

TANZANIA INSURANCE REGULATORY AUTHORITY



**TANZANIA INSURANCE MARKET PERFORMANCE FOR THE NINE MONTHS
PERIOD FROM 1ST JANUARY TO 30TH SEPTEMBER 2018**

November 2018



VISION

“A world-class insurance regulator”

MISSION STATEMENT

“To develop, promote and maintain an inclusive, efficient, fair, safe and stable insurance market for the benefit and protection of policyholders”

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Important notices

Introduction

This publication provides selected quarterly insurance players' performance statistics. The data in this publication are sourced from Regulatory Semi Annual and Quarterly Returns submitted to TIRA by insurance and brokerage companies under Sections 40 and 78 of the Insurance Act, 2009 respectively. This publication is categorized into two main parts, the first part provides narrations on tables appended to the report; while the second part provides comparative statistical figures for the insurance industry (see the table of contents for reference).

Disclaimer

While TIRA endeavors to ensure the quality of the Publication, it does not accept any responsibility for the accuracy, completeness or currency of the material included in this Publication, and will not be liable for any loss or damage arising out of, or reliance on, this Publication.

Revisions

This publication will include updated results for the preceding quarter based on insurer and broker re-submissions and audited annual returns submissions received after the previous quarter publishing date. This publication includes minor revisions for previous periods due to re-submissions received from insurance and brokerage companies.

STATEMENT OF THE COMMISSIONER OF INSURANCE

On behalf of management of the Tanzania Insurance Regulatory Authority, I am pleased to give a brief overview of the performance of the Tanzania insurance market during the nine-month period ended 30 September 2018 and Insurance market development initiatives. During this period insurance industry in the country continued to play its strategic role on the national economy by providing the national underwriting capacity, making appropriate compensation against risks and contributing towards mobilisation of financial resources for sustainable economic development.

The market comprises of 31 insurers licensed to conduct insurance business for the period of January - September 2018. Out of these 25 insurers are transacting general insurance business, 4 life insurers, 1 composite (both general and life insurers) and 1 reinsurance company. In addition, there were thirty one (31) foreign reinsurance companies and forty one (41) reinsurance brokers accredited and transact business in our market.

Market Growth and Impact on the Economy

The market grew by 7.7 percent in gross premiums written to TZS 527,962 million in the period ended 30 September 2018 as compared to TZS 490,364 million of the similar period prior year. This performance was slightly below the set target of 10.5 percent annual premium growth for the industry.

Total Gross Premium

General & Long Term Assurance Business as at 30 September 2018 (TZS Millions)			
Particulars	Jan – Sept 2017	Jan – Sept 2018	% Incr/(Decr.)
Total Gross Premium Written	490,364	527,962	7.7%
Total Assets	813,949	908,929	11.7%
Total Liabilities	563,275	616,407	9.4%
Total Net Worth	250,674	292,522	16.7%
Total Investments	569,133	633,685	11.3%
Total Investment Income	33,369	35,518	6.4%

General insurance business experienced a growth of 4.2 percent in gross premium written from TZS 431,368 million during the period ended 30 September 2017 to TZS 449,326 million during the period under review. Further, Life assurance business volume increased by 33.3 percent from TZS 58,996 million for the period ended September 2017 to TZS 78,636 million during the period under review. Tables below indicates the position

General Insurance Business `			
Particulars	Jan – Sept 2017	Jan – Sept 2018	Incr/Decr (%)
General Insurers Gross Premiums Written	431,368	449,326	4.2%
General Insurers Investment Income	26,995	27,974	3.6%

Long Term Assurance Business

Particulars	Jan – Sept 2017	Jan – Sept 2018	Incr/Decr (%)
Life Insurers Gross Premiums Written	58,996	78,636	33.3%
Life Insurers Investment Income	6,375	7,545	18.4%

Product Mix

General Insurance product mix shows a share of Motor insurance business at 34 percent. This is followed by Health: 23 percent, Fire: 20 percent and Accident: 8 percent. Other classes shared the remaining 15 percent of total General insurance business. Life assurance, on the other hand, was dominated by Group Life class at 79.2 percent, followed by Individual Life 19.4 percent. Tables below indicates the position

General Insurance Gross Premiums Written By Class Of Business (TZS Million)

Class of Business	JAN - SEPT 2017	Market Share	JAN - SEPT 2018	Market Share	% Incr/Decr
Fire	81,230	18.8%	91,125	20.3%	12.2%
Engineering	20,242	4.7%	18,843	4.2%	-6.9%
Motor	146,547	34.0%	153,619	34.2%	4.8%
Accident	34,998	8.1%	36,707	8.2%	4.9%
Marine	18,933	4.4%	16,027	3.6%	-15.3%
Aviation	5,439	1.3%	10,357	2.3%	90.4%
Health	101,961	23.6%	101,637	22.6%	-0.3%
Oil & Gas	733	0.2%	3,831	0.9%	422.6%
Other Gen.	21,285	4.9%	17,179	3.8%	-19.3%
TOTAL	431,369	100.0%	449,326	100.0%	4.2%

Long Term Assurance Gross Premiums Written By Class Of Business (TZS Million)

Class of Business	Individual Life	Group Life	Other Life	TOTAL
JAN - SEPT 2017	15,056	43,630	1,500	60,186
Market Share	25.0%	72.5%	2.5%	100.0%
JAN - SEPT 2018	15,462	63,037	1,144	79,644
Market Share	19.4%	79.2%	1.4%	100.0%
% Incr/Decr	2.7%	44.5%	-23.7%	

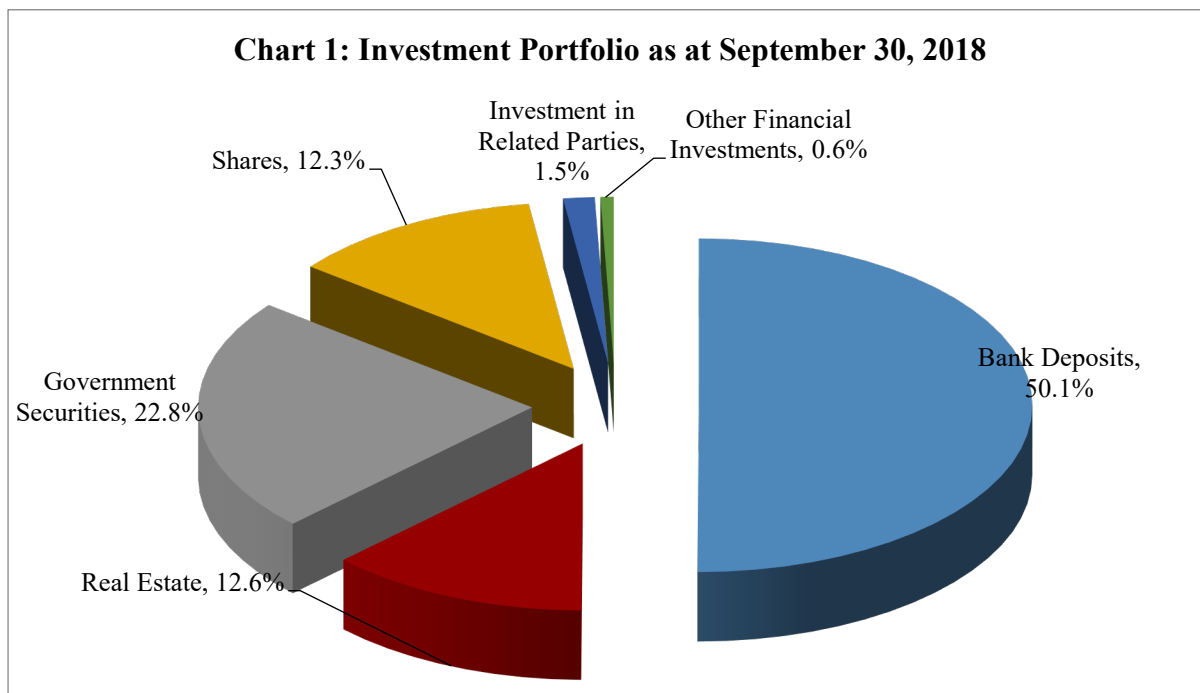
Underwriting & Profitability

The general insurance underwriting result made an underwriting loss of TZS 5.0 billion in the nine months period to September 30, 2018 compared to a loss of TZS 13.1 billion of similar nine months period of last year. This reflects a significant decrease of the underwriting costs.

