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CORPORATE GROUP MEDICAL INSURANCE

Protect Your Team, Strengthen Your Business



For SMEs & Corporate Employers / Members

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EXECUTIVE SUMMARY

A **Group Medical Scheme** is employer-sponsored health insurance covering multiple employees under one policy. It's one of the most valued employee benefits in Kenya and a powerful tool for attracting and retaining talent.

The Business Case:

- For Employers: 20-40% cheaper than individual policies, tax-deductible expense, improved productivity
- For Employees: Comprehensive healthcare at subsidized cost, family coverage options
- For Self-Employed: Can create "group of one" or join association schemes

Key Benefits:

- Cost savings: Example Ksh 90,000/employee (group) vs Ksh 140,000 (individual) for same coverage
- Tax efficiency: Employer contributions 100% tax-deductible as business expense
- Talent magnet: Medical cover is #2 benefit employees want (after salary)

Compliance: Supplements mandatory SHIF with quality private healthcare

Your Challenge:

Attracting and retaining top talent in Kenya's competitive job market requires more than just salary. Employees demand comprehensive medical benefits. Yet 68% of SMEs struggle with healthcare costs, and many face SHIF compliance penalties while their teams remain underinsured. The risks associated with these include:

- Loss of skilled employees to competitors offering better benefits
- Face SHIF non-compliance penalties: employers can be fined up to Ksh 2,000,000 or imprisoned up to 3 years, or both
- Experience productivity losses when staff can't afford quality healthcare
- Bear unexpected costs when employees suffer medical emergencies

Our Solution:

Affordable, comprehensive Group Medical Insurance schemes that protect your employees, ensure SHIF compliance, improve retention by 35%+, and cost 40-60% less than individual policies.

Key Benefits:

- **SHIF Compliance** – avoid severe legal penalties (up to Ksh 2M or 3 years imprisonment)
- **Attract & Retain Talent** – medical benefits are the #2 priority after salary
- **Tax Deductible** – group premiums are 100% business expenses
- **40-60% Cost Savings** vs individual policies per employee

- **Enhanced Productivity** – healthy employees = better performance
- **Additional Tax Relief** – private insurance premiums qualify for 15% relief (max Ksh 5,000/month per employee)

Investment:

From Ksh 30,000 per employee annually for comprehensive cover. **Note:** This is indicative rate, actual premiums vary by age, staff demographics, health, industry, provider and other premium factors.

Why Act Now:

Medical inflation at 15% means premiums increase yearly. SHIF enforcement is intensifying with much stiffer penalties (up to Ksh 2M or imprisonment). Your competitors are already offering these benefits.

YOUR BUSINESS SITUATION

Typical Client Profile:

- Business Size: 10-500 employees
- Sector: All industries (manufacturing, tech, services, retail, etc.)
- Current Status: Basic SHIF only, no group medical cover, or inadequate coverage

Gaps We Identify:

- SHIF compliance confusion and administrative burden
- Risk of severe penalties (Ksh 2M fine or 3 years imprisonment for non-compliance)
- No comprehensive medical cover for employees and dependents
- High employee turnover due to inadequate benefits
- Lost productivity from untreated health conditions
- Emergency medical loans disrupting payroll

Your Business Objectives:

1. **Compliance** – Meet SHIF obligations seamlessly and avoid criminal penalties
2. **Retention** – Reduce turnover and recruitment costs
3. **Productivity** – Keep your team healthy and focused
4. **Cost Control** – Predictable healthcare expenses
5. **Competitive Edge** – Stand out as an employer of choice

WHY GROUP MEDICAL INSURANCE MATTERS

The Business Case

Financial Impact of No Coverage:

- Employee medical emergency: Ksh 500K-2M out-of-pocket → requests for salary advances
- SHIF non-compliance: **Penalties up to Ksh 2,000,000 per violation OR imprisonment up to 3 years, OR both**
- Late payment penalties: 2% per month accumulating on unpaid contributions
- Annual turnover cost: Ksh 200K-800K per employee to recruit and train replacements
- Productivity loss: 15-25 sick days annually when healthcare is inaccessible

Return on Investment:

- **Employee retention improves 35%+** – reducing recruitment costs by Ksh 2-5M annually
- **Productivity increases 20%** – healthy teams perform better
- **Absenteeism drops 30%** – fewer sick days, faster recovery
- **Employer brand strengthens** – easier to attract top talent

Legal Compliance

SHIF Requirements (Mandatory):

All employers must:

- Register all employees with SHIF
- Monthly contributions: 2.75% of gross salary
- Remit contributions on time to avoid penalties

Penalties for Non-Compliance (Employers):

- Failure to remit contributions: Fine up to **Ksh 2,000,000** or imprisonment up to **3 years**, or both
- Late payment penalty: **2% per month** on unpaid contributions
- This is a serious criminal offense under the Social Health Insurance Act

Penalties for Non-Compliance (Employees):

- Individual non-registration: 2% penalty accumulating per month defaulted

Our service ensures seamless compliance and protects your business from these severe penalties.

