		Enhance Corporate Governance	75,000

PCF relies solely on the levy collection and investment income to finance its activities. The funds will be raised from different sources as shown in Table 17.

Table 17: Funding Sources

Sources Of Funds	Sh. Million					
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Levy collection	918.00	964.00	964.00	1,220.00	1,464.00	<b>5,627.00</b>
Investment income	880.00	968.00	1,065.00	1,171.00	1,288.00	<b>5,372.00</b>
Total income	1,798.00	1,932.00	2,126.00	2,391.00	2,752.00	<b>10,999.00</b>
Strategic plan requirements	1,122.04	1,164.64	1,139.04	1,139.94	1,136.84	<b>5,702.5</b>
Surplus	675.96	767.36	986.96	1,251.06	1,615.16	<b>5,296.50</b>

## 4.5 Resource Mobilization and Utilization

PCF commits itself to uphold the highest standards for efficient and effective use of resources in every activity that will be undertaken. Successful implementation of the Strategic Plan will not only depend on the commitment of the stakeholders, but also on the availability and efficient utilization of resources required to undertake the various activities. Resource mobilization for assured financial sustainability is a fundamental concern during this Strategic Plan period.

### 4.5.1 Strategies for Resource Mobilization

The overall goal of resource mobilization is to strengthen PCF's funding through diversification of revenue streams. In this regard, PCF will continue to lobby and mobilize financial resources for its activities as follows:

- Collect and consolidate all funds from all the identified sources;
- Explore alternative sources of funds; and
- Foster partnerships with development partners.

## 4.6 Strategic Implementation

The key to successful implementation of a strategic plan is the efficient mobilisation of resources and their timely deployment, accountability, effective monitoring, evaluation and reporting of the entire process. Implementation responsibilities will therefore, be cascaded to all levels in order to allow for maximum participation of all the relevant stakeholders. The cascading will be done by developing and implementing annual corporate and departmental business plans. Directorates and departments will be charged with responsibility of planning and implementing projects. An implementation matrix (Appendix I) has been prepared to facilitate this. The following are activities that will be undertaken before, during and post implementation of the strategic plan.

## **Pre-Implementation**

For successful implementation of the Strategic Plan, PCF through the leadership of the Board of Trustees and Managing Trustee will undertake the following activities:

- (a) Communicate the strategy to all members of the Fund and the relevant stakeholders to ensure clarity of vision;
- (b) Assign roles and responsibilities to different players necessary for successful implementation;
- (c) Mobilise resources and allocate them in a timely manner and in accordance with priority activities as stipulated in the Strategic Plan;
- (d) Ensure activities are tied to budget provisions;
- (e) Develop and communicate annual corporate plans to relevant departments, sections and individuals in line with the Strategic Plan;
- (f) Build staff capacity to implement the strategies;
- (g) Develop the monitoring, evaluation and reporting mechanisms to be used throughout the implementation period;
- (h) Discuss and agree with Board of Trustees and staff on performance targets;
- (i) Ensure staff acceptance and adoption of the plan; and
- (j) Review the strategic plan in response to changing needs through the annual corporate plans.

## **During Implementation**

PCF will provide an enabling environment for the realisation of all strategic objectives. Implementation responsibilities of this Strategic Plan will be cascaded to all levels of PCF and supervised by the Managing Trustee.

The following are roles of each of the players in implementation of the Strategic Plan.

### **Role of the Board of Trustees**

- (a) Approve PCF corporate strategic plan, annual corporate plans and annual budgets;
- (b) Provide strategic leadership and be responsible for policy formulation;
- (c) Play an oversight role in the implementation, monitoring, evaluation and reporting of the Strategic Plan;
- (d) Rationalise and strengthen human capital in order to enhance capacity to implement the Strategic Plan;
- (e) Submit to the Cabinet Secretary a quarterly report on the activities of PCF;
- (f) Mobilise and provide adequate financial resources to implement the strategic plan;
- (g) Approve performance-based management and reward systems; and
- (h) Negotiate a Performance Contract with the Cabinet Secretary.

