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WIBA (WORK INJURY BENEFITS ACT) INSURANCE

**Protect Your Employees, Secure Yourself & Your
Business**



For All Employers Anywhere

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Licensed by Insurance Regulatory Authority (IRA)

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EXECUTIVE SUMMARY

WIBA (Work Injury Benefits Act) Insurance is **MANDATORY by law** for ALL employers in Kenya, regardless of company size or number of employees. This insurance protects employers from devastating compensation claims when employees suffer work-related injuries, disabilities, or death. Without WIBA insurance, employers face massive compensation payments, criminal prosecution, heavy fines up to Ksh 2,000,000, imprisonment up to 3 years, and business closure.

The Problem: Many Kenyan employers are unaware that WIBA is mandatory or falsely believe they're too small to need it. When an employee is injured or killed at work, employers without WIBA face financial catastrophe: compensation claims of Ksh 500,000 to 10,000,000+, criminal charges with potential imprisonment, KRA penalties and business license suspension, and personal liability that can bankrupt business owners and directors.

The Solution: Comprehensive WIBA insurance covering all employees for work-related injuries, permanent disabilities, occupational diseases, and death. Insurance pays all compensation directly, covers medical expenses, provides funeral benefits, and protects employers from legal penalties and financial ruin.

Investment: From Ksh 15,000 annually for small businesses (5 employees) to Ksh 2,000,000+ for large companies or high-risk industries, based on number of employees, salary levels, industry risk classification, and claims history.

LEGAL REQUIREMENT - THIS IS NOT OPTIONAL

Work Injury Benefits Act 2007 (WIBA)

Section 56: Compulsory Insurance

"Every employer shall insure and maintain insurance under an approved policy with an approved insurer in respect of any liability which the employer may incur under this Act to any employee."

Translation: If you employ even ONE person, WIBA insurance is MANDATORY BY LAW.

PENALTIES FOR NON-COMPLIANCE

Criminal Penalties (Section 56(3) of WIBA Act)

For Operating Without WIBA Insurance:

- **Fine:** Up to Ksh 2,000,000
- **Imprisonment:** Up to 3 years
- **OR BOTH** fine and imprisonment

These penalties apply to:

- Company directors personally
 - Business owners
 - Managing directors
 - HR managers responsible for compliance
-

Civil Penalties

If Employee Injured Without WIBA:

- Employer pays 100% of compensation out-of-pocket (no insurance protection)
 - Compensation can range from Ksh 500,000 to Ksh 10,000,000+ depending on injury severity
 - Medical expenses unlimited until employee recovers
 - Lost wages must be paid monthly during incapacity
 - No Installment payments—lump sum compensation required immediately
-

Administrative Penalties

Business Disruption:

- KRA may suspend business licenses and permits
 - Unable to participate in government tenders (WIBA certificate required)
 - Bank credit facilities denied (banks require WIBA compliance)
 - Corporate clients refusing contracts without WIBA proof
 - NSSF and NHIF may report non-compliance to authorities
-

YOUR CURRENT SITUATION

Without WIBA Insurance, One Work Accident Can Destroy Your Business:

Scenario 1: Construction Worker Falls from Scaffolding

- Employee falls 15 feet, breaks spine, becomes paraplegic (permanent total disability)
- **Compensation required:** Ksh 8,000,000 (based on age and earning capacity)
- **Medical expenses:** Ksh 2,500,000 (surgeries, ICU, rehabilitation)
- **Total employer liability:** Ksh 10,500,000
- **Plus, criminal prosecution:** Potential Ksh 2M fine and 3 years imprisonment for directors

Scenario 2: Factory Worker Loses Hand in Machine

- Employee's hand severed in machinery accident (permanent partial disability - 60% loss of earning capacity)

- **Compensation required:** Ksh 4,200,000
- **Medical expenses:** Ksh 850,000
- **Lost wages during recovery (6 months):** Ksh 180,000
- **Total employer liability:** Ksh 5,230,000

