



INSURANCE PREMIUM FINANCE TERMS AND CONDITIONS

Branch Microfinance Bank Limited (“Branch MFB”)

1. Definitions

In these Terms and Conditions, unless the context otherwise requires:

“Bank” means Branch Microfinance Bank Limited, a licensed microfinance bank in Kenya.

“Customer” means an individual or entity approved for Insurance Premium Finance.

“Facility” means the insurance premium financing advanced by the Bank.

“Insurer” means a licensed insurance company approved by the Bank.

“Policy” means the insurance policy issued in respect of the financed premium.

“Policy Assignment” means the legal assignment of the Policy and any refunds to the Bank as security.

2. Nature of the Facility

2.1 The Facility is a short-term credit facility provided solely for the purpose of financing an insurance premium.

2.2 The Bank shall pay the approved portion of the premium directly to the Insurer on behalf of the Customer.

2.3 The Customer acknowledges that Branch MFB does not provide insurance services and is not a party to the insurance contract.

3. Eligibility

To qualify for the Facility, the Customer must:

- a) Be at least 21 years of age
- b) Hold an active Branch MFB account
- c) Provide a valid insurance quotation or invoice from a licensed insurer
- d) Demonstrate acceptable creditworthiness

The Bank reserves the right to approve or decline any application at its sole discretion.

4. Facility Amount and Tenor

4.1 The Bank may finance up to 70 percent of the insurance premium.

4.2 Facility amounts shall range from KES 20,000 to KES 2,000,000.

4.3 Repayment tenors shall range from 3 to 10 months, as specified in the Offer Letter.

5. Interest, Fees, and Charges

5.1 Interest shall be charged at the rate specified in the Offer Letter.

5.2 Interest may be calculated on a reducing balance or flat basis, as disclosed to the Customer prior to acceptance of the Facility.

5.3 The Customer shall be responsible for all insurance-related charges imposed by



the Insurer, as well as any applicable taxes or statutory fees.

5.4 Late payment penalties shall apply as communicated in the Offer Letter.

6. Repayment

6.1 Repayments shall be made through automatic deductions from the Customer's Branch MFB account.

6.2 The Customer irrevocably authorises the Bank to debit their account for all amounts due under the Facility.

6.3 Failure to maintain sufficient funds in the account shall constitute a default.

7. Security – Policy Assignment

7.1 As security for the Facility, the Customer assigns the Policy and any refunds or claim proceeds to the Bank until full repayment of all outstanding amounts.

7.2 Any refund arising from policy cancellation or adjustment shall be paid to the Bank and applied toward settlement of the outstanding Facility.

7.3 Any surplus remaining after full settlement shall be remitted to the Customer.

8. Early Cancellation

8.1 If the Policy is cancelled before full repayment of the Facility:

a) Any unearned premium refunded by the Insurer shall be applied toward settlement of the outstanding balance

b) Any remaining balance shall become immediately due and payable

8.2 The Bank shall not be responsible for delays, disputes, or administrative actions by the Insurer relating to refunds.

9. Events of Default

An Event of Default occurs if the Customer:

a) Fails to make any payment when due

b) Provides false, misleading, or incomplete information

c) Breaches these Terms and Conditions or the Offer Letter

d) Becomes insolvent, enters liquidation, or ceases operations

10. Remedies on Default

Upon the occurrence of an Event of Default, the Bank may:

a) Suspend or cancel the insurance policy

b) Apply any refunds toward settlement of the outstanding Facility

c) Initiate recovery actions in accordance with applicable laws and regulations

11. Risk Disclosure

The Customer acknowledges and agrees that:

a) Insurance cover may lapse upon default

b) Policy cancellation may expose the Customer to uninsured risks

c) The Bank does not guarantee insurer performance, claims settlement, or policy



validity

12. Data Protection

12.1 The Customer consents to the collection, processing, and sharing of personal and business data in accordance with the Data Protection Act, 2019 (Kenya).

12.2 Data may be shared with insurers, credit reference bureaus, regulators, and service providers for lawful purposes.

13. Limitation of Liability

The Bank shall not be liable for any loss arising from:

- a) Decisions or actions of the Insurer
- b) Delays in policy issuance, endorsement, or refunds
- c) Indirect, incidental, or consequential damages

14. Amendments

The Bank may amend these Terms and Conditions from time to time upon notice to the Customer. Continued use of the Facility shall constitute acceptance of the amended terms.

15. Governing Law and Jurisdiction

These Terms and Conditions shall be governed by the laws of the Republic of Kenya. Any dispute arising shall be subject to the exclusive jurisdiction of the courts of Kenya.

These Terms and Conditions shall be governed by the laws of the Republic of Kenya.

16. Any dispute arising out of or in connection with these Terms shall first be referred to mediation. If the dispute is not resolved within thirty (30) days, it shall be finally resolved by arbitration in accordance with the Kenya Arbitration Act, conducted in Nairobi, and in the English language. Nothing herein shall prevent either party from seeking urgent interim relief from the courts of Kenya, which shall otherwise have exclusive jurisdiction.