



# **STRATEGIC PLAN 2025 – 2028**

## FOREWORD



It is my privilege to present the 2025–2028 Policyholders Compensation Fund (PCF) Strategic Plan. This Plan provides a strategic framework to guide the Fund in fulfilling its mandate of protecting policyholders through timely compensation and resolution of troubled insurers. The plan was developed through an inclusive and consultative process and it responds to emerging trends and evolving expectations in the insurance sector, ensuring PCF remains proactive and efficient.

This Strategic Plan builds on the achievements of the 2020–2025 plan period. PCF achieved compensation of claimants, automation of processes, strengthened its financial position, and enhanced institutional capacity. These achievements were supported by improved stakeholder engagement and operationalization of critical systems such as the claims management system, the levy collection and reconciliation system.

The Strategic Plan is aligned to the national and international frameworks including: the SDGs; African Union

Agenda 2063; East African Community Vision 2050; the Constitution of Kenya; Vision 2030; Bottom-Up Economic Transformation Agenda; and Fourth Medium Term Plan. This Strategic Plan sets out four key result areas: compensation of policyholders and claimants; monitoring and prompt resolution of insurers; financial stewardship; and institutional strengthening and sustainability. These key result areas are supported by clear strategic objectives, measurable indicators, and a costed implementation matrix.

I commend the PCF Board of Trustees, management, staff, and stakeholders for their contribution to the development of this Strategic Plan. I call upon all partners and stakeholders to support implementation of this Strategic Plan to ensure the continued protection of policyholders.

**Hon. Simon Mbugua**  
**Chairperson, Board of Trustees**

## PREFACE AND ACKNOWLEDGEMENTS



The Policyholder Compensation Fund Strategic Plan 2025–2028 has been developed to provide a roadmap for the effective discharge of the Fund’s mandate. It outlines strategic priorities that reflect PCF’s commitment to enhancing public confidence in the insurance sector through timely and effective compensation of claimants, risk monitoring, and insurer resolution.

The review of the previous strategic plan provided valuable lessons and insights that have informed the formulation of this Plan. The planning process entailed a review of the Fund’s mission, vision, and core values, followed by an assessment of both internal and external environments using tools such as SWOT, PESTEL, and stakeholder analysis.

This Strategic Plan sets out the strategic issues, goals and key result areas to guide PCF in fulfilling its mandate and vision. The key result areas were further translated to strategic objectives, strategies and specific activities with clear performance indicators to guide implementation.

The Fund is committed to strengthening its legal and operational frameworks, enhancing automation, and improving service delivery. It also aims to deepen stakeholder engagement within Kenya’s insurance industry, the broader financial sector, and globally through the International Forum

I extend my sincere appreciation to the Board of Trustees for their oversight and direction throughout this process. I also acknowledge the valuable input of PCF management, staff and stakeholders. Our thanks go to VAS Consultants Ltd for their technical support in the development of this Strategic Plan.

PCF trusts that all stakeholders will play their part as we work together to advance a stable and inclusive insurance sector, in line with our vision of being a trusted Fund for policyholders’ protection and compensation.

A handwritten signature in blue ink, appearing to read 'M. Sahal', with a long horizontal stroke extending to the right.

**Mr. Mohamed A. Sahal**  
**MANAGING TRUSTEE**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>FOREWORD</b> .....	<b>II</b>
<b>PREFACE AND ACKNOWLEDGEMENTS</b> .....	<b>III</b>
<b>CONCEPTS AND TERMINOLOGIES</b> .....	<b>VI</b>
<b>ACRONYMS AND ABBREVIATIONS</b> .....	<b>VIII</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>X</b>
<b>CHAPTER ONE: INTRODUCTION</b> .....	<b>1</b>
1.1 STRATEGY AS AN IMPERATIVE FOR PCF SUCCESS .....	1
1.2 THE CONTEXT OF STRATEGIC PLANNING .....	1
1.3 HISTORY OF PCF .....	6
1.4 METHODOLOGY OF DEVELOPING THE STRATEGIC PLAN .....	8
<b>CHAPTER TWO: STRATEGIC DIRECTION</b> .....	<b>10</b>
2.1 MANDATE .....	10
2.2 VISION STATEMENT .....	10
2.3 MISSION STATEMENT .....	10
2.4 BRAND PROMISE .....	10
2.5 STRATEGIC GOALS .....	11
2.6 CORE VALUES .....	11
2.7 QUALITY POLICY STATEMENT .....	12
<b>CHAPTER THREE: SITUATIONAL AND STAKEHOLDERS' ANALYSIS</b> .....	<b>13</b>
3.1 SITUATIONAL ANALYSIS .....	13
3.2 STAKEHOLDER ANALYSIS .....	27
<b>CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS</b> .....	<b>31</b>
4.1 STRATEGIC ISSUES .....	31
4.2 STRATEGIC GOALS .....	31
4.3 KEY RESULT AREAS .....	31
<b>CHAPTER FIVE: STRATEGIC OBJECTIVES AND STRATEGIES</b> .....	<b>33</b>
5.1 STRATEGIC OBJECTIVES .....	33
5.2 STRATEGIC CHOICES .....	36
<b>CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK</b> .....	<b>37</b>
6.1 IMPLEMENTATION PLAN .....	37
6.2 COORDINATION FRAMEWORK .....	51
6.3 RISK MANAGEMENT FRAMEWORK .....	62
<b>CHAPTER SEVEN: RESOURCE REQUIREMENTS AND MOBILISATION STRATEGIES</b> .....	<b>66</b>
7.1 FINANCIAL REQUIREMENTS .....	66
7.2 RESOURCE MOBILISATION STRATEGIES .....	67
7.3 RESOURCE MANAGEMENT .....	67
<b>CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK</b> .....	<b>68</b>
8.1 MONITORING FRAMEWORK .....	68
8.2 PERFORMANCE STANDARDS .....	68
8.3 EVALUATION FRAMEWORK .....	69
8.4 REPORTING FRAMEWORK AND FEEDBACK MECHANISM .....	72
<b>ANNEX 1: COSTED ANNUAL WORKPLAN FY 2025/2026</b> .....	<b>75</b>

## LIST OF TABLES

<i>Table 1.1: PCF's Alignment with EAC Agenda 2050</i> .....	3
<i>Table 1.2: Alignment with Kenya Vision 2030</i> .....	4
<i>Table 1.3: Alignment with Bottom-Up Economic Transformation Agenda</i> .....	5
<i>Table 3.1: Summary of Opportunities and Threats</i> .....	18
<i>Table 3.2: Summary of Strengths and Weaknesses</i> .....	21
<i>Table 3.3: Stakeholders Analysis</i> ` .....	30
<i>Table 4.1: Strategic Issues, Goals and KRAs</i> .....	32
<i>Table 5.1: Outcome Annual Projections</i> .....	35
<i>Table 5.2: Strategic Objectives and Strategies</i> .....	36
<i>Table 6.1: Implementation Matrix</i> .....	38
<i>Table 6.2: Staff Establishment</i> .....	58
<i>Table 6.3: Skills Set and Competence Development</i> .....	58
<i>Table 6.4: Risk Management Framework</i> .....	65
<i>Table 7.1: Financial Requirements for Implementing the Strategic Plan</i> .....	66
<i>Table 7.2: Resource Gaps</i> .....	66
<i>Table 8.1: Outcome Performance Matrix</i> .....	71
<i>Table 8.2: Quarterly Progress Reporting Template</i> .....	73
<i>Table 8.3: Annual Progress Reporting Template</i> .....	73
<i>Table 8.4: Evaluation Reporting Template</i> .....	74