From an investment point of view, general insurers attained investment income amounting to TZS 27,974 million in the period ended 30 September 2018, having increased by 3.6 percent compared to an investment income of TZS 26,995 million earned during the similar period in 2017. On the other hand life insurers attained investment income amounting to TZS 7,545 million in the period ended 30 September 2018, having increased by 18.4 percent compared to an investment income of TZS 6,375 million earned during the similar period in 2017.

Asset Position & Investment Portfolio

As at the end of the underwriting period ended 30 September 2018, total assets of insurers had increased by 11.7 percent to 908,929 million from TZS 813,949 million of the similar period previous year. Total insurers' investments increased by 11.3 percent from TZS 569,133 million in September 2017 to TZS 633,685 million in September 2018. The largest share of insurers' investment assets comprised of Deposits in financial institutions (including Cash and Bank Balances) (51 percent), followed by Government Securities (23 percent), Real Estates (13 percent), Shares (11 percent), Investments in related parties (2 percent) and other Financial Investments (1 percent) in that order.



Brokers Participation in Insurance Intermediation

Brokers have still remained in command in the market. 46.3% percent amounting to TZS 244.2 billion of the total insurance premiums written during the nine months (January to September 2018) in respect of both long – term and general insurance businesses (TZS 528.0 billion), was transacted through brokers. Brokers remain to be a significant insurance intermediation force in the industry.

Opportunities

The insurance sector continues to have several opportunities for expansion and growth including the following:

- (ii) A growing middle class likely to create more demand for insurance products;
- (iii) New channels of insurance distribution including mobile insurance technology for enhancement of insurance inclusiveness in the market;

(iii) *Existence of National Insurance Policy aimed at creating a conducive environment for public-private-partnership investments in the insurance sector and specify additional classes of compulsory insurance;*

(ivi) *Existence of National Financial Inclusion Policy for enhancement of financial literacy in Tanzania and thus promoting a saving culture;*

(v) *Untapped Long Term Assurance market in Tanzania likely to attract new investors;*

(vii) *Regional integration coupled with enhanced cross-border trading markets for Tanzania insurers;*

(viii) *Implementation of regional integration treaties (EAC and SADC) for promotion of international standards in insurance regulation;*

(viii) *Continued Government's support for the insurance sector;*

(ix) *Presence of Actuarial and Risk Management graduates in the local market will improve the industry's human capital;*

(xi) *Continued political stability creating conducive environment for investors; and*

Outlook

The sector has good prospects for growth and improvement in the future, following the Government's initiative of formulating a requisite National Insurance Policy (currently under preparation)

Acknowledgement

I wish to express my appreciation to the Minister for Finance and Planning for the support TIRA continues to enjoy from the Ministry in our efforts of building a sound insurance regulatory environment in Tanzania. TIRA confidently looks forward to further enhancing the supervision and regulation of the Tanzania insurance industry.

I would like also to acknowledge the commitment of TIRA management, staff and members of the National Insurance Board in pursuing the objectives of Insurance liberalization and their readiness to meet the significant challenges that lie ahead. I also wish to thank the Boards of Directors, Management, and Staff of all insurance companies, intermediaries, and service providers for their cooperation and continued support extended to TIRA in its role of supervision and regulation of the Tanzania insurance industry.

Dr. Baghayo A. Saqware
Commissioner of Insurance

1. OVERVIEW OF THE INDUSTRY PERFORMANCE

Total volume of business, in terms of gross premium written for both general and life assurance businesses increased by 7.7 percent from TZS 490,364 million during the period ended 30 September, 2017 to TZS 527,962 million in September 2018. This implies that during this period, the market recorded favourable results attributed by new systems in place e.g. TIIP, TIRA MIS, aggressive marketing and public awareness programs.

Meanwhile, insurers' net worth increased by 16.7 percent to TZS 292,522 million at end of September 2018 compared to TZS 250,674 million at end of similar period prior year. This indicates an increase of the industry wealth in the period under review. Insurers' consolidated assets increased by 11.7 percent; while liabilities increased by 9.4 percent between the periods (See Table below).

Industry's total liabilities recorded an increase of 9.4 percent to TZS 616.4 billion as at September 30, 2018 whereas the position was TZS 563.3 billion as at September 30, 2017. This indicates increase of future insurance liabilities.

Total insurers' investments increased by 11.3 percent from TZS 569.1 billion as at September 30 2017 to TZS 633.7 billion as at September 30, 2018. This indicates the presence of favourable investments avenues in the economy. (See Table below for details).

Investment Income for the market grew by 6.4 percent during the nine months period to September 30, 2018 compared to a similar period (See Table 1 below).

Table 1-Total Gross Premium

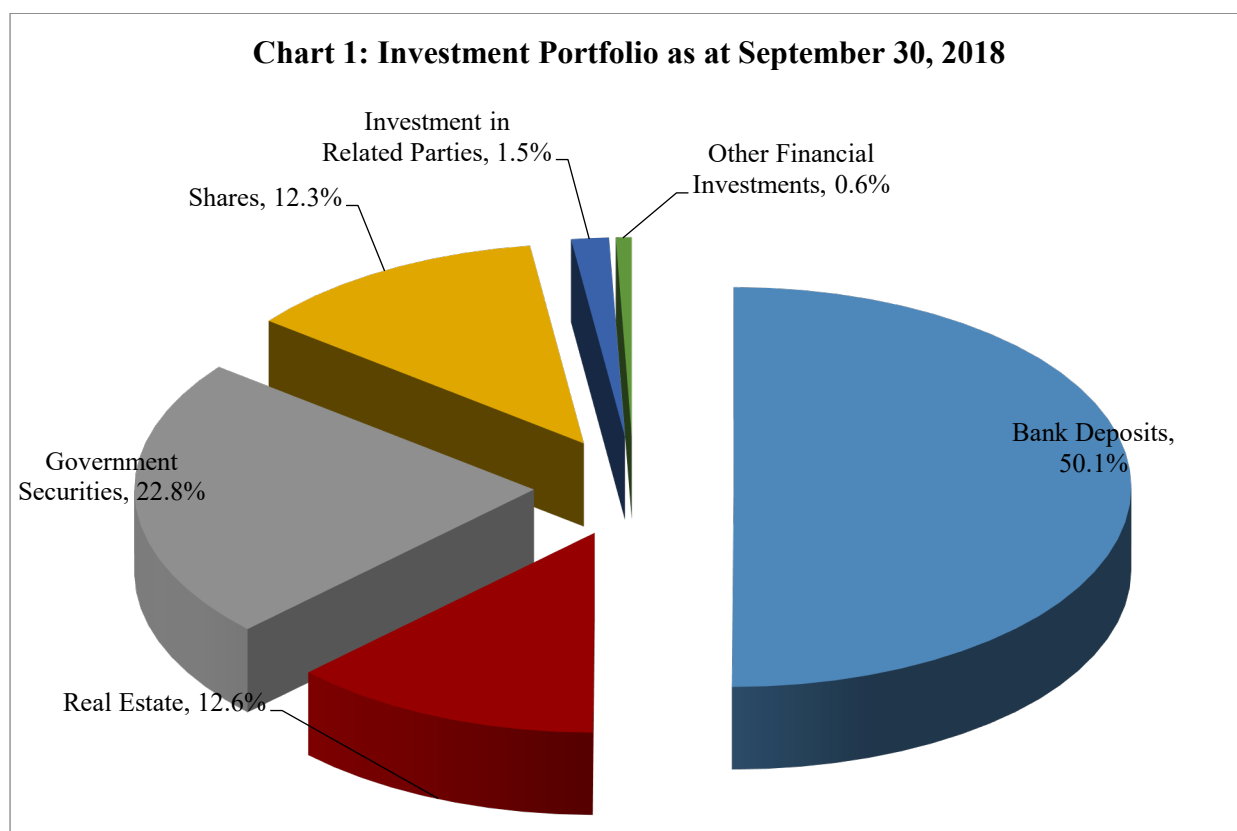
General & Long Term Assurance Business as at 30 September 2018 (TZS Millions)			
Particulars	Jan – Sept 2017	Jan – Sept 2018	% Incr./ (Decr.)
Total Gross Premium Written	490,364	527,962	7.7%
Total Assets	813,949	908,929	11.7%
Total Liabilities	563,275	616,407	9.4%
Total Net Worth	250,674	292,522	16.7%
Total Investments	569,133	633,685	11.3%
Total Investment Income	33,369	35,518	6.4%

The largest share of insurers' investment assets comprised Deposits in financial institutions (including Cash and Bank Balances) (50 percent), followed by Government Securities (23 percent), Real Estates (13 percent), Shares (12 percent), Investments in related parties (2 percent) and other Financial Investments (1 percent) in that order. As stated above total investment assets were TZS 633.7 billion. The analysis indicates that during the period under review, most insurers have invested in the lowest risk securities, which were bank deposits and government securities (73%).

