



CAK DECISION ON THE PROPOSED ACQUISITION OF 65% OF THE ISSUED SHARE CAPITAL IN TAKAFUL INSURANCE OF AFRICA LIMITED BY TAMINI S.A.

1. The Competition Authority of Kenya has approved the proposed acquisition of 65% of the issued share capital in Takaful Insurance of Africa Limited by Tamini Insurance S.A, unconditionally, given that the transaction is unlikely to negatively impact competition in the market for the provision of general insurance services in Kenya, nor elicit negative public interest concerns.
2. Tamini Insurance S.A, the acquiring undertaking, is a private limited liability company incorporated in Djibouti. The acquirer's Kenyan entities are involved in monetary intermediation - investment banking and microfinance banking activities.
3. Takaful Insurance of Africa Limited, the target undertaking, is a company incorporated in Kenya. It is involved in the general insurance business.
4. The proposed transaction involves the acquisition of 65% of the issued share capital in Takaful Insurance of Africa Limited by Tamini Insurance S.A. The transaction qualified as a merger within the meaning of sections 2 and 41 of the [Competition Act Cap 504 of the Laws of Kenya](#).
5. The Act stipulates that a merger, or takeover, may occur when an undertaking directly or indirectly acquires control over another business within Kenya. This may happen through, among others, purchase/lease of shares, exchange of shares, vertical integration.
6. Further, merging parties whose combined turnover or assets, whichever is higher, is over KES 1 Billion are required to seek approval from the Authority prior to implementing the proposed transaction. The transaction between Tamini Insurance S.A, and Takaful Insurance of Africa Limited met this threshold for mandatory notification and full analysis as provided in the [Competition \(General\) Rules, 2019](#).
7. During merger analysis, and in order to determine the impact that a transaction will have on competition, the Authority identifies the relevant product market as well as the relevant geographical market.



8. The relevant product market comprises products/services that are interchangeable or substitutable by the consumer due to their characteristics, prices and/or intended use. Based on this criterion, the relevant product market for the proposed transaction is the **market for provision of general insurance services**.
9. Determination of the relevant geographic market involves interrogating the area in which merging parties undertake the business and in which competition conditions are sufficiently similar. The target offers its services in specific counties spread out within the country. Therefore, the relevant geographic market is **national**.
10. The insurance sector is governed by the Insurance Act and regulated by the Insurance Regulatory Authority (IRA). The IRA enforces the standards and conduct of insurance and reinsurance businesses in Kenya. In Kenya, the insurance market is grouped into two: life insurance and non-life (general) insurance. Non-life insurance is further divided into 11 classes; aviation, public liability, engineering, fire domestic, fire industrial, marine, motor private, motor commercial, theft workman's compensation, medical and miscellaneous.
11. In 2023, there were 61 insurance and reinsurance companies registered by the IRA. This comprised of 32 underwriters conducting general insurance business, 20 conducting long term insurance business, 3 composite insurance companies (conducting both long term and general business), 1 microinsurance company, 3 composite reinsurers and 3 reinsurers conducting general reinsurance.
12. Licensed insurance entities in 2023 included: AAR Insurance, AMACO, AIG Kenya, APA Insurance, Britam, Cannon General Insurance, CIC General Insurance, Corporate Insurance Company, Directline Assurance, Fidelity Shield Insurance, First Assurance Company, Geminia Insurance, and Takaful Insurance.
13. The market shares are illustrated below:



interest issues. Specifically, with regards to employment, the parties have submitted that the proposed transaction is not anticipated to lead to job losses.

18. Premised on the above, the Authority approved the proposed acquisition of 65% of the issued share capital in Takaful Insurance of Africa Limited by Tamini Insurance S.A unconditionally.

