

56068

Distr.  
LIMITED  
ECO/IGO/V/2  
13 November 1984  
ORIGINAL: English

ECONOMIC COMMISSION FOR AFRICA

Fifth Conference of Chief Executives  
of ECA-sponsored Institutions

Addis Ababa, 10-11 January 1985



GROUP INSURANCE SCHEME FOR  
ECA-SPONSORED INSTITUTIONS

## 1. Introduction

- 1.1. At the Fourth Conference of Chief Executives of ECA-sponsored Regional and Subregional Institutions held in Dakar, Senegal, in December 1983, the African Regional Centre for Technology (ARCT) and the African Regional Organization for Standardization (ARSO) were requested to investigate the feasibility of ECA-sponsored institutions, which are not yet covered by common group life and medical insurance schemes, of collectively subscribing to such schemes as a way of reducing the cost of insurance premiums.
- 1.2 In order to undertake the assignment effectively, ARCT undertook the task of contacting those institutions based in Francophone African countries and ARSO those others headquartered in the Anglophone countries and compile relevant information on the matter.
- 1.3 Similarly, two reputable insurance companies operating world-wide were contacted to obtain information on conditions and offers for an overall group insurance scheme for ECA-sponsored institutions. This group insurance policy is expected to provide coverages for group life, accident and medical schemes.

## 2. Institutions interested in the Group Insurance Scheme

- 2.1 A total number of 10 (ten) institutions have expressed interest in joining the group insurance scheme and supplied relevant information on the matter.
- 2.2 A list of the institutions interested in the scheme is shown in the Table below.

Name of Institution	No. of Professional Staff		No. of General Service Staff		Total No. of Dependents
	No.	Annual Payroll (Salary) USD	No.	Annual Payroll (Salary) USD	
ARCEDEM - Ibadan	6	111,000	25	111,000	NA
ARSO - Nairobi	4	80,000	8	32,000	50
ESAMRDC - Dodoma	3	66,000	4	12,500	19
RECTAS - Ile-Ife	9+	100,000	26	84,000	150
ARCT - Dakar	5		21		
ARC - Bamako (awaiting confirmation)					
AAC - Alger	1		3		
CRT - Ouagadougou	6		21		
OAPI - Yaounde	14		58		
ONERSOL - Niamey	7		22		
	22	357,000	188	239,500	219

+ Does not include 3 staff members seconded by Nigerian Government.

3. Insurance Companies Contacted

3.1 The following two reputable insurance companies with world-wide operations including Africa, were contacted:

(i) American Life Insurance Company; and

(ii) J. Van Breda & Company

3.2 Both the above mentioned companies have expressed their willingness to provide coverage for the group insurance scheme and their proposals are appended as Annexes A and B to this document.

3.3 Both Insurance Companies have been invited to apply to the UNECA for time to make presentation on their offers to the meeting of Chief Executives if they so wish.

4. Conclusion

The Conference of Chief Executives is invited to review this document and its Annexes, and give appropriate directives on the matter.

For the attn. of Mr. Babatunde Thomas  
Executive Director  
African Regional Centre for Technology  
B.P. 2435  
Dakar (Senegal)

Dear Mr. Thomas,

Re: Group Insurance Scheme - ECA sponsored institutions

We thank you very much for your letter of March 7, 1984.

It will of course be a great pleasure for us to assist you in exploring the conditions for an overall group insurance contract for the about 30 ECA sponsored institutions.

First of all we would like to point out that it is absolutely necessary to reach a prior agreement on the exact extent of coverage requested. Indeed, with 30 organizations involved one can in principle be confronted with 30 divergent views. Therefore we suggest that you yourself and your colleagues of the other organizations interested preconcert about a joint text, which you would then submit to the companies you contacted. This procedure has also the advantage that the various proposals can easily be compared.

In order to enable you to start the negotiations about the main lines of coverage we send you enclosed a draft for one of the many possible schemes. This draft is only a working document which you may amend as you wish. We believe that it is a good starting-point.

We even would be prepared to participate at a meeting with all parties involved to explain the attached scheme and all other possible alternatives, should this be your wish.

If you agree we will also gladly send out the above scheme to your colleagues provided you give us their exact names and addresses.

Once an agreement has been reached on a joint text we will on the basis thereof send you a proposal with the corresponding premiums.