Table 2 below indicates the concentration of the amounts invested by the insurance companies for the period under review (TZS Million):-

Table 2- investment concentration

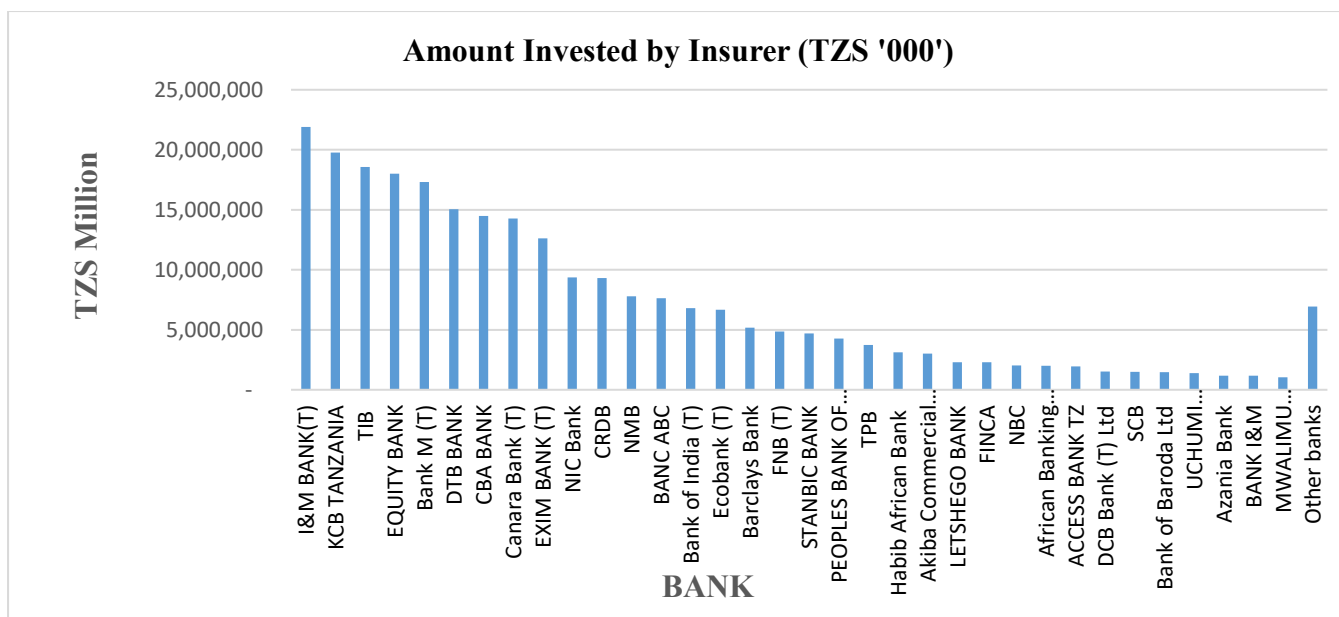
Investment Assets	Number of Insurers	Amount	% of Total
Cash and Bank Balances	31	62,136	9.8%
Deposits in Financial Institutions	31	255,186	40.3%
Tanzanian Government Securities	29	144,565	22.8%
Real Estate	5	80,029	12.6%
Listed shares	13	18,009	2.8%
Unlisted shares	23	60,074	9.5%
Investments in related parties	4	9,634	1.5%
Investment in investment pools, mutual funds, unit trusts	2	2,240	0.4%
Other Bonds and debentures	3	723	0.1%
Mortgage Loans	1	360	0.1%
Policy Loans	2	616	0.1%
Other Investments	2		0.6%
Total Investment Assets		633,685	100%



The Deposits in Financial Institutions had the following distribution;

Table 3- Financial Institution

Distribution of Financial Institution		
Name of Financial Institution	Amount Invested by Insurer (TZS '000')	% of Total Investment to Financial Institutions
I&M BANK(T) LTD	21,908,534	8.6%
KCB TANZANIA	19,771,632	7.7%
TIB Development Bank Limited	18,569,424	7.3%
EQUITY BANK LTD	18,012,370	7.1%
Bank M (T) Limited	17,308,480	6.8%
DTB BANK	15,053,405	5.9%
Canara Bank (Tanzania) Ltd	14,275,577	5.6%
EXIM BANK(T) LTD	12,606,881	4.9%
CBA BANK	11,478,056	4.5%
NIC Bank Tanzania Ltd	9,362,049	3.7%
CRDB BANK TANZANIA PLC	9,308,747	3.6%
NMB BANK	7,797,537	3.1%
BANK ABC	7,624,802	3.0%
Bank of India Tanzania Ltd	6,798,240	2.7%
Ecobank Tanzania Ltd	6,659,822	2.6%
Barclays Bank	5,172,059	2.0%
FNB TANZANIA LTD	4,864,661	1.9%
STANBIC BANK-CALL DEPOSIT	4,699,642	1.8%
PEOPLES BANK OF ZNZ	4,265,342	1.7%
TPB CALL	3,733,000	1.5%
Habib African Bank Limited	3,125,326	1.2%
Akiba Commercial Bank Plc	3,008,128	1.2%
Commercial Bank of Africa	3,001,722	1.2%
Other banks	26,780,342	10.5%
Total Deposits in Financial Institutions	255,185,779	100.0%



2. GENERAL INSURANCE – MARKET PERFORMANCE OVERVIEW

2.1. General Insurance Business Growth

General insurance business experienced a growth of 4.2 percent in gross premium income from TZS 431,368 million during the period ended 30 September 2017 to TZS 449,326 million during the period ended September 2018 (see Appendix 1 – appended). This growth is attributed to a number of factors, including the following:

- i. Compliance by the public, with the statutory requirement that provides that all insurances for locally based risks must be placed with Tanzanian insurers, except by prior written approval of the Commissioner of Insurance.
- ii. New systems in place i.e. TIIP, TIRA MIS, aggressive marketing and public awareness.
- iii. Stability on the new platform of premium payment that requires the direct deposit of premium to insurer.

Investment income for general insurance business in the nine months period to September 30, 2018 was TZS 28.0 billion compared TZS 27.0 billion of similar nine months in year 2017. (See Table 1 above for details). This reflects the favourable avenues of investments in the economy.

General Insurance Business			
Particulars	Jan – Sept 2017	Jan – Sept 2018	Incr/Decr (%)
General Insurers Gross Premiums	431,368	460,884	6.8%
Written			
General Insurers Investment Income	26,995	29,543	9.4%

2.2. General Insurance Underwriting Results

Net premiums written for general insurance business in the nine months to September 30, 2018 was TZS 249.2 billion compared to TZS 244.4 billion of similar period in year 2017 an increase of 2.0 percent. This indicating the increase on retention of risks by the insurance companies compared to previous year similar period.

Net incurred claims were TZS 122.3 billion for the nine months period to September 30 2018 compared to TZS 132.3 billion of similar nine months period last year. This implies a decrease on the claims for the period under review compared to similar period previous year.