## **Role of the Managing Trustee**

The Managing Trustee is the principal accounting officer and will be in charge of the following:

- (a) Spearheading the overall coordination, implementation, monitoring, evaluation and reporting of the Strategic Plan, including acting on decisions made by Board of Trustees;
- (b) Ensure that staff are sensitised on the Strategic Plan and clearly understand their contribution to its achievements;
- (c) Oversee development of the Fund's Annual Corporate Plans;
- (d) Coordinate meetings to review progress and resolve issues that may arise in implementation;
- (e) Submit to the Board of Trustees an annual report on the PCF activities, operations and expenditure;
- (f) Ensure that the performance Management system is adopted in respective departments; and
- (g) Empower all departments, divisions and units and provide them with necessary resources to implement the strategic plan.

## **Role of Heads of Directorates/Departments**

The heads of department will be responsible for the day-to-day implementation, monitoring, and evaluation of the plan:

- (a) Ensure that members of staff under their departments, divisions and units develop and implement Business Plans in line with the Strategic Plan;
- (b) Ensure that performance Management system is adopted in their respective departments;
- (c) Design M and E tools, coordinate and supervise data collection, analyse data and provide relevant reports to the Managing Trustee on the implementation status of the Plan;
- (d) Ensure that they involve their respective departments to provide feedback on the implementation of the Strategic Plan;
- (e) Ensure that performance is measured against negotiated target levels; and
- (f) Ensure that staff are empowered and provided with necessary resources to implement the strategic plan.

## **4.7 Linkages and Collaborations**

PCF will enhance linkages and collaborations with appropriate stakeholders in the implementation process of the Strategic Plan

## 4.8 Strategic Risk Analysis

This section outlines the risks that would be faced by the Fund while performing its roles and duties to achieve the strategic objectives stated in this strategic plan. It also proposes mitigation measures to be implemented to address the risks and presents the framework for risk management over the Strategic Plan period.

## 4.9 Risk Management

The Fund faces potential risks that may hamper successful implementation of this Strategic Plan. To ensure effective implementation of the proposed strategies, the Fund has developed and integrated into the Plan a robust risk management strategy. The strategy shall ensure that risks are identified in a timely manner and mitigation measures are promptly implemented to minimize their negative impact.

Risk Management shall form an integral part of planning, controlling and reporting procedures in the Fund. All programmes and activities of the Fund will be subjected to risk assessment and appropriate mitigation measures put in place to ensure that risks are effectively managed as per the enterprise risk management framework. The Fund shall identify uncertainties, analyse risks and prioritize risks to effectively mitigate on their potential impact. In controlling the risks, the Fund shall act to mitigate the effect of the risks and implement an emergency plan for risks deemed to be significant.

## 4.10 Enterprise Risk Management Policy

The Fund will develop an Enterprise Risk Management Policy, which will provide a framework to manage the risks associated with its strategies. The Policy will provide for risk assessment, monitoring and management. To ensure key risks are identified and analysed, the Fund will define risks in the context of its strategy; prepare risk profiles including a description of the material risks, the risk level and action plans used to mitigate the risk and regularly review and update the risk profiles.

During the Plan period, the Fund shall use an enterprise wide approach for the management of key corporate risks. The Board shall monitor the effectiveness of the management system and ensure follow-up on all major risks. Among others, the Board will have oversight responsibility to review risk management policies, processes and accountabilities within the Fund and the adequacy and effectiveness of the overall programmes set up by management to manage risks.

## 4.10.1 Key Risks that could affect the achievement of the Strategic Objectives

The Fund has identified thirteen (10) key Risks that may affect the achievement of its Strategic Objectives as stated in the plan. Consequently, the plan has programmed strategies and activities to be implemented to mitigate on the effects of the risks. The Strategic objectives, Risks and their mitigation measures are presented in table 18 below.