## LIST OF FIGURES

<i>Figure 3.1: Fund Performance</i> .....	22
<i>Figure 3.2: Trends in Compensation and Operational Efficiency Ratios (2020/21–2023/24)</i> .....	23
<i>Figure 6.1: Proposed Organization Structure</i> .....	56
<i>Figure 6.2: Current Organization Structure</i> .....	57

## CONCEPTS AND TERMINOLOGIES

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

<b>Top Leadership:</b>	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.
<b>Value Chain:</b>	A description of the production-to-market linkages, generating value for the customer through efficient processes and procedures. Value chains are about understanding how creation of value is distributed along the chain.
<b>Winding Up:</b>	Process by which the life of a company is brought to an end and its property administered for the benefit of creditors and shareholders

## **ACRONYMS AND ABBREVIATIONS**

AGPO	Access to Government Procurement Opportunities
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
DDC	Deputy Director, Compensation
DDCC	Deputy Director, Corporate Communications
DDFA	Deputy Director, Finance and Accounts
DDHRA	Deputy Director, Human Resources and Administration
DDIA	Deputy Director, Internal Audit
DDICT	Deputy Director, Information and Communication Technology
DDIRM	Deputy Director, Insurance Risk Monitoring
DDRSP	Deputy Director, Research, Strategy and Planning
DDSCM	Deputy Director, Supply Chain Management
DDSM	Deputy Director, Statutory Management
DCS	Director, Corporate Services
DLS	Director, Legal Services
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 Regulators

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
MTP IV	Medium-Term Plan IV
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 conducted 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 comprehensive review of its vision, mission, and core values. The process included a situational analysis involving an assessment of past performance and an evaluation of both internal and external operating environments that will influence the implementation of the Plan. The Fund envisions strengthening its legal and operational framework through the proposed enactment of dedicated PCF legislation, which will enhance its legal mandate and capacity to effectively discharge its liquidation functions. The revision of the compensation limit from Ksh 250,000 to Ksh 500,000 is also proposed to

improve the adequacy of policyholder protection. Arising from this process, four key result areas (KRAs) were identified:

1. Compensation of Policyholders and Claimants;
2. Monitoring and Prompt Resolution of Insurers;
3. Financial Stewardship; and
4. Institutional Strengthening and Sustainability.

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 7,885 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***

*A trusted Fund for policyholders' protection and compensation*

### ***Mission***

*To uphold public confidence in the insurance sector through timely compensation of claimants and prompt resolution of insurers*

KRA	1. Compensation of policyholders and claimants	2. Monitoring and Prompt Resolution of Insurers	3. Financial stewardship	4. Institutional strengthening and sustainability
	OBJECTIVES	OBJECTIVES	OBJECTIVES	OBJECTIVES
	1.1: Effective and comprehensive compensation framework 1.2: To strengthen the regulatory framework	2.1: Fund preparedness and contingency planning for compensation and statutory management 2.2 Efficient and effective resolution of insurers 2.3 Ensure compliance with contribution levies by insurers	3.1 Prudent management of financial resources	4.1: To strengthen corporate governance 4.2: To enhance efficiency in service delivery 4.3: To enhance brand visibility and public awareness 4.4: To ensure value for money in supply chain management 4.5: Attract, develop and retain highly productive talent

 Integrity
  Professionalism
  Accountability
  Customer-Centricity
  Collaboration
  Innovation

## **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 aspirations	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	Relevant PCF Role/Activity	Alignment of PCF mandate to the pillars
1	Economic	<ul style="list-style-type: none"> <li>• Compensation to policyholders of collapsed insurers</li> <li>• Risk mitigation and assurance in the insurance industry</li> <li>• Enhancing insurance sector resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Promote financial sector stability and investor confidence, which are key enablers of economic growth.</li> <li>• Encourage uptake of insurance.</li> <li>• Support the Vision's goal of a stable and globally competitive financial services sector.</li> </ul>
2	Social	<ul style="list-style-type: none"> <li>• Consumer protection and public confidence in insurance</li> <li>• Awareness and education campaigns on insurance rights</li> <li>• Efficient and timely compensation processes</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to the reduction of poverty, promoting equality and equity, and advancing social justice as PCF executes its mandate of providing compensation to collapsed insurers</li> <li>• Promote financial literacy and inclusion, contributing to equitable social development.</li> </ul>
3	Political	<ul style="list-style-type: none"> <li>• Adherence to governance, transparency, and accountability</li> <li>• Regulatory compliance and stakeholder engagement</li> <li>• Collaboration with statutory bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Support the political pillar's goals of rule of law, transparency, and institutional reform.</li> <li>• Align with goals of participatory governance and public sector efficiency</li> <li>• Participate in public sector reforms through the execution of this strategic plan, performance contracting, and engagement in business process reengineering programs.</li> </ul>

*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	Strategic Focus of BETA	Alignment of PCF mandate to the pillars
1	Agricultural Transformation and Inclusive Growth	Enhance the resilience and income security of smallholder farmers	Agricultural insurance uptake is growing, and the Fund will compensate claimants of failed insurers with crop policies,

S/ No	BETA Agenda Economic Core Pillars	Strategic Focus of BETA	Alignment of PCF mandate to the pillars
			thereby strengthening resilience and safeguarding livelihoods.
2	Micro, Small, and Medium Enterprises (MSMEs) Development	Expand access to affordable financial services	The Fund will provide timely compensation and hence promote confidence in the insurance sector and strengthen resilience among MSMEs.
3	Affordable Housing and Settlement	Promote inclusive access to decent housing	The Fund will provide timely compensation and promote confidence in the insurance sector. The assurance of financial protection encourages uptake of property insurance products, especially among low- and middle-income earners.
4	Universal Healthcare Coverage	Strengthen health financing systems	The 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	Expand trust in digital financial services	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 which 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. The operations are further guided by the Insurance (Policyholders Compensation Fund) Regulations, 2010, which provide the regulatory framework for implementing its activities.

PCF adheres to the Public Finance Management Act, 2012, which mandates the prudent use of public resources. Compliance with Public Finance Management Act, 2012 promotes sound financial management. 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.

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 aligns 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 Ksh 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 Ksh 100,000, a figure later revised in 2017 to Ksh 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 (Cap 487) 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 will 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 Regulators (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 by PCF to the State Department for Economic Planning for review, further comments and approval in line with the Revised Guidelines for the Preparation of Fifth Generation Strategic Plans. These comments were incorporated into the fourth draft 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**

A trusted Fund for policyholders' protection and compensation.

#### **2.3 MISSION STATEMENT**

To uphold public confidence in the insurance sector through timely compensation of claimants and prompt resolution of insurers.

#### **2.4 BRAND PROMISE**

Dhamana ya Bima Yako

## 2.5 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. Grow the Fund’s value to ensure compensation for all eligible policyholders and claimants.
4. Effective and efficient delivery of PCF mandate.

## 2.6 CORE VALUES

The core values of PCF are as follows:



## **2.7 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.

## **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 change 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 Ksh 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 with disabilities through Access to Government Procurement Opportunities (AGPO) programme. 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.

