

COUNTY ASSEMBLY OF SAMBURU



THE HANSARD

Wednesday, 9th September, 2020

The Assembly met at the County Assembly chambers at 2:30 p.m.

The Speaker, County Assembly of Samburu, (Mr. Lempere Solomon) in the Chair

PRAYER

QUESTIONS AND STATEMENTS

Chairperson Labour Relations Committee, (Hon. Edwin Lesiyampe): Mr. Speaker Sir, I beg to respond to the status of the MCA Car loans and Mortgage policy as sought by Hon. Fred Kanyiri Kiragu, MCA Maralal Ward.

Mr. Speaker sir, on answering question one regarding whether there is insurance to the County Assembly of Samburu Car loans and Mortgage on its residential property reference is made on clause 16 section 1 of our regulations which reads *a borrower shall take out and maintain a mortgage protection and a fire policy with an insurance which has been approved by the Committee cost on which shall be bound by the Board.*

Hon. Speaker Sir, I therefore bring to the attention of this House that no borrower has maintained the insurance of their loans as per the regulations. However, the Loan Management Committee on 2nd August, 2020 made a draft amendment to the education which is before the Board and the House for approval. Subsequently, forwarding to the CECM for Finance, Economic Planning and Marketing, and to Salaries and Remuneration Commission (SRC) for final approval.

Hon. Speaker Sir, the Management Committee developed its own regulations to mirror that of National Assembly and Senate Parliament for both Members and staff. In addressing the insurance gap as witnessed, the Loan Management Committee will ensure that loans are insured and that the Administration has initiated the procurement process of a suitable insurance firm of which the County Assembly will pay for each Member and charge the Member as a top-up to their respective existing loans, and this will be implemented each and every year. The Assembly will implement the loans insurance immediately as it waits the approval of education by this House.

Hon. Speaker Sir, in responding to question two as sought by Hon. Fred Kiragu seeking to know the fate of a mortgage holder in case of demise. This will be catered for by the insurance firm for the loan insured. While in case of a default, I therefore make reference to clause 17 which reads *the committee may call in a loan and in default sell the charged property by public auction or*

private treaty where the borrower is in breach of terms under the loan agreement or the covenant contained in the charge of a mortgage instrument.

Thank you Mr. Speaker.

MCA Maralal Ward, (Hon. Fred Kiragu): Thank you very much Mr. Speaker sir. I wish to say that the answer is not very clear. Because I don't know how you get pay insurance yearly. And for once I think the last paragraph was not part of the question. In default, because when you fail to pay that is okay. Because insurance is in case of unexpected incident like fire, demise God forbids and so forth. So what I do not understand, what I thought the answer should have come, you know you cannot pay the insurance yearly. Suppose something happens before it is paid for that year.

Like we see Mr. Speaker, sometimes when you go for some treatments and you find that the Assembly has not paid premiums for NHIF, Resolution and you have to wait. What I was thinking as I was asking this question, and I am very happy like for our late colleague, it would not be followed, some mechanisms would be met to pay for the balance. But now for now and in future, and even for the Assemblies to come, it is better that we go the financial institutions way. Like if you go to the cooperatives and borrow, what happens is they are going to immediately take insurance for that period. If the loan is repayable in five years, they will cater for it so that if you were supposed to get 5 million for example as it is now, they will pay you 4.7 or 4.8 million having taken care of other charges so that whatever time should anything happen either fire or unexpected unfortunate incident the loan is cater for for that period.

So I am satisfied, but the only problem that I am seeing is maybe paying annually in case it might delay. The other thing that I would like the House to understand is the regulations that have been forwarded to the CEC Finance and Economic Planning. Because I don't know how she comes in. This is a personal insurance only that the Assembly will pay for us. So the CEC Finance here does not come in. I am being given a loan, I am taking a mortgage of 2 million which means if anything happens to me, the insurance will pay. So it is personal, I am taking a loan of 2 million I'm given 1.7 or 1.8 million depending on how the insurance company is going to charge. This is personal, it has nothing to do with the department of Finance the way I

anticipated it to come. So maybe the Honourable to further tell us about the CEC Finance and payment annually. Otherwise I am satisfied only for those two queries that I have.

Thank you Mr. Speaker.

Chairperson Labour Relations Committee, (Hon. Edwin Lesiyampe): Thank you Mr. Speaker sir. I would just come in because the CEC Finance; currently our insurance policies we have with I think with Resolution. We don't have last expense as a policy or package for us the life policy. So we wanted the CEC Finance to come in at least to get another package which will be included for the life policy and the last expenses as a whole package. Thank you Mr. Speaker.

MCA Lodokejek Ward, (Hon. Jerias Leshoomo): Thank you Hon. Speaker. Mr. Speaker, I also see the statement response made by the Hon. Lesiyampe. Mr. Speaker, in my opinion clause 16/1 of our regulations which read in part *the borrower shall take out and maintain a mortgage protection and on a fire policy*, Mr. Speaker I think they were referring fire policy on the mortgage loans and not on what Hon. Kiragu has requested in his statement. Two, what the Hon. Kiragu was saying on the issue of insurance; I think we are taking our mortgages for car loans and residential properties at individual levels. And Mr. Speaker I think what we are requesting the Assembly is an insurance cover that covers death for the staff and the Hon. Members of this House. And that one is for the Assembly to take into consideration the insurance, not our properties as in the response. Because we are working in an institution and every institution has got policy to cover its people in case of demise or whatever.

But Mr. Speaker, the statement in my opinion it doesn't really respond to the Hon. Member statement because we need as an Assembly a cover for all of staff and Hon. Members. So replying or taking into consideration the CEC, I think even if there is a draft policy on the regulations it should pass in the floor of this House so that we can all amend and see how it would affect the staff and Hon. Members of this House. So Mr. Speaker, I think the response did not capture the wishes of the Members of this House.

MCA Wamba West Ward, (Hon. Benjamin Leitore): Thank you Mr. Speaker. Mr. Speaker, I appreciate we have huge gaps in our mortgage and car loans regulations. But Mr. Speaker, Hon. Kiragu was specific on the case at hand; the case of our lost colleague, that was is the fate of her

mortgage and car loan? Has the Board agreed to take up the loan rather than giving back the burden to the siblings? That is actually what we expect to here because I think it is not clear from the answers on what is the fate of that particular loan, Mr. Speaker.

MCA Maralal Ward, (Hon. Fred Kiragu): Thank you very much Mr. Speaker. Maybe for the purposes of this statement and the response, it is good I that maybe, you know Mr. Speaker, this was a very sad event like the way the other, Hon. Leshoomo and Hon. Leitore, have said. And I was just told verbally by Hon. Lanyasunya Adamson that it will be taken care of. So it is not included here, it is verbal. And then the answer does not tell us what the Committee is thinking to do in future, as much we pray that it doesn't happen, we do not know the fate of tomorrow. We just know today, just when we are here. So Mr. Speaker, I would like to go on record that I am dissatisfied with the response. Thank you Mr. Speaker.

The Speaker, (Hon. Lempere Solomon): I think because the information that we have, Members may not have really understood or it has not captured what was expected, I think this can be discussed with the membership of the Assembly. We can have a session, probably after this Assembly so that we can explain a little bit what we know about the status of Car loans and Mortgages regulations as an Assembly. So Members can wait, for us we can have a small *Kamukunji* after the session.

ADJOURNMENT

The Speaker, (Hon. Lempere Solomon): Hon. Members, the time being 5 minutes past 3 o'clock, and there being no other business this Assembly now adjourns until Thursday, September 10, 2020 at 2:30 pm.