*Table 18: Risk Analysis*

Potential Risk	Risk drivers	Risk rating	Risk Mitigation Strategies	Strategic Objective Affected
Liquidity	<ul style="list-style-type: none"> <li>• Low allocation of funds</li> <li>• Failure to collect projected revenue</li> <li>• Unprecedented claims from policyholders</li> </ul>	M	<ul style="list-style-type: none"> <li>• Enhance resource mobilization</li> <li>• Review compensation policy</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance compensation of policyholders and claimants</li> <li>• To enhance prudent financial stewardship</li> <li>• To enhance service delivery</li> </ul>
Litigations & potential legal ramifications from third parties	<ul style="list-style-type: none"> <li>• Failure to comply with legal provisions</li> <li>• Inadequate policy, legal and regulatory framework</li> <li>• Failure to adhere to regulations, honor contracts and MOUs</li> </ul>	L	<ul style="list-style-type: none"> <li>• Undertake legal and governance audit</li> <li>• Continuous engagement of stakeholders</li> <li>• Continuous consultation with the AG's Office</li> <li>• Sensitization of policyholders</li> <li>• Address public complaints</li> <li>• Implement contracts and MoUs as negotiated</li> </ul>	<ul style="list-style-type: none"> <li>• To enhance compensation of policyholders and claimants</li> <li>• To ensure prompt resolution of troubled insurers.</li> <li>• To enhance early intervention of troubled insurers</li> <li>• To enhancing corporate brand.</li> <li>• To enhance corporate governance.</li> </ul>
Fraud	Unethical business practices	L	<ul style="list-style-type: none"> <li>• Enhance investigative function of the Fund</li> <li>• Sensitization and public awareness</li> </ul>	<ul style="list-style-type: none"> <li>• To enhance compensation of policyholders and claimants</li> <li>• To ensure prompt resolution of troubled insurers.</li> <li>• To enhance early intervention of troubled insurers</li> <li>• To enhance corporate governance</li> </ul>



Potential Risk	Risk drivers	Risk rating	Risk Mitigation Strategies	Strategic Objective Affected
Loss of assets	<ul style="list-style-type: none"> <li>• Failure to secure assets</li> <li>• Non adherence to internal control measures</li> </ul>	L	<ul style="list-style-type: none"> <li>• Implement internal controls</li> <li>• Develop asset register</li> <li>• Tag Fund assets</li> <li>• Strengthen risk transfer agreements</li> </ul>	<ul style="list-style-type: none"> <li>• To enhance compensation of policyholders and claimants</li> <li>• To ensure prompt resolution of troubled insurers.</li> <li>• Enhance prudent financial management.</li> <li>• Enhance service delivery.</li> <li>• Enhance corporate governance.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>• Unethical business practices</li> <li>• Failure to honor agreements</li> <li>• Delay in compensation payment to claimants</li> </ul>	H	<ul style="list-style-type: none"> <li>• Strengthen strategic communication of the Fund</li> <li>• Implement agreements as negotiated</li> <li>• Timely compensation to claimants</li> <li>• Continuous engagement of stakeholders</li> <li>• Improve access to PCF services and information.</li> <li>• Increased publicity on service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• To enhance compensation of policyholders and claimants</li> <li>• Enhance service delivery.</li> <li>• Enhance corporate governance.</li> </ul>
Service disruption	<ul style="list-style-type: none"> <li>• Inadequate staff</li> <li>• Dysfunctional organization structure</li> <li>• Inadequate budgetary allocation</li> <li>• System breakdown</li> <li>• Emerging threats</li> </ul>	L	<ul style="list-style-type: none"> <li>• Staff development strategy</li> <li>• Continuous internal communication</li> <li>• Implement career progression guidelines</li> <li>• Upgrade systems and equipment</li> <li>• Scheduled maintenance</li> <li>• Install power back-ups</li> </ul>	<ul style="list-style-type: none"> <li>• To enhance compensation of policyholders and claimants</li> <li>• To ensure prompt resolution of troubled insurers.</li> <li>• Enhance service delivery.</li> <li>• Enhance corporate brand</li> </ul>
Workplace accidents	<ul style="list-style-type: none"> <li>• Negligence of duty by employees</li> <li>• Insufficient training on use of tools and equipment</li> </ul>	L	<ul style="list-style-type: none"> <li>• Implement provisions of OSHA</li> <li>• Continuous training and sensitization of staff</li> </ul>	<ul style="list-style-type: none"> <li>• To enhance compensation of policyholders and claimants</li> </ul>

