



THIRD DRAFT STRATEGIC PLAN 2025 – 2028

MAY, 2025

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CONCEPTS AND TERMINOLOGIES

Baseline:	A description of the project/programme, against which initial state of an indicator before the start of a progress can be assessed or comparisons made.
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:	A means for measuring progress/change that results from an intervention. It measures a change in a situation or condition and confirms progress towards achievement.
Insurer:	A person registered under the Insurance Act and carries out insurance business including re-insurance.
Key Activities;	Actions taken or work performed, through which inputs are mobilized to produce outputs.
Key Performance Indicator:	A measurement that evaluates the success of PCF or of a particular activity in which it engages.
Key Result Area:	Key area in which PCF must excel in order to achieve its mission and vision, and deliver value to customers.
Liquidation:	Process by which a company is legally brought to an end.
Outcome:	Intermediate results generated relative to the objective of an intervention. It describes the actual change in conditions/situation as a result of an intervention.
Outcome:	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(s)
Policyholder:	A legal holder of a policy for securing a contract with an insurer.
Resolution:	In the context of the Fund, Is the process of restructuring or winding down a failing insurer in an orderly manner to protect policyholders through statutory management and liquidation.
Statutory Management:	Process by which a company is placed under a manager appointed as per the Insurance Act (Sec. 67C).
Strategies:	Broad abstractions which are descriptive of the means for achieving the strategic objectives.
Strategic Issues:	Fundamental policy choices, critical challenges/gaps or opportunities that must be addressed or tapped for PCF to achieve its vision. They are the foundation upon which strategies are developed.
Strategic goal	General qualitative statements on what PCF is hoping to achieve in the long term. Each strategic goal is linked to a strategic issue
Strategic Objective:	Specifies what PCF expects to fulfil within a given period.
Target	A result to be achieved within a given time

Top Leadership:	Policyholders Compensation Fund's Board of Trustees and Managing Trustee. They embody PCF's vision and are responsible for overseeing delivery of the Fund's mandate.
Value Chain:	A description of the production-to-market linkages, generating value to the customer through efficient processes and procedures. Value chains are about understanding how creation of value is distributed along the chain.
Winding Up:	Process by which the life of a company is brought to an end and its property administered for the benefit of creditors and shareholders

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ACRONYMS AND ABBREVIATIONS

AIBK	Association of Insurance Brokers of Kenya
BeTA	Bottom-Up Economic Transformation Agenda
BPR	Business Process Re-engineering
CEO	Chief Executive Officer
CRM	Customer Relations Management
CS	Cabinet Secretary
DDCC	Deputy Director, Corporate Communications
DDHRA	Deputy Director, Human Resources and Administration
DDICT	Deputy Director, Information and Communication Technology
DDIA	Deputy Director, Internal Audit
DDRSP	Deputy Director, Research, Strategy and Planning
EAC	East African Community
EDRMS	Electronic Document and Records Management System
ERP	Enterprise Resource Planning
FY	Financial Year
IFIGS	International Forum for Insurance Guarantee Schemes
IIK	Insurance Institute of Kenya
IRA	Insurance Regulatory Authority
JDs	Job Descriptions
JFSR	Joint Financial Sector Review
KDIC	Kenya Deposit Insurance Corporation
KPIs	Key Performance Indicators
KRA	Key Result Area
LCRS	Levy Collection and Reconciliation System
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
MoU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
MT	Managing Trustee
PCF	Policyholders Compensation Fund
PIDM	Perbadanan Insurans Deposit Malaysia

PPAD	Public Procurement and Asset Disposal
PPRA	Public Procurement Regulatory Authority
PSC	Public Service Commission
QMS	Quality Management System
ROI	Return on Investment
SCAC	Salaries and Remuneration Commission
SDGs	Sustainable Development Goals
SLA	Service Level Agreement
SM	Statutory Management
SMS	Short Message Service
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TOR	Terms of Reference
UN	United Nations

EXECUTIVE SUMMARY

Policyholders Compensation Fund (PCF) is a State Corporation established under Section 179 of the Insurance Act (Cap 487) and operationalized through Legal Notice No. 105 of 2004. PCF's core mandate is to provide compensation to policyholders of insurers who are under statutory management or whose licenses have been cancelled. It also monitors insurer risk profiles, advises the Cabinet Secretary on compensation policy, and supports the resolution and liquidation of troubled insurers. Over the years, PCF has emerged as a pioneering insurance guarantee scheme in Africa and a critical contributor to financial sector stability in Kenya.

This Strategic Plan 2025–2028 was developed to guide PCF's priorities over the next three years and follows the conclusion of the 2020/21–2024/25 Strategic Plan. It responds to the need for a focused framework to deepen policyholder protection, enhance PCF's contribution to public confidence in the insurance sector and strengthen institutional capacity. The development of the Plan was developed through wide consultation with relevant stakeholders.

The Strategic Plan is aligned with the Constitution of Kenya 2010, the Bottom-Up Economic Transformation Agenda (BeTA), Kenya Vision 2030, Medium-Term Plan IV (2023–2027), the Sustainable Development Goals (SDGs), African Union Agenda 2063, and the East African Community Vision 2050. The Plan supports key national and regional goals such as poverty eradication, enhanced public service delivery, good governance, and the development of a resilient financial sector. It also aligns with sector-specific policies and international standards, including guidelines from the International Forum for Insurance Guarantee Schemes (IFIGS).

In developing this Strategic Plan, the PCF undertook a review of its vision, mission, and core values. The Fund also conducted a situational analysis which involved, an assessment of its past performance, and evaluation of both the internal and external operating environments that will influence implementation of the Plan. Arising from this process, four key result areas (KRAs) were identified:

1. Compensation of Policyholders and Claimants;
2. Monitoring, Statutory Management and Liquidation of Insurers;

3. Financial Stewardship; and
4. Institutional Capacity Development.

Strategic objectives and strategies have been developed for each KRA, supported by performance targets, indicators, and a costed implementation matrix. The total estimated cost of implementing the Strategic Plan is Ksh 7,740.20 million over three years. PCF intends to finance this through a mix of internally generated funds, government support, and development partnerships. A detailed monitoring, evaluation, and learning framework has been embedded into the Plan to facilitate tracking of implementation. The MEL framework will be complemented by annual work plans, performance contracts, and regular progress reviews. PCF is committed to the successful implementation of this Strategic Plan as it seeks to deepen its role in policyholder protection.

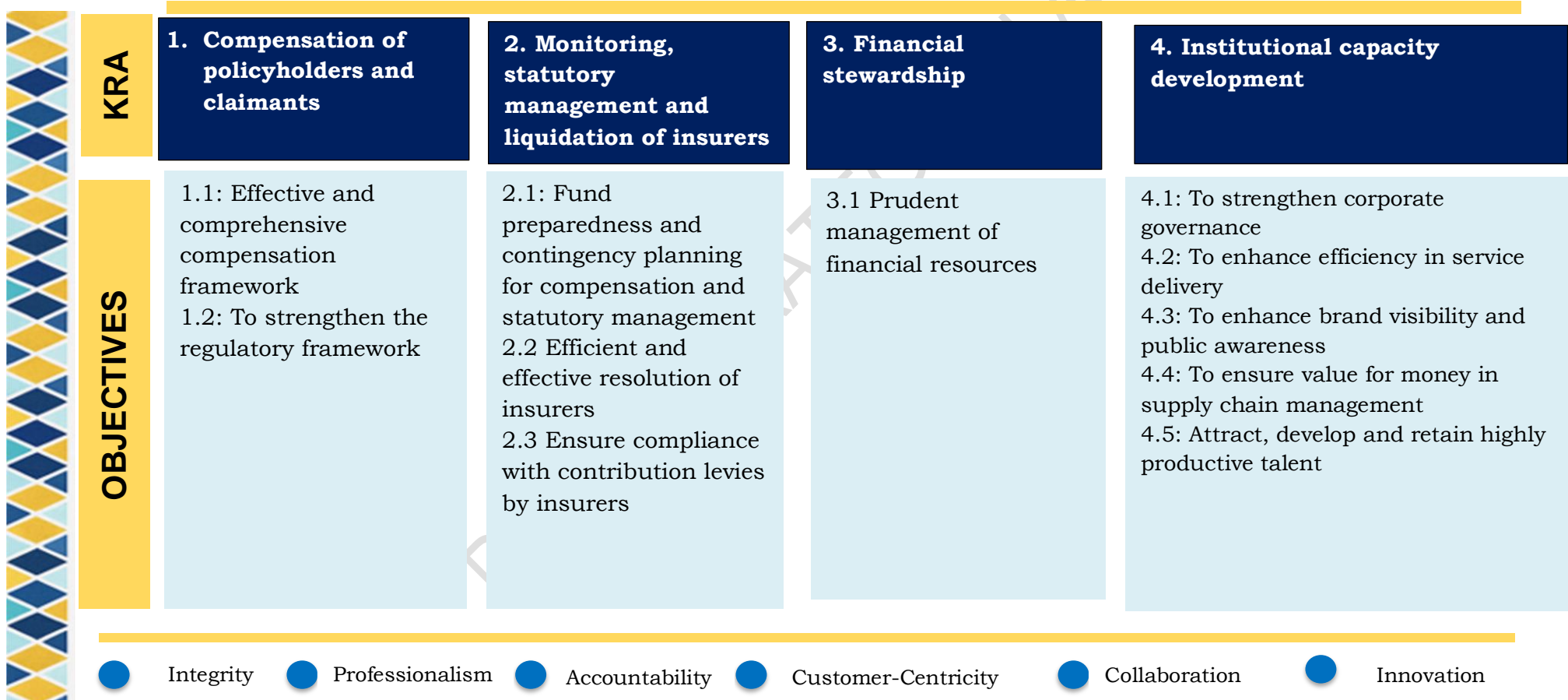
PCF strategy map is as follows:

Vision

Compensation of all entitled policyholders and claimants

Mission

To undertake timely compensation of policyholders and claimants and participate in resolution of insurers under statutory management or whose licenses have been cancelled



CHAPTER ONE

INTRODUCTION

This chapter provides an overview of strategy as a critical driver of success for the Policyholders Compensation Fund (PCF). It outlines the strategic planning process and the context of national, regional, and international policies relevant to PCF's mandate. Additionally, the chapter presents a brief history of the Fund and describes the methodology used in the development of this Strategic Plan.

1.1 STRATEGY AS AN IMPERATIVE FOR PCF SUCCESS

Strategic planning is a critical element in the Policyholders Compensation Fund's ability to fulfil its mandate. This Strategic Plan has been developed to guide the Fund's strategic direction over the three-year plan period. It is designed to reinforce PCF's core mandate while promoting consistent, sustainable, and responsive service delivery. The Plan aligns with key national priorities, including the Fourth Medium-Term Plan (MTP IV) of Kenya Vision 2030, the Bottom-Up Economic Transformation Agenda (BeTA), and other relevant regional and international development frameworks. It outlines a clear path for resource utilization, ensuring they are directed toward the Fund's strategic priorities.

Additionally, the Strategic Plan introduces a results-based framework that defines performance targets, milestones, and measurable indicators to track progress. It also provides a platform for coordinated collaboration between various stakeholders in advancing PCF's contribution to the stability and resilience of Kenya's insurance sector.

1.2 THE CONTEXT OF STRATEGIC PLANNING

The Strategic Plan is designed to enable PCF to effectively execute its mandate while supporting the implementation of national, regional, and international policies and laws aligned with its mandate. These policies and laws include:

1.2.1 United Nations 2030 Agenda for Sustainable Development

The United Nations established 17 Sustainable Development Goals (SDGs) as a

global framework to eliminate poverty, safeguard the environment, and promote peace and prosperity for all by the year 2030. The mandate of PCF aligns with several of these goals, as outlined in this section:

Goal 1: End poverty in all its forms everywhere: PCF contributes to poverty eradication by ensuring prompt and timely compensation to policyholders and claimants.

Goal 8: Decent Work and Economic Growth: PCF supports employment and decent work for all. By compensating policyholders and claimants, PCF helps sustain economic growth by providing insurance safety net.

Goal 9: Industry, Innovation and Infrastructure: PCF promotes the development of a quality, reliable, sustainable, and resilient insurance industry infrastructure through the compensation of policyholders and claimants. As the first and only insurance guarantee scheme in Africa, PCF also serves as a benchmark for other insurance jurisdictions on the continent.

Goal 16: Peace, Justice and Strong Institutions: PCF sets, monitors and enforces standards and regulations for insurance companies under statutory management, helping to prevent corruption and unethical behaviour in the insurance sector.

1.2.2 African Union Agenda 2063

Agenda 2063 is Africa's strategic framework for the socio-economic transformation of the continent into a global powerhouse by the year 2063. One of the key aspirations of this agenda is to eradicate poverty within a generation and build shared prosperity through social and economic transformation. PCF will contribute to the attainment of Agenda 2063 aspiration by promoting social security, supporting sustainable and inclusive economic growth, protecting vulnerable insurance consumers, and enhancing stability in the financial sector.

1.2.3 East African Community Vision 2050

EAC aspires to create a prosperous, competitive, secure, and politically united region by 2050. The EAC Vision 2050 lays out a broad perspective for optimizing the utilization of the region's resources to accelerate productivity and improve the social well-being of its people. It envisions a future East Africa characterized by

rising personal prosperity, cohesive societies, competitive economies, and strong inter-regional interaction. In line with the Community's vision, PCF's mandate on the compensation of policyholders supports these pillars as shown in Table 1.1.

S/No	East African Community Agenda 2050	Role of PCF
1.	Increased partnership between the public and private sectors for economic transformation	Strengthen public-private sector collaborations that enhance financial stability and promote consumer protection.
2.	A better environment for inter and intra-regional trade and investment	Promote confidence in the insurance industry
3.	Inclusivity and participatory approach	Stakeholder engagement and protection of vulnerable insurance consumers

Table 1.1: PCF's Alignment with EAC Agenda 2050

1.2.4 Constitution of Kenya

PCF mandate and operations are aligned with the Constitution of Kenya by upholding core governance and service delivery principles. In line with Article 10, PCF ensures inclusiveness, good governance, integrity, transparency, accountability, and sustainable development in its operations. Article 226 guides PCF in maintaining efficient and transparent fiscal management through proper accounting and auditing of public funds. To ensure fairness and efficiency in procurement, Article 227 mandates PCF to adhere to equitable, competitive, and cost-effective processes when acquiring goods, services, and works. Additionally, Article 232 reinforces PCF's commitment to fair and merit-based human resource management by promoting equal opportunities in recruitment, training, and career progression. In adhering to these constitutional provisions, PCF fosters accountability, operational efficiency, and service excellence in fulfilling its mandate.

1.2.5 Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Fourth Medium Term Plan

Kenya Vision 2030 outlines the country's long-term development agenda to become a middle-income, newly industrialized nation offering a high quality of life by the year 2030. Table 1.2 presents the alignment of PCF mandate to Vision 2030.

S/No	Vision 2030 pillars	Alignment of PCF mandate to the pillars
1	Economic	<ul style="list-style-type: none">• PCF will increase financial sector savings by boosting public confidence in insurance.• PCF will promote economic resilience through timely compensation of policyholders.• It will contribute to macroeconomic stability by ensuring a stable and sustainable insurance industry.• PCF will enhance insurance uptake through consumer education and by guaranteeing policies in case of insurer collapse.
2	Social	The Fund will contribute to a just and cohesive society by reducing poverty, promoting equality and equity, and advancing social justice. This will be achieved as PCF executes its mandate of providing compensation to collapsed insurers.
3	Political	The Fund will contribute to a democratic and accountable system for better governance by helping to build strong institutions. It will also participate in public sector reforms through the execution of this strategic plan, performance contracting, and engagement in business process reengineering programs.

Table 1.2: Alignment with Kenya Vision 2030

PCF's strategic plan will also support the implementation of the Bottom-up Economic Transformation Agenda (BETA), which aims to revitalize the economy and promote inclusive growth. Table 1.3 presents the alignment of PCF mandate to BETA.

S/No	BETA Agenda Economic Core Pillars	Alignment of PCF mandate to the pillars
1	Agricultural Transformation and Inclusive Growth	Agricultural insurance uptake is growing, and the Fund will compensate claimants of failed insurers with crop policies, thereby strengthening resilience and safeguarding livelihoods.
2	Micro, Small, and Medium Enterprises (MSMEs) Development	The Fund will provide timely compensation and hence promote confidence in the insurance sector and strengthen resilience among MSMEs.
3	Affordable Housing and Settlement	The Fund will provide timely compensation and promote confidence in the insurance sector.
4	Healthcare	Fund's assurance of compensation in cases of insurer failure will increase public trust in medical insurance, thereby supporting the uptake and continuity of health coverage.
5	Digital Superhighway and Creative Economy	The Fund will endeavour to digitize key services offered to Citizens. The Fund will also engage entrepreneurs in the Creative Industry in promotional and public relations activities.

Table 1.3: Alignment with Bottom-Up Economic Transformation Agenda

1.2.6 Sector Laws and Policies

This Strategic Plan is also anchored on various policies and laws, some of these include:

1.2.6.1 Legislations

PCF operates within a robust legal framework to ensure effective execution of its mandate. The Insurance Act (Cap 487) establishes and defines PCF's role in compensating policyholders of insolvent insurers. Its operations are further guided by the Insurance (Policyholders Compensation Fund) Regulations, 2010, which provide the regulatory framework for implementing its activities. To promote sound financial management, PCF adheres to the Public Finance Management Act, 2012, which mandates the prudent use of public resources. The Companies Act (Cap 486) outlines procedures for managing insurers placed under statutory management, while the Trustee Act (Cap 167) governs the responsibilities and rights of trustees, reinforcing PCF's fiduciary duties. In addition, the Insurance (Motor Vehicle Third Party Risks) Act (Cap 405) supports

PCF's role in addressing third-party risks arising from motor vehicle use. The Insolvency Act further provides the legal framework for handling insurer insolvencies, enabling PCF to manage compensation processes effectively. By complying with these legal instruments, PCF ensures accountability, transparency, and operational efficiency in fulfilling its mandate.

1.2.6.2 Sector Specific Policies

PCF's strategic plan is designed to align with sector-specific policies that regulate the insurance industry and the broader financial sector, thereby promoting a stable, transparent, and resilient insurance environment. The Fund adheres to both national and international financial regulations, including guidelines set by the International Forum for Insurance Guarantee Schemes (IFIGS). These guidelines offer global best practices on policyholder protection, insurer insolvency management, and financial stability. By aligning with these standards, PCF strengthens its operational framework, ensuring effective risk mitigation and compliance with international norms.

1.3 HISTORY OF PCF

PCF is a State Corporation domiciled under the National Treasury and Economic Planning. The Fund was established under Section 179 of the Insurance Act (Cap 487) and operationalized through Legal Notice No. 105 of 2004. It began its operations in January 2005, following a government-led initiative to enhance public confidence in the insurance sector and protect policyholders from financial loss in the event of insurer failure. The creation of the Fund was largely prompted by insurer collapses prior to 2005. These collapses left policyholders in life and general insurance vulnerable, without any effective mechanisms for compensation. General insurance policyholders were exposed to uninsured risks and third-party claims, while life insurance policyholders lost long-term savings. The legal remedies were lengthy, time-consuming, and expensive. The establishment of PCF sought to bridge this gap by offering compensation to claimants of insurers placed under statutory management or whose licenses have been cancelled.

To kickstart PCF's operations, the government provided seed capital of KES 35 million. A contributory model was adopted, requiring both insurers and policyholders to contribute 0.25% of gross direct premiums of 0.5%. The Retirement Benefits Authority was appointed as the first Managing Trustee. Initially, the maximum compensation payable per claim was capped at KES 100,000, a figure later revised in 2017 to KES 250,000 after consultations between the Cabinet Secretary, National Treasury and Economic Planning, and the Fund's Board of Trustees. In its effort to align with global best practices, PCF became a member of the International Forum of Insurance Guarantee Schemes (IFIGS) in May 2013. IFIGS brings together insurance guarantee schemes from around the world to share experiences and frameworks for protecting policyholders and managing insurer failures. PCF continues to participate in IFIGS and aligns itself with the Forum's guidance on core principles and best practices.

A significant milestone in the evolution of the Fund occurred in 2019 when amendments to the Insurance Act formally mandated PCF to compensate policyholders and claimants of insurers whose licenses were cancelled or who were placed under statutory management. This enhanced legal framework mandate ensures that future collapses would be addressed in a structured and timely manner. In 2020, PCF developed its maiden Strategic Plan (FY2020/21) and formulated key operational policies, guidelines, and procedures to guide service delivery and governance. In 2021, the Fund undertook its first compensation exercise. Since then, the Fund has served as the statutory manager and compensator for seven insurance companies.

As the pioneering Insurance Guarantee Scheme in Africa, PCF has been recognized as a leader, attracting interest and benchmarking visits from other African countries. In recognition of its role in financial sector stability, PCF was admitted as an Associate Member of the Joint Financial Sector Review (JFSR) Forum on 15th November 2024. The Fund collaborates with key regulators including the Central Bank of Kenya, Insurance Regulatory Authority, Capital Markets Authority, Retirement Benefits Authority, Sacco Societies Regulatory

Authority, and Kenya Deposit Insurance Corporation, with whom it signed a Memorandum of Understanding to strengthen inter-agency coordination. PCF continues to uphold its mission of compensating policyholders and enhancing public confidence in the insurance sector.

1.4 METHODOLOGY OF DEVELOPING THE STRATEGIC PLAN

The initiation of the new strategic planning process was prompted by the impending lapse of the PCF 2020/21–2024/25 Strategic Plan. In recognition of the need to guide the Fund’s direction over the next planning cycle, the Board of Trustees initiated the process. To support the process, the Fund engaged the services of an external consultant to facilitate the development of the PCF Strategic Plan 2025–2028 guided by specific terms of reference.

A review of the PCF's vision, mission, and core values was undertaken to ensure alignment with its mandate. A comprehensive assessment of both internal and external environments, as well as a review of the Fund’s past performance, was also conducted. Strategic issues, goals and key result areas were identified and they provided the foundation for setting strategic objectives and shaping the roadmap for PCF over the next three years. In addition, the Fund identified potential risks that may affect the implementation of the Strategic Plan.

A draft Strategic Plan was developed by PCF management and submitted to the Board for review and input. It was then subjected to stakeholder validation and the feedback received was incorporated into the fourth Draft Strategic Plan. The fourth Draft Strategic Plan was subsequently submitted to the State Department for Economic Planning by PCF for review and further comments. These comments were incorporated into the fourth Strategic Plan, which was then submitted to the Board of Directors for approval and implementation. This Strategic Plan was as a result of an inclusive and consultative process that reflects the views of a broad range of stakeholders.

CHAPTER TWO

STRATEGIC DIRECTION

This chapter details the strategic direction of PCF for the next three years. It outlines the Fund's vision, mission, strategic goals, and core values. The chapter also presents PCF's commitment to delivering quality, timely, and efficient services in line with its mandate.

2.1 MANDATE

The mandate of PCF as outlined in the Insurance Act, Section 179 is to:

- i. Provide compensation to claimants of insurers as placed under statutory management or whose license has been cancelled;
- ii. Monitor, in consultation with the Commissioner where necessary, the risk profile of any insurer;
- iii. Advise the Cabinet Secretary on the national policy to be followed in regard to matters relating to compensation of policyholders and to implement all government policies relating thereto;
- iv. Participate in the statutory management of an insurer placed under statutory management by the regulator;
- v. Liquidate an insurer as may be ordered by a court; and
- vi. Performing such other functions as may be conferred on it by the Insurance Act or by any other written law.

2.2 VISION STATEMENT

Compensation of all entitled policyholders and claimants

2.3 MISSION STATEMENT

To undertake timely compensation of policyholders and claimants and participate in resolution of insurers under statutory management or whose licenses have been cancelled.

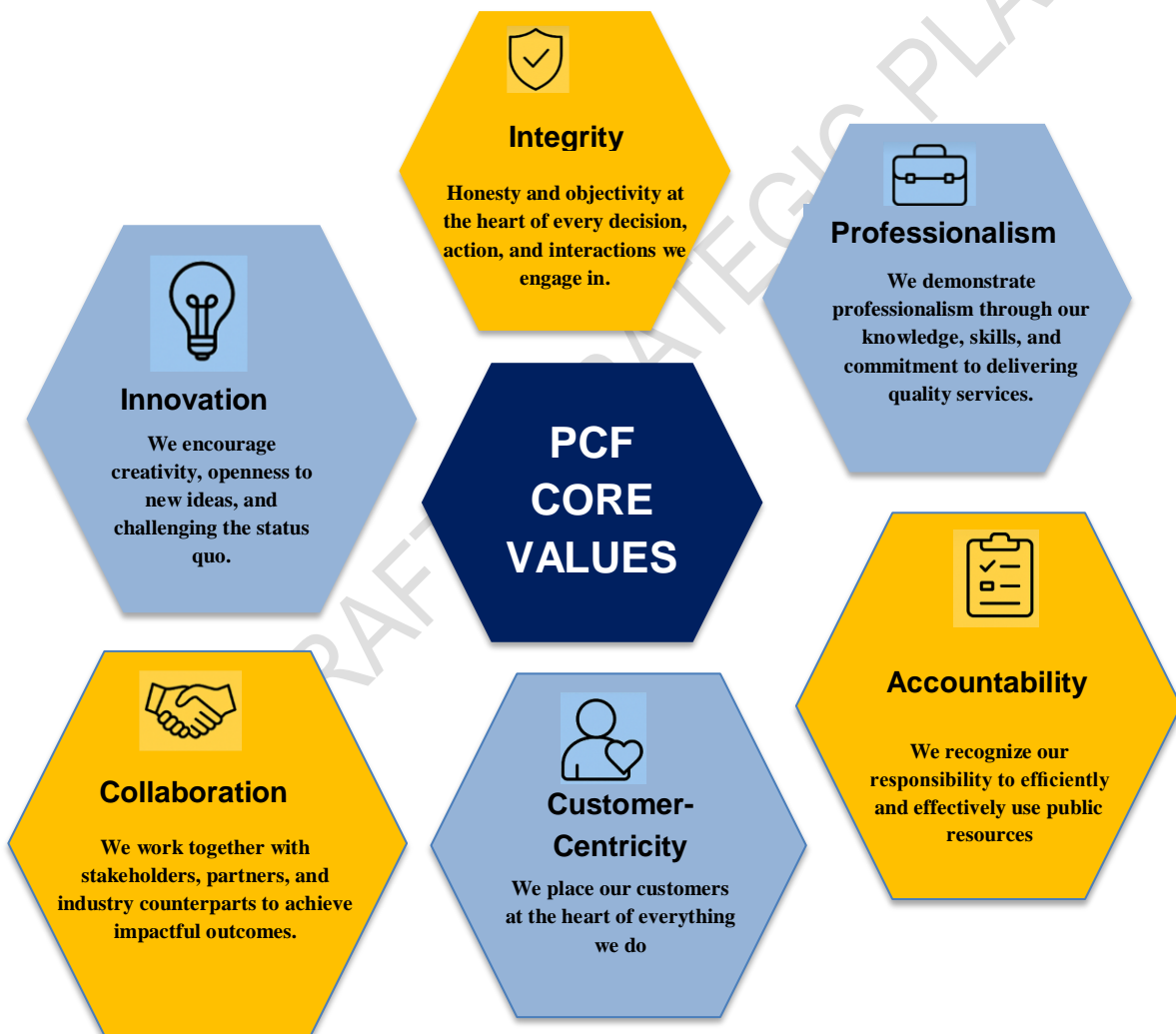
2.4 STRATEGIC GOALS

This Strategic Plan sets four key strategic goals PCF plans to achieve during 2024/25– 2027/28 plan period. These are:

1. Reliable safety net for policyholders and claimants in the insurance industry.
2. Early detection of insurer distress and effective statutory management and liquidation.
3. Availability of funds to compensate all entitled policyholders and claimants.
4. Effective and efficient delivery of PCF mandate.

2.5 CORE VALUES

The core values of PCF are as follows:



2.6 QUALITY POLICY STATEMENT

The Policyholders Compensation Fund is committed to providing compensation to claimants of insurers placed under statutory management or whose licenses

have been cancelled. It also aims to enhance public confidence in the insurance sector by meeting and exceeding the expectations of customers and stakeholders through timely compensation of policyholders and claimants, as well as the prompt resolution of insurers under statutory management.

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CHAPTER THREE

SITUATIONAL AND STAKEHOLDERS' ANALYSIS

This chapter analyzes the internal and external environments that will influence the implementation of the Strategic Plan. The insights gathered aim to identify emerging opportunities to support successful implementation of the Strategic Plan. It examines both micro and macro factors and their potential impact on the Fund's operations. Additionally, the chapter reviews PCF's past performance to draw lessons that can inform and enhance future delivery of its mandate. The chapter also outlines the Fund's key stakeholders, their respective roles, and expectations.

3.1 SITUATIONAL ANALYSIS

PCF is subject to internal and external factors that may either hinder or support the successful implementation of this Strategic Plan. Key external influences have been analyzed using the PESTEL framework, assessing political, economic, social, technological, environmental, and legal dimensions and how they affect the operating environment. The findings of this analysis are presented in the subsequent sections. In addition, the Fund has undertaken an internal assessment to identify its strengths and opportunities to build upon, as well as Weaknesses and Threats that must be addressed to ensure effective implementation of PCF's mandate.

3.1.1 External Environment

The external environment comprises factors that influence PCF's operations but remain beyond its direct control. These include political, economic, social, technological, environmental, legal, and competitive dynamics that collectively shape the Fund's operating landscape. Understanding trends and developments within this environment allows PCF to identify potential opportunities to leverage and threats to mitigate, thereby informing proactive strategic responses that support the achievement of its objectives.

3.1.1.1 Macro-environment

PCF conducted a PESTEL analysis to examine the external environment and identify factors that may either present opportunities or pose risks to the effective implementation of its mandate. The analysis considered the following dimensions.

Political Factors: PCF benefits from strong political goodwill and support from its parent ministry, the National Treasury and Economic Planning, which creates a conducive environment for the execution of its mandate. However, overlapping mandates and institutional conflicts particularly with entities such as the Insurance Regulatory Authority and the Office of the Official Receiver pose coordination challenges. Additionally, shifts in government policy or political instability may hinder the growth and stability of the insurance industry, indirectly affecting PCF operations.

Economic Factors: Kenya's growing economy presents opportunities for increased insurance uptake, which may expand PCF's role in safeguarding policyholders. Higher uptake could also strengthen the Fund's financial position. Inflation and constrained fiscal resources limit disposable income, particularly for optional insurance classes, reducing premiums and impacting PCF's levies. Economic downturns may also result in higher insolvency rates among insurers, raising the Fund's compensation obligations. Furthermore, fluctuations in investment returns affect the Fund's long-term financial planning and sustainability.

Social Factors: Rising public awareness and confidence in PCF's mandate has improved the Fund's visibility and credibility, encouraging policyholders and claimants to seek compensation. This growing awareness fosters transparency and trust in the insurance sector. On the other hand, increased social activism and the rapid spread of misinformation—especially through digital platforms—can misrepresent the Fund's role and decisions, potentially undermining public trust and influencing policy discourse negatively.

Technological Factors: The automation of claims processing and levy collection through digital systems has significantly enhanced PCF's efficiency, accuracy, and stakeholder engagement. Investment in ICT infrastructure positions the Fund for improved service delivery and real-time data-driven decisions. Upgrading systems to stay current is costly and may impact the Fund's liquidity. In addition, the increasing threat of cybercrime poses significant security risks, potentially compromising sensitive data and disrupting critical operations.

Environmental Factors: PCF has embraced its role in sustainability by supporting environmental conservation initiatives such as tree planting, aligning its efforts with broader national and global goals. However, the rise in climate-related disasters such as floods, droughts, and fires has led to an increase in insurance claims, placing pressure on both insurers and the Fund. This trend may result in a higher volume of claims requiring compensation, which could strain PCF's financial resources over time.

Legal Factors: The proposed enactment of the PCF Act is expected to strengthen the Fund's regulatory framework and provide greater clarity on its mandate. Changes or misalignments in legislation may create overlaps in institutional roles or introduce regulatory uncertainty, which could affect operational clarity. Adjustments in compensation limits such as potential increases beyond the current KES 250,000 also carry implications for financial planning and long-term fund sustainability.

3.1.1.2 Micro-environment

The Fund relies on the technical competencies of its diverse workforce to develop responsive systems and services that meet stakeholder needs, particularly in compensation processing, risk profiling, and statutory management. However, attracting and retaining highly skilled staff remains a challenge due to limited staffing approvals and the competitive remuneration offered in the broader market.

Customer profiles, particularly policyholders and claimants, are becoming increasingly informed and demand faster, technology-enabled service delivery, necessitating investments in digital systems. Internally, PCF is committed to compliance with all relevant laws and regulations governing its operations. It adheres to the Public Procurement and Asset Disposal Act, 2015, and the accompanying 2020 Regulations in managing the procurement of goods and services. The Fund maintains an inclusive and transparent prequalification process for suppliers and ensures that procurement opportunities are accessible to youth, women, and persons living with disabilities. It also prioritizes the sourcing of locally available goods and services, in line with national procurement guidelines. PCF remains committed to timely payments to suppliers.

3.1.2 Summary of Opportunities and Threats

Table 3.1 presents a summary of opportunities and threats identified during the PESTEL analyses of PCF.

Environmental factor	Opportunities	Threats
Political	<ul style="list-style-type: none"> • Good relations stakeholders e.g The National Treasury • Political goodwill and support 	<ul style="list-style-type: none"> • Changes in government policies and regulations • Political instability
Economic	<ul style="list-style-type: none"> • Strategic low/risk high return investments on government securities • Growing insurance premiums as a result of uptake • Increased Insurance compensation coverage would improve value to claimants 	<ul style="list-style-type: none"> • Budget cuts due to austerity measures • Economic instabilities due to inflation, extinctions, pandemics • Failure of several insurance companies.
Social	<ul style="list-style-type: none"> • Increasing public awareness of PCF 	<ul style="list-style-type: none"> • Fraud during claims • Negative perception of the insurance industry
Technological	<ul style="list-style-type: none"> • Automation of core mandate functions • Use of artificial intelligence as a deterrent to fraud and a mechanism for awareness creation 	<ul style="list-style-type: none"> • Cybercrime and data protection gaps • False information through social media platforms • Fraudulent lodging of claims enabled by technology
Environmental	<ul style="list-style-type: none"> • Implementation of afforestation and reforestation initiatives 	<ul style="list-style-type: none"> • Climate change
Legal	<ul style="list-style-type: none"> • Enactment of PCF Bill 	<ul style="list-style-type: none"> • Changes in legislation

Environmental factor	Opportunities	Threats
		<ul style="list-style-type: none"> • Judicial decisions and rulings on liquidations

Table 3.1: Summary of Opportunities and Threats

3.1.3 Internal Environment

The internal environment refers to factors within PCF's control that influence its operational performance. These include the Fund's core functions, resource capabilities, competencies, structural design, and institutional culture. To assess the influence of these factors on performance, PCF conducted an internal analysis using several diagnostic tools. A Value Chain Analysis was undertaken to identify key activities that deliver value, while Functional Analysis helped assess the strengths and weaknesses across different departments. Additionally, Comparative Analysis was used to benchmark performance and highlight areas for improvement. The findings from this assessment provided insights into the Fund's internal strengths and weaknesses.

3.1.3.1 Governance and Administrative Structures

PCF is anchored in a structured governance and administrative framework, established under the Insurance Act (Cap 487), and overseen by the National Treasury and Economic Planning. Its governance is led by a Board of Trustees, composed of representatives from the government (including the Cabinet Secretary, Commissioner of Insurance, and Attorney General), the insurance industry (insurers and brokers), and the general public. This composition ensures balanced stakeholder representation and strategic oversight. PCF has qualified staff, recruited through competitive processes. Furthermore, PCF has formalized strategic partnerships through Memoranda of Understanding (MoUs), allowing for structured collaboration and knowledge sharing. Some of the key MoUs are with institutions such as Insurance Regulatory Authority (IRA), Office of the Official Receiver, and judicial institutions. However, there are weaknesses in coordination between PCF and regulatory institutions in areas such as information sharing.

3.1.3.2 Internal Business Processes

PCF has invested significantly in strengthening its business processes. The Fund has developed and operationalized critical policies and standard operating procedures across all core and support departments. Notably, the Fund has implemented digital systems such as the Claims Management System (CMS), Levy Collection and Reconciliation System (LCRS), and Customer Relations Management System (CRM), which have automated manual processes, shortened turnaround times, and improved service delivery. PCF also has a Disaster Recovery Plan and data backup infrastructure, minimizing risk to operations in the event of system failure or cyber threats. Additionally, the Fund continuously conducts simulation exercises to test its response to insurer collapses and fine-tune its compensation processes.

Despite the progress made, PCF continues to face several challenges that hinder the full realization of its mandate. One of the primary issues is the delay in claim verification and validation, largely due to limited cooperation from critical stakeholders, particularly court-appointed insolvency practitioners. Their role in providing accurate and timely documentation is central to claim processing, and when this is delayed or incomplete, it significantly slows down the compensation process. There is limited understanding of the claims process by claimants. Many users struggle with lodging claims correctly due to unfamiliarity with the digital interface or the requirements involved. This leads to incomplete submissions, necessitating additional follow-ups. PCF also at times faces delayed or non-compliant levy remittances by certain insurers, which affects the Fund's liquidity and planning.

3.1.3.3 Resources and Capabilities

PCF's tangible resources include a robust IT infrastructure, financial reserves, and office facilities located in Nairobi. The Fund's financial strength stems from the mandatory levy contributions and investments in Treasury securities, which yield predictable, risk-free returns. As of June 2024, PCF had an asset base of KES 22 billion, demonstrating its solid financial foundation. PCF holds a unique

position as the only insurance guarantee scheme in Africa, giving it a strong brand and thought leadership profile. Its skilled workforce includes insurance experts, actuaries, financial analysts, and legal professionals, who have successfully managed statutory management for insurers.

PCF faces several internal challenges that may hinder the efficient execution of its mandate. Delays in levy remittances by insurance companies affect the Fund's cash flow. Additionally, the proposed increase in compensation limits beyond the current KES 250,000 may require lengthy regulatory approvals, which could delay implementation and affect timely payout to claimants. The Fund also operates with limited staffing in critical departments, leading to potential bottlenecks in operations. Furthermore, there is a pressing need for continuous professional development to ensure staff remain up to date with evolving regulatory requirements and technological advancements.

3.1.4 Summary of Strengths and Weaknesses

Based on the analyses of the internal environment, PCF's summary of strengths and weaknesses are as shown in Table 3.2.

Factor	Strengths	Weaknesses
Governance and administrative structures	<ul style="list-style-type: none"> Highly skilled and competent workforce Strategic partnerships Establishment under the Act of Parliament 	<ul style="list-style-type: none"> Limitation of the Act Inconsistent access to policyholder's and claims data Low level of awareness of PCF Limited cooperation from stakeholders
Internal business processes	<ul style="list-style-type: none"> Well established policies and guidelines Automation of key processes 	<ul style="list-style-type: none"> Delays in claim verification and validation Limited understanding of the claims process by claimants Delayed or non-compliant levy remittances by some insurers Budgetary constraints when compensation demands exceed available funds Inadequate cooperation from stakeholders Unintegrated systems

Factor	Strengths	Weaknesses
Resources and capabilities	<ul style="list-style-type: none"> • Stable and reliable revenue source for compensation and Fund administration • Strong institutional knowledge and capacity to undertake statutory management 	<ul style="list-style-type: none"> • Delays in levy remittance by insurance companies • Limited staffing in critical departments • Need for continuous professional development to keep up with evolving regulatory and technological trends

Table 3.2: Summary of Strengths and Weaknesses

3.1.5 Analysis of Past Performance

The assessment of past performance was conducted, highlighting key achievements, challenges encountered, and lessons learned. The results are presented in the section that follows:

3.1.5.1 Key achievements

PCF undertook a performance review of its 2020/2021 - 2024/2025 Strategic Plan period. The key achievements for each Key Result Area are as follows.

KRA 1: Promote confidence in the insurance industry: During the strategic period, the Fund significantly advanced efforts to enhance public confidence in the insurance industry through timely compensation, structured statutory management, and improved risk monitoring. A total of 1,054 claims worth Kes.151 million were successfully paid out, with turnaround times averaging 70 days against the set timeline of 90 days in the service charter, an indication of improved efficiency. The implementation of the Claims Management System (CMS) has automated and streamlined the compensation process, enabling real-time, web-based services and increasing claimant accessibility. All insurers placed under statutory management or liquidation were compensated, and handovers to appointed liquidators were efficiently executed. Statutory management processes were further strengthened through the development and implementation of operational guidelines. On early intervention, risk profiling of licensed insurers was conducted quarterly. Draft PCF Bill was developed to enhance the legal mandate.

KRA 2: Financial Stewardship: During the plan period, the Fund made significant strides in strengthening financial stewardship, with key achievements in levy administration, investment planning, and financial reporting. Contribution levy collection exceeded targets by 5%, supported by the issuance of enforcement notices to non-compliant insurers. In prudent financial management, financial reports were consistently prepared in line with statutory requirements and submitted within the stipulated timelines. Additionally, the Finance Policy and Procedures Manual was successfully implemented in line with Public Financial Management (PFM) regulations. On investment planning, the Fund developed a draft Investment Policy, achieving an average annual portfolio growth rate of 15.9%. These developments position the Fund to build a more resilient and diversified financial base, though there remains a need for strengthened legal provisions to improve levy compliance and alignment with donor priorities.

The financial trend over the four-year period shows a consistent increase in both contribution levy and investment income. Contribution levy also increased, reflecting improved collection efficiency as shown in Figure 3.1.

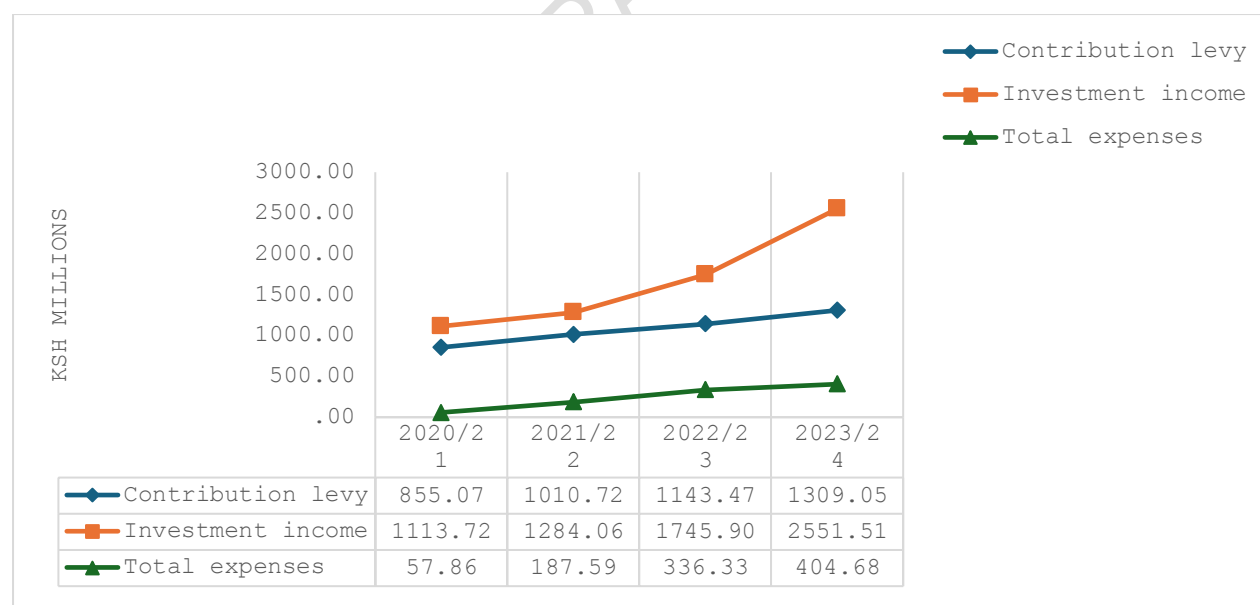


Figure 3.1: Fund Performance

Compensation as a percentage of contributions peaked at 5.7% in 2022/23 before declining sharply to 0.7% in 2023/24, indicating a one-off surge in claim

settlements. Total expenses as a percentage of investment income rose from 5% in 2020/21 to 16% in 2023/24, reflecting increased operational activity.

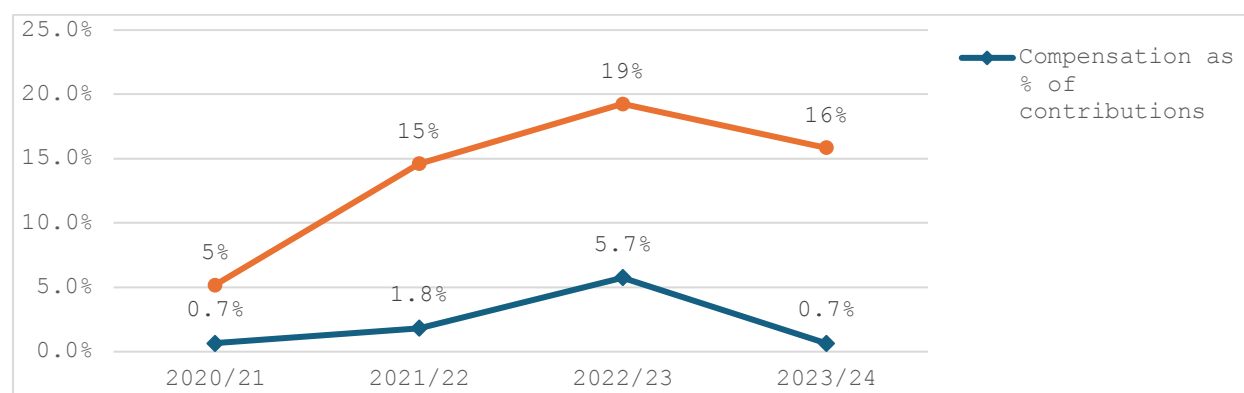


Figure 3.2: Trends in Compensation and Operational Efficiency Ratios (2020/21–2023/24)

KRA 3: Strengthen Institutional Capacity: The Fund made notable progress in strengthening institutional capacity to improve service delivery, operational efficiency, and governance. Key milestones included the implementation of staff motivation initiatives such as employee assistance programs, quarterly forums, and OSHA compliance, alongside the completion of a workload analysis. Capacity-building efforts were advanced through group and e-trainings, guided by a skills gap audit and ongoing training needs assessment. Performance management was strengthened through system automation and the implementation of a rewards and sanctions policy, while talent development saw the training of coaches and mentors to support succession planning. Operational efficiency was promoted through ongoing Quality Management System (QMS) awareness and documentation. In supply chain management, policy implementation is underway despite coordination gaps. Research and advocacy were supported through MoUs with key partners, international benchmarking, and active participation in industry forums. The Fund also made strides in automation, developing internal systems, a backup system, and a disaster recovery plan, although challenges remain in project management and integration with government platforms like e-Citizen. Brand visibility was enhanced through the PCF Mtaani outreach, satisfaction surveys, and industry publications. Furthermore, strong internal controls and governance practices were reinforced through the development of ERM policies, internal audit

manuals, and consistent unqualified audit opinions. Despite these gains, cross-cutting challenges such as constrained staff capacity, prolonged recruitment processes, and limited policy awareness impacted full realization of this KRA, highlighting the need for continued investment in human capital and system integration.

3.1.5.2 Challenges

During the implementation of the Strategic Plan 2020/2021 - 2024/2025, PCF faced the following challenges.

1. Legal framework limitations –PCF operates under the Insurance Act, but the delayed approval of the PCF Bill restricts its ability to implement roles such as liquidation. PCF’s role in statutory management and liquidation is not clearly defined in law. In addition, there are inadequate legal sanctions for non-compliance with levy remittance by insurers. Further, there are limited legal powers to intervene early in distressed insurers based on risk monitoring reports.
2. Inadequate public awareness – Many policyholders and stakeholders are unaware of PCF’s role. This at times results in delayed lodging of claims when an insurance company is placed under statutory management.
3. Inadequate staffing–Key departments, such as ICT, Corporate Communications and Internal Audit (singularly established departments), face understaffing challenges due to a limited approved workforce. Singularly staffed departments pose a continuity risk.
4. Lack of timely and sufficient data – PCF depends on IRA for data. There are delays in the provision of data which affects the effectiveness of risk monitoring of insurers.
5. Delays in compensation approvals – The 90-day Turnaround Time (TAT) for compensation is prolonged due to board approval requirements, causing delays that sometimes extend beyond the prescribed period.

3.1.5.3 Lessons Learnt

The following were the lessons learnt:

1. PCF mandate-There are limitations within the current legal framework particularly around liquidation and statutory management, and have constrained the Fund's ability to fully step in its role. There is need for the enactment of a dedicated PCF Act to clarify and expand the Fund's mandate.
2. Digitization-Automation of compensation, levy collection, and internal management systems significantly improved turnaround time and service delivery. However, the absence of integrated data systems with insurers limits the full potential of digitization. A proactive data-sharing framework is critical to real-time risk monitoring and faster compensation.
3. Public awareness -Many policyholders remain unaware of PCF's existence or their right to compensation following insurer failure. Awareness initiatives like "PCF Mtaani" have proven effective. There is need for more targeted communication efforts to improve claim uptake and consumer protection.
4. Lean staffing -Singularly staffed departments pose a risk to operations, limit internal controls, and hinder succession planning. Strengthening human resource capacity and succession planning are essential for resilience.
5. Delayed and incomplete data -PCF's reliance on IRA for risk data has exposed it to delays, especially during insurer distress. There is need for real-time, verifiable data. Risk monitoring should be jointly undertaken with IRA and this should be backed by law.
6. Compensation approval- there is need to delegate compensation approvals to the management level. This will help reduce the TAT from the current 90 days.
7. Legal disputes -Court cases arising from takeover contests or post-statutory management claims have delayed compensation and exposed PCF to reputational and financial risk. Clear legal mechanisms for dispute resolution and structured coordination with private statutory managers are needed.

8. Strategic partnerships improve visibility -Collaborations with IRA, Office of the Official Receiver, and participation in global insurance guarantee forums have increased PCF's profile and access to global best practices. Leveraging these networks will continue to strengthen institutional learning and policy influence.
9. Insurance sector complexity-The dynamic nature of the insurance industry in new product development, rising claims, and shifting consumer behaviour necessitates continuous learning and policy reviews to manage emerging risks.

DRAFT STRATEGIC PLAN

3.2 STAKEHOLDER ANALYSIS

Table 3.3 maps PCF's stakeholders' roles and expectations.

S/ No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation	PCF Expectations
1.	National Government	<ul style="list-style-type: none"> • Provide political goodwill 	<ul style="list-style-type: none"> • Compliance with the laws of Kenya • Effective protection of policyholders in case of insurer failure 	<ul style="list-style-type: none"> • Collaborate with government agencies to enhance policyholder protection • Timely intervention in legislative and governance matters affecting PCF • Enforcing laws and maintaining order • Protecting property rights
2.	The National Treasury and Economic Planning	<ul style="list-style-type: none"> • Approval of budgets and policies • Policy direction • Planning and disbursement of Government funds • Protecting policyholders interest • Ensure stability of the financial sector 	<ul style="list-style-type: none"> • Proper management and utilization of allocated funds • Compliance with financial regulations and reporting standards • Ensure compliance with the Insurance Act 	<ul style="list-style-type: none"> • Budget approvals • Develop enabling policies • Advisory on policies, procedures and guidelines • Inclusion in policy discussions affecting the insurance sector • Timely appointment of Board of Trustees
3.	Insurance Regulatory Authority	<ul style="list-style-type: none"> • Regulate, supervise and promote development of the insurance industry 	<ul style="list-style-type: none"> • Sharing of information on statutory management 	<ul style="list-style-type: none"> • Sharing of information on insurance • Oversight of the insurance industry • Prompt actions on issues raised
4.	Office of the Attorney General	<ul style="list-style-type: none"> • Offer legal advisory 	<ul style="list-style-type: none"> • Compliance with legal and regulatory frameworks 	<ul style="list-style-type: none"> • Representation in legal proceedings involving PCF

S/ No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation	PCF Expectations
			<ul style="list-style-type: none"> • Cooperation in resolving legal disputes 	<ul style="list-style-type: none"> • Legal guidance • Membership in the Board of Trustees
5.	Central Bank of Kenya	<ul style="list-style-type: none"> • Formulate and implement monetary policy to achieve price stability 	<ul style="list-style-type: none"> • Compliance with financial regulations • Purchase investments instruments • Provision of information in relation to safety-net role in the insurance industry 	<ul style="list-style-type: none"> • Risk-free investment returns • Conducive financial sector regulatory framework • Promote stability in the financial sector • Ensuring the safe and efficient operation of the payment and settlement systems. • Inclusion in financial sector discussions impacting insurance
6.	Policyholders/ Claimants	<ul style="list-style-type: none"> • Consume insurance product 	<ul style="list-style-type: none"> • Timely compensation of claims • Consumer education 	<ul style="list-style-type: none"> • Remittance of levies • Full disclosure of information • Timely filing of claims
7.	Insurers	<ul style="list-style-type: none"> • Provide insurance products 	<ul style="list-style-type: none"> • Consumer education • Prompt resolution of troubled insurers 	<ul style="list-style-type: none"> • Compliance with the Insurance Act • Observance of good corporate governance • Adoption of appropriate risk management practices
8.	Insurers under Statutory Management	<ul style="list-style-type: none"> • Act as an example in the insurance sector towards promoting confidence in the insurance industry 	<ul style="list-style-type: none"> • Prompt resolution of troubled insurers 	<ul style="list-style-type: none"> • Compliance with the laws and regulations
9.	Official Receiver	<ul style="list-style-type: none"> • Facilitate an orderly market exit through liquidation • Regulation of insolvency practitioners 	<ul style="list-style-type: none"> • Cooperation in the liquidation process of failed insurers • Transparency in handling policyholder compensation 	<ul style="list-style-type: none"> • Adherence to legal and regulatory frameworks governing insolvency • Efficient management of the liquidation process

S/ No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation	PCF Expectations
			<ul style="list-style-type: none"> • Compliance with insolvency laws and regulations 	<ul style="list-style-type: none"> • Timely communication and coordination on insolvency cases • Timely sharing of policyholder and claims data • Timely compensation to claimants • Conflict resolution between PCF and insolvency Practitioners
10.	Liquidators	<ul style="list-style-type: none"> • Facilitate an orderly market exit through liquidation 	<ul style="list-style-type: none"> • Cooperation in processing policyholder compensation during liquidation • Compliance with insolvency laws and regulations • Provision of necessary data and reports to facilitate liquidation 	<ul style="list-style-type: none"> • Fair and timely compensation to policyholders • Prompt sharing of policyholder and claims data • Efficient and timely liquidation process • Regular liquidation status updates • Compliance with legal and regulatory requirements
11.	Media	<ul style="list-style-type: none"> • Facilitate the Fund's visibility 	<ul style="list-style-type: none"> • Collaboration in public awareness campaigns. • Regular updates on policy and regulatory changes affecting the insurance industry 	<ul style="list-style-type: none"> • Collaborations on consumer education • Collaborations on public awareness campaigns and sensitization • Responsible reporting of information regarding insurance industry • Timely dissemination of critical information to stakeholders
12.	Suppliers and contractors	<ul style="list-style-type: none"> • Providing materials and products/services as per 	<ul style="list-style-type: none"> • Timely payment for goods and services rendered 	<ul style="list-style-type: none"> • High-quality and timely delivery of goods and services

S/ No.	Stakeholder	Role of Stakeholder	Stakeholder Expectation	PCF Expectations
		<ul style="list-style-type: none"> the specifications of suppliers • Timely project execution by contractors • Contractors should provide labour, expertise or services for a particular project 	<ul style="list-style-type: none"> • Fair and transparent procurement processes • Long-term business relationships and opportunities • Compliance with public procurement laws and ethical business practices 	<ul style="list-style-type: none"> • Compliance with contractual agreements • Adherence to procurement regulations and ethical business conduct • Competitive and fair pricing • Transparency and accountability in business dealings
13.	General public	<ul style="list-style-type: none"> • Obligated to be Involved in policy discussions and Legislative changes through public participation • Officially lodge insurance claim(s) for an Insurance that has been placed under SM 	<ul style="list-style-type: none"> • Assurance that policyholders are protected in the event of insurer failure • Transparent and accountable management of the compensation fund • Efficient and timely compensation of affected policyholders/claimants. • Public awareness and sensitization 	<ul style="list-style-type: none"> • Engagement in public participation exercises • Engagement in public awareness and education programs. • Launch genuine and fully documented claim(s)
14.	Employees	<ul style="list-style-type: none"> • Undertake PCF tasks as per their JDs • Uphold values as enshrined in the Kenya Constitution 2010 • Adhere to PCF Service Delivery Charter 	<ul style="list-style-type: none"> • Conducive working environment • Skills and career development • Equal opportunities • Competitive remuneration • Performance recognition 	<ul style="list-style-type: none"> • Commitment and professionalism • Adherence to core values • Achievement of set targets

Table 3.3: Stakeholders Analysis

CHAPTER FOUR

STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

Based on insights from the situational analysis, PCF outlined strategic issues, defined goals, and established Key Result Areas to be addressed during the Strategic Plan period.

4.1 STRATEGIC ISSUES

PCF has outlined the following strategic issues as priority areas for implementation during the 2025/26– 2027/28 Strategic Plan period.

1. Protection of policyholders and claimants.
2. Resolution of insurers under statutory management or whose license has been cancelled.
3. Funding of policyholders and claimants' claims.
4. Institutional capacity.

4.2 STRATEGIC GOALS

This Strategic Plan sets four key strategic goals PCF plans to achieve during 2025/26– 2027/28 plan period. These are:

1. Reliable safety net for policyholders and claimants in the insurance industry.
2. Early detection of insurer distress and effective statutory management and liquidation.
3. Availability of funds to compensate all entitled policyholders and claimants.
4. Effective and efficient delivery of PCF mandate.

4.3 KEY RESULT AREAS

The strategic issues, goals and KRAs are presented in Table 4.1.

Strategic Issue	Goal	KRAs
Protection of policyholders and claimants	Reliable safety net for policyholders and	Compensation of policyholders and

Strategic Issue	Goal	KRAs
	claimants in the insurance industry	claimants
Resolution of insurers under statutory management or whose license has been cancelled	Early detection of insurer distress and effective statutory management and liquidation	Monitoring, statutory management and liquidation of insurers
Funding of policyholders and claimants' claims	Availability of funds to compensate all entitled policyholders and claimants	Financial stewardship
Institutional capacity	Effective and efficient delivery of PCF mandate	Institutional capacity development

Table 4.1: Strategic Issues, Goals and KRAs

CHAPTER FIVE

STRATEGIC OBJECTIVES AND STRATEGIES

This chapter outlines PCF's strategic objectives and strategies.

5.1 STRATEGIC OBJECTIVES

This section contains PCF's strategic objectives mapped to the corresponding Key Result Areas, detailing the expected outcomes, outcome indicators, and targets for the Strategic Plan period, as presented in Table 5.1.

KRA	Strategic Objective	Outcome	Outcome Indicator	Projections		
				2025/26	2026/27	2027/28
Compensation of policyholders and claimants	1.1 Effective and comprehensive compensation framework	Compensation of policyholders and claimants	Percentage of claimants compensated	100	100	100
			Compensation turnaround time (days)	70	50	30
			Increased compensation amount from Ksh 250,000 to Ksh 500,000	0	1	0
	1.2: To strengthen the regulatory framework	Enhanced legislative framework	PCF Bill submitted to the National Treasury	1	0	0
Monitoring, statutory management and liquidation of insurers	2.1: Fund preparedness and contingency planning for compensation and statutory management	Strengthened risk profiling and early detection framework	% Level of implementation of risk profiling and early detection framework	70	80	100
			Level of implementation of MoU with the IRA	70	80	90
	2.2 Efficient and effective resolution of insurers	Prompt resolution of insurers placed under statutory management	Rate of resolution of insurance company under statutory management (%)	90	80	70

KRA	Strategic Objective	Outcome	Outcome Indicator	Projections		
				2025/26	2026/27	2027/28
			% Level of implementation of Statutory Management Guidelines	90	100	100
		Strengthened resolution planning framework	Crisis management framework in place	0	0	1
			Level of implementation of MoU with the Office of the Official Receiver in Insolvency (%)	70	80	100
	2.3 Ensure compliance with contribution levies by insurers	Compliance by insurers	Level of compliance by insurers (%)	90	95	100
Financial stewardship	3.1: Prudent management of financial resources	Fund financial sustainability	Growth of Fund size (%)	20	22	24
			Average return on investment (%)	10	10	10
		Efficient and effective use of resources	Annual Report and Financial Statement	1	1	1
Institutional capacity development	4.1: To strengthen corporate governance	Enhanced corporate governance compliance	Approved and implemented governance audit reports (%)	-	100	-
		Strengthened competencies of the Board of Trustees	Approved and implemented board training plan (%)	100	100	100
		Proactive risk mitigation and financial stability	Review the risk management framework	1	-	-
			Level of automation (%)	50	60	70

KRA	Strategic Objective	Outcome	Outcome Indicator	Projections		
				2025/26	2026/27	2027/28
	4.2 To enhance efficiency in service delivery	Increased efficiency	Systems utilization level (%)	30	40	50
	4.3 To enhance brand visibility and public awareness	Enhanced visibility and high level of awareness	Customer satisfaction survey index (%)	70	75	80
			Brand survey index (%)	-	(x)	(x+5)
	4.4 To ensure value for money in supply chain management	Cost-effective, transparent procurement	Average cost savings in procurement (%)	5	5	5
			Compliance level (%)	100	100	100
	4.5 Attract, develop and retain highly productive talent	Highly performing and productive organization	Performance and productivity index (out of 5)	3.6	3.7	3.8
			Talent retention (%)	93	94	95
			Employee engagement and satisfaction index (%)	82	83	85
			Staff competency levels (%)	78	82	85

Table 5.1: Outcome Annual Projections

5.2 STRATEGIC CHOICES

PCF has outlined the strategies for each objective, as detailed in Table 5.2

KRAs	Strategic Objective(s)	Strategies
1. Compensation of policyholders and claimants	1.1: Effective and comprehensive compensation framework	i. Timely compensation of policyholders and claimants ii. Review of compensation schedule of benefits
	1.2: To strengthen the regulatory framework	Review the regulatory framework
2. Monitoring, statutory management and liquidation of insurers	2.1: Fund preparedness and contingency planning for compensation and statutory management	i. Enhance monitoring and risk profiling ii. Leverage collaborations and partnerships
	2.2: Efficient and effective resolution of insurers	i. Strengthen statutory management guidelines ii. Enhance the crisis management framework
	2.3 Ensure compliance with contribution levies by insurers	Implement contribution compliance framework /Timely revenue collection
3. Financial stewardship	3.1: Prudent management of financial resources	i. Timely levy contribution collection ii. Optimal investment portfolio rebalancing iii. Efficient budgetary control, expenditure management and reporting
4. Institutional capacity development	4.1: To strengthen corporate governance	i. Promote good corporate governance practices ii. Strengthen risk management
	4.2: To enhance efficiency in service delivery	i. Business process re-engineering ii. Uphold effective ICT governance and security iii. Promote ICT systems sustainability and compliance
	4.3: To enhance brand visibility and public awareness	Create public awareness and promote visibility
	4.4: To ensure value for money in supply chain management	Streamline procurement processes
	4.5: Attract, develop and retain highly productive talent	i. Promote skills development and institutionalize succession planning ii. Optimize competitive compensation and benefits iii. Strengthen performance and productivity

Table 5.2: Strategic Objectives and Strategies

CHAPTER SIX

IMPLEMENTATION AND COORDINATION FRAMEWORK

This chapter outlines PCF's implementation framework, highlighting key activities, outputs, annual targets, budget allocations, and performance indicators. It also presents the coordination mechanism, including the organizational structure, staffing levels, and competency requirements, and further elaborates on the institution's approach to risk management.

6.1 IMPLEMENTATION PLAN

This section outlines PCF's action plan and annual work plan, along with a commitment to anchor the performance contract on the annual work plan.

6.1.1 Action Plan

This section outlines the implementation plan, addressing strategic issues, goals, KRAs, and intended outcomes. The action plan further defines strategic objectives, corresponding strategies, key activities, expected outputs, performance indicators, targets, budget estimates, and responsible departments, as illustrated in Table 6.

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
Strategic issue: Protection of policyholders and claimants.													
Strategic goal: Reliable safety net for policyholders and claimants in the insurance industry													
KRA 1: Compensation of policyholders and claimants													
Outcomes: Enhanced compensation to policyholders and claimants													
Prompt compensation of policyholders and claimants													
Objective 1.1: Effective and comprehensive compensation framework													
Timely compensation of policyholders and claimants.	Re-engineering of the claim processing procedures	Efficient claim processing	Reduced claim processing time	1	-	-	1	-	-	-	-	Deputy Director, Compensation	Insurance Officers - Compensation
	Undertake compensation simulation/stress testing exercise.	Enhanced readiness for compensation process	Stress testing reports/Internal compensation policies and guidelines	3	1	1	1	3	3	3	9	Deputy Director, Compensation	Insurance Officers - Compensation
	Undertake compensation of policyholders and claimants	Adequate financial planning for timely payouts	Approved compensation budget	3	1	1	1	1,900	1,000	2,300	5,200	Deputy Director, Compensation	Deputy Director, Finance and Accounts/Insurance Officers - Compensation
	Conduct compensation clinics in collaboration with NGAO (National Government Administrative Officers)	Increased public awareness on the compensation process	<ul style="list-style-type: none">Number of clinics heldNumber of participants engagedClaim submission rate after clinics	3	1	1	1	50	50	50	150	Deputy Director, Compensation	Deputy Director, Corporate Communications / Insurance Officers - Compensation

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
	Development of a claims data warehouse	Increased access to real time claims data	<ul style="list-style-type: none"> Real time claims data 							200	200		
	Intervene at the insurers under SM at branch level	Increased number of claimants	Number of PCF deployment instances to insurer branches under SM								-		
Review of compensation schedule of benefits	Advisory to the CS for increase of compensation limit from Ksh 250,000 to Ksh 500,000	Policy decision on compensation enhancement	Advisory submission report, forwarding and acknowledgment letters Gazette notice on the new compensation limit	1	1	-	-	-	-	-	-	Managing Trustee	Director Compensation and Insurance Risk Monitoring
	Proposed expansion of schedule of protected benefits	Enhanced scope of compensation	Proposed updated schedule of protected benefits	1	-	-	1	-	-	-	-	Managing Trustee	Director Compensation and Insurance Risk Monitoring
Total								1,953	1,053	2,553	5,559		
Outcomes: Enhanced legislative framework													

Strategy	Key Activities	Expected Output	Output Indicators	Targ et for 3 year s	Target			Budget (Kshs. Millions)				Lead	Support
					2025/ 26	2026/ 27	2027/ 28	2025/ 26	2026/ 27	2027/ 28	Total		
Objective 1.2: To strengthen the regulatory framework													
Review the regulator y framewor k	Legislative drafting of the draft PCF Bill and submission to the National Treasury	Draft PCF Bill	Forwarding letter Draft PCF bill	1	1	-	-	20	20	20	60	Director, Legal Services	Director, Corporate Services
	Lobby for enactment of the bill	No of meetings held	Number of advocacy and stakeholder engagement meetings held								-	Director Legal Services	Legal Officer
	Submit PCF Bill to National Treasury for enactment	Enactment of PCF Act	PCF Bill submitted to the National Treasury								-	Director Legal Services	Legal Officer
	Undertake legislative amendment through budget memoranda	Budget memorandum proposals	Amendment of the Insurance Act	3	1	1	1	-	-	-	-	Director, Compen sation and Insuranc e Risk Monitori ng	Director, Legal Services
	Sensitize stakeholders on PCF Act	Sensitization for a held	No. of sensitization fora held								-	Director Legal Services	Legal Officer
Total				12	5	3	4	20	20	20	60		
Total KRA 1								1,973	1,073	2,573	5,619		

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
Strategic issue: Resolution of insurers under statutory management or whose license has been cancelled													
Strategic goal: Early detection and effective statutory management and liquidation of insurers													
KRA 2: Monitoring, statutory management and liquidation of insurers													
Outcome: Strengthened risk profiling and early detection framework													
Objective 2.1: Fund preparedness and contingency planning for compensation and statutory management													
Enhance monitoring and risk profiling	Review risk profiling guidelines	Revised risk profiling guidelines	Revised risk profiling guidelines document developed and approved	1	1	-	-	2.5	-	-	2.5	Deputy Director, Insurance Risk Monitoring	Insurance Officer - Insurance Risk Monitoring Officer
	Implementation of risk profiling guidelines	Risk profiling reports	Recommendations and advisory reports	100%	70%	80%	100%	-	-	-	-	Deputy Director, Insurance Risk Monitoring	Insurance Officer - Insurance Risk Monitoring Officer
Leverage collaborations and partnerships	Review stakeholder management framework	Reviewed stakeholder management framework	Approved stakeholder management framework	1	1	-	-	-	4.0	-	4.0	Deputy Director, Research, Strategy and Planning	Planning Officer
	Develop, review and implement MoUs (Office of the Official Receiver in Insolvency and IRA, KDIC)	Reviewed MoU with the relevant institutions	Signed MoUs Reports	2	-	2	-	2	2.5	2	6.5	Deputy Director, Research, Strategy and Planning	Deputy Director, Statutory Management

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
	Undertake and participate in industry events at local and international level	Undertaking or participation in industry events	Event reports	3	1	1	1	0.5	0.5	0.5	1.5	Deputy Director, Compensation	Deputy Director, Insurance Risk Monitoring
		Undertaking or participating in key international events	Event reports	6	2	2	2	10	10	10	30.0	Deputy Director, Compensation	Deputy Director, Statutory Management
	Implement JFSR fora initiatives/protocols/recommendations	Implementation of JFSR initiatives/recommendations/protocols	Reports on implementation of recommendations	3	1	1	1	2	2	2	6.0	Deputy Director, Insurance Risk Monitoring	Deputy Director, Research, Strategy and Planning
Total								17.0	19.0	14.5	50.5		
Outcome: Prompt Resolution of Insurers placed under statutory management													
Objective 2.2: Efficient and effective resolution of Insurers													
Strengthen statutory management guidelines	Review statutory management guidelines	Reviewed statutory management guidelines	Approved revised statutory management guidelines	1	1	-	1	2.5	-	-	2.5	Deputy Director, Statutory Management	Principal Officers, Insurance Services
	Implement statutory management guidelines	Implemented statutory management guidelines	Statutory management reports	100%	90%	100%	100%	-	-	-	-	Deputy Director, Statutory Management	Principal Officers, Insurance Services

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
	Develop statutory management fees framework	Developed statutory management fees framework	Board decision	1	-	1			1.5		1.5	Deputy Director, Statutory Management	Principal Officers, Insurance Services
Enhance the crisis management framework	Develop a crisis management framework	Developed crisis management framework	Approved crisis management framework	1	-	1	-	-	2.5	-	2.5	Deputy Director, Statutory Management	Director, Compensation and Insurance Risk Monitoring
	Undertake compensation and statutory management simulation exercises	Simulation exercises	Reports and recommendations	3	-	1	-	-	3	-	3	Deputy Director, Statutory Management/ Compensation	Insurance Officers
	Undertake resolution assessments	Resolution assessments undertaken	Reports	3	1	1	1	-	2	2	4	Deputy Director, Statutory Management	Deputy Director, Insurance Risk Monitoring
Total								2.5	9	2	13.5		

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
Outcome: Compliance by insurers													
Objective 2.3: Ensure compliance of contribution levies by insurers													
Implement contribution compliance framework	Develop risk-based contribution mechanism proposal	Developed risk-based contribution mechanism proposal	Recommendation from the board/ board decision	1	1	-	-	2	-	-	2	Deputy Director, Insurance Risk Monitoring	Insurance Officer, Insurance Risk Monitoring
	Sensitize of insurers on the risk-based model	Awareness of the Based contribution levying model	No. of insurers sensitized	56	-	56	-	-	5	-	5	Deputy Director, Insurance Risk Monitoring	DDFA
	Submit budget memorandum proposals	Budget memorandum proposals	Amendment of the Insurance Act	3	3	1	1	-	-	-	-	Director, Legal Services	Deputy Directors, Insurance Services
Total								2	5	0	7		
Total for KRA 2								21.5	33.0	16.5	71.0		
Strategic issue: Funding of policyholders and claimants' claims													
Strategic goal: Availability of funds to compensate all entitled policyholders and claimants													
KRA 3: Financial stewardship													
Outcomes:													
i. Fund financial sustainability													
ii. Efficient use of resources													
Objective 3.1: Prudent management of financial resources													
Timely revenue collection	Levy contribution processing	Level of levy collection	100% Levy collection	100 %	100%	100%	100%	1	1	1	3	DDFA	Finance team
	Enforcement of levy and penalty compliance	Contribution and compliance reports	Reports	100 %	90%	95%	100%	-	-	-	-	DDIRM	Irm team

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
			Penalty notices										
Optimal investment portfolio rebalancing	Timely investment	Optimum return on investment	Average Return on investment	10%	10%	10%	10%	4	4	4	12	DDFA	Finance Team
	Review investment policy	Implement the investment policy	% growth of the fund	10%	10%	10%	10%					DDFA	Finance Team
Efficient budgetary control, expenditure management and reporting	Develop annual budgets and monitor expenditure against the budgetary provisions	Budget preparation and control	100% budget absorption	100%	100%	100%	100%	3	3	3	9	DDFA	Finance Team
	Prepare quarterly and annual reports	Compliance to statutory timelines Clean audit report	100%	100%	100%	100%	100%	3	3	3	9	DDFA	Finance Team
	Review of the finance policy and procedure manual	Compliance with finance policy and procedure manual	100%	100%	100%	100%	100%	4	1	1	6	DDFA	Finance Team
	Prepare and submit financial reports	Audited Annual Financial statements	No. of financial statements audited Clean audit report	3	3	3	3						
TOTAL								15	12	12	39		
TOTAL KRA 3								15	12	12	39		

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
Strategic issue: Institutional capacity													
Strategic goal: Effective and efficient delivery of PCF mandate													
KRA 4: Institutional capacity development													
Outcomes: i. Enhanced corporate governance compliance ii. Strengthened competencies of the Board of Trustees iii. Proactive risk mitigation and financial stability													
Objective 4.1: To strengthen corporate governance													
Promote good corporate governance practices	Carryout annual legal compliance audit	Annual legal compliance audit conducted	No. legal audits conducted	3	1	1	1				0	Director Legal Services	Legal Officer
	Undertake Board of Trustees capacity building	Enhanced board members' capacity.	No. of Board of Trustees trained and capacitated.	100 %	100%	100%	100%	3	3	3	12	Director Legal Services	Legal Officer
	Evaluating Board of Trustees performance	Board of Trustees evaluation report.	Board of Trustees evaluation report	3	1	1	1				0	Director Legal Services	Legal Officer
Strengthen risk management	Conduct a risk-based audit planning	Risk-based audit	Risk based audit plan	3	1	1	1	-	-	-	0	DDIA	-
	Leverage on technology to conduct audits	Effective computerized audit reviews	Implemented audit tools	1	-	1	-	-	3	0.5	3.5	DDIA	DDICT
	Perform governance and compliance reviews.	Better governance; and fewer compliance breaches.	Audit reports with recommendation	24	8	8	8	3	3	3	6	DDIA	DDSCM
	Testing internal controls	Stronger internal controls; reduced control failures.	Remediation rate of audit findings	90%	100%	100%	100%	-	-	-	0	DDIA	MT

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
Total								6	9	6.5	21.5		
Outcome: Increased efficiency													
Objective 4.2: To enhance efficiency in service delivery													
Business process re-engineering	Undertake business process review	Business process re-engineering mapped	Number of services re-engineered	6	2	2	2	3	4	5	12	DD ICT	User Department
	Identify and automate processes	Automated / digitized processes within functions	% of processes within functions automated/digitized	3	1	1	1	3	3	3	9	DD ICT	User Department
	Integrate digital platforms (ie CMS with Finance system, LCRMS with Finance system)	Systems integrated within functions	Number of systems integrated	1	-	1	-	-	-	8	8	DD ICT	User Department
	Migration of integrated PCF legacy systems (CMS, ERP and Levy) from on-premise to cloud	Number of legacy systems (CMS, ERP, and Levy) successfully migrated from on-premise infrastructure to the cloud (100%)	Proportion (%) of legacy systems (CMS, ERP, and Levy) migrated (%)				100					DD ICT	User Department
Uphold effective ICT governance and security	Develop information security policy	Approved information security policy	Information security policy developed	1	-	1	-	-	5	-	5	DD ICT	
	Review the ICT Policy	Reviewed and approved ICT policy	Revised ICT policy developed	1	-	1	-	-	3	-	3	DDICT	

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
	Review ICT strategy	Reviewed and approved ICT strategy	Revised ICT strategy developed	1	-	1	-	-	2	-	2	DDICT	
Promote ICT systems sustainability and compliance	Renewal of Systems Licenses	Continuous and uninterrupted access to licensed software and systems	Percentage of renewed systems licenses renewed	100	100	100	100	7.4	8.2	9	24.6	DDICT	User Department(s) and SCM DEPT
	Develop and implement contract and SLAs for systems, maintenance and hardware	Enhanced service quality, system uptime, and vendor accountability through well-defined agreements	Level of implemented contracts and SLAs	100	100	100	100	13.3	14.7	16.1	44.1	DDICT	User Department(s) and SCM DEPT
	Deploy ICT Hardware for Enhanced Operational Efficiency	Number of computers, display boards, TVs, servers, and access switches procured and installed	Percentage of identified department receive necessary equipment	100	100	100	100	3	4	5	12	DDICT	User Department(s) and SCM DEPT
Total								29.7	43.9	46.1	119.7		
Outcome: Enhanced visibility and high level of awareness													
Objective 4.3: To enhance brand visibility and public awareness													
Create public awareness and promote visibility	Strengthen stakeholder engagements	Increased level of awareness	No. of forums undertaken	30	10	10	10	26	28	30	84	DDCC	
	Develop and implement CSR policy	Approved CSR policy	Quarterly reports	3	1	1	1	3	5	7	15	DDCC	
	Review and implement customer delivery charter	Approved service delivery charter	Service delivery charter Reports	3	1	1	1	2	3	3	8	DDCC	

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
	Undertake customer satisfaction survey	Customer satisfaction survey report	Level of customer satisfactory index	1	-	-	1	-	-	5	5	DDCC	
Total								31	36	45	112		
Outcome: Cost-effective, transparent procurement													
Objective 4.4: To ensure value for money in supply chain management													
Streamline procurement processes	Implement procurement and disposal plan	Approved costed annual procurement and disposal plan	Level of implementation	3	1	1	1					DDSCM	SM DEPT
	Review of supply chain management policy	Reviewed of supply chain management policy	Approved reviewed supply chain policy	1	1	-	-	2	-	-	2	DDSCM	SM DEPT
	Inventory and store management	Approved stock taking reports	Stocktaking reports	12	4	4	4	-	-	-	-	DDSCM	SM DEPT
Total								2			2		
Outcome: Highly performing and productive organization													
Strategic objective 4.6: Attract, develop and retain highly productive talent													
Promote skills development and institutionalize succession planning	Develop and implement training and development guidelines	Approved policy	Approved training plan	1	1	-	-	1			1	DDHRA	
	Review and implement talent management and succession policy	Approved policy Succession management plan	Succession plan coverage rate	1	-	1	-		1		1	DDHRA	
	Review the organization skill set	Enhanced skill set	Completion of skill gap analysis	1	-	-	1				-	DDHRA	

Strategy	Key Activities	Expected Output	Output Indicators	Target for 3 years	Target			Budget (Kshs. Millions)				Lead	Support
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	Total		
	Review staff establishment	Approved staff establishment	Organization stability Approved and implemented establishment	1	-	1	-				-	DDHRA	
Optimize compensation and benefits	Conduct job evaluation and implement findings	Competitive job grading and salary structure	Approved job description manual	1	-	1	-				-	DDHRA	
	Develop and implement staff welfare policy	Motivated staff	Employee satisfaction and engagement index	1	1	-	-				-	DDHRA	
Strengthen performance and productivity management	Implement productivity and performance management policy	Highly productive staff	Productivity index	3.8	3.6	3.7	3.8				-	DDHRA	
Total								1	1	-	2		
KRA 4								69.7	89.9	97.6	257.2		
Grand Total								2,079.2	1,207.9	2,699.1	5,986.2		

Table 6.1: Implementation Matrix

6.1.2 Annual Work Plan and Budget

An annual work plan and budget are essential for the effective implementation of PCF's Strategic Plan. The Fund's annual work plan will be guided by the implementation matrix and will outline planned activities, expected outputs, budgetary requirements, and the officers responsible for execution. These tools are critical in translating strategic priorities into actionable interventions, ensuring efficient resource allocation, tracking performance, and promoting accountability in the delivery of the Fund's mandate. The costed annual workplan for the first year of implementation of the Strategic Plan is presented in Annex 1.

6.1.3 Performance Contracting

PCF will operationalize the Strategic Plan through the implementation of the Performance Contract, in accordance with the contracting guidelines issued annually by the government. The Board of Trustees will provide strategic leadership throughout the performance contracting process,. This commitment aims to ensure the delivery of quality services to policyholders, claimants, suppliers, and other stakeholders. The Performance Contract will be signed between the Ministry of Treasury and Economic Planning and the Board of Trustees. Performance will be tracked through quarterly and annual performance targets, with progress reports submitted to the relevant agencies. The Performance Contract, therefore, serves as the foundation for continuous performance improvement to meet the evolving needs and expectations of stakeholders in the insurance sector.

6.2 COORDINATION FRAMEWORK

6.2.1 Institutional Framework

The Board is responsible for providing policy direction and oversight of the Fund, while the Managing Trustee (MT)/CEO oversees its day-to-day operations. PCF will be structured into six (6) Directorates directly to the MT/CEO. The Directorates are:

- i. Statutory Management and Liquidation Directorate
- ii. Fund Management and Finance Directorate
- iii. Compensation and Insurance Risk Directorate
- iv. Legal Services Directorate
- v. Corporate Services Directorate
- vi. Internal Audit Directorate

Out of the Fund's nine (9) departments, two will not be housed within the directorates. These are:

- i. Supply Chain Management Department
- ii. Strategy, Research and Department

The management structure will be as follows:

A) Managing Trustee/CEO

The mandate of the office of the CEO is established under Section 179 of The Insurance Amendment Act No. 28 of 2019, and will be responsible for the day-to-day management and implementation of the Board's decisions.

B) Directorates

Directorates include:

1. Statutory Management and Liquidation Directorate

The Directorate will be established pursuant to Section 179 Subsection 2A (d) and (e) to participate in the statutory management of an insurer placed under statutory management by the regulator and to liquidate an insurer as may be ordered by the court. The Directorate will be tasked with developing, implementing, and reviewing policies, strategies, procedures, regulations, and guidelines governing statutory management, winding up, and liquidation processes. It will play a key role in assessing and reporting on the financial affairs and overall status of the insurer at

the time of appointment. The Directorate will be responsible for tracing, preserving, and securing the company's assets, and recovering outstanding debts including reinsurance recoveries. It will also evaluate the insurer's solvency and liquidity, collect essential records and information from former officers, and review regulatory reports to inform strategic decisions. The Directorate will determine the company's viability, establish liabilities, and align assets for equitable claim settlement.

The Directorate will be divided into two departments namely:

- i. **Statutory Management Department:** This department will participate in the statutory management of an insurer placed under statutory management by the regulator.
- ii. **Liquidation Department:** This department will be responsible for liquidating an insurer as may be ordered by a court.

2. Fund Management and Finance Directorate

The Directorate will be responsible for providing strategic leadership in the prudent management of the Fund's financial resources, advising management on financial matters, and overseeing the implementation of both short-term and long-term investment plans. It will provide overall leadership on all matters pertaining to sound financial management and will play a key role in ensuring the overall effectiveness of financial operations at the Fund. Additionally, the Directorate will lead the development and promulgation of policies and guidelines related to financial management and will ensure internal consistency across all financial policies and guidelines. In managing public resources, the Directorate will ensure compliance with the International Public Sector Accounting Standards (IPSAS) and the Public Finance Management Act, 2012.

3. Compensation and Insurance Risk Monitoring Directorate

The Directorate of Compensation and Insurance Risk Monitoring will be established pursuant to Section 179 Subsection 2A (a) and (b) to compensate claimants of insurers and monitor the risk profile of insurers. The Directorate will be responsible for developing, implementing, and reviewing policies, strategies, procedures, regulations, and guidelines related to insurer monitoring, risk profiling, and compensation. It will monitor and analyze policyholder data submitted by insurers

and ensure compliance with PCF policies and relevant legal frameworks. The Directorate will also manage a comprehensive database of claimants and process compensation claims efficiently.

The Directorate will comprise of two (2) departments namely:

- i. **Compensation Department:** The department will be responsible for compensating claimants of insurers that are placed under statutory management or whose license has been cancelled.
- ii. **Insurance Risk Monitoring Department:** The department will be responsible for monitoring the risk profile of insurers.

4. Legal Services Directorate

The Directorate will be established in line with Mwongozo, the Code of Governance for State Corporations (2015). It will play a central role in supporting the governance and legal functions of the Fund. Its primary responsibilities will include providing legal and governance advice to the Fund, offering legal interpretations and opinions on resolution-related matters, and supporting the Managing Trustee in delivering Board secretariat services. The Directorate will also ensure that the Fund's mandate is implemented within the appropriate legal and regulatory frameworks and will coordinate the Fund's representation in courts, tribunals, and other forums. In addition, it will be tasked with drafting and reviewing legal documents such as contracts, agreements, and leases; liaising with the Attorney General and other legal stakeholders; conducting legal audits to ensure compliance; managing the Fund's seal; monitoring performance and risks; and preparing procurement plans, work plans, and budgets for its operations.

5. Corporate Services Directorate

The Directorate will provide strategic direction in human resource management, information technology, and corporate communication. It will be responsible for developing, reviewing, and implementing policies and strategies across these functions to ensure operational efficiency and institutional sustainability. The Directorate will oversee staff performance management, training, rewards, and sanctions. Additionally, it will manage and promote the use of ICT systems within

the Fund and lead the development and implementation of branding, publicity, and communication initiatives.

The Directorate will comprise of four departments namely:

- i. **Human Resource and Administration Department:** This will be responsible for advising management on all aspects of Human Resource Management and Administration, records management, transport, and the oversight of outsourced services.
- ii. **Corporate Communications Department:** This will be tasked with developing and implementing branding policies and plans to enhance the Fund's visibility among internal and external stakeholders.
- iii. **Information Communication Technology Department:** This will be responsible for promoting the integration of ICT in the Fund's processes while ensuring the security of networks, systems, and data, as well as maintaining business continuity and disaster recovery.

6. Internal Audit Directorate

The Directorate will be responsible for evaluating the state of internal control, risk management, and governance processes within the Fund and providing independent assurance and advice to the Board and management. It will develop and implement audit policies and strategies, evaluate risk management practices, and assess the efficiency of internal controls to promote continuous improvement. The Directorate will ensure compliance with accounting standards, facilitate internal and external audit processes, and monitor the implementation of audit recommendations. It will conduct risk-based and value-for-money audits and provide secretariat services to the Audit and Risk Management Committee.

C) Other departments

1. Supply Chain Management Department

The Department will be responsible for providing expert procurement advice to the Managing Trustee and overseeing all procurement and disposal activities within PCF, in full compliance with the Public Procurement and Asset Disposal (PPAD) Act, 2015. It will formulate, review, and implement supply chain policies, procedures, and strategies aligned with legal requirements and global best practices. The

Department will develop sourcing strategies based on market trends and conduct informed market research to support efficient procurement. It will also prepare a targeted procurement plan aligned with the Fund's annual operational budget and establish tools to monitor expenditure while advising user departments on cost-saving opportunities. Additionally, the Department will manage contracting processes and service level agreements (SLAs) to minimize supply chain risks and enhance operational efficiency.

2. Research, Strategy and Planning Department

The Department will be responsible for ensuring that PCF adopts and implements effective strategies for achieving the Fund's mandate. It will lead the coordination of policy development, strategic planning, corporate performance management, quality management, knowledge management, research, innovation, and resource mobilization. The Department will oversee the formulation, implementation, monitoring, and evaluation of the Fund's strategic plan, annual work plans, and performance contract. It will also ensure the effective implementation and maintenance of the Fund's Quality Management System and risk management framework. Additionally, the Department will foster inter-agency collaborations, develop the Fund's research agenda, manage sector knowledge and data, and disseminate research findings and statistical reports to support informed decision-making and industry development.

The proposed organization structure is as follows:

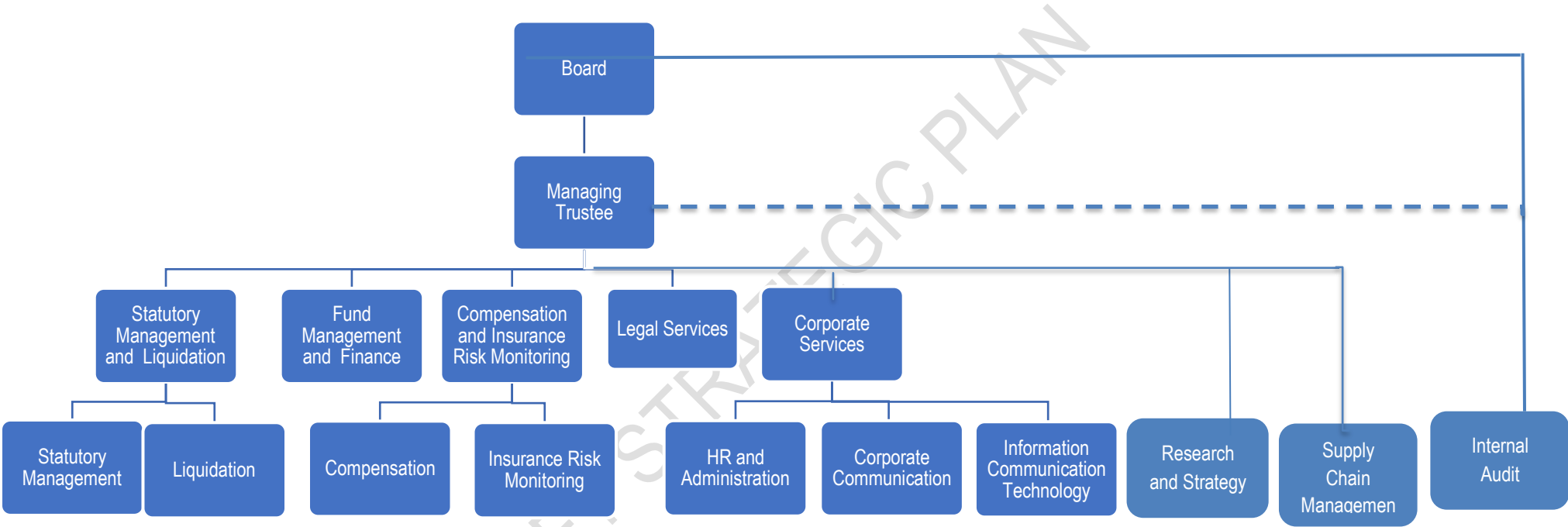


Figure 6.1: Proposed Organization Structure

6.2.2 Staff Establishment, Skills Set and Competence Development

The successful implementation of this Strategic Plan requires PCF to maintain an optimal staffing structure, equipped with the appropriate skills and competencies. The Fund's current staff establishment and proposed optimal staff level is outlined in Table 6.2.

Cadre	Approved establishment	Optimal staffing level	In post	Variance
Managing Trustee	1	1	1	-
Director	3	5	2	3
Deputy Director	10	12	9	3
Assistant Director	-	9	-	9
Principal Officer	3	14	3	11
Senior Officer	2	10	2	8
Officer I	9	10	9	1
Officer II/Principal Driver	-	13	-	13
Senior Driver/Office Assistant Supervisor	2	2	2	-
Driver I/Senior Office Assistant	1	1	-	1
Total Establishment	31	77	28	49

Table 6.2: Staff Establishment

An analysis of the approved staff establishment against the current staff in post revealed significant shortfalls that need be addressed to achieve optimal service delivery. Further assessment was conducted to evaluate the skills set of existing staff and identify gaps to inform human resource development initiatives within the Fund. Table 6.3 presents the skills set and competencies of staff currently in post.

Department	Cadre	Skills Set	Skills Gap	Competence Development
HRA	HR Officers	<ul style="list-style-type: none"> Change and risk management Negotiation Performance management Analytical and problem solving Mentorship and coaching Conflict management Emotional intelligence 	Data analytics in HR	<ul style="list-style-type: none"> Hr metrics Analytical skills

Department	Cadre	Skills Set	Skills Gap	Competence Development
	Administration Staff	<ul style="list-style-type: none"> Report writing and presentation Planning and organization Analytical Communication and interpersonal 	Prioritization of assignments and target-setting	<ul style="list-style-type: none"> Logistics management Target setting/ Time Management
	Records Management Officers	<ul style="list-style-type: none"> Report writing and presentation Planning, organization and time management Interpersonal and communication 	Electronic records management	<ul style="list-style-type: none"> Communication Electronic records management
	Drivers	<ul style="list-style-type: none"> Interpersonal Organization and time management Presentation Basic first-aid skills Communication Confidentiality 	Management of incidences and accidents	<ul style="list-style-type: none"> Defensive driving skills Etiquette and customer care
CS and Legal Services	Legal Officers	<ul style="list-style-type: none"> Legal and regulatory framework Negotiation Policy formulation Reporting skills and presentation Analytical and problem-solving Risk management 	<ul style="list-style-type: none"> Emerging trends in the legal space Governance and compliance 	<ul style="list-style-type: none"> Contracting and Transactions Board Operations Dealing with Litigations Governance and Compliance
Supply Chain Management	Officers-all cadres	<ul style="list-style-type: none"> Risk management Financial management and budgeting Negotiation Conflict resolution Problem solving Report writing 	<ul style="list-style-type: none"> Strategic management Risk management 	<ul style="list-style-type: none"> E-procurement Risk management Leadership skills Contract negotiation
ICT Department	Officers-all cadres	<ul style="list-style-type: none"> Creativity and innovativeness Report writing Problem solving Interpersonal and communication Risk management 	<ul style="list-style-type: none"> Project management Strategic management Risk management 	<ul style="list-style-type: none"> Project management Leadership skills Risk management
Corporate Communications	All Cadres	<ul style="list-style-type: none"> Report writing and presentation Creativity and innovativeness Digital communication Analytical skills Organization 	<ul style="list-style-type: none"> Digital skills Writing and editing skills Event management 	<ul style="list-style-type: none"> Graphic design Social media skills Photography and videography Writing and

Department	Cadre	Skills Set	Skills Gap	Competence Development
		<ul style="list-style-type: none"> Risk management 		editing skills <ul style="list-style-type: none"> Event management Presentation skills
Research Strategy and Planning	All Cadres	<ul style="list-style-type: none"> Policy formulation Change and risk management Report writing and presentation Planning Knowledge management Coordination Risk management 	Resource mobilization Knowledge management	Resource mobilization Knowledge management
Internal Audit	All Cadres	<ul style="list-style-type: none"> Analytical skills Report writing and presentation Communication and interpersonal Risk management 	System audit Forensic audit	System audit Forensic audit
Finance and Accounts	All Cadres	<ul style="list-style-type: none"> Analytical skills and problem solving Report writing and presentation Communication and interpersonal Risk management 	Emerging trends in financial reporting Investment management	IPSAS reporting Investment analysis
All technical departments ¹	All Cadres	<ul style="list-style-type: none"> Analytical skills and problem solving Negotiation Report writing and presentation Financial management and budgeting Collaborations and partnerships Policy formulation Risk management 	Financial analysis Report writing Conflict resolution	Financial analysis Report writing Conflict resolution

Table 6.3: Skills Set and Competence Development

6.2.3 Leadership

The implementation of the Strategic Plan will be guided by the leadership of the

¹ Compensation and Insurance Risk Monitoring; and Statutory Management and Liquidation

Board of Trustees, which is responsible for providing strategic oversight and direction. The Managing Trustee will be accountable for the overall administration of the Fund's mandate and will lead the execution of the Strategic Plan on behalf of the Board. Implementation will be carried out by management through the respective functional heads. To ensure effective delivery, the Fund has established mechanisms for monitoring the progress of Strategic Plan implementation.

6.2.4 Systems and Procedures

To effectively execute its mandate, PCF has developed policies and procedures that guide its operations. These policies ensure structured, accountable, and efficient service delivery. The Fund remains committed to continually reviewing and updating these policies to align with emerging needs and improve operational performance.

As part of its commitment to service excellence, PCF is also implementing QMS to promote efficient and effective protection of policyholders and claimants. The QMS will further embed a culture of continuous improvement, accountability, and customer focus across all functions of the Fund.

In response to the increasing demand for faster claims processing, improved accuracy, effective communication, and enhanced transparency, PCF has implemented a range of automated systems. These digital solutions have significantly streamlined core functions, minimized turnaround times, automated manual processes, and optimized resource utilization. These systems include:

1. Claims Management System (CMS)-The CMS facilitates the efficient lodging, tracking, verification, approval, and disbursement of compensation claims. It offers a centralized platform that automates workflows, reduces processing delays, enhances accuracy, and improves overall customer satisfaction.
2. Levy Collection and Reconciliation System (LCRS)-The system supports the accurate collection, monitoring, and reconciliation of levies from insurers and policyholders. The system automates submission and reporting processes, improving compliance and ensuring proper accounting of funds.

3. Customer Relations Management System (CRM)-The system enables PCF to effectively manage stakeholder interactions, track inquiries and complaints, and provide timely responses. It enhances customer engagement by maintaining structured records and offering personalized communication.
4. Enterprise Resource Planning System (ERP)-The system integrates key business functions such as finance, procurement, and human resource management. It automates routine tasks, increases data accuracy, improves operational transparency, and optimizes resource utilization, thereby enhancing overall productivity.
5. Electronic Document and Records Management System (EDRMS)- The system digitized the storage, retrieval, and archiving of documents, replacing manual filing systems. It ensures secure access to information, improves compliance with regulatory requirements, and streamlines document management processes.
6. Bulk SMS System-This system enables the Fund to send timely mass notifications, claim status updates, and reminders to policyholders and claimants. It enhances communication efficiency by keeping stakeholders informed about claims processing, levy payments, and policy updates.

PCF's Value Chain Execution Framework underpins its service delivery model by integrating process efficiency, digital automation, regulatory compliance, and stakeholder engagement. Key systems such as CMS, LCRS, CRM, and ERP have significantly improved operational accuracy, transparency, and efficiency by minimizing manual workload and ensuring better resource management.

6.3 RISK MANAGEMENT FRAMEWORK

PCF acknowledges that the successful implementation of its Strategic Plan may encounter risks that could hinder the achievement of the intended objectives. To proactively address this, the Fund has adopted a structured Risk Management Framework that aligns with the principles of its internal quality assurance systems and best practices in governance. The framework is designed to assess PCF's operational context, identify potential risks, and implement appropriate measures

to mitigate them to acceptable levels. A Risk Register is maintained to record identified risks, their root causes, and corresponding mitigation strategies. Each risk is assigned a risk owner to ensure accountability in managing and responding to emerging threats. To enhance risk evaluation, the Fund utilizes a Risk Assessment Matrix that maps both the likelihood and severity of identified risks. Risks are scored on a scale of 1 to 25, derived by multiplying the probability (likelihood) of occurrence by the impact (severity) of the consequence. This scoring enables prioritization of risks and informs decision-making on appropriate mitigation strategies. The matrix categorizes risk levels as presented in Table 6.4

Risk Assessment Matrix						
		SEVERITY (IMPACT/CONSEQUENCE)				
		1	2	3	4	5
LIKELIHOOD		Insignificant	Minor	Moderate	Major	Catastrophic
1	Rare	1	2	3	4	5
2	Unlikely	2	4	6	8	10
3	Possible	3	6	9	12	15
4	Likely	4	8	12	16	20
5	Almost Certain	5	10	15	20	25
OVERALL RISK Rating	Score					
Low risk	1 – 4					
Medium risk	5 – 9					
High risk	10 - 15					
Very high risk	16 - 25					

In its efforts to strengthen risk management, PCF has identified key risks and assessed them using a structured scoring on a scale of 1 to 25. For each identified risk, appropriate mitigation measures have been proposed to minimize potential adverse effects on the organization. Table 6.5 presents PCF's Risk Management Framework, outlining the risks, their risk ratings, and the corresponding mitigation strategies.

S/No.	Risks	Likelihood (R/U/P/L /AC)	Severity (I/MI/MO/ MA/CA)	Overall risks level (L/M/H/VH)	Mitigation Measure(s)
1	Lack of adequate compensation processes and systems.	2	4	8	<ul style="list-style-type: none"> Develop and implement standardized protocols for collecting and storing claims data from insurance companies.
2	Ineffective tracking, preserving and securing assets of a company under statutory management.	3	3	12	<ul style="list-style-type: none"> Takeover of any company placed under Statutory Management Engage IRA proactively for timely information when a company is placed under statutory management Streamline legal processes and explore alternative dispute resolution methods.
3	Ineffective insurance risk monitoring of licensed insurers.	4	3	12	<ul style="list-style-type: none"> Carry out Insurance Industry Risk Profiling and fact-checking in consultation with IRA. Implement the Early Warning and Detection System.
4	Insufficient liquidity/ funds to compensate policyholders of troubled insurance companies.	3	4	12	<ul style="list-style-type: none"> Develop and implement a robust investment policy complying with the government regulations/Law. Enhance legislative framework to provide for a risk-based contribution levy.
5	Inadequate legal and liquidation regulatory framework.	3	3	9	<ul style="list-style-type: none"> Develop and follow up on the enactment of PCF Act. Harmonization of the legal frameworks to enable PCF be the defacto liquidator of insurers or have powers to supervise the liquidation process. Develop and implement collaborative frameworks/MOUs with other regulators, industry players and MDCAs.

S/No.	Risks	Likelihood (R/U/P/L /AC)	Severity (I/MI/MO/ MA/CA)	Overall risks level (L/M/H/VH)	Mitigation Measure(s)
6	Low public awareness of claims and compensation processes	3	2	9	<ul style="list-style-type: none"> Undertake quarterly 'PCF Mtaani' public sensitization forums Undertake stakeholder engagement in compensation
7	Inadequate human resource capacity	3	3	9	<ul style="list-style-type: none"> Revise and follow up with PSC/SCAC for approval of Human Resource Instruments. Carry out a Workload Survey and implement the recommendations.
8	Information security and cybercrime risks	2	2	4	<ul style="list-style-type: none"> Develop and implement a Framework to comply with the Data Protection Act (2019). Implement security awareness training programs. Establish and implement security policies and procedures.
9	Leadership and governance risks	2	2	4	<ul style="list-style-type: none"> Conduct Annual Governance Audits Conduct Annual training/ capacity building for the Board of Trustees Develop and implement Succession policy and strategies for the Board of Trustees and Management

Table 6.4: Risk Management Framework

CHAPTER SEVEN

RESOURCE REQUIREMENTS AND MOBILISATION STRATEGIES

This chapter outlines PCF's financial resource requirements for the implementation of the Strategic Plan and presents proposed strategies for resource mobilization.

7.1 FINANCIAL REQUIREMENTS

The activities outlined in this Strategic Plan will be financed through investment income from contributions made by insurance companies and policyholders and support from development partners. The estimated cost for implementing each of the five Key Result Areas, along with the total cost of executing the entire Strategic Plan, is summarized in Table 7.1.

S/No	KRA	Projected Resources Requirements (Ksh. Million)			Total
		2025/26	2026/27	2027/28	
1	Compensation of policyholders and claimants	1,973.00	1,073.00	2,573.00	5,619.00
2	Monitoring, statutory management and liquidation of insurers	21.5	33	16.5	71
3	Financial stewardship	15	12	12	39
4	Institutional capacity development	69.7	89.9	97.6	257.2
	Administrative costs	556	584	614	1,754
Total		2,635.20	1,791.90	3,313.10	7,740.20

Table 7.1: Financial Requirements for Implementing the Strategic Plan

PCF conducted an assessment of its financial resource requirements in relation to the anticipated exchequer and identified a funding gap of Ksh 387.01 million. The Fund will pursue targeted resource mobilization efforts to bridge this gap and ensure successful implementation of the Strategic Plan. Table 7.2 shows the PCF's resource gap per financial year in the plan period.

Financial Year	Estimated Financial Requirements. (Ksh. Million)	Resource Allocations (Ksh. Million)	Variance (Ksh. Million)
2025/26	2,635.20	2,503.44	131.76
2026/27	1,791.90	1,702.31	89.60
2027/28	3,313.10	3,147.45	165.66
Total	7,740.20	7,353.19	387.01

Table 7.2: Resource Gaps

7.2 RESOURCE MOBILISATION STRATEGIES

To successfully implement the 2025–2027 Strategic Plan, PCF recognizes the need to address pre-determined resource gaps. Effective resource mobilization is critical for achieving planned objectives, enhancing institutional sustainability, and delivering on the Fund’s mandate.

Outlined below are strategies to bridge the resource gaps:

1. Enforce and streamline the collection of mandatory contributions from insurance companies as per the Insurance (Policyholders Compensation Fund) Regulations.
2. Attract support from development partners, donors, and international financial institutions through the National Treasury.
3. Reallocate and optimize existing resources through improved operational efficiency and cost control.

7.3 RESOURCE MANAGEMENT

The Fund will employ the following measures to optimize the use of resources;

1. Improved program costing to ensure rational resource allocation by eliminating wastage of resources occasioned by duplication.
2. Leveraging on digitization and automation of systems and processes to effectively and efficiently utilize its resources and offer cost effective service delivery.
3. Continuous Capacity building of staff for efficiency which will lead to optimal use of financial, human, and material resources, reducing wastage and unnecessary costs.

CHAPTER EIGHT

MONITORING, EVALUATION AND REPORTING FRAMEWORK

8.1 MONITORING FRAMEWORK

Monitoring will play a critical role in assessing whether the strategic plan is being implemented as intended and in identifying areas where adjustments may be necessary. This will entail regular data collection and analysis to track progress against the implementation plan.

Findings from these analyses will inform decision-making and guide corrective actions where deviations are observed. The Research, Strategy and Planning Department will lead this process, coordinating data collection, analysis, and reporting. It will also provide technical support and facilitate monitoring, evaluation, reporting and capacity building in collaboration with all departments.

Financial and other resource utilization will form an integral part of the monitoring, evaluation, and reporting system. This will ensure that all resources are used in alignment with approved work plans, budgets, and financial management policies, thereby promoting accountability.

Each directorate and department will develop annual work plans aligned with the objectives, strategies and activities outlined in the implementation matrix. These departmental work plans will be cascaded into individual staff work plans and integrated into the Fund's performance management system.

Monitoring and reporting on the strategic plan will be conducted quarterly and annually.

8.2 PERFORMANCE STANDARDS

PCF's Monitoring and Evaluation (M&E) framework is designed to assess performance by aligning strategic objectives and activities with the identified needs and priorities. The framework utilizes a performance management tracker to monitor the implementation of Key Result Areas (KRAs), as outlined in the annual work plan and budget. These tools serve as the primary

instruments for tracking the execution of the Strategic Plan, ensuring that progress is measured against planned initiatives and resource allocations.

Additionally, the Strategic Plan Implementation Committee, through the coordination of the Research, Strategy and Planning Department, has been identified and their respective TORs drawn to ensure accountability in data collection of the respective KRAs.

8.3 EVALUATION FRAMEWORK

Evaluation will assess the effectiveness of the Strategic Plan's implementation and identify any gaps between the planned and actual results. It will also determine the extent to which the set objectives have been achieved and whether the implemented initiatives have led to measurable improvements in organizational performance.

The Strategic Plan will undergo evaluation both during and after its implementation to gauge progress toward the intended outcomes. Evaluations will be conducted quarterly and annually, based on the activities outlined in the annual work plans and the corresponding Key Performance Indicators (KPIs).

The outcome of the quarterly evaluation will be a Strategic Plan Review Report, while the annual evaluation will culminate in a comprehensive Annual Report covering the year's performance.

Key Result Area	Outcome	Outcome Indicator (s)	Baseline		Target	
			Value	Year	Midterm Period Target (2026/2027)	End of Plan period Target (2027/2028)
KRA 1: Compensation of policyholders and claimants	Compensation of policyholders and claimants	Percentage of claimants compensated	100%	2024/25	100%	100%
		Compensation turnaround time (days)	70 Days	2024/25	50 Days	30 Days
		Increased compensation amount from Ksh 250,000 to Ksh 500,000	Ksh 250,000	2024/25	1	0

Key Result Area	Outcome	Outcome Indicator (s)	Baseline		Target	
			Value	Year	Midterm Period Target (2026/2027)	End of Plan period Target (2027/2028)
		(100%)				
	Enhanced legislative framework	PCF Bill submitted to the National Treasury	0	2024/25	-	-
KRA 2: Monitoring, statutory management and liquidation of insurers	Strengthened risk profiling and early detection framework	Level of implementation of risk profiling and early detection framework (%)	60%	2024/25	80%	100%
		Level of implementation of MoU with the IRA (%)	60%	2024/25	80%	90%
	Prompt resolution of insurers placed under statutory management	Rate of resolution of insurance company under statutory management (%)	90%	2024/25	80%	70%
		Level of implementation of statutory management guidelines (%)	80%	2024/25	100%	100%
	Strengthened resolution planning framework	Crisis management framework in place	0	2024/25	0	1
		Level of implementation of MoU with the Office of the Official Receiver in Insolvency (%)	70%	2024/25	80%	100%
	Compliance by insurers	Level of compliance by insurers (%)	85%	2024/25	95%	100%
KRA 3: Financial stewardship	Fund financial sustainability	Growth of Fund size (%)	18	2024/25	22	24
		Average return on investment (%)	15.5		10	10

Key Result Area	Outcome	Outcome Indicator (s)	Baseline		Target	
			Value	Year	Midterm Period Target (2026/2027)	End of Plan period Target (2027/2028)
	Efficient and effective use of resources	Annual Report and Financial Statement	1	2024/25	1	1
KRA 4: Institutional capacity development	Enhanced corporate governance compliance	Approved and implemented governance audit reports (%)	1	2024/25	100	
	Strengthened competencies of the Board of Trustees	Approved and implemented board training plan (%)	100	2024/25	100	100
	Proactive risk mitigation and financial stability	Review the risk management framework	1	2024/25	-	-
	Increased efficiency	Level of automation (%)	30%	2024/25	60%	70%
		Systems utilization level (%)	40%	2024/25	40%	50%
	Enhanced visibility and high level of awareness	Customer satisfaction survey index	64%	2024/25	70%	80%
		Brand survey index	-		(x)	(x+5)%
	Cost-effective, transparent procurement	Average cost savings in procurement (%)	-	2024/25	5%	5%
		Compliance level	100%	2024/25	100%	100%
	Highly performing and productive organization	Performance and productivity index (out of 5)	3.1	2024/25	3.7	3.8
		Talent retention (%)	93	2024/25	94	95
		Employee engagement and satisfaction index (%)	82	2024/25	83	85
		Staff competency levels (%)	78	2024/25	82	85

Table 8.1: Outcome Performance Matrix

8.3.1 Midterm Evaluation

A midterm review will be conducted at the end of FY 2026/2027 to evaluate the implementation status and assess the impact of various strategic initiatives. The insights gained will inform necessary adjustments to the objectives, strategies, and activities based on emerging information and evolving priorities within the Board.

The midterm evaluation will involve data collection, analysis, and the preparation and presentation of a comprehensive review report. Recommendations arising from this evaluation will be used to refine and strengthen the implementation of the Strategic Plan during its remaining period.

8.3.2 End-Term Evaluation plan

An end-term evaluation will be conducted in FY 2027/2028 to assess the overall success of the Strategic Plan and evaluate the impact of the implemented initiatives. This evaluation will measure the extent to which the strategic objectives were achieved and the value delivered to stakeholders.

The resulting end-term evaluation report will document key milestones and achievements, challenges encountered, lessons learned, and provide recommendations for future improvement. The evaluation process will involve data collection and analysis, report preparation and presentation, as well as the development of a management response.

Findings from the end-term evaluation will play a critical role in shaping the formulation of the next Strategic Plan.

8.4 REPORTING FRAMEWORK AND FEEDBACK MECHANISM

Heads of Directorates/Departments (HODs) shall prepare quarterly reports on the implementation of the Strategic Plan within their respective units and submit them to the Deputy Director, Research, Strategy and Planning, for consolidation.

Each quarter, HODs will convene a management review meeting to assess progress in Strategic Plan implementation. Following this review, a consolidated report will be submitted to the Managing Trustee for approval. Subsequently, the Managing Trustee will present a quarterly report on Strategic Plan implementation to the Board.

Additionally, the Deputy Director, Research, Strategy and Planning will prepare a quarterly Strategic Plan Implementation Scorecard and submit it to the Managing Trustee for presentation to the Board.

The Board will conduct mid-term and end-term reviews of the Strategic Plan to ensure timely adjustments to objectives, strategies, and activities based on emerging issues and shifts in the operating environment.

All quarterly, annual, mid-term, and end-term evaluations will be conducted using the templates provided in Tables 8.2, 8.3, and 8.4.

Expected Output	Output Indicator	Annual Target (A)	Quarter for the Year			Cumulative to Date			Remarks	Corrective Intervention
			Target (B)	Actual (C)	Variance (C-B)	Target (E)	Actual (F)	Variance (F-E)		

Table 8.2: Quarterly Progress Reporting Template

Expected Output	Output Indicators	Achievement for the Year			Cumulative to Date (Years)			Remarks	Corrective Intervention
		Target (A)	Actual (B)	Variance (B-C)	Target (D)	Actual (E)	Variance (E-D)		

Table 8.3: Annual Progress Reporting Template

Key Result Area	Outcome	Outcome Indicator	Baseline 2024/25		Mid-Term Evaluation 2025/26		End of Plan Period Evaluation 2027/28		Remarks	Corrective intervention
			Value	Year	Target	Achievement	Target	Achievement		
KRA 1										
KRA 2										
KRA 3										
KRA 4										

Table 8.4: Evaluation Reporting Template

ANNEX 1: COSTED ANNUAL WORKPLAN FY 2025/2026

The costed annual workplan for the first year of implementation of the Strategic Plan will be attached.

DRAFT STRATEGIC PLAN