Scenario 3: Driver Dies in Work-Related Accident

- Company driver killed in road accident while on duty
- **Compensation to dependents:** Ksh 6,500,000 (wife and 3 children)
- **Funeral expenses:** Ksh 300,000
- **Outstanding medical bills:** Ksh 180,000
- **Total employer liability:** Ksh 6,980,000
- **Plus, criminal prosecution for non-compliance**

Real Case Study: ABC Ltd, 45 employees, operated without WIBA to "save costs" (annual premium would have been Ksh 180,000). Worker fell from scaffolding, broke spine, became paraplegic. Court awarded Ksh 8.2M compensation. Company also faced:

- Ksh 1.5M criminal fine
- 18 months imprisonment (suspended) for directors
- Ksh 500,000+ legal fees
- **Total cost: Ksh 10.2M+ plus destroyed reputation**

Company had Ksh 2.8M in accounts and assets worth Ksh 3.5M. Had to take Ksh 4M emergency loan at 22% interest (monthly repayments Ksh 150K). Business struggled for 3 years, laid off 20 employees, nearly closed. Annual WIBA premium of Ksh 180K would have covered everything—one claim justified 56+ years of premiums.

THE RECOMMENDED SOLUTION

Comprehensive WIBA Insurance Coverage

What WIBA Insurance Covers:

1. Permanent Total Disability (100% Loss of Earning Capacity)

Examples: Paraplegia, quadriplegia, total blindness, loss of both hands/legs, severe brain damage

2. Permanent Partial Disability (Percentage Loss of Earning Capacity)

Examples: Loss of one limb, one eye, hearing, finger(s), partial paralysis

3. Temporary Total Disability (Unable to Work During Recovery)

Employee completely unable to work while recovering from injury

4. Death Benefits

Employee dies from work-related accident or occupational disease

5. Medical Expenses

All reasonable medical costs related to work injury:

- Hospitalization and surgeries
- Doctor consultations and specialist care
- Medications and medical supplies
- Physiotherapy and rehabilitation
- Prosthetics and mobility aids
- Transport to medical facilities

NO LIMIT on medical expenses until employee recovers or is certified permanently disabled

6. Funeral Expenses

Reasonable funeral costs if employee dies from work injury

7. Occupational Diseases

Coverage for illnesses directly caused by work environment:

- Lung diseases (silicosis, asbestosis) in mining/construction
- Hearing loss in noisy environments
- Chemical poisoning
- Repetitive strain injuries
- Skin conditions from workplace chemicals
- Diseases specified in WIBA Act Schedule

WHAT QUALIFIES AS "WORK INJURY"

Covered Injuries:

- Accidents in workplace during working hours
- Accidents during lunch breaks at workplace
- Injuries while traveling for work purposes
- Injuries in company vehicles
- Injuries during company-sponsored events
- Injuries at off-site work locations
- Injuries during work training
- Occupational diseases from work exposure
- Aggravation of pre-existing conditions due to work

Not Covered (Standard Exclusions):

- Self-inflicted injuries or suicide

- Injuries caused by employee's intoxication (drugs/alcohol)
- Injuries from employee's wilful misconduct
- Injuries during criminal acts
- Injuries from fighting/horseplay initiated by employee
- Pre-existing conditions not aggravated by work
- Injuries during commute to/from work (unless in company transport)

WHO MUST BE COVERED

Mandatory Coverage for:

- ALL permanent employees (full-time)
- ALL temporary employees
- ALL casual workers
- ALL contract workers
- ALL probationary employees
- Part-time employees
- Interns and apprentices
- Directors working in operational roles
- Family members employed in family business
- Domestic workers (house helps, gardeners, drivers, nannies)

The Law is Clear: If they receive ANY wage/salary from you, they **MUST** be covered under WIBA.