Potential Risk	Risk drivers	Risk rating	Risk Mitigation Strategies	Strategic Objective Affected
	<ul style="list-style-type: none"> <li>Failure to provide personal protective equipment</li> <li>Poor working conditions</li> </ul>		<ul style="list-style-type: none"> <li>Provision of correct tools and equipment</li> <li>Insurance</li> </ul>	<ul style="list-style-type: none"> <li>To ensure prompt resolution of troubled insurers.</li> <li>Enhance service delivery.</li> </ul>
Loss of data	<ul style="list-style-type: none"> <li>Inadequate information and data management systems</li> <li>Lack of business continuity and disaster recovery plans</li> </ul>	M	<ul style="list-style-type: none"> <li>Contingency plans</li> <li>Implement a risk management framework</li> </ul>	<ul style="list-style-type: none"> <li>To enhance compensation of policyholders and claimants</li> <li>To ensure prompt resolution of troubled insurers.</li> </ul>
	<ul style="list-style-type: none"> <li>Lack of succession and knowledge management systems</li> </ul>			<ul style="list-style-type: none"> <li>Enhance prudent financial management.</li> <li>Enhance service delivery.</li> <li>Enhance corporate governance.</li> </ul>
Cyber security	<ul style="list-style-type: none"> <li>Lack of adequate cyber security systems</li> <li>Lack of business continuity and disaster recovery plans</li> <li>Lack of succession and knowledge management systems</li> </ul>	M	<ul style="list-style-type: none"> <li>Implement ICT security systems</li> <li>Implementation of Information Security Management System</li> <li>Training on emerging security issues</li> </ul>	<ul style="list-style-type: none"> <li>To enhance compensation of policyholders and claimants</li> <li>To ensure prompt resolution of troubled insurers.</li> <li>Enhance prudent financial management.</li> <li>Enhance service delivery.</li> <li>Enhance corporate governance.</li> </ul>
Labor turnover	<ul style="list-style-type: none"> <li>Inadequate compensation scheme</li> <li>Poor working environment</li> </ul>	L	<ul style="list-style-type: none"> <li>Implement succession plan</li> <li>Coaching and mentorship</li> <li>Improve terms of engagement</li> </ul>	<ul style="list-style-type: none"> <li>To enhance compensation of policyholders and claimants</li> <li>To ensure prompt resolution of troubled insurers.</li> <li>Enhance service delivery.</li> </ul>

## 4.11 Risk Mitigation and Monitoring

The Plan has prioritized interventions that address the operational risks faced by the Fund. This Plan assumes that adequate resources will be mobilized to finance the strategies. The proposed interventions have been prioritized based on the projected financial resources. To mitigate on financing risk, the plan will be reviewed every two years and at the end of the plan period. The review will be utilized for early detection of formative risks and program timely interventions to address them. The Strategic Plan targets will be reviewed in line with the available financial resources.

# CHAPTER 05

## MONITORING, EVALUATION AND REPORTING



*“Dhamana Ya Bima Yako”*

## 5.1 Overview

This Chapter provides the institutional framework and frequency of monitoring and reporting. The Fund shall undertake Monitoring, Evaluation and Reporting to ensure that the Strategic Plan implementation is as planned and timely remedial action will be taken to correct any deviation.

## 5.2 Monitoring

The Monitoring, Evaluation and Reporting process will be undertaken both at the Board and Management levels. The nature and scope of reporting will include:

Progress made in implementation against what was planned;

Causes of deviation from Plan, if any;

Areas of difficulties and suggested solutions to challenges that may adversely affect implementation; and

Proposed corrective measures.