Underwriting expenses for general insurance business in the nine months period to September 30, 2018 were TZS 118.7 billion compared to TZS 119.1 billion of similar nine months period last year. This implies a slight decrease of the costs of underwriting.

General insurance business made an underwriting loss of TZS 5.0 billion in the nine months period to September 30, 2018 compared to a loss of TZS 13.1 billion of similar nine months period of last year. This has been attributed by the decrease of the net incurred claims as compared to similar period last year.

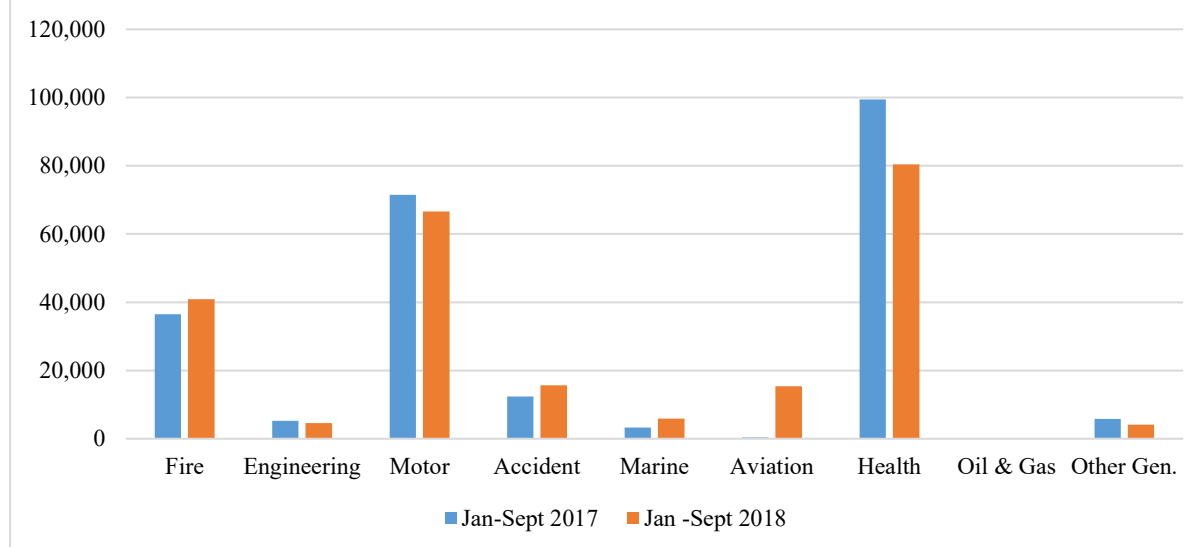
General Insurance Business Financial Performance for Jan – Sept 2018 (TZS Million)			
Particulars	Jan – Sept 2017	Jan – Sept 2018	Incr/Decr (%)
Net Premiums Written	244,383	249,185	2.0%
Net Incurred Claims	132,328	122,336	-7.6%
Underwriting Expenses	119,141	118,730	-0.3%
Underwriting Income/(loss)	-13,124	-4,999	-61.9%

2.3. General Insurance – Claims Experience

General Insurance Gross Claims paid slightly decreased by 0.4 percent from TZS 234.4 billion in Jan – Sept 2017 to TZS 233.6 billion during the period under review. This has been attributed by decrease in claims in many classes of business with exception of aviation which observed a significant increase in claims.

General Insurance Gross Claims Payments (TZS Million)			
Description/Class of insurance	Jan - Sept 2017	Jan - Sept 2018	%Incr/Decr
Fire	36,456	40,940	12.3%
Engineering	5,206	4,587	-11.9%
Motor	71,484	66,607	-6.8%
Accident	12,378	15,673	26.6%
Marine	3,287	5,942	80.8%
Aviation	413	15,351	3,616.9%
Health	99,413	80,415	-19.1%
Oil & Gas	-	-	n/a
Other Gen.	5,810	4,103	-29.4%
Total	234,447	233,618	-0.4%

Chart 2: General Insurance Gross Claims Payments
(TZS Million)



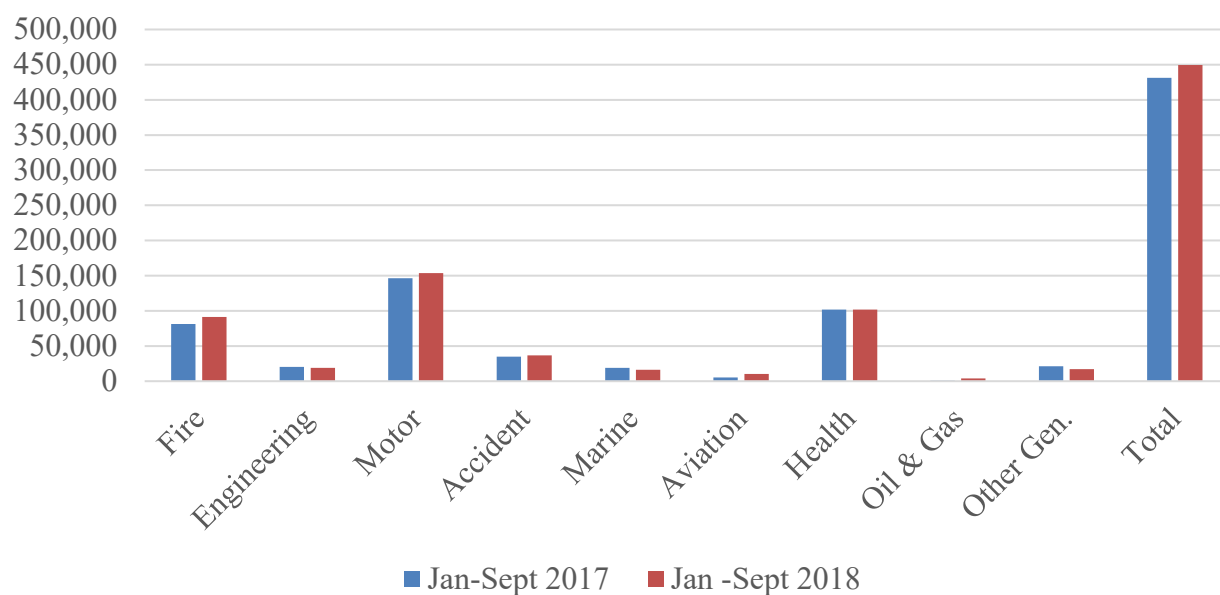
2.4. General Insurance – Portfolio Mix

On a class-by-class basis, General Insurance product mix in September 30, 2018 shows that the Motor insurance business continue to dominate general insurance product with a market share of 34 percent. This was followed by Health 23 percent, Fire 20 percent and Accident 8 percent. Other classes shared the remaining 15 percent of total General insurance business (See Chart below).

Most of the classes performed well during the period under review in 2018 compared to similar period in 2017 with exception of four classes of business that is engineering, marine, health and other general, whereby there is a slight decrease. Oil and Gas classes of business significantly improved during the period under review with an increase of 422.6% compared to previous year similar period. Also aviation class of business recorded an improvement with 90.4% increase compared to previous year similar period which is attributed by the rejuvenation of the national airline.

General Insurance Gross Premiums Written By Class Of Business (TZS Million)					
Class of Business	JAN - SEPT 2017	Market Share	JAN - SEPT 2018	Market Share	% Incr/Decr
Fire	81,230	18.8%	91,125	20.3%	12.2%
Engineering	20,242	4.7%	18,843	4.2%	-6.9%
Motor	146,547	34.0%	153,619	34.2%	4.8%
Accident	34,998	8.1%	36,707	8.2%	4.9%
Marine	18,933	4.4%	16,027	3.6%	-15.3%
Aviation	5,439	1.3%	10,357	2.3%	90.4%
Health	101,961	23.6%	101,637	22.6%	-0.3%
Oil & Gas	733	0.2%	3,831	0.9%	422.6%
Other Gen.	21,285	4.9%	17,179	3.8%	-19.3%
TOTAL	431,369	100.0%	449,326	100.0%	4.2%

Chart 3: General Insurance Gross Premiums Written By Class Of Business (TZS Million)



3. LONG TERM ASSURANCE – MARKET PERFORMANCE OVERVIEW

3.1. Long Term Assurance Business Analysis

Gross premiums written for Long Term Assurance business in the nine months period to September 30, 2018 was TZS 78.6 billion compared to TZS 59.0 billion of similar nine months period last year. This implies that there is an increase of new life business and products in the market.