Category	Factor	Strategic Implication	Strategic Intervention
<b>Political</b>	Good relations with stakeholders e.g The National Treasury Political goodwill and support	Enhance PCF's ability to secure support and resources critical for fulfilling its mandate.	Strengthen stakeholder engagement through structured consultations and collaborative initiatives
	Changes in government policies and regulations	Requires PCF to remain highly adaptive in order to effectively respond to changes in the legal and regulatory environment	Ensure continuous compliance with evolving policies and regulations
	Political instability	Potential disruption of PCF activities Delayed liquidation/compensation processes due to a volatile business environment	Engage in regular risk assessments to mitigate operational disruptions
<b>Economic</b>	Strategic low/risk high return investments on government securities	Opportunity to grow reserves and ensure fund sustainability	Optimize investment strategies
	Growing insurance premiums as a result of uptake	Growth of the Fund	Monitor market trends and align coverage and reserves accordingly

Category	Factor	Strategic Implication	Strategic Intervention
	Increased Insurance compensation coverage would improve value to claimants	Enhance PCF's credibility and trust among the public.	Review coverage limit
	Budget cuts due to austerity measures	May constrain operational capacity	Prioritize spending and adopt cost-saving measures
	Economic instabilities due to inflation, extinctions and pandemics	Economic downturns and pandemics can trigger insurer failures	Adjust financial planning models to account for macroeconomic shocks and uncertainties
	Failure of several insurance companies	Increase PCF's liability exposure and strain on the compensation fund	Strengthen monitoring mechanisms
<b>Social</b>	Increasing public awareness of PCF	Build trust and enhance claim uptake	Intensify public sensitization and engagement
	Fraud during claims	Increase operational risk and reduce fund efficiency.	Implement fraud detection mechanisms
	Negative perception of the insurance industry	This may limit public engagement and reduce confidence in compensation processes	Partner with industry players to improve confidence in the insurance industry
<b>Technological</b>	Automation of core mandate functions	Increase operational efficiency and reduce turnaround time for compensation	Strengthen leveraging on technology
	Use of artificial intelligence as a deterrent to fraud and a mechanism for awareness creation	Enhance fraud detection and proactive public engagement	Deploy AI solutions in risk screening
	Cybercrime and data protection gaps	Threaten information security and public trust	Strengthen cybersecurity infrastructure and enforce data protection protocols
	Fraudulent lodging of claims enabled by technology	Facilitate misuse of digital systems for illegitimate compensation	Implement digital authentication systems and routine system audits
<b>Environmental</b>	Implementation of afforestation and reforestation initiatives	Contribute to national sustainability goals and institutional ESG alignment	Integrate environmental sustainability in corporate social responsibility programs
	Emergence of global and national standards on green finance and ESG reporting	Position PCF as a responsible and future-ready institution	Embed ESG principles in operational frameworks
	Climate change	Heighten compensation risk and affects fund sufficiency	Collaborate with insurers to assess climate risk and impact

Category	Factor	Strategic Implication	Strategic Intervention
<b>Legal</b>	Enactment of PCF Bill	Enhances legal mandate for PCF	Engage with legislators to fast-track the enactment of the Bill
	Changes in legislation	This may require operational and policy adjustments within PCF	Maintain legal compliance
	Judicial decisions and rulings on liquidations	Affect timing and legitimacy of compensation decisions	Strengthen legal advisory capacity to advise on responsive actions

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

Factor	Strengths	Weaknesses
		<ul style="list-style-type: none"> <li>• Inadequate cooperation from stakeholders</li> <li>• Unintegrated systems</li> </ul>
Resources and capabilities	<ul style="list-style-type: none"> <li>• Levies which form a stable and reliable revenue source for compensation and Fund administration</li> <li>• Strong institutional knowledge and capacity to undertake statutory management</li> </ul>	<ul style="list-style-type: none"> <li>• Delays in levy remittance by insurance companies</li> <li>• Limited staffing in critical departments</li> <li>• Need for continuous professional development to keep up with evolving regulatory and technological trends</li> </ul>

*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 Ksh.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. On investment planning, the Fund developed a draft Investment Policy, achieving an average annual portfolio growth rate of 15.9%.

The Finance Policy and Procedures Manual was successfully implemented in line with Public Financial Management (PFM) regulations. 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.

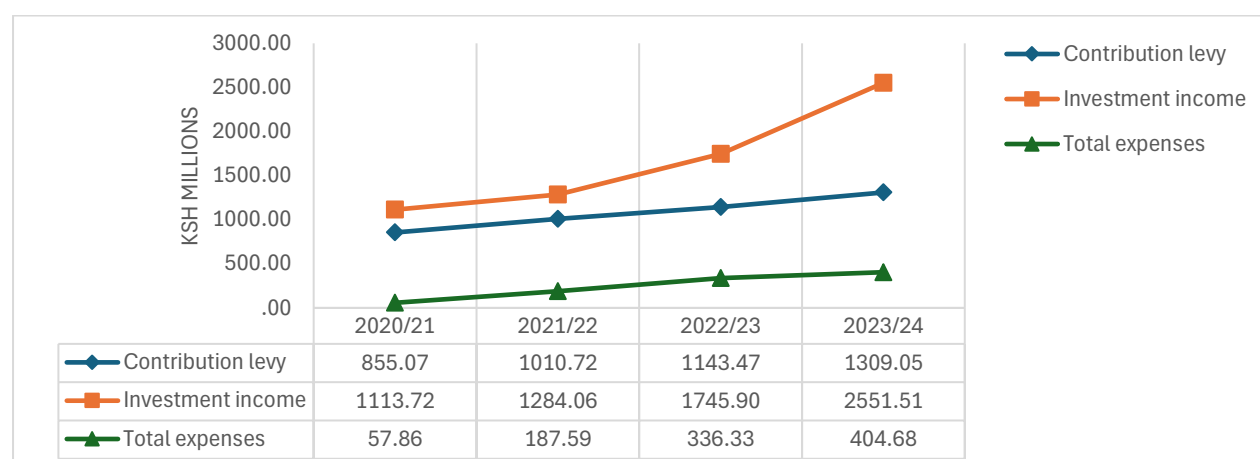


Figure 3.1: Fund Performance

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.

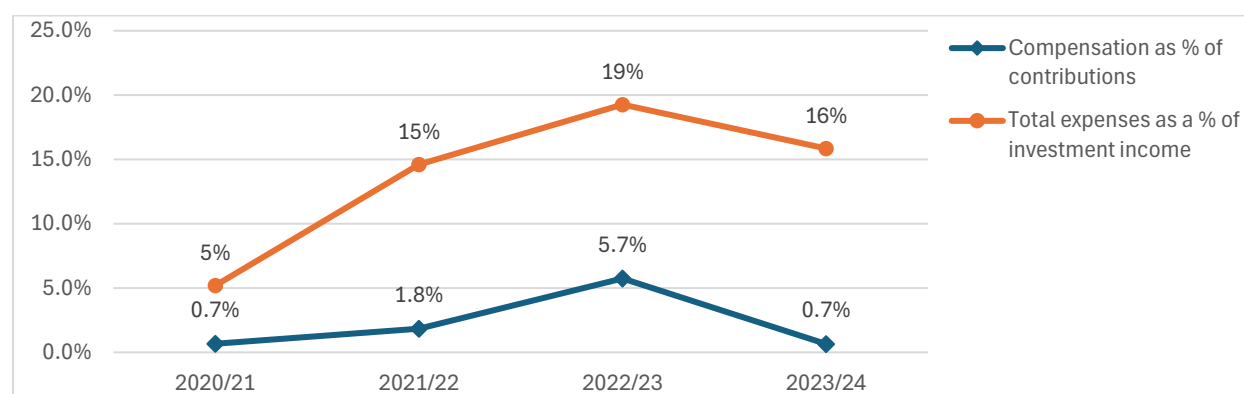


Figure 3.2: Trends in Compensation and Operational Efficiency Ratios (2020/21–2023/24)

**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-training, 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 is need for a dedicated PCF Act to enhance the current legal framework, especially in matters of liquidation and statutory management, thereby enabling the Fund to more effectively carry out its 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:** There is need for more targeted communication efforts to enhance public understanding of PCF's role and improve claim uptake, as many policyholders remain unaware of their right to compensation. Initiatives such as "PCF Mtaani" have demonstrated effectiveness in boosting awareness and should be expanded.
4. **Lean staffing:** The presence of singularly staffed departments highlights the importance of strengthening human resource capacity to safeguard operational continuity, reinforce internal controls, and support succession planning. Ensuring adequate staffing is essential for building institutional 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 facilitated by a legal framework.
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.