INDUSTRY RISK CLASSIFICATIONS AND PREMIUMS

WIBA premiums vary significantly by industry risk level:

Industry Classification (2025 Rates)

Risk Category	Industries	Premium Rate (% of Annual Payroll)
Class 1 (Lowest Risk)	Office-based: IT, consulting, accounting, law firms, real estate, insurance, banking	0.3% - 0.5%
Class 2 (Low Risk)	Retail shops, supermarkets, hotels, restaurants, schools, hospitals (non-clinical staff)	0.6% - 1.0%
Class 3 (Medium Risk)	Light manufacturing, warehousing, transport, security services, clinical healthcare workers	1.2% - 2.0%
Class 4 (High Risk)	Construction, heavy manufacturing, mining, logging, steel fabrication, chemical plants	2.5% - 4.0%
Class 5 (Highest Risk)	Explosives, deep mining, high-altitude construction, hazardous chemical handling	4.5% - 6.0%

Premium Calculation Formula:

Annual WIBA Premium = Total Annual Payroll × Industry Rate Percentage

OUR ROLE AS YOUR WIBA INSURANCE ADVISOR

What We Do for You:

- Seek cover with your preferred insurer or recommend best fit insurer for your needs (if you have no one)
 - Handle documentations and submission to insurer
 - Secure best possible rates
 - Obtain insurance policy on payment of premiums
 - Reminder before policy expiration (no lapse)
 - Re-compare providers yearly (rates change)
 - Coordinate seamless renewal
 - Guide you through claims process
 - Ensure proper documentation
 - Follow up with insurer
 - Fight denied claims (appeal if wrongfully denied)
-

No Advisory Fees:

You pay nothing for my services - providers pay my commission. You pay the same premium direct or through me—but gain expert guidance, needs analysis, and claims advocacy.

FREQUENTLY ASKED QUESTIONS

Q1: I only have 2 employees. Do I really need WIBA insurance?

A: YES. The law is clear: "Every employer" must have WIBA insurance, regardless of number of employees. Whether you have 1 employee or 1,000, WIBA is MANDATORY.

Example: Nairobi family with 1 house help (earning Ksh 15,000/month). House help fell down stairs while cleaning, broke leg, unable to work for 4 months.

Without WIBA:

- Temporary disability: $\text{Ksh } 15,000 \times 4 = \text{Ksh } 60,000$
- Medical expenses: Ksh 180,000
- Plus, criminal liability for non-compliance
- **Total: Ksh 240,000 + criminal penalties**

With WIBA (Annual premium: Ksh 7,200):

- Insurance paid all medical expenses
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- Insurance paid 4 months wages
- Family paid zero out-of-pocket

Even for 1 domestic worker, WIBA is cheaper than one accident claim.

Q2: What's the difference between WIBA and Group Personal Accident (GPA) insurance?

A: Critical differences:

Aspect	WIBA	Group Personal Accident (GPA)
Legal Requirement	MANDATORY by law	Optional (good to have)
Coverage Trigger	Work-related injuries only	24/7 coverage (work and personal)
Compensation Basis	Based on actual wages (unlimited)	Fixed benefit amounts
Medical Expenses	Unlimited until recovery	Fixed limits (e.g., Ksh 500K)
Employer Protection	Protects from liability	Does NOT protect from WIBA liability
Premium	Based on payroll	Based on number of lives

Important: GPA does NOT replace WIBA. Even with GPA, you MUST still have WIBA to comply with law.

Best Practice: Have BOTH—WIBA for legal compliance and liability protection, GPA for enhanced employee benefits.

Q3: Can I exclude high-risk employees to reduce premiums?

A: NO. WIBA must cover ALL employees without exception. Attempting to exclude employees is:

- Illegal
- Voids your entire policy
- Exposes you to criminal prosecution
- Leaves you personally liable for excluded employees' injuries

Insurers classify your entire business by industry risk. You cannot pick and choose which employees to cover.