Long Term Assurance Business			
Particulars	Jan – Sept 2017	Jan – Sept 2018	Incr/Decr (%)
Life Insurers Gross Premiums Written	58,996	78,636	33.3%
Life Insurers Investment Income	6,375	7,545	18.4%

3.2. Long Term Assurance – Underwriting Results

Underwriting expenses for Long Term Assurance business in the nine months period to September 30, 2018 were TZS 33.7 billion compared to TZS 24.9 billion of similar nine months period last year. This increase could be attributed by increase of the new business that calls for the underwriting costs.

Investment income for Long Term Assurance business in the nine months period to September 30, 2018 was TZS 7.5 billion compared to TZS 6.4 billion of similar nine months period in year 2017. This may be due to increase of new life business and hence increase invested fund. (See Table 4 below for details).

Table 4-Financial performance

Long Term Assurance Business Financial Performance as at Jan - Sept 30, 2018 (TZS Million)			
Particulars	Jan – Sept 2017	Jan – Sept 2018	Incr/Decr (%)
Gross Premiums Written	58,996	78,636	33.3%
Net Premiums Written	49,265	66,673	35.3%
Policyholders Benefits	22,318	33,288	49.2%
Underwriting Expenses	24,913	33,713	35.3%
Investment Income	6,375	7,545	18.4%

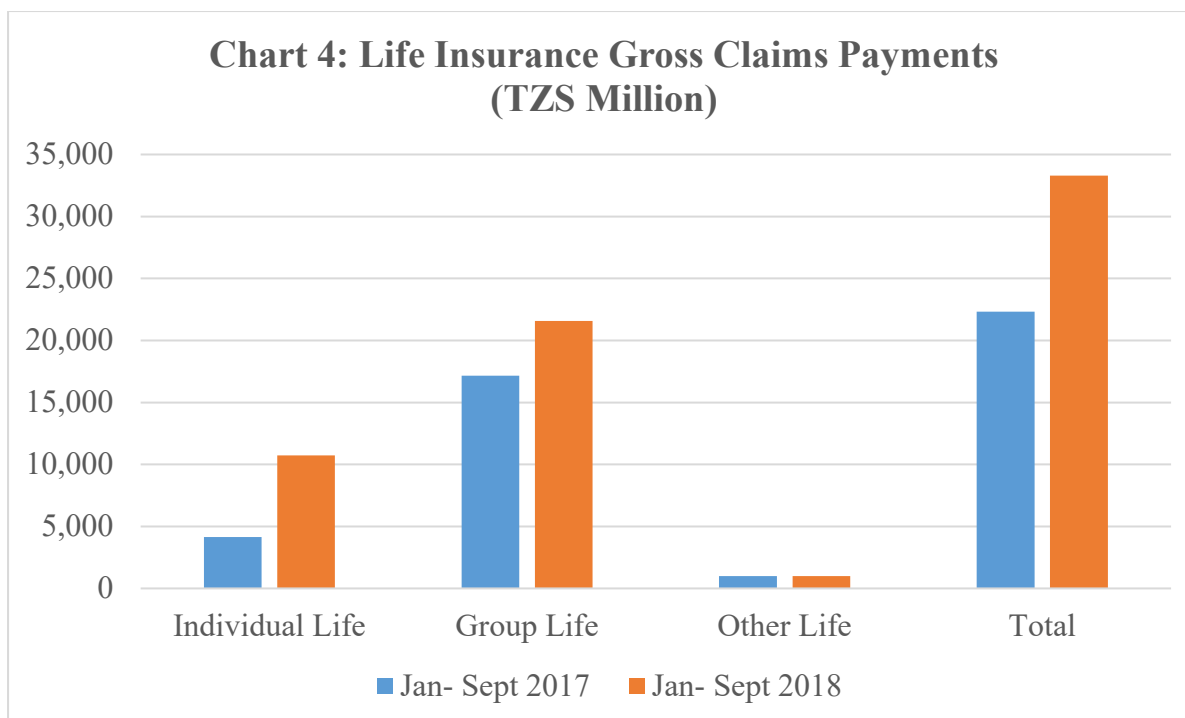
3.3. Long Term Assurance – Claims & Benefit Payments

Policyholders benefits paid were TZS 33.3 billion for the nine months period to September 30, 2018 compared to TZS 22.3 billion of similar nine months period last year. This means that number of matured life policies increased.

Long Term Assurance Business Financial Performance as at Jan - Sept 30, 2018 (TZS Million)			
Particulars	Jan – Sept 2017	Jan – Sept 2018	Incr/Decr (%)
Policyholders Benefits	22,318	33,288	49.2%

Long Term Assurance Gross Claims paid increased to 33.3 billion in Jan – Sept 2018 compared to a 22.3 billion during the similar period of Jan – Sept 2017, which is an increase of 49.3 percent. This implies maturity of individual policies was significant compared to last period.

Long Term Assurance Gross Claims Payments (TZS Million)				
Description/Class of insurance	Individual Life	Group Life	Other Life	Total
Jan- Sept 2017	4,153	17,162	1,003	22,318
Jan- Sept 2018	10,733	21,573	982	33,288
% Increase/Decrease	158.4%	25.7%	-2.1%	49.2%



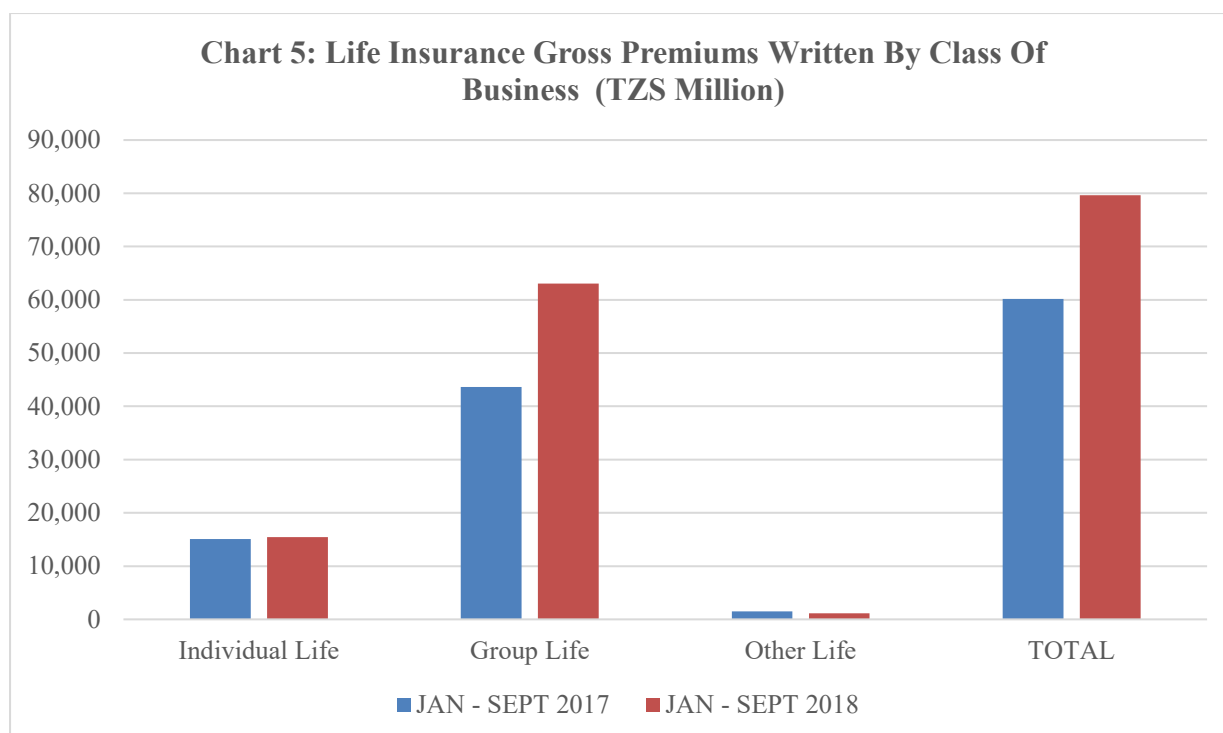
3.4. Long Term Assurance Portfolio Mix

On a class-by-class basis, Long Term Assurance products mix in September 30, 2018 is as shown Table 9 and Chart 5 below.

