



POLICYHOLDERS COMPENSATION FUND

Dhamana ya Bima Yako

Where can one get additional information about the Fund?

Any member of the public can get information about the Fund by presenting their request in person, writing, verbally or electronically to the following addresses:

Postal Address:

The Managing Trustee
Policyholders Compensation Fund
P.O. Box 24203 - 00100
Nairobi, Kenya

Physical Address:

6th Floor, KWFT Center
Masaba Road, Upper Hill

Telephone:

+254 794 582 700 / 0111 121 700

Website: www.pcf.go.ke

Email: info@pcf.go.ke, claims@pcf.go.ke

FAQ Handout



Frequently Asked Questions

What is the Policyholders Compensation Fund (PCF)?

Policyholders Compensation Fund (PCF) (herein referred to as the “Fund”) is a State Corporation under the National Treasury and Economic Planning that was established under Section 179 of the Insurance Act (CAP 487) and the Insurance (Policyholders Compensation Fund) Regulations, 2010.

The Fund was established for the primary purpose of providing compensation to claimants of an insurer that has been put under statutory management or whose license has been cancelled and for the secondary purpose of increasing the general public’s confidence in the insurance sector.

When was the PCF established?

The PCF was established on 24th September 2004 and commenced its operations on 1st January 2005, through a legal notice, No. 105 of 2004 and is governed by section 179 of the Insurance Act (Cap 487) and the Insurance (Policyholders Compensation Fund) (Amendment) Regulations, 2014

What is the Mandate of PCF?

To The Fund’s core functions as set out in the Insurance Act, are to:

- **Provide compensation to claimants of an insurer placed under statutory management or whose license has been canceled under the Insurance Act;**

What happens if auctioneers and insurance service providers follow up on my pending bills?

The Fund issues a moratorium immediately an insurer is placed under statutory management which protects them against legal action & pursuit.

What are the required documents for compensation?

For Individual claimants:

- *Copy of ID or Passport*
- *Copy of KRA PIN certificate*
- *Original Discharge Voucher (where applicable)*
- *Court Judgment/ Award (where applicable)*
- *Letter of Administration (where applicable)*
- *Copy of police abstract (where applicable)*
- *Copy of life insurance policy document (where applicable)*
- *Any other proof of claim (where applicable)*

b. For companies/organizations/ institutions:

- *Copy of certificate of registration/incorporation.*
- *Copy of KRA PIN certificate*
- *Original Discharge Voucher (where applicable)*
- *Any other proof of claim (where applicable)*

Frequently Asked Questions

of the deceased individual. This document is typically issued by a court of law.

Can I be compensated if my insurer issued a discharge voucher but is withholding my claim amount?

No. PCF only compensates claimants of insurers under statutory management or license cancelled. Complaints against solvent insurers should be directed to IRA.

Do Life insurance policy beneficiaries qualify for compensation?

(Yes)

Do all insurance policies qualify for compensation?

Not all policies issued by an insurer qualify for compensation. Ineligible claims include:

- ***Policies with claims arising before the Fund commenced its operations in 2005.***
- ***Claims arising from a period during which an insurer has been placed under statutory management and thereafter declared insolvent.***
- ***Superannuation (Retirement) schemes administered by an insurer.***
- ***Re – insurance policies.***
- ***Policies entitling a policyholder to claim under other legislation.***

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

Management or license cancelled.

Are there any provisions for policyholders and claimants who reside outside the country?

Yes. Through the online application of claims. This digital mechanism allows individuals situated abroad to conveniently submit their claims through online platforms.

Are there any provisions for policyholders who are currently in legal disputes?

Yes. Provisions are in place to address the concerns of policyholders who are currently entangled in legal disputes. Specifically, the Policyholder Compensation Fund (PCF) takes a proactive step by appointing legal representatives on behalf of these policyholders.

Frequently Asked Questions

Can policyholders/claimants file multiple claims of the same Insurer with the Fund for compensation?

Yes, policyholders or claimants can file multiple claims with the same insurer for compensation.

Can policyholders submit claims for compensation beyond the 2-year compensation window under exceptional circumstances?

No.

Can policyholders track the status of their compensation claims during the processing period?

Yes. Through the online claims portal

Can policyholders request a review if they believe the compensation amount awarded is insufficient?

Yes.

Is there a maximum limit on the total compensation amount that PCF can disburse to policyholders?

PCF compensates for a maximum of Kes. 250,000 per claim.

How do I get the balance after PCF pays the maximum Khs. 250,000?

The balance shall be forwarded to the Office of the Official Receiver, to be considered for payment from the proceeds of liquidation of the company.

Can I receive a premium refund if my policy was canceled after the collapse of The Insurer?

No. However, you can lodge claims against unutilized premiums with the appointed Liquidator, to be considered once the liquidation is complete in line with the Insolvency Act.

Can policyholders save their progress and return to the claim form later if needed?

Yes.

Are there any video tutorials or guides available on PCF website to help policyholders with the online claim process?

Yes. Can be accessed through the PCF claims Portal.

Can policyholders who have passed away during the waiting period still be eligible for compensation, and how will their beneficiaries be addressed in the process?

Yes. If a policyholder passes away during the waiting period, there is still a provision that allows for eligibility for compensation. However, a specific procedure needs to be followed to ensure that the rightful beneficiaries are addressed appropriately within the claims process. The beneficiary of the deceased policyholder will need to provide a letter of administration which is a legal document that grants authority to the person named as the administrator to manage & distribute the assets, including insurance claims proceeds,