Q4: What if my employee was injured due to their own negligence or carelessness?

A: Employee still covered (with limited exceptions). WIBA is a "no-fault" system—compensation paid regardless of who caused the accident, as long as injury occurred during work.

Exceptions (Not Covered):

- Employee was intoxicated (drugs/alcohol)
- Employee's wilful misconduct or criminal act
- Self-inflicted injuries
- Fighting/horseplay initiated by employee

For most workplace accidents, employee negligence does NOT void coverage. The purpose of WIBA is to protect injured workers, not punish them for mistakes.

Q5: How do I calculate my annual payroll for premium purposes?

A: Include ALL compensation to employees - **Formula:**

Annual Payroll = (Total Monthly Gross Wages to All Employees) × 12

Important: Accurate payroll declaration is critical. Under-declaring to reduce premiums is:

- Insurance fraud
 - Voids your policy
 - Exposes you to full liability
 - Can lead to criminal prosecution
-

Q6: What if I hire casual workers occasionally? Do they need WIBA coverage?

A: YES. Casual workers must be covered from day one of employment.

Important: Don't skip WIBA for casuals thinking "they're only here a few days." Accidents don't wait. One day without coverage can lead to catastrophic liability.

Q7: When employee leaves, do I get refund for unused coverage?

A: Generally, no for mid-year departures, but you adjust at annual renewal.

How It Works:

- Initial premium based on projected annual payroll
- Throughout year: Employees join, leave, get salary increases
- At policy renewal: Declare actual payroll for past year
- Insurer adjusts premium (refund if overpaid, additional premium if underpaid)

Best Practice: Notify insurer monthly of payroll changes. Some insurers allow quarterly adjustments for significant changes (e.g., retrenching 30% of workforce).

Q8: What documents do I need to make a WIBA claim?

For ALL Claims:

- Completed claim form (from insurer)
- Police abstract (if accident involves crime, assault, or vehicle)
- Employer's incident report
- Witness statements
- Medical reports and certificates
- Employment contract or proof of employment
- Payslips (last 3-6 months)

For Death Claims (Additional):

- Death certificate
- Post-mortem report
- Dependents' identification documents
- Marriage certificate (for spouse claims)
- Children's birth certificates

For Disability Claims (Additional):

- Medical board assessment report
- Specialist medical reports
- X-rays, scans, and diagnostic images
- Permanent disability certification

My Support: I assist with complete claims documentation, liaise with insurers, follow up on processing, and ensure maximum claim settlement.

OUR ROLE AS YOUR DOMESTIC PACKAGE INSURANCE ADVISOR

What We Do for You:

- Seek cover with your preferred insurer or recommend best fit insurer for your needs (if you have no one)
- Handle documentations and submission to insurer
- Secure best possible rates
- Obtain insurance policy on payment of premiums
- Reminder before policy expiration (no lapse)
- Re-compare providers yearly (rates change)
- Coordinate seamless renewal
- Guide you through claims process
- Ensure proper documentation
- Follow up with insurer
- Fight denied claims (appeal if wrongfully denied)

No Advisory Fees:

You pay nothing for my services - providers pay my commission. You pay the same premium direct or through me—but gain expert guidance, needs analysis, and claims advocacy.

CONTACT ME TODAY

Don't risk criminal prosecution, massive compensation claims, and business closure. WIBA insurance is MANDATORY by law.

WIBA insurance costing Ksh 15,000 - 2,000,000 annually (depending on payroll) protects your business from compensation claims exceeding Ksh 10 million and keeps you legally compliant. It's not optional—it's the law.

WIBA Insurance is MANDATORY by law for ALL employers in Kenya. Protects your business from devastating compensation claims, criminal prosecution, and financial ruin when employees are injured at work. Don't operate illegally—get compliant today.

Get Your WIBA Quote Now - Contact Me Today

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