During the period under review there was a slight improvement on individual life but a significant increase in group life by 2.7% and 44.5% respectively. However, there was a significant decrease on the other life of business by 23.7% in comparison to similar period in the previous year.

Long Term Assurance Gross Premiums Written By Class Of Business (TZS Million)

Class of Business	Individual Life	Group Life	Other Life	TOTAL
JAN - SEPT 2017	15,056	43,630	1,500	60,186
Market Share	25.0%	72.5%	2.5%	100.0%
JAN - SEPT 2018	15,462	63,037	1,144	79,644
Market Share	19.4%	79.2%	1.4%	100.0%
% Incr/Decr	2.7%	44.5%	-23.7%	



4. OPERATIONAL RESULTS OF THE TANZANIA REINSURANCE COMPANY LIMITED (TANRE)

Tan-Re recorded an underwriting loss amounting to TZS 753 million in the period ended September 30, 2018 compared to a underwriting profit of TZS 1,145 million during the similar period previous year. After taking into account investment income and other income, the result was a pre-tax profit of TZS 839 million compared to a pre-tax profit of TZS 3,265 million during the similar period previous year. Meanwhile, the reinsurer's net assets increased to TZS 57,748 million at the end of September 2018 compared to TZS 51,467 million at the end of September 2017.

Table below presents, in a summary form, Tan-Re's financial performance results during the period ended September 30, 2018.

Condensed Statement of Financial Position and Comprehensive Income Statement as at 30 Sept 2018 (TZS Million)					
Particulars	Jan-Sep 17	Jan-Sep 18	Particulars	Jan-Sep 17	Jan-Sep 18
Fixed Assets	26,171	26,734	Gross Premiums Written	60,446	73,823
Investments	22,290	28,655	Net Premiums Earned	45,520	47,831
Receivables	39,535	40,692	Claims Incurred	27,809	35,277
Other Assets	2,306	887	Operating & Comm. Expenses	16,565	13,306
Total Assets	90,302	96,968	Underwriting Profit/(Loss)	1,145	-753
Actuarial Liabilities	32,742	36,131	Investment Income	3,822	1,713
Other Liabilities	6,093	3,089	Other Income/(Expenses)	-	-
Total Liabilities	38,835	39,220	Pre-Tax Income/(Loss)	4,967	960
Net Assets	51,467	57,748	Post-Tax Income/(Loss)	3,265	839

The company's net management expense ratio was on the lower side of 18 percent during the period under review, compared to a maximum acceptable ratio of 30 percent. The company's combined ratio deteriorated from 97.5 percent in the period ended September 2017 to 101.6 percent during the period ended September 2018.

Table below presents an analysis of selected ratios for Tan-Re during the period under review.

Tan Re - General Insurance Financial Highlights		
PARTICULARS	Jan-Sept 17	Jan-Sept 18
Net Claims Incurred (Loss) Ratio (%)	61.1%	73.8%
Commission Ratio (%)	21.2%	11.9%
Management Ratio (%)	15.2%	15.9%
Combined Ratio (%)	97.5%	101.6%

Tan-Re gross claims paid for the period under review was TZS 38.0 billion compared to TZS 28.0 billion in the previous period of Jan – Sept 2017 which was an increase of 35.9%. Presence of Tan-Re has shown a significant impact in supporting the local market per claim payment.

Tan-Re Gross Claims Payments (TZS Million)			
Description/Class of insurance	Jan – Sept 2017	Jan – Sept 2018	% Incr/Decr
Fire	8,254	15,870	92.3%
Engineering	2,013	1,177	-41.5%
Motor	10,007	7,472	-25.3%
Accident	5,272	3,800	-27.9%
Marine	1,385	753	-45.3%
Aviation	34	3,777	10,856.8%
Health	1,037	5,192	400.7%
Oil & Gas	-	-	n/a
Other Gen.	-	-	n/a
Total	28,002	38,042	35.9%

5. BROKERS

5.1.Introduction

Out of the total insurance premiums written during nine months (January to September 2018) in respect of both long – term and general insurance businesses (TZS 528.0 billion), 46.3 percent amounting to TZS 244.2 billion was transacted through brokers.

5.2.General insurance Broking

During the period ended September 2018, 87 brokers participated in transacting general insurance business. A total of TZS 225.7 billion in general insurance premium were collected through brokers.

5.3. Long Term Assurance Broking

As at 30 September 2018, 15 brokers transacted long-term assurance business. Total premium for long-term assurance business collected by brokers during the same period amounted to TZS 18.5 billion.

6. REGULATION OF INSURANCE ACTIVITIES

6.1 Disputes determination.

One of the core functions of the TIO is dispute determination in line with universal Ombudsman principles, as have been enshrined in regulations. During the period under review, the TIO registered 43 disputes involving about TZS 1,715,413,143.00 for reconciliation and/or mediation as shown in Table 1 below. The list of registrants who had complaints filed against themselves is Table 2, while Table No 3 is the variety of issues that were central to the complaints.

Disputes dealt with (1st January - 30th September 2018)

Complaints filed	Claims repudiated but paid upon intervention	Claims satisfactorily paid upon intervention	Claims refused/upheld upon intervention	Complaints pending	Amount paid to claimants	Amount retained by the market
109	10	24	33	42	356,363,327.00	3,278,543,433.00

As at 30th September, these disputes were at various stages of reconciliation -

- i. Two (2) complainants were served with notices to attend reconciliation meetings which were scheduled to be held on specific dates in October
- ii. Four (4) complainants were required to submit documents to enable verification and computation of appropriate quantum
- iii. Nine (9) Registrants were required to submit their respective responses on the factors used in disputed quantum including assessors' reports.
- iv. Sixteen (16) complaints are under process for either reconciliation or otherwise.

Table 6.1.1

List of Registrants who featured during the period under Review

Rank	Registrant	Number of Complaints received per Month									
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Total
1	Britam	3	1	0	2	0	0	2	1	1	10
2	UAP	2	1	2	1	1	2	0	4	5	18
3	ZIC	2	0	1	0	0	0	1		2	6
4	Sanlam	0	0	1	2	0	6	1	2	2	14
5	NIC	1	0	1	0	0	0	0	0	1	3
6	IGT	1	1	1	1	0	0	1	0	0	5
7	Phoenix	0	1	0	0	1	1	0	0	1	4
8	Reliance	0	0	2	1	1	0	1	2	5	12
9	Alliance	0	0	0	2	0	0	0	0	1	3
10	MGen	0	1	2	1	0	0	1	0	0	5
11	Max Insure	0	0	1	1	0	0	0	0	1	3
12	Metropolitan	0	1	0	0	0	0	0	0	1	2
13	Jubilee	3	1	1	0	1	0	1	1		8
14	Tanzindia	0	0	0	0	0	0	1	0	1	2
15	Icea lion	0	2	0	0	0	0	0	0	1	3
16	May Fair	0	0	0	0	1	0	0	1	0	2
17	GA Insurance	0	0	0	0	0	0	0	1	0	1
18	Heritage	0	0	0	0	1	0	3	0	0	4
19	First Assurance	0	0	0	0	1	0	0	0	0	1
20	Bumaco	0	0	0	0	0	0	1	0	0	1
21	Star General	0	0	1	0	1	0	0	0	0	2
TOTAL COMPLAINTS RECEIVED BY OMBUDSMAN											109

Table 6.1.2 Issues of concern arising from the disputes

SN	Issues	Action Required:
1	Low understanding and Uncertainty of rates for compensation in fatal (death) Claims	Registrants and Regulator - upbeat on public education
2	Compulsory third party insurance vis a vis the requirement to prove party at fault (court proceedings) to establish liability of registrant	Registrant, regulator
3	Under insurance and Over insurance-Lack of due diligence	Registrants
4	Non remittance and or delay to remit premium to Insurer	Brokers
5	Fraudulent claims (e.g. fake documentation)	Insured/charlatans – illegal collaboration between employees and complainants
6	Poor communication/dissemination of relevant information amongst policy holders, brokers/Agents and Registrants	Registrants, Brokers and Agents
7	Poor Underwriting practice practices	Registrants, brokers and agents

8	Unfair Claim processing – Registrants who are insurance powerhouses engaging claimants with little or no knowledge at all in insurance. The urge to maintain and preserve corporate reserves outweighs the need for fair and equitable compensation	Registrants v/s third parties
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6.2 Nature of Complaints

1. Dissatisfaction with Amount offered
2. Claim Repudiation
3. Delay to process the claims

6.3 Types of Complaints

1. Third party bodily injury
2. Third party fatal injury
3. Third party material/property damage
4. Own damage

6.4 Complaints Handling

During the period under review, a number of 279 complaints were received and attended by Authority and were directed to 19 insurance companies.

Companies with complaints more than ten are UAP (33), IGT (25), Britam (24), Alliance Insurance Corporation (18), Sanlam General (14) and Reliance (11). A good number of complaints is a positive sign indicating increase of public awareness on matters concerning insurance.

Period	Number of complaints	Attended & concluded	Pending	Number of insurers involved
Jan-Sept 2017	190	187	3	20
Jan-Sept 2018	279	275	4	24
Incr/Decr	17.1%	15.2%	-60.0%	15.0%

Nature of the complaints

Nature of complaints	Number of Complaints 2017	Number of Complaints 2018
Repudiation of claim	42	90
Delay in compensation	87	103

Nature of complaints	Number of Complaints 2017	Number of Complaints 2018
Unsatisfactory settlement Offer	58	86
Non-payment of commission	3	5

6.5 Penalties

During the period under review, TIRA have issued and collected TZS. 98 million for various offences regarding compliance issues.

Period	Number of penalties	Amount	Number of registrants involved
Jan-Sept 2018	16	98 Million	14
Jan-Sept 2017	1124	193 Million	108

Nature of the offences

Nature of offences	Amount (TZS) in Jan-Sept 2017	Amount (TZS) in Jan-Sept 2018
Non- compliance with orders of the Ombudsman.	30	20
Delay in settlement of Claims after signing Discharge Voucher.	35	10
Conducting Insurance business without registration/license.	10	20
Conducting insurance business without principal officer.	25	13
Delay to file returns.	47	30
Failure to renew license in the previous years.	6	5

6.6 Circular issued

The Authority has issued 4 circulars to the insurance market as hereunder:-

- i. Circular No: 60/2018- this circular was issued to appraise all insurers, brokers and agents on the progress made on implementation of the amended law and the start date of using Tanzania Imports Insurance Portal (TIIP) while outlining the requirements that

must be met by individual insurers, brokers and agents for smooth utilisation of the portal.

- ii. Circular No.61/2018 – this circular was issued to require each insurer to adhere to underwriting norms to settle the premium balances for the business shared amongst local Insurers.
- iii. Circular No.62/2018 – this circular was issued to all insurers and reinsurance broker registered in Tanzania to *postpone clause 12* of circular 55/2017 until further notice. The clause was premature in the market where there is only one reinsurance broker.
- iv. Circular 63/2018- this circular was issued to all brokers on the exempting from complying with Section 67 (b) on having at least two thirds of its controlling interest whether in terms of shares, paid up capital or voting rights are held by citizens of Tanzania until October 2018.
- v. Circular No.64/2018 – this circular was meant to address how the administration of Tanzania Imports Insurance Portal (TIIP) will be funded.

6.7 Combating Insurance Frauds and Crimes

During the period under review, the Authority conducted combating exercises as hereunder:

Period	Number of Combating Activities	Region/Zone	Fraud Rate	Vehicle Not Insured
Jan-June 2017	15	Mbeya, Songwe & Iringa, unguja, Pemba, Moshi, Arusha, Tanga, Mbinga, Songea, Mwnza, Tabora, Morogoro	N/A	N/A
Jan-June 2018	30	Kigoma, Ujiji, Kasulu, Kibondo ,Kilosa, Dodoma, Unguja Pemba, Kilindi, Handeni, Karatu, Merelani, Arumerut, Kilosa, Mereran, Simanjiro, Loliondo, Ngorongoro, Shinyanga, Serengeti, Tarime ,Bukoba Kigoma, Kasulu, Kibondo Bariadi, Meatu, Kahama, Kibaha and Dar es Salaam Center	1.1%	19.9%

6.8 Related Court Cases

During the period under review there were four cases are still pending in the court of law.

Period	Number of cases	Accused jailed	Accused fined	Accused Acquitted	Case Withdrawn	Pending Cases
Jan-June 2017	6		1		1	4
Jan-June 2018	4					4

Nature of the cases

	2017	2018
Nature of the cases	<ul style="list-style-type: none"> - Conducting Insurance Business without License. - Possession of Insurance Documents license. - Advertising Insurance Business Without registration. - Distributing insurance Documents without license. 	<ul style="list-style-type: none"> - Conducting Insurance Business without License. - Possession of Insurance Documents. - Advertising Insurance Business Without registration. - Distributing insurance Documents without license. - Impersonating TIRA officers.

6.9 New Insurance products in the market

A total of seven (7) new products and four upgrades (4) were approved by the Authority as at 30th September 2018. The product ranged from health, life and electronic distribution channel as per Table below.

Table 6.7. List of Approved Product as at 30th September 2018

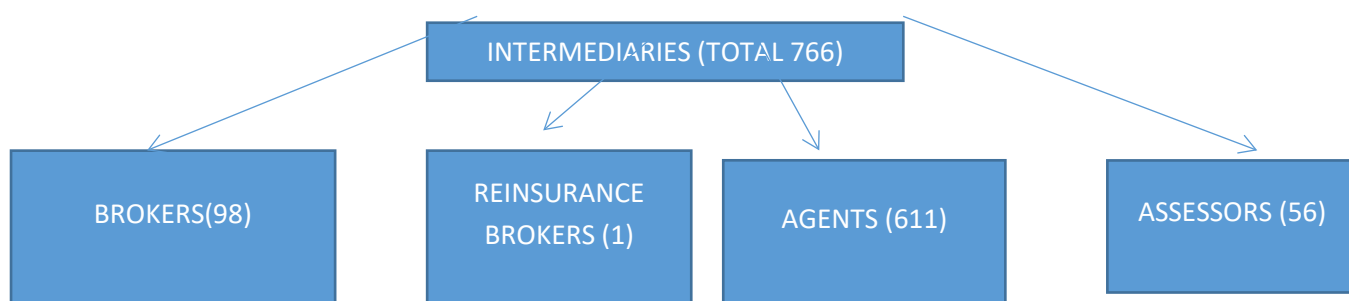
S/n	Name of the Product/Proposal	Description of the Product	Status	Partners
1	Introduction of Premium Cashback Option to existing Akiba ya Maisha & Education Care Product- Sanlam Life	Life Insurance Product which provides saving for Education purposes and security for beneficiaries in case of death	Upgrade	Sanlam Life Insurance Tanzania
2	Proposed Update of Vital Risk Cover (VRC) Product- Sanlam Life.	Upgrade on Life insurance product for people with high net worth	Upgrade	Sanlam Life Insurance Tanzania