Why SHIF Alone Isn't Enough

SHIF covers only basic government facility services. Your employees need:

- Access to quality private hospitals
- Specialist consultations
- Chronic disease management
- Family coverage (spouse + children)

OUR SOLUTION: COMPREHENSIVE GROUP MEDICAL SCHEMES

What's Included

Core Coverage (All Plans):

- Inpatient care: Hospital admission, surgery, ICU, medications
- Outpatient care: Consultations, diagnostics, prescriptions
- Maternity cover: Normal delivery, C-section, antenatal/postnatal
- Dental & optical: Annual check-ups, treatments, glasses
- Chronic disease management: Diabetes, hypertension, asthma
- Emergency evacuation: Ambulance services
- Last expense benefit: Funeral support

Additional Benefits:

- Dependents covered: Spouse + children per employee
- Cashless treatment at 150+ hospitals nationwide
- 24/7 medical helpline
- Annual health screening
- HIV/AIDS treatment included

Coverage Tiers for Your Business

Plan	Annual Limit	Cost Per Employee	Best For
Essential	Ksh 500K	Ksh 30,000/year	Start-ups, tight budgets, junior staff
Standard	Ksh 1.5M	Ksh 48,000/year	SMEs, balanced protection
Premium	Ksh 5M	Ksh 85,000/year	Corporates, senior management, comprehensive needs

Prices shown are indicative for employees aged 30-40. Final premiums depend on staff demographics, industry, and chosen provider.

Flexible Options - Employee Contribution Models:

1. **100% Employer Paid** – Full benefit, maximum attraction/retention impact
2. **Cost Sharing** – Employer pays 70-80%, employee contributes 20-30%
3. **Tiered Benefits** – Different plans for management vs. junior staff

TAX BENEFITS FOR EMPLOYERS

Business Expense Deduction - Group medical premiums are 100% tax-deductible as business expenses, effectively reducing your net cost by 30% (corporate tax rate).

Example:

Gross annual premium for 50 employees: Ksh 2,400,000

Tax savings (30% corporate rate): Ksh 720,000

Net cost after tax: Ksh 1,680,000 (Ksh 140,000/month)

Insurance Premium Relief (Section 31, Income Tax Act) - Employees can also claim **15% relief** on their portion of premiums (if cost-sharing model):

- Relief rate: 15% of employee contribution
- Maximum relief per employee: Ksh 5,000/month (Ksh 60,000/year)
- This makes cost-sharing models even more attractive to employees

SHIF Contributions are **fully tax-deductible** as an allowable deduction, not just a relief. This further reduces your company's taxable income.

MY ROLE AS YOUR INDEPENDENT FINANCIAL ADVISOR

- Compare corporate group medical insurance providers for your specific team demographics
- Negotiate volume discounts
- Handle all enrolment and administration
- Provide ongoing claims support
- Conduct annual reviews and renewals

No Advisory Fees:

Providers pay me commission at no extra cost to you. Your premium is the same direct or through me, but you gain expert guidance and ongoing support. My services are commission-based and aligned with your success—I only earn when you're properly protected.

COST ANALYSIS & VALUE

Sample Cost Breakdown (50 Employees)

Scenario: Manufacturing Company, 50 Employees

Coverage Level	Cost Per Employee	Annual Total	Monthly Budget
Essential (Ksh 500K)	Ksh 30,000	Ksh 1,500,000	Ksh 125,000
Standard (Ksh 1.5M)	Ksh 48,000	Ksh 2,400,000	Ksh 200,000
Premium (Ksh 5M)	Ksh 85,000	Ksh 4,250,000	Ksh 354,000

Net Cost After Tax (Standard Plan)

Gross annual premium: Ksh 2,400,000

Tax savings (30%): Ksh 720,000

Net cost: Ksh 1,680,000 (Ksh 140,000/month)

Cost vs Individual Policies

Without Group Scheme:

50 employees buying individual policies: Ksh 80,000 each = **Ksh 4,000,000 total**

With Group Scheme:

50 employees under group policy: Ksh 48,000 each = **Ksh 2,400,000 total**

Your Savings: Ksh 1,600,000 annually (40% discount)

What You Avoid

Risk	Cost Without Insurance	Protected With Insurance
Employee medical emergency	Ksh 1M salary advance	Fully covered
SHIF non-compliance penalty	Up to Ksh 2M fine or 3 years imprisonment	Zero – compliant
Employee turnover (5 staff)	Ksh 2.5M recruitment costs	35% reduction
Lost productivity	Ksh 1M+ annually	20% improvement

REAL CLIENT SUCCESS STORIES

Case 1: Kibera Tech Solutions (85 Employees)

Before:

- SHIF only, no private medical cover
- High turnover: 28% annually
- Lost 2 key developers to competitors offering medical benefits
- SHIF compliance audit revealed gaps – faced potential Ksh 2M penalties and prosecution risk

Solution Implemented:

- Standard group plan: Ksh 48,000 per employee
- Total investment: Ksh 4,080,000/year
- SHIF compliance resolved, avoiding criminal penalties

Results After 12 Months:

- Turnover dropped to 12% – saved Ksh 3.2M in recruitment
 - Employee satisfaction score increased 42%
 - Zero SHIF penalties or legal issues
 - **ROI: Every Ksh 1 invested returned Ksh 1.78 in savings**
-

Case 2: Machakos Manufacturing (120 Employees)

Before:

- No group medical cover
- When factory supervisor died, family received no support
- Union threatened strike over lack of benefits
- CBA required 4x salary GLI + medical benefits – not implemented
- Employer faced potential SHIF penalties for late remittances

Solution Implemented:

- Group medical: Ksh 45,000 per employee (Ksh 5.4M/year)
- Group Life Insurance added: Ksh 900,000/year
- SHIF compliance system established

Results:

- Union satisfied, strike averted
 - CBA compliance achieved
 - SHIF compliance maintained – no penalties
 - When employee injured at work, medical costs fully covered (would have been Ksh 850,000)
-

- Employee morale improved dramatically
- **Production output increased 18%**

COMMON MISTAKES EMPLOYERS MAKE

Mistake 1: Thinking SHIF is Enough

SHIF covers only basic government facilities. Employees need quality private healthcare. Plus, non-compliance now risks Ksh 2M fines or imprisonment.

Mistake 2: Choosing Based Only on Price

Cheapest option often means limited networks, slow claims, unhappy employees.

Mistake 3: Not Planning for Employee Growth

Start with scalable solutions that accommodate business expansion.

Mistake 4: Poor Communication to Staff

Employees don't appreciate benefits they don't understand – we provide employee education.

Mistake 5: No Annual Reviews

Workforce demographics change, coverage needs adjustment – we handle annual optimization.

FREQUENTLY ASKED QUESTIONS

Q: What's the minimum number of employees required?

A: Most providers require minimum 10 employees. Below 10, we can arrange special SME packages.

Q: Are part-time or contract staff eligible?

A: Yes, but terms vary by provider. We'll advise on the best approach.

Q: What if an employee has a pre-existing condition?

A: Group schemes typically cover all employees without individual medical screening, subject to waiting periods (usually 12 months for pre-existing conditions).

Q: Can employees add extra dependents?

A: Yes, at additional cost per dependent. We'll provide pricing.

Q: What happens when an employee leaves?

A: Coverage ends on their last day. Some providers offer individual continuation options.

Q: Do premiums increase every year?

A: Yes, typically by 8-15% due to medical inflation and claims experience. We negotiate to minimize increases.

Q: Can we change providers?

A: Yes, annually at renewal. We continuously monitor the market for better options.

Q: What are the exact SHIF penalties we're avoiding?

A: Employers face fines up to **Ksh 2,000,000** OR imprisonment up to **3 years**, OR both for failure to remit. Late payments attract 2% monthly penalties. We ensure full compliance.

YOUR NEXT STEP

Protect Your Team. Strengthen Your Business.

Every day without group medical cover, you risk:

- Losing talent to competitors
- Severe SHIF penalties (up to Ksh 2M or imprisonment)
- Medical emergencies disrupting operations
- Missing tax deduction benefits

Get Your Custom Quote in Now - Contact Me Today

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*"Your employees are your greatest asset. Protecting their health protects your business. Let me show you how affordable comprehensive coverage can be – while keeping you fully compliant and avoiding severe penalties." - **Simon Muchiri, Comely Global Insurance Agency Ltd***

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