Looking forward to hearing from you we remain,

Yours sincerely,

R.VAN ROMPAEY  
Assistant head of department

P.S. If you are interested, we are prepared to draw up a similar scheme for a provident fund insurance.

GROUP INSURANCE SCHEME

1. Policy holder:

2. Purpose of the insurance:

- a) Indemnification of the insured persons, in accordance with the provisions of the policy, in the event of temporary incapacity, permanent disability or death resulting from either illness or accident.
- b) Reimbursement within the limits of the policy of medical expenses incurred for illness, accident or childbirth.

3. Entry into force and duration of the policy:

- date of entry into force: to be agreed upon
- duration: 12 months, with tacit renewal for further periods of 12 months at a time, unless it is terminated by one of the parties to the other by registered letter at least 3 months before the expiry date.

4. Insured persons:

- a) Insurance against temporary incapacity, permanent disability and death  
All the full time professional staff members in the service of the Policyholder, as well as all the general service's staff if the Policyholder would wish to include them.
- b) Insurance for medical expenses:  
The persons mentioned in sub-paragraph 4 a) as well as their spouse and unmarried dependents recognized as such by the Staff Rules of the Policyholder.

5. Commencement and end of the insured risks:

- In the case of insurance for temporary incapacity, permanent disability and death: from the first day of recruitment of the staff member (but not before the entry into force of the present policy) until the last day of his contract of employment except for risks incurred before the insurance has expired. Risks existing at the time when the insurance is taken out shall not be covered.
- In the case of medical expenses: all medical expenses incurred from the date of recruitment of the staff member until the last day of his contract of employment.

6. Territorial limits:

Coverage is valid worldwide.

## 7. Insured benefits:

### 7.1. Medical expenses

7.1.1. The Insurers undertake to reimburse 80% of the expenses incurred in respect of medical treatment prescribed by doctors qualified to treat patients and resulting from illness, accident and maternity.

7.1.2. At the rate of 100% are reimbursed the expenses for all services, except doctor's fees, received as a bed patient in a hospital, such as:  
bed and board, general nursing service, use of operating rooms and equipment, use of recovery rooms and equipment, laboratory examinations, X-ray examinations, drugs and medicines for use in the hospital.

### 7.1.3. Limitations

#### 7.1.3.1. Dental treatment

The cost of dental care, false teeth, crowns, bridges, other similar appliances and dento-facial orthopaedics is reimbursed only to a maximum of 600 USD per calendar year per insured. The cost of dento-facial orthopaedics is covered only if treatment is started before the patient has completed his fifteenth year.

#### 7.1.3.2. Special examinations and treatments

- the costs of psychiatric treatment including psychonalysis are reimbursable only if the patient is treated by a psychiatrist. These costs are reimbursable only at the rate of 50% and to a maximum reimbursement of 500 USD for not more than 50 visits per insured per calendar year.

- the costs of radiological treatment are reimbursable only if the patient has been referred to the specialist by the doctor in attendance.

### 7.1.4. Exclusions

Hearing aids, spectacles, fees for examination of the eye for glasses and costs of spa-cures are not reimbursed.

7.1.5. The aggregate reimbursement for expenses incurred per insured per calendar year shall not exceed 50,000 USD.

7.2. Death

In case of death resulting from either illness or accident the insurers will pay a capital sum equal to two times the insured's annual salary.

In case of death resulting from an accident an additional sum will be paid equal to 3 times the insured's annual salary.

7.3. Temporary incapacity for work

If as a result of accident or illness, an insured is certified medically unfit to perform his work, the insurers shall pay, after a continuous interruption in work of 180 days, a daily indemnity of 75% of his daily salary, up to the 1095th day of incapacity.

If the insured is able to resume work part-time, the indemnity shall be reduced accordingly, it being understood that when the incapacity becomes less than 50%, the indemnity shall be discontinued.

7.4. Permanent disability

When an insured becomes permanent disabled and suffers a consequential loss of earnings, he shall be paid an annuity by quarterly instalments in arrears.

The annuity shall amount to 66.66% of the salary if the permanent disability and consequential loss of earnings is at least 66.66%. If the permanent disability and consequential loss of earnings is less than 66.66%, the annuity shall be reduced accordingly, it being understood that if the permanent disability and consequential loss of earnings becomes less than 33.33%, the annuity shall be discontinued. The annuity shall be paid as long as the disability and loss of earnings continue, but up to the insured's 60th birthday at most.

8. Risks not covered:

- Consequences of an illness or injury due to a voluntary act or deliberate intention of the insured person, such as attempted suicide or voluntary mutilation.
- Risks to which insured persons are exposed who are mobilized or volunteer for military service in time of war.
- Wounds or injuries due to motorcar races or dangerous sports events for which gambling is authorized (risks involved in normal sports events are covered).
- Consequences of uprisings or riots if the insured person, by taking part therein, has violated existing laws, and the consequences of brawls, except in case of self-defense.

- Direct or indirect consequences of explosions, emission of heat or irradiation produced by transmutation of the nucleus of the atom or by radioactivity or resulting from radiation produced by the artificial acceleration of nuclear particles.

4. Currency:

The premiums, the reimbursements and the indemnities will be paid in USD.



Mr. Z. Felleke  
Secretary-General  
ARSO  
P.O. Box 57363  
Nairobi, Kenya

Dear Mr. Felleke,

RE: EMPLOYEE GROUP INSURANCE SCHEME - ECA-SPONSORED INSTITUTIONS

We thank you for your letter of September 3, 1984, from which we note that the ECA-Sponsored Institutions would like to consider our Group Insurance Program comprising of Group Life, Group Accidental Death and Dismemberment and Group Medical coverages.

In this connection, we are pleased to enclose a specimen of our Group Insurance proposal for the three coverages for your initial review. Specified proposals for each Institution will be prepared upon receipt of the necessary staff details as per the attached copy of our Group Employee Information Form.

I am not in a position at this stage to provide you with a French text of our proposal but this can be arranged for you at a later date.

Thank you for sending a list of the Institutions concerned and for your interest in our Group Plans.

Sincerely,

For: American Life Insurance Company, Kenya

Joseph K. Kibe  
Manager, Group Employee Benefits Department

cc: Mr. R.M. Carson - Executive Director  
ALICO, Kenya  
Nairobi

R. Fortier - Group Dept. Wilmington

Encls.

LIFE INSURANCE

DEATH BENEFIT

The amount of insurance shown in the Schedule of Benefits will be paid in the event of death from any cause. Arrangements may be made to have proceeds of the insurance paid in instalments.

BENEFICIARY

An individual may name anyone he desires as the beneficiary and he may change the beneficiary at any time.

SUICIDE

If any Employee commits suicide, while sane or insane, within one year from the date his coverage under this Rider commences, no benefits shall be payable.

CONVERSION PRIVILEGE

If an employee's insurance under this Rider terminates for any reason he shall be entitled to convert all or part of his insurance hereunder, without evidence of insurability, to an individual policy of life insurance, provided written application and the first premium payment is made to the insurance Company within 31 days from the date of such termination.

SCHEDULE OF BENEFITS

Amount of coverage  
per employee

For an amount in excess of KShs. an employee is required to submit evidence of insurability satisfactory to the Insurance Company before such excess becomes effective.

ACCIDENTAL DEATH  
AND  
DISMEMBERMENT INSURANCE  
BENEFITS PAYABLE

When an individual has an accident and, as a result of the accident, suffers from any of the losses shown below within 90 days, benefits will be paid as follows:

Loss of Life.....The Entire Amount

Loss of both hands,  
both feet, the sight  
of both eyes, or any  
combination of these.....The Entire Amount

Loss of one hand,  
one foot, or the  
sight of one eye.....One-Half the Amount

Payment for loss of life will be made to the named beneficiary. Payment for other losses will be made to the insured.

EXCLUSIONS

No payment shall be made under this section of the Policy for any loss resulting from or caused directly or wholly by:

*[Faint, illegible text, possibly a stamp or signature]*

**COST SUMMARY**

**Lives:**

**Volume:**

**Rate per 1000:**

**Estimated Monthly Premium:**

These cost illustrations are based on census data and underwriting information available this date. Final rates are based on the actual enrolment as of the Plan's effective date.

**MEDICAL INSURANCE**

**SCHEDULE OF BENEFITS & COST**

**MEDICAL ASSISTANCE INSURANCE PER INSURED**

- Daily Hospital Room & Board Benefit	KShs.....
No. of Days in Hospital	
Total Benefit per Hospitalization	KShs.....
- Hospital Services Benefit	KShs.....
- Surgical Expenses Benefit	KShs.....
- Anaesthesia Benefit	KShs.....
- In-Hospital Doctor's Visits,	
Maximum per Visit	KShs.....
Total Benefit per Hospitalization	KShs.....
- Maternity Benefits	
Normal Delivery/Miscarriage/Legal Abortion	KShs.....
Caeserean Operation	KShs.....
Ectopic	KShs.....

**SUPPLEMENTARY MAJOR MEDICAL INSURANCE PER INSURED**

- Maximum Benefit	KShs.....
- Deductible per Calendar Year per Insured	KShs.....
	KShs.....
- Daily Hospital Room & Board benefit	KShs.....
- Aggregate Out-Patient Benefit per Calendar Year	KShs.....
Doctor's Visit Maximum per visit	KShs.....
Maximum Number of Visits per Calendar Year per insured	
- Co-insurance	80/20%

**ANNUAL COST PER INSURED**

Medical Assistance	KShs.....
Supplementary Major Medical	KShs.....

## PLAN I

## MEDICAL INSURANCE

## SCHEDULE OF BENEFITS &amp; COST

## MEDICAL ASSISTANCE INSURANCE PER INSURED

- Daily Hospital Room & Board Benefit	KShs	250.00
No. of Days in Hospital		
Total Benefit per Hospitalization	KShs	17,500.00
- Hospital Services Benefit	KShs	2,000.00
- Surgical Exepnses Benefit	KShs	4,500.00
- Anaesthesia Benefit	KShs	1,125.000
- In-Hospital Doctor's Visits		
Maximum per Visit	KShs	100.00
Total Benefit per Hospitalization	KShs	7,000.00
- Maternity Benefits		
Normal Delivery/Miscarriage/Legal Abortion	KShs	1,200.00
Caeserean Operation	KShs	1,800.00
Ectopic	KShs	600.00

## SUPPLEMENTARY MAJOR MEDICAL INSURANCE PER INSURED

- Maximum Benefit	KShs	75,000.00
- Deductible per Calendar Year per Insured	KShs	200(while hosp. confined)
	KShs	400(not hosp. confined)
- Daily Hospital Room & Board benefit	KShs	250.00
- Aggregate Out-Patient Benefit per Calendar Year	KShs	Unlimited
Doctor's Visit Maximum per visit	KShs	100.00
Maximum Number of Visits per Calendar Year per insured		
- Co-insurance		80/20%

## ANNUAL COST PER INSURED

Medical Assistance	KShs	704.00
Supplementary Major Medical	KShs	390.00
<b>Total KShs.</b>		<b>1,094.00</b>

PLAN II

MEDICAL INSURANCE

SCHEDULE OF BENEFITS & COST

MEDICAL ASSISTANCE INSURANCE PER INSURED

- Daily Hospital Room & Board Benefit	KShs	350.00
No. of Days in Hospital	KShs	24,500.00
Total Benefit per Hospitalization		24,500.00
- Hospital Services Benefit	KShs.	4,000.00
- Surgical Expenses Benefit	KShs	10,000.00
- Anaesthesia Benefit	KShs	2,500.00
- In-hospital Doctor's Visits, Maximum per Visit	KShs	120.00
Total Benefit per Hospitalization	KShs	8,400.00
- Maternity Benefits		
Normal Delivery/Miscarriage/Legal Abortion	KShs	2,500.00
Caeserean Operation	KShs	3,750.00
Ectopic	KShs	1,250.00

SUPPLEMENTARY MAJOR MEDICAL INSURANCE PER INSURED

- Maximum Benefit	KShs	200.00
- Deductible per Calendar Year per Insured	KShs	200(while hosp. confined)
	KShs	400(not hosp. confined)
- Daily Hospital Room & Board benefit	KShs	425.00
- Aggregate Out-Patient Benefit per Calendar Year	KShs	Unlimited
Doctor's Visit Maximum per visit	KShs	120.00
Maximum Number of Visits per Calendar Year per insured		Unlimited
- Co-insurance		80/20%

ANNUAL COST PER INSURED

- Medical Assistance	KShs	965.00
- Supplementary Major Medical	KShs	888.00
Total KShs.		1,853.00