### 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"> <li>• Provide political goodwill</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with the laws of Kenya</li> <li>• Effective protection of policyholders in case of insurer failure</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with government agencies to enhance policyholder protection</li> <li>• Timely intervention in legislative and governance matters affecting PCF</li> <li>• Enforcing laws and maintaining order</li> <li>• Protecting property rights</li> </ul>
2.	The National Treasury and Economic Planning	<ul style="list-style-type: none"> <li>• Approval of budgets and policies</li> <li>• Policy direction</li> <li>• Planning and disbursement of Government funds</li> <li>• Protecting policyholders' interest</li> <li>• Ensure stability of the financial sector</li> </ul>	<ul style="list-style-type: none"> <li>• Proper management and utilization of allocated funds</li> <li>• Compliance with financial regulations and reporting standards</li> <li>• Ensure compliance with the Insurance Act</li> </ul>	<ul style="list-style-type: none"> <li>• Budget approvals</li> <li>• Develop enabling policies</li> <li>• Advisory on policies, procedures and guidelines</li> <li>• Inclusion in policy discussions affecting the insurance sector</li> <li>• Timely appointment of Board of Trustees</li> </ul>
3.	Insurance Regulatory Authority	<ul style="list-style-type: none"> <li>• Regulate, supervise and promote development of the insurance industry</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing of information on statutory management</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing of information on insurance</li> <li>• Oversight of the insurance industry</li> <li>• Prompt actions on issues raised</li> </ul>
4.	Office of the Attorney General	<ul style="list-style-type: none"> <li>• Offer legal advisory</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with legal and regulatory frameworks</li> </ul>	<ul style="list-style-type: none"> <li>• Representation in legal proceedings involving PCF</li> <li>• Legal guidance</li> </ul>

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

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

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

*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. Grow the Fund's value to ensure compensation for all eligible 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 and prompt resolution of insurers
Funding of policyholders and claimants' claims	Grow the Fund's value to ensure compensation for all eligible policyholders and claimants	Financial stewardship
Institutional capacity	Effective and efficient delivery of PCF mandate	Institutional strengthening and sustainability

*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	Effective policyholder protection	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	250,000	500,000	500,000
	1.2: To strengthen the regulatory framework	Enhanced legislative framework	PCF Bill submitted to the National Treasury	1	-	-
Monitoring and prompt resolution of insurers	2.1: Fund preparedness and contingency planning for compensation and statutory management	Strengthened risk profiling and early detection	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
			Level of implementation	90	100	100

KRA	Strategic Objective	Outcome	Outcome Indicator	Projections		
				2025/26	2026/27	2027/28
			of Statutory Management Guidelines (%)			
		Improved institutional readiness and coordination for timely insurer resolution	Crisis management framework in place	-	-	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	Budget absorption rate (%)	100	100	100
Institutional strengthening and sustainability	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	Review the risk management framework	1	-	-
	4.2 To enhance efficiency in service delivery	Increased efficiency	Level of automation (%)	50	60	70
			Systems utilization level (%)	30	40	50

KRA	Strategic Objective	Outcome	Outcome Indicator	Projections		
				2025/26	2026/27	2027/28
	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 and 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	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 and prompt resolution 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
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 strengthening and sustainability	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: Effective policyholder protection													
Objective 1.1: Effective and comprehensive compensation framework													
Timely compensation of policyholders and claimants	Re-engineering of the claim processing procedures	Claim processing procedures re-engineered	Reduced claim processing time	1	-	-	1	-	-	-		DDC	Insurance Officers - Compensation
	Undertake compensation simulation/stress testing exercise.	Simulation/stress testing exercise undertaken	Stress testing reports/Internal compensation policies and guidelines	2	-	1	-	-	3	-	3	DDC	Insurance Officers - Compensation
	Undertake compensation of policyholders and claimants	Compensation paid to policyholders and claimants	Percentage of eligible claimants paid	100%	100%	100%	100%	1900	1000	2300	5,200	DDC	DDFA /Insurance Officers - Compensation
	Conduct compensation clinics in collaboration with NGAO (National Government Administrative Officers)	Increased public awareness of the compensation process	Number of clinics held	3	1	1	1	50	50	50	150	DDC	DDCC / Insurance Officers - Compensation
			Percentage of claimants registered	100%	100%	100%	100%						
	Development of a claims data warehouse	Claims data warehouse developed	Percentage of completion of development	100%	-	25%-	100%		50	150	200	DDC	
	Intervene at the insurers under statutory management at the branch level	Claims desks set up at insurers under statutory management	Percentage of branches with a desk	70%	50%	50%	70%	10	10	10	30	DDC	
Review of compensation	Advisory to the CS for increase of	Advisory issued	Advisory	1	1	-	-	-	-	-		MT	DDC/DDIRM

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		
schedule of benefits	compensation limit from Ksh 250,000 to Ksh 500,000												
<b>Total</b>								<b>1,953</b>	<b>1,053</b>	<b>2,553</b>	<b>5,583</b>		
<b>Outcomes: Enhanced legislative framework</b>													
<b>Objective 1.2: To strengthen the regulatory framework</b>													
Review the regulatory framework	Legislative drafting of the draft PCF Bill and submission to the National Treasury	Draft PCF Bill submitted to TNT	Cabinet memo, draft PCF Bill	1	1	-	-	20			<b>20</b>	DLS	Director, Corporate Services
	Convene advocacy and stakeholder engagement meetings	Advocacy and stakeholder engagement meetings held	Number of advocacy and stakeholder engagement meetings held	4		2	2		20	20	<b>40</b>	DLS	Legal Officer
	Undertake legislative amendment through budget memoranda	Legislative amendment through budget memorandum undertaken	Amendment of the Insurance Act No. of Budget memorandum proposals	3	1	1	1	-		-		DDIRM	DLS
<b>Total</b>								<b>20</b>	<b>20</b>	<b>20</b>	<b>60</b>		
<b>Total KRA 1</b>								<b>1,980</b>	<b>1,133</b>	<b>2,530</b>	<b>5,643</b>		

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 and prompt resolution of insurers													
Outcome: Strengthened risk profiling and early detection													
Objective 2.1: Fund preparedness and contingency planning for compensation and statutory management													
Enhance monitoring and risk profiling	Review risk profiling guidelines	Risk profiling guidelines reviewed	Reviewed risk profiling guidelines	1	1	-	-	2.5	-	-	2.5	DDIRM	Insurance Officer - Insurance Risk Monitoring Officer
	Implementation of risk profiling guidelines	Risk profiling guidelines implemented	Number of risk profiling reports	12	4	4	4	-	-	-	-	DDIRM	Insurance Officer - Insurance Risk Monitoring Officer
Leverage collaborations and partnerships	Review stakeholder management framework	Stakeholder management framework reviewed	Approved stakeholder management framework	1	-	1	-	-	4.0	-	4.0	DDRSP	Planning Officer
	Develop, review and implement MoUs (Office of the Official Receiver in Insolvency and IRA, KDIC)	Reviewed MoU with the relevant institutions	Number of MoUs reviewed (Official Receiver and IRA)	2		-1	1		2	2	4	DDRSP	DLS
			Number of MoUs developed (KDIC)	1	1			2.5			2.5		
		Undertake and participate in industry	Local industry events undertaken or attended	Number of events	3	1	1	1	0.5	0.5	0.5	1.5	DDC

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		
	events at local and international level	Key international events undertaken or attended	Number of events	6	2	2	2	10	10	10	30.0	DDC	DDSM
	Participate in JFSR engagements	JFSR engagements undertaken	Number of engagements	3	1	1	1	2	2	2	6.0	DDIRM	DDRSP
<b>Total</b>								<b>18</b>	<b>19</b>	<b>15</b>	<b>51</b>		
<b>Outcome: Prompt resolution of insurers placed under statutory management</b>													
<b>Improved institutional readiness and coordination for timely insurer resolution</b>													
<b>Objective 2.2: Efficient and effective resolution of insurers</b>													
Strengthen statutory management guidelines	Review statutory management guidelines	Statutory management guidelines reviewed	Approved revised statutory management guidelines	1	1	-	-	2.5	-	-	2.5	DDSM	Principal Officers, Insurance Services
	Implement statutory management guidelines	Statutory management guidelines implemented	Percentage level of implementation	100%	90%	100%	100%	-	-	-	-	DDSM	Principal Officers, Insurance Services
	Develop statutory management fees framework	Framework developed	Approved statutory management fees framework	1	-	1			2.5		2.5	DDSM	Principal Officers, Insurance Services
	Protect policyholders and claimants of insurers under statutory management by representing them in legal suits	Policyholders and claimants protected	Quarterly legal cases report	12	4	4	4					Director Legal Services	Senior Legal Officer
Enhance the crisis	Develop a crisis management framework	Framework developed	Approved crisis management framework	1	-	1	-	-	2.5	-	2.5	DDSM	DDIRM

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		
management framework	Undertake statutory management simulation exercises	Simulation exercises undertaken	No. of simulation exercises	3	1	1	1	3	3	3	9	DDSM / Compensation	Insurance Officers
	Undertake resolution assessments	Resolution assessments undertaken	No. of assessments	3	1	1	1		2	2	4	DDSM	DDIRM
<b>Total</b>								<b>6</b>	<b>10</b>	<b>5</b>	<b>21</b>		
<b>Outcome: Compliance by insurers</b>													
<b>Objective 2.3: Ensure compliance with contribution levies by insurers</b>													
Implement contribution compliance framework	Develop contribution compliance framework	Contribution compliance framework developed	The framework	1	1	-	-	2	-	-	2	DDIRM	Insurance Officer, Insurance Risk Monitoring
	Implementation of the contribution compliance framework	Contribution compliance framework implemented	Level of implementation	100%	-	100%	100%	-	2.5	2.5	5	DDIRM	DDFA
<b>Total</b>								<b>2</b>	<b>2.5</b>	<b>2.5</b>	<b>7</b>		
<b>Total for KRA 2</b>								<b>25</b>	<b>31</b>	<b>22</b>	<b>78</b>		
<b>Strategic issue: Funding of policyholders and claimants' claims</b>													
<b>Strategic goal: Availability of funds to compensate all entitled policyholders and claimants</b>													
<b>KRA 3: Financial stewardship</b>													
<b>Outcomes:</b>													
<b>i. Fund financial sustainability</b>													
<b>ii. Efficient and effective use of resources</b>													
<b>Objective 3.1: Prudent management of financial resources</b>													
Timely revenue collection	Undertake contribution levy administration	Contribution levy administration undertaken	Level of contribution levy collection	100%	100%	100%	100%	1	1	1	3	DDFA	Finance 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		
	Undertake enforcement of contribution levies	Enforcement of compliance undertaken	Level of compliance	100%	100%	100%	100%	-	-	-	-	DDIRM	Finance team
Optimal investment management and portfolio rebalancing	Develop an investment policy	Investment policy developed	Approved investment report	1	1			8	0	0	8	DDFA	Finance Team
												DDFA	Finance Team
	Implement the investment policy	Investment policy implemented	100%	100%	100%	100%	100%	0	2	2	4	DDFA	Finance Team
	Undertake investment process management	Investment process management undertaken	Approved investment reports	156	52	52	52	-	-	-	-	DDFA	Finance Team
			Average return on investment	10%	10%	10%	10%	-	-	-	-		
Efficient budgetary control, expenditure management and reporting	Develop annual budgets and monitor expenditure against the budgetary provisions	Approved annual/revised budget	Approved annual /revised budget	3	1	1	1	3	3	3	9	DDFA	Finance Team
			Budget absorption rate	100%	100%	100%	100%					DDFA	Finance Team
	Prepare quarterly and annual reports	Audit reports prepared	No. of reports	12	4	4	4	1	1	1	3	DDFA	Finance Team
			Level of compliance	100%	100%	100%	100%					DDFA	Finance Team
	Review and implementation of the finance policy and procedure manual	Manual developed	Finance policy and procedure manual	1	1	-	1	4			4	DDFA	Finance Team
	Undertake sensitization on the finance policy and procedures manual	Sensitization undertaken	No. of trainings	1	-	1	-		2	-	2	DDFA	Finance Team
	Prepare and submit financial reports to the OAG	Audited annual financial statements prepared and submitted	No. of financial statements audited	3	1	1	1	3	3	3	9	DDFA	Finance 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		
<b>TOTAL</b>								<b>20</b>	<b>12</b>	<b>10</b>	<b>42</b>		
<b>TOTAL KRA 3</b>								<b>20</b>	<b>12</b>	<b>10</b>	<b>42</b>		
<b>Strategic issue: Institutional capacity</b>													
<b>Strategic goal: Effective and efficient delivery of PCF mandate</b>													
<b>KRA 4: Institutional strengthening and sustainability</b>													
<b>Outcomes: i. Enhanced corporate governance compliance</b>													
<b>ii. Strengthened competencies of the Board of Trustees</b>													
<b>iii. Proactive risk mitigation</b>													
<b>Objective 4.1: To strengthen corporate governance</b>													
Promote good corporate governance practices	Carry out annual legal compliance audit	Annual legal compliance audit conducted	No. legal audits conducted	3	1		1					DLS	Legal Officer
	Undertake monitoring of legislative, regulatory and policy changes	Monitoring of legislative, regulatory and policy changes undertaken	Monitoring reports	3	1	1	1					DLS	Legal Officer
	Develop and implement a data protection policy	Data protection policy developed	Approved data protection policy	1	1	-	-					DLS	DDICT
		Data protection policy Implemented	Level of implementation	100%	100%	100%	100%						
	Undertake governance audit	Governance audit undertaken	No. of governance audit conducted	3	1	1	1					DLS	Senior Legal Officer
	Formulate Board development program	Board development program in place	Number of Board development program in place	3	1	1	1					DLS	Senior Legal Officer

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		
	Implement Board of Trustees training plan	Training plan implemented	Level of implementation	100%	100%	100%	100%	-	-	-	-	DLS	Senior Legal Officer
	Process advisory opinion requests	Advisory opinion requests processed	% of requests processed	3	1	1	1	-	-	-	-	DLS	Senior Legal Officer
	Evaluating Board of Trustees performance	Board of Trustees performance evaluated	No. of Board of Trustees evaluations	3	1	1	1	-	-	-	-	DLS	Senior Legal Officer
	Undertake Board coordination and secretarial services	Board coordination and secretarial services undertaken	Board Committee meetings	18	6	6	6	-	-	-	-	DLS	Senior Legal Officer
Effective management of the litigation function	Prepare and submit of pleadings	Pleadings prepared and submitted	No. of reports	12	4	4	4	-	-	-	-	DLS	Senior Legal Officer
	Attend court and tribunals	Court and tribunals attended	No. of reports	12	4	4	4	-	-	-	-	DLS	Senior Legal Officer
	Develop and implement Board almanac (work-plan)	Board almanac developed	Number of almanac	3	1	1	1	-	-	-	-	DLS	Senior Legal Officer
Strengthen risk management	Develop a risk-based audit plan	Risk-based audit plan developed	Risk based audit plan	3	1	1	1	-	-	-	-	DDIA	
	Acquire audit software	Audit software acquired	Audit software	1	-	1	-	-	3.5		3.5	DDIA	DDICT
			Software license				1	-		1.5	1.5		
	Perform governance and compliance reviews.	Governance and compliance reviews undertaken.	No. of audit reports	24	8	8	8	3	3	3	9	DDIA	-
	Test internal controls	Testing of internal controls undertaken	Remediation rate of audit findings	100%	100%	100%	100%	-	-	-		DDIA	
<b>Total</b>								<b>3</b>	<b>7</b>	<b>5</b>	<b>14</b>		

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: Increased efficiency													
Objective 4.2: To enhance efficiency in service delivery													
Business process re-engineering	Undertake business process mapping	Business process mapped for re-engineering	Number of services mapped	6	2	2	2	2	2	2	6	User Department	DDICT
	Undertake re-engineering of mapped processes	Mapped processes re-engineered	No. of processes re-engineered	3	1	1	1	3	3	3	9	User Department	DDICT
	Integrate digital platforms (ie CMS with Finance system, LCRMS with Finance system)	Digital platforms integrated	Integrated digital platforms	1	-	1	-	-	5		5	DDICT	User Department
	Migration of integrated PCF legacy systems (CMS, ERP, EDRMS and LCRMS) from on-premise to cloud (Konza City)	Legacy systems (CMS, ERP, EDRMS and LCRMS) successfully migrated from on-premise infrastructure to the cloud (100%)	Proportion (%) of legacy systems (CMS, ERP, EDRMS and LCRMS) migrated (%)	100%	-	-	100%	-	-	15	15	DDICT	User Department
Uphold effective ICT governance and security	Develop information security policy	Information security policy developed	Approved information security policy	1	-	1	-	-	2.5	-	2.5	DDICT	-
	Review the ICT Policy and ICT disaster recovery plan	ICT policy and ICT disaster recovery plan reviewed and approved	Approved ICT policy	1	1		-	-	2.5	-	2.5	DDICT	-
	Review ICT strategy	ICT strategy reviewed and approved	Approved ICT strategy	1	1		-	-	2.5	-	2.5	DDICT	-
Promote ICT systems sustainability and compliance	Renew systems licenses	Systems licenses renewed	Number of renewed systems licenses	33	11	11	11	10	12	14	36	DDICT	User Department(s) and SCM Dept

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 hardware and software maintenance	Hardware and software maintained	Level of maintenance	100	100	100	100	17	18.7	14	49.7	DDICT	User Department(s) and SCM Dept
	Acquire and deploy ICT hardware for enhanced operational efficiency	ICT hardware procured	Level of deployment	100%	100%	100%	100%	4.5	6.	8	18.5	DDICT	User Department(s) and SCM Dept
<b>Total</b>								<b>37</b>	<b>54</b>	<b>56</b>	<b>147</b>		
<b>Outcome: Enhanced visibility and high level of awareness</b>													
<b>Objective 4.3: To enhance brand visibility and public awareness</b>													
Create public awareness and promote visibility	Undertake stakeholder engagements	Stakeholder engagements undertaken	No. of forums	30	10	10	10	26	28	30	84	DDCC	DCS
	Develop and implement CSR policy	Approved CSR policy	Approved CSR policy	1	1	-	-	-	-	-	-	DDCC	DCS
		CSR policy implemented	Level of implementation	100%	100%	100%	100%	3	5	7	15	DDCC	DCS
	Review and implement customer delivery charter	Charter reviewed and implemented	Level of implementation	100%	100%	100%	100%	2	3	3	8	DDCC	-
	Undertake customer satisfaction survey	Customer satisfaction undertaken	Customer satisfaction survey report	1	1	1	1	2	2	2	6	DDCC	DDRSP
			Level of customer satisfaction index	80%	70%	75%	80%	-	-	-	-	DDCC	DDRSP
<b>Total</b>								<b>33</b>	<b>38</b>	<b>42</b>	<b>113</b>		
<b>Outcome: Cost-effective and transparent procurement</b>													
<b>Objective 4.4: To ensure value for money in supply chain management</b>													
Streamline procurement processes	Develop and Implement procurement and asset disposal plan	Approved costed annual procurement and asset disposal plan developed	Approved costed annual procurement and asset disposal plan	3	1	1	1	-	-	-	-	DDSCM	User department

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		
		Annual procurement and asset disposal plan implemented	Level of implementation	100%	100%	100%	100%	5	5	5	15	DDSCM	User department
	Review of supply chain management policy	Supply chain management policy reviewed	Approved reviewed supply chain policy	1	1	-	-	2	-	-	2	DDSCM	User department
	Undertake contract management	Contract management undertaken	Contract management reports	12	4	4	4	-	-	-	-	DDSCM	User department
	Undertake Inventory management	Inventory management undertaken	Approved stocktaking reports	12	4	4	4	-	-	-	-	DDSCM	User department
<b>Total</b>								<b>7</b>	<b>5</b>	<b>5</b>	<b>17</b>		
<b>Outcome: Highly performing and productive organization</b>													
<b>Strategic objective 4.6: Attract, develop and retain highly productive talent</b>													
Promote skills development and institutionalize succession planning	Develop training and development guidelines	Training and development guidelines developed	Approved training plan	1	1	-	-	1			1	DDHRA	Training and Development Committee
	Implement training and development guidelines	Training and development guidelines implemented	Level of implementation	100%	100%	100%	100%	15	20	25	60	DDHRA	Training and Development Committee
	Review and implement talent management and succession policy	Approved policy succession management plan	Approved policy Succession management plan	1	-	1	-		1		1	DDHRA	Human Resource and Management Committee
		Implemented talent management and succession policy	Level of implementation	100%	100%	100%	100%	-	-	-	-	DDHRA	Human Resource and Management Committee
	Undertake skills gap analysis	Skills gap analysis undertaken	Skill gap analysis	1	-	-	1	-	-	-	-	DDHRA	Training and Development Committee

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 and implement staff establishment	Staff establishment reviewed	Approved staff establishment	1	-	1	-	-	-	-	-	DDHRA	Management
		Approved staff establishment implemented	Level of implementation	73%	40%	53%	73%	-	-	-	-	DDHRA	Management
Optimize compensation and benefits	Conduct job evaluation and implement findings	Job evaluation undertaken	Approved job description manual	1	-	1	-	-	-	-	-	DDHRA	Human Resource and Management Committee
		Approved job description manual implemented	Level of implementation	100%	100%	100%	100%	-	-	-	-	DDHRA	HR Team
	Develop and implement staff welfare policy	Staff welfare policy developed	Approved staff welfare policy	1	1	-	-	-	-	-	-	DDHRA	Staff Welfare Committee
		Staff welfare policy implemented	Employee satisfaction and engagement index	85%	82%	83%	85%	5	5	5	15	DDHRA	Staff Welfare Committee
Strengthen performance and productivity management	Implement productivity and performance management strategy	Productivity and performance management strategy implemented	Level of implementation	100%	100%	100%	100%	-	-	-	-	DDHRA	Performance and Productivity Committee
			Productivity index	3.8	3.6	3.7	3.8	-	-	-	-	DDHRA	Performance and Productivity Committee
<b>Total</b>								<b>21</b>	<b>26</b>	<b>30</b>	<b>77</b>		
<b>KRA 4</b>								<b>101</b>	<b>130</b>	<b>138</b>	<b>368</b>		
<b>Grand Total</b>								<b>2,126</b>	<b>1,306</b>	<b>2,700</b>	<b>6,131</b>		

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. Through its research function, the Department will serve as the Fund's knowledge hub generating evidence, tracking trends, and providing insights to inform strategic decisions, policy development, and sector-wide learning.

Figures 6.1 and 6.2 presents the proposed and current organization structures respectively.

The proposed organization structure is as follows:

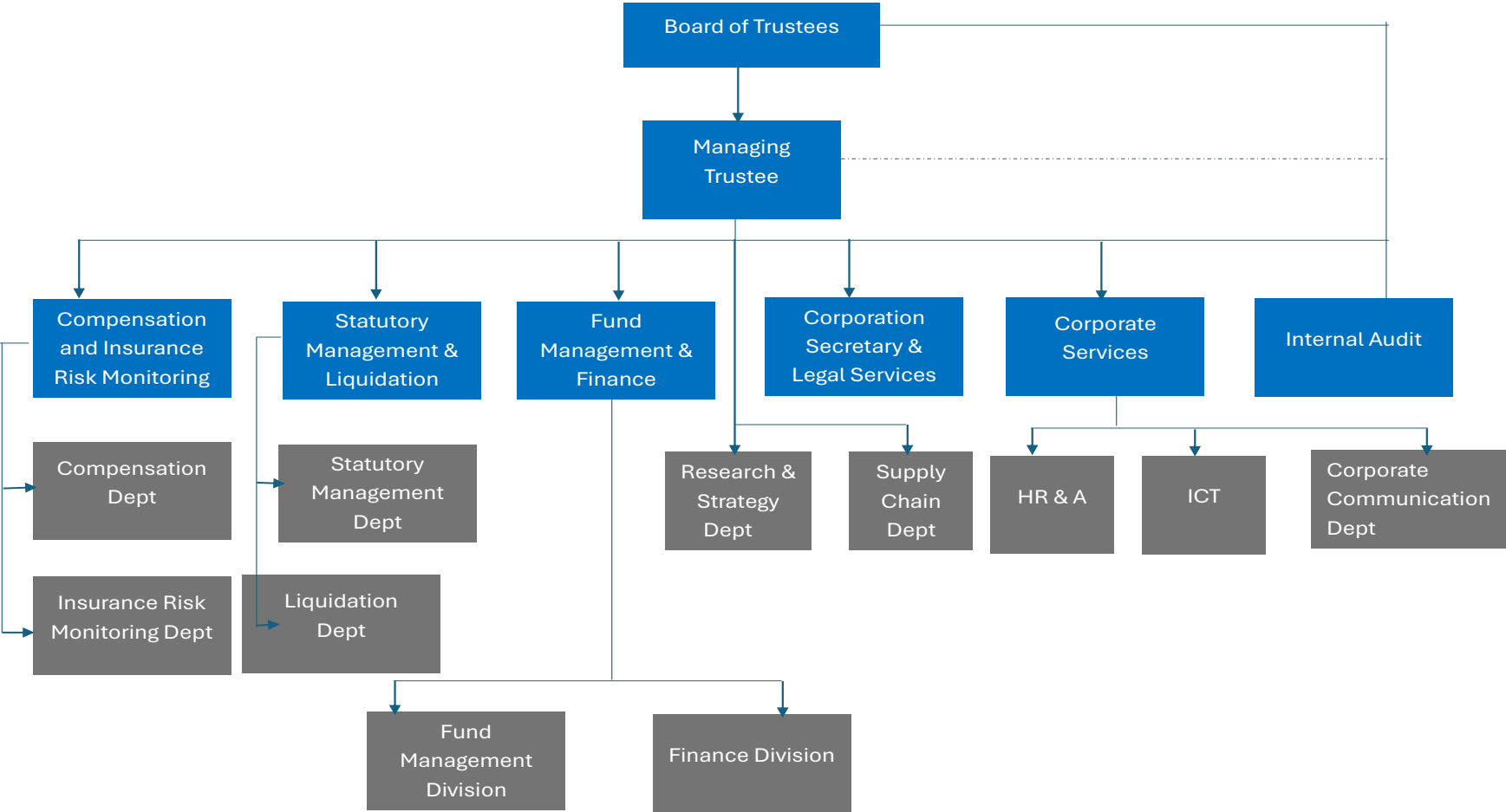


Figure 6.1: Proposed Organization Structure

The current organization structure is as follows:

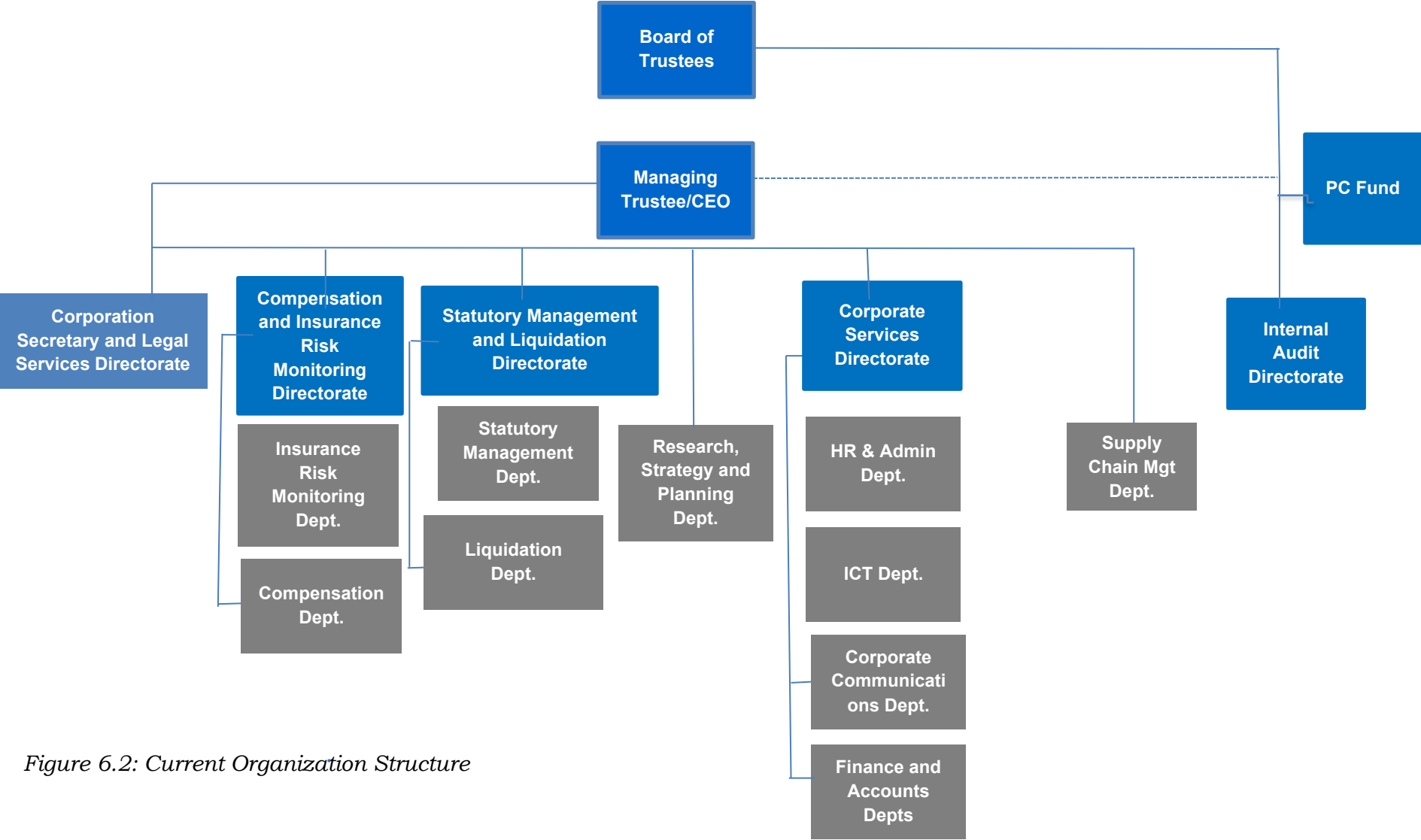


Figure 6.2: Current Organization Structure

### 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	6	2	4
Deputy Director	10	9	9	-
Assistant Director	-	11	-	11
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
<b>Total Establishment</b>	<b>31</b>	<b>77</b>	<b>28</b>	<b>49</b>

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"> <li>Change and risk management</li> <li>Negotiation</li> <li>Performance management</li> <li>Analytical and problem solving</li> <li>Mentorship and coaching</li> <li>Conflict management</li> <li>Emotional intelligence</li> </ul>	Data analytics in HR	<ul style="list-style-type: none"> <li>Hr metrics</li> <li>Analytical skills</li> </ul>

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

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

*Table 6.3: Skills Set and Competence Development*

<sup>1</sup> Compensation and Insurance Risk Monitoring; and Statutory Management and Liquidation

### **6.2.3 Leadership**

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

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

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"> <li>Develop and implement standardized protocols for collecting and storing claims data from insurance companies.</li> </ul>
2	Ineffective tracking, preserving and securing assets of a company under statutory management.	3	3	12	<ul style="list-style-type: none"> <li>Takeover of any company placed under Statutory Management</li> <li>Engage IRA proactively for timely information when a company is placed under statutory management</li> <li>Streamline legal processes and explore alternative dispute resolution methods.</li> </ul>
3	Ineffective insurance risk monitoring of licensed insurers.	4	3	12	<ul style="list-style-type: none"> <li>Carry out Insurance Industry Risk Profiling and fact-checking in consultation with IRA.</li> <li>Implement the Early Warning and Detection System.</li> </ul>
4	Insufficient liquidity/ funds to compensate policyholders of troubled insurance companies.	3	4	12	<ul style="list-style-type: none"> <li>Develop and implement a robust investment policy complying with the government regulations/Law.</li> <li>Enhance legislative framework to provide for a risk-based contribution levy.</li> </ul>
5	Inadequate legal and liquidation regulatory framework.	3	3	9	<ul style="list-style-type: none"> <li>Develop and follow up on the enactment of PCF Act.</li> <li>Harmonization of the legal frameworks to enable PCF be the defacto liquidator of insurers or have powers to supervise the liquidation process.</li> <li>Develop and implement collaborative frameworks/MOUs with other regulators, industry players and MDCAs.</li> </ul>

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"> <li>Undertake quarterly 'PCF Mtaani' public sensitization forums</li> <li>Undertake stakeholder engagement in compensation</li> </ul>
7	Inadequate human resource capacity	3	3	9	<ul style="list-style-type: none"> <li>Revise and follow up with PSC/SCAC for approval of Human Resource Instruments.</li> <li>Carry out a Workload Survey and implement the recommendations.</li> </ul>
8	Information security and cybercrime risks	2	2	4	<ul style="list-style-type: none"> <li>Develop and implement a Framework to comply with the Data Protection Act (2019).</li> <li>Implement security awareness training programs.</li> <li>Establish and implement security policies and procedures.</li> </ul>
9	Leadership and governance risks	2	2	4	<ul style="list-style-type: none"> <li>Conduct Annual Governance Audits</li> <li>Conduct Annual training/ capacity building for the Board of Trustees</li> <li>Develop and implement Succession policy and strategies for the Board of Trustees and Management</li> </ul>
10	Exposures linked to the effects of climate change, including increased flooding, extended droughts, and extreme heat events	3	3	9	<ul style="list-style-type: none"> <li>Incorporating climate change related risk into risk management frameworks</li> <li>Digitization and data management</li> </ul>

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	1,980	1,133	2,530	<b>5,643</b>
2	Monitoring and prompt resolution of insurers	25	31	22	<b>78</b>
3	Financial stewardship	20	12	10	<b>42</b>
4	Institutional strengthening and sustainability	101	130	138	<b>368</b>
	Administrative costs	556	584	614	<b>1,754</b>
<b>Total</b>		<b>2,682</b>	<b>1,890</b>	<b>3,314</b>	<b>7,885</b>

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 394 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	2,682	2,547	(134)
2026/27	1,890	1,795	(94)
2027/28	3,314	3,148	(166)
<b>Total</b>	<b>7,885</b>	<b>7,490</b>	<b>(394)</b>

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. Engage development partners to finance select strategic initiatives.
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, annually and as and when necessary.

#### **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	Effective policyholder protection	Percentage of claimants compensated (%)	100	2024/25	100	100
		Compensation turnaround time (days)	70 Days	2024/25	50	30
		Increased compensation amount from Ksh 250,000 to	Ksh 250,000	2024/25	500,000	-

Key Result Area	Outcome	Outcome Indicator (s)	Baseline		Target	
			Value	Year	Midterm Period Target (2026/2027)	End of Plan period Target (2027/2028)
		Ksh 500,000 (100%)				
	Enhanced legislative framework	PCF Bill submitted to the National Treasury	-	2024/25	-	-
KRA 2: Monitoring and prompt resolution 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
	Improved institutional readiness and coordination for timely insurer resolution	Crisis management framework in place	-	2024/25	-	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	Budget absorption rate (%)	100	2024/25	100	100
KRA 4: Institutional strengthening and sustainability	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	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	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.