S/n	Name of the Product/Proposal	Description of the Product	Status	Partners
3	Agricultural Product	Weather-Index based Agricultural insurance product designed to protect farmers against loss for defined type of crops.	New	UAP Insurance Tanzania Limited & Vision Fund
4	Afya Bora	Micro insurance cover (health) for medium income earner	New	Resolution Insurance Company Ltd, Milvik
5	My Bima App	Electronic Insurance-distribution channel	New	Mitikaz Company Limited & UAP Insurance Tanzania Ltd
6	Afya Medical Insurance Product	Medical Insurance Cover for medium income earners	New	Jubilee Insurance Company of Tz Ltd
7	Jilinde Afya Prouct	Health insurance cover (health) for medium income earners, covered for Aghakhan Hospital Only	Upgrade	Jubilee Insurance Company of Tz Ltd
8	Commercial Combined Policy	Single policy with multiple covers	New	Tan Management Insurance Brokers & Mayfair Insurance Co Tz Ltd
9	Enhanced Educare Plan	Life Insurance Product which provides saving for Education purposes and security for beneficiaries in case of death	Upgrade	Sanlam Life Insurance Tanzania
10	Safari Plan	travel insurance cover	New	Icea Lion Insurance Company Ltd

S/n	Name of the Product/Proposal	Description of the Product	Status	Partners
11	Travel Inbound Policy	Provide insurance for incoming tourists	New	GA Insurance Company Ltd

6.10 Registration and Distribution of Intermediaries countrywide

During the period under review, there were 99 Insurance brokers, 611 insurance agents and 56 loss assessors and surveyors licensed to transact business as illustrated here under:



6.1.1. Brokers

Ninety two (92) percent (92 out of 99) of the brokers in the country are based in eastern zone, 5.1% of the brokers are based in northern zone and 1% each are based on Lake Zone and Zanzibar.

Table 6.1.1: Brokers' Registration by Zone

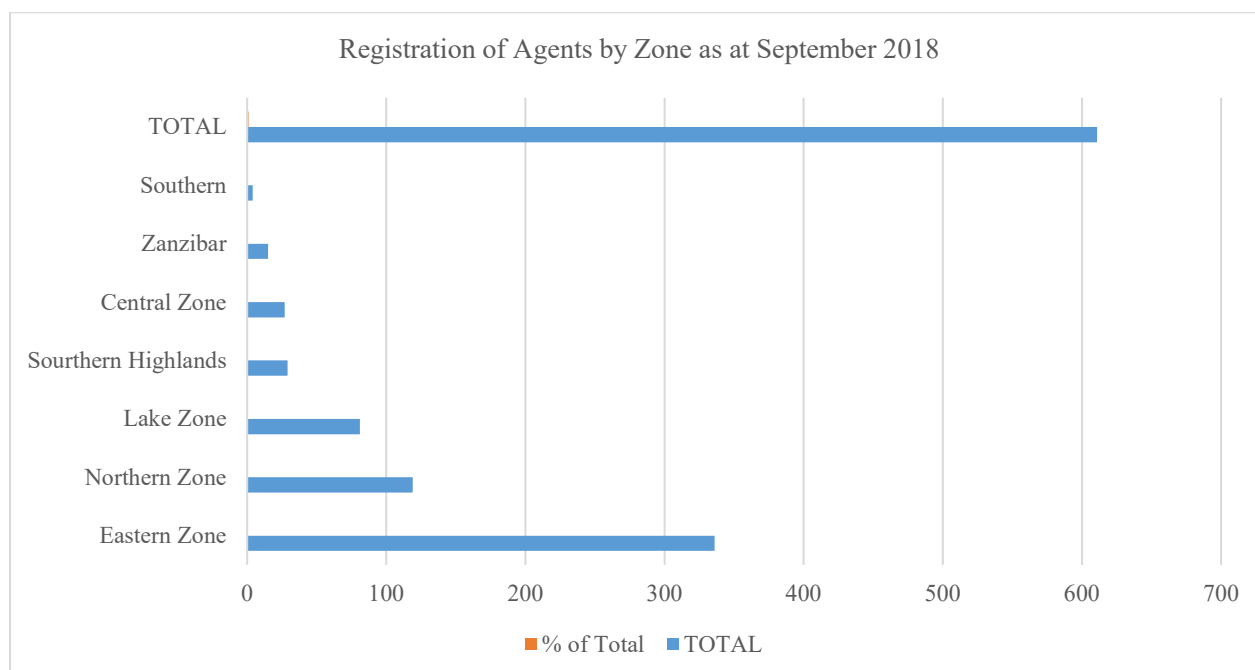
Zonal Office	Zone Code	TOTAL as at Sept 2018	% of Total
Eastern Zone	EZ	92	92.9%
Northern Zone	NZ	5	5.1%
Lake Zone	LZ	1	1.0%
Zanzibar	Z	1	1.0%
Central Zone	CZ	0	0.0%
Southern Highlands	SHZ	0	0.0%
Southern	S	0	0.0%
TOTAL		99	100.0%

6.1.2. Agents

As at 30th September 2018, 55.6 percent of the agents in the country were based in eastern zone, 19.5% of the agents were based in Northern Zone, 13.3% were based on Lake Zone, 9% lake zone, average of approximately 4.5% to each to Northern zone and Central Zone and 2.5% Zanzibar while for Mtwara and Lindi which form part of Southern Zone equals to 0.7% of total agents registration.

Table 1.3.2: Agents Registration by Zones

Zonal Office	Zone Code	TOTAL	% of Total
Eastern Zone	EZ	336	55.0%
Northern Zone	NZ	119	19.5%
Lake Zone	LZ	81	13.3%
Southern Highlands	SHZ	29	4.7%
Central Zone	CZ	27	4.4%
Zanzibar	Z	15	2.5%
Southern	S	4	0.7%
TOTAL		611	100.0%

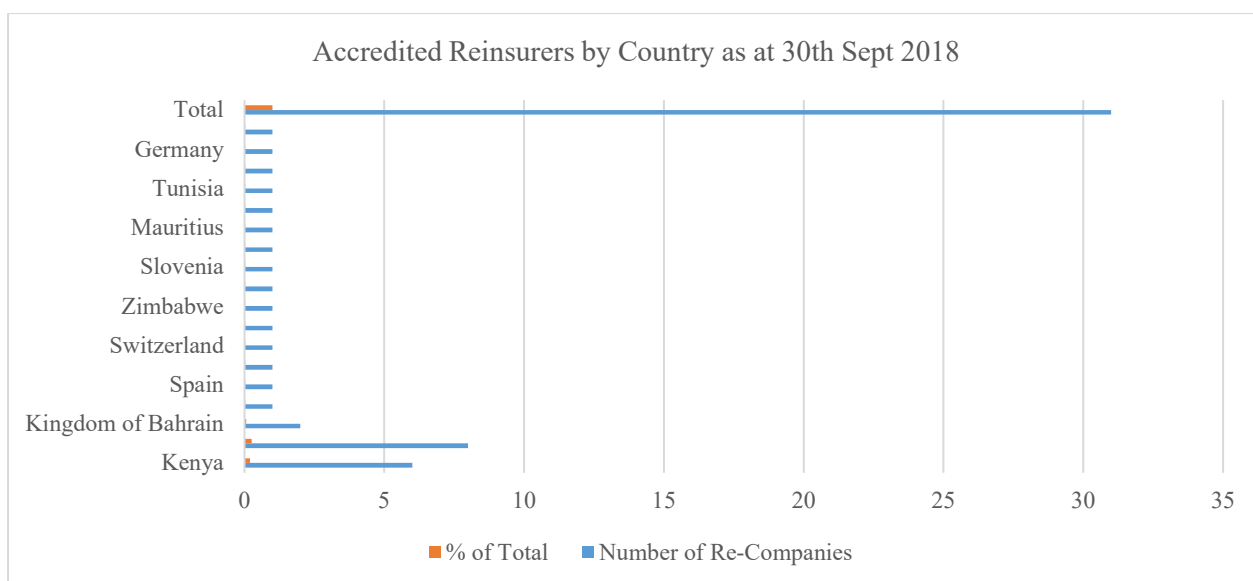


6.2. Accreditation to the foreign reinsurers and reinsurance brokers

There are 31 reinsurance companies accredited to trade with the insurance companies registered in Tanzania. This shows a