### 5.2.1 Board Level

Quarterly review meetings will be held between the Senior Management and the Board. During these meetings, the Board will review progress reports from the Managing Trustee indicating overall progress made on key strategic objectives.

### 5.2.2 Management Level

The Department of Research, Strategy and Planning, will coordinate Monitoring, Evaluation and reporting on the implementation of the strategic plan to the management. The Department will provide technical support and facilitate M&E capacity building across the Fund.

The Senior Management will take full responsibility for overseeing the implementation of the Plan over the entire Strategic Planning period. The Senior Management will continuously monitor and evaluate all strategies, activities and outcomes with a view to advising the Board of Trustees on a quarterly basis the implementation status as well as offer feasible policy and strategic alternatives. The Fund will document the lessons learnt during implementation of the Plan and ensure that this information is available on its Knowledge management platform.

The Fund will also cascade the Strategic Plan downwards to all directorates/ departments and all staff through the Annual work plans and performance management tools. The Departments will monitor programmes and projects administered within their respective jurisdictions and subsequently submit semi-annual and Annual Monitoring

reports to the Department of Research, Strategy and Planning, who will in turn submit the same to the Senior Management. These reports will be reviewed regularly against the set targets to measure progress.

### **5.3 Evaluation**

This Plan sets the course and direction for PCF's business for the remaining two years. It prioritizes the Fund's forward programmes through successive Business Plans, annual work plans and other delivery mechanisms. To assess whether the Fund will have realized its Vision, meaningful performance measures have been defined for each of the three Key Result Areas. Progress will be monitored through annual targets emanating from the Strategic Plan, which will be set out within the annual work plans, and achievements against which will be published in Annual Reports. The Fund will be deemed to be realizing its Mandate when the strategic objectives have been achieved.

### **5.4 Review of the Strategic Plan**

The Strategic Plan implementation will be reviewed periodically every two years and at the end of the plan period. The review will be carried out to determine the relevance, efficiency, effectiveness, sustainability and impact of the strategies.

# Appendix I: Strategic Plan Implementation Matrix

Table 19: Strategic Plan implementation matrix

KEY RESULT AREA I : PROMOTE CONFIDENCE IN THE INSURANCE INDUSTRY										
STRATEGIC OBJECTIVE I : Enhance compensation of policyholders and claimants										
No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PER-FORMANCE INDICATOR	BASELINE (ASAT 01.01.23)	TARGET MEASURE	ESTI-MATED COST ('000)	RESPONSIBILITY	REVIEW DATE
1.	Timely and appropriate compensation of policy-holders & claimants	Development & implementation the compensa-tion policy	Drafting of the policy	30/6/2024 30/6/2025	Compensation	100%	100%	1,000,000	Compensation	30/6/2025
			Stakeholder sensitization (Workshops, public participa-tion)							
			Policy approval							
			Implementation of the policy (Dissemination and Monitoring & Evaluation)							
2.	Automation of compensa-tion process	Review of the service charter	Stakeholder engagement, validation and sensitization	30/6/2024 30/6/2025	% Compliance	100%	100%	Nil	Corporate Communication	30/6/2024
		Implementation of the Claims Management System	Conducting feasibility study on compensa-tion process							

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Analysis & design of the system Training of user department Integration with other systems Monitoring and review Implementation of online claim application Provision of online services	30/6/2024	% Automation	25%	100%	30,000.00	Compensation & Information Communication & Technology	30/6/2025
STRATEGIC OBJECTIVE 2: Prompt resolution of troubled insurers										
I.	Efficiency in Statutory Management processes	Implementation of Statutory Management Guidelines	Initial takeover of troubled insurers Tracing and preservation of assets of troubled insurer Investment of assets of troubled insurers Contracts management Submission of periodic and final reports to the Commissioner of Insurance	30/6/2024 30/6/2025	% Compliance	100%	100%	1,000.00	Statutory Management	6/30/24



No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
		Conduct simulation and contingency planning exercises	Scenario design Testing Implementation of the recommendations			1	3	3,000.00	Statutory Management	
2.	Collaboration with appointed liquidator	Information sharing with appointed liquidator	Drafting of MoJ Implementation of the MoJ	30/06/2025	% Collaborations implemented	0	100%	1,000.00	Liquidation	30/6/2025
<b>STRATEGIC OBJECTIVE 3: Early intervention in troubled insurers</b>										
1.	Enhance legislative framework	Development of PCF Bill	Preparation of policy paper Legislative drafting Stakeholder engagements	30/6/2024 30/6/2025	Draft PCF Bill	Nil	1	20,000.00	Legal Services/Insurance Risk Monitoring/ Statutory Management/Compensation/ Research, Strategy & Planning	30/6/2025
2.	Enhance risk Profiling of licensed insurers	Implementation of Risk Profiling Guidelines	Prepare Risk Profiling Reports Conduct Capital Adequacy Analysis Determine Fund Aggregate Exposure Determine Impact of Failure Analysis	30/6/2024 30/6/2025	% Of Recommendations implemented	70%	100%	Nil	Insurance Risk Monitoring	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Undertake onsite inspection of troubled insurers		% Implementation of onsite inspection tool on troubled insurers	0%	100%			

KEY RESULT AREA II : FINANCIAL STEWARDSHIP										
STRATEGIC OBJECTIVE I : TO MOBILIZE FINANCIAL RESOURCES										
1.	Timely and compliant levy administration	Undertake contribution levy collection	Receipting contribution levies	Monthly	% Receipting	100%	100%	Nil	Finance & Accounts	30/6/2025
		Enforcement of contribution levy collection	Undertake contribution levy reconciliation	Monthly	% growth in contribution levy collection and %	10% growth in contribution levy collections	18% growth in contribution levy collections	Finance & Accounts/		
			Generate contribution levy reports	Monthly						
			Undertake cash book contribution levy reconciliations	Monthly						
			Issue demand letters	Monthly						
			Issue penalty notices	Monthly						
		Develop risk-based levy model	30/6/2024 30/6/2025	% Compliance	0%	100%	Nil	Insurance Risk Monitoring		
2.	Resource mobilization policy	Develop a resource mobilization policy	Undertake feasibility	30/6/2024 30/6/2025	% Revenue from grants	0%	2%	Nil	Research, Strategy & Planning	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Implement the resource mobilization policy	30/6/2024 30/6/2025	% Revenue from grants	0%	2%	Nil	Research, Strategy & Planning	30/6/2025
3.	Liquidity management	Conduct Asset-Liability Management (ALM)	Allocation of asset classes in line with recommendations of aggregate exposure reports	30/6/2024 30/6/2025	% Fund coverage ratio	15.29%	20%	Nil	Finance & Accounts	30/6/2025
		Develop investment policy	Implement the investment policy	30/6/2024 30/6/2025	% Growth of the Fund	10%	10%			
4.	Prudent Financial Management	Utilisation and absorption of budgets	Utilisation and absorption of budgets	30/6/2024 30/6/2025				5,000.00		
		Financial reporting	Prepare financial reports	30/6/2024 30/6/2025	% Compliance to Statutory Timelines & Requirements	100%	100%			
		Implementation of the Finance policy and procedure manual	Ensure compliance with the finance policy Review of the finance policy	30/6/2024 30/6/2025	% Compliance	100%	100%			

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
KEY RESULT AREA III : STRENGTHEN INSTITUTIONAL CAPACITY										
STRATEGIC OBJECTIVE I: To Enhance Service Delivery										
I.	Staff Motivation	Develop and Implement Staff Welfare Policy	Undertake workload analysis and implement its recommendations Undertake teambuilding activities Enhance club membership to include corporate club membership (to cover all staff) Develop and implement employee assistance programs Undertake employee satisfaction surveys and implement its recommendations Acquire additional working space	30/6/2024 30/6/2025	% Employee Satisfaction Index	86%	100%	80,000.00	Human Resource & Administration	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Implement protocols issued by Ministry of Health in the fight against Covid-19 and other declared pandemics Provide adequate working tools to all staff Implement provisions of Occupational Safety & Health Act (2007) Institutionalize quarterly staff forums							
2.	Capacity Building	Develop and Implement training and development guidelines	Develop skills/competency inventory Implement skills gap audit analysis report (Training Needs Analysis) Prepare a training plan Evaluate impact of trainings undertaken	30/6/2024 30/6/2025	% Competency levels	78%	100%	100,000.00	Human Resource & Administration	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Institutionalize job rotation and knowledge sharing Update corporate skills / competency inventory							
3.	Performance Management and Productivity	Implement performance, reward and recognition policy	Train all staff on performance management processes Identify performance management champions in every functional area Facilitate annual target setting/ workplanning by all staff Facilitate annual staff appraisal Review performance management toolkit Reward exemplary performance and sanction poor performance	30/6/2024 30/6/2025	% Performance score	85%	100%	15,000.00	Human Resource & Administration Department	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Review performance, reward and recognition policy							
4.	Talent Management & Succession	Implement Talent Management and Succession Planning Policy	Identify mission critical positions and potential successors Build leadership capacity for all identified successors Ensure optimal staff complement Review and implement career progression guidelines Identify and train coaches and mentors Review and sensitize staff on talent management and succession planning policy	30/6/2024 30/6/2025	% Of potential successors against critical identified positions	0%	100%	10,000.00	Human Resource & Administration Department	30/6/2025
					% Of staff retention	100%	100%	20,000.00		
5.	Operational Efficiency	Quality Management System Institution	Creation of QMS awareness	30/6/2024 30/6/2025	% Compliance to Quality Management System	0%	100%	15,000.00	Research, Strategy & Planning	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Documentation of processes Undertaking QMS audits Application for QMS certification							
6.	Value for Money in Supply Chain Management	Implementation of Supply Chain Management Policy and Procedural Manual	Undertake review of the Supply Chain Management Policy Undertake procurement planning Conduct procurement processing Undertake inventory and store management Undertake contract management Disposal of assets	30/6/2024 30/6/2025	% Satisfaction with Supply Chain Services	100%	100%	15,000.00	Supply Chain Management	30/6/2025
7.	Research and Advocacy	Implementation of the Research Policy	Dissemination of Research Findings to target stakeholders	30/6/2024 30/6/2025	% Contribution of research findings to Organizational processing, Services and Management	0%	100%	2,000.00	Research, Strategy & Planning	30/6/2025



No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (ASAT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
		Partnership Management	Undertake monitoring and evaluation of implementation of recommendations	30/6/2024 30/6/2025	% Of recommendations adopted	0%	100%	20,000.00		
			Mapping of potential resource partners							
			Partnership engagement & management							
			Monitoring and evaluation of partnership engagements							
9.	Automation	Develop Internal Systems	Implementation of ERP system Implementation of Levy Collection and Reconciliation System Implementation of Electronic Documents & Records Management System (EDRMS) Implementation of an E-Board system	30/6/2024 30/6/2025	% Automation	20%	100%	95,000.00	Information Communication & Technology	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PER- FORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMAT- ED COST ('000)	RESPONSIBILITY	REVIEW DATE
			Implementation of Bulk SMS system							
			Integration of systems							
		Build ICT Infrastructure	Implementation of IP telephony system	30/6/2024 30/6/2025	% Approval Ratings of ICT on business process improvement	37%	100%	40,000.00		
			Develop stor- age and backup systems							
			Implementation of IT security solutions							
			Increase inter- net bandwidth							
			Acquire ICT tools and devices							
		Implementation of ICT Policy and Manuals	Review of ICT Policy Review of Dis- aster Recovery Plan (DRP)	6/30/24	% compliance	0	1	Nil		
STRATEGIC OBJECTIVE 2: Enhance Corporate Brand										
I.	Creation of Awareness	Stakeholder Education	Undertake stakeholder identification	30/06/2024 30/06/2025	% Compliance	30%	100%	30,000.00	Corporate Communications	30/6/2025

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
		Development of communication strategy	Implementation of communication strategy	6/30/24	% Compliance	0%	100%	1,000.00		
2.	Corporate Social Responsibility (CSR)	Develop of CSR Policy	Institute CSR Committee	30/06/2024	% Compliance	0%	100%			
			Implementation of the CSR Policy	30/06/2025						
3.	Strategic Communication	Public Relations	Informers through electronic (TV and Radio) and print media	30/06/2024 30/06/2025	% Scope Compliance	40%	100%	40,000.00		
			Training of journalists in counties		% Compliance					
			Undertake media monitoring		No. of briefing	2	4			
			Newsletters publication		No. of publications	2	5			
			Proactively reach out to policyholders to remind them of the possibility of compensation before their policies become unclaimed financial assets subject to the Unclaimed Financial Assets Authority.	30/06/2024 30/06/2025	% Compliance	0%	100%			

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)	TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
		Social Media Engagements on two platforms	Content creation Social media management Administration of webinars	30/6/2024 30/6/2025	% Scope coverage	50%	100%			
		Corporate Branding	Review of corporate brand manual Implementation of corporate brand manual	6/30/24 30/6/2024 30/6/2025	% Compliance	50%	100%	500.00		
<b>STRATEGIC OBJECTIVE 3: Enhance Corporate Governance</b>										
I.	Strengthen Internal Controls	Conduct Audit Assessments	Development of Enterprise Risk Management Policy Creation of Risk Management awareness through capacity building Development of Corporate Risk Register	30/6/2024 30/6/2025	% Of Risk Managed	0	100%	10,000.00	Research, Strategy & Planning	30/6/2025
		Conduct Audit	Implement the Internal Audit Manual Conduct Assessments	30/6/2024 30/6/2025	% Compliance	100%	100%	30,000.00	Internal Audit	

No.	STRATEGY	ACTION AND TACTICS (ACTIVITIES)	SUB-ACTIVITIES	TIMELINE	KEY PERFORMANCE INDICATOR	BASELINE (AS AT 01.01.23)		TARGET MEASURE	ESTIMATED COST ('000)	RESPONSIBILITY	REVIEW DATE
2.	Enhance Corporate Governance Compliance	Conduct Compliance Audits	Evaluate effectiveness of the Risk Management Process	30/6/2024 30/6/2025	% Implementation  % Compliance  % Implementation	100%	100%	100%	10,000.00	Legal Services  Internal Audit  Legal Services	30/6/2025
			Monitor implementation of Internal & External Audit recommendations								
			Conduct Legal Audit								
			Review Board and Committee Charters								
			Develop Board Almanac								
			Monitoring the implementation of Legal and Governance Audit recommendations								
			Undertake monitoring and evaluation of the funds policies, guidelines and manuals		% Compliance	80%	100%	100%	5,000.00	Research, Strategy & Planning	

No.	Strategy	Action and Tactics (Activities)	Sub-Activities	Timeline	Key Performance Indicator	Baseline (As at 01.01.23)	Target Measure	Estimated Cost ('000)	Responsibility	Review Date
3.	Board Capacity Building	Development of Board Training Plan	Conduct trainings for the Board	30/6/2024 30/6/2025	%Implementation	100%	100%	20,000.00	Legal Services	30/6/2025
		Conduct Board Evaluation	Training on the Board evaluation tool	8/30/23	% Aggregated Board Score	90%				
		Conduct Board Induction	Develop Board induction manual	6/30/24	Approved Board Induction manual	0	1			
TOTAL								1,625,500.00		

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*“Dhamana Ya Bima Yako”*





KWFT Centre  
6th Floor  
Kiambere - Masaba Road Junction, Upper Hill  
P.O. Box: 24203-00100, Nairobi, Kenya  
Tel: +254 111121700/1/2  
Email: [info@pcf.go.ke](mailto:info@pcf.go.ke)  
Website: <https://www.pcf.go.ke>  
<https://twitter.com/pcfkenya>  
Policyholders Compensation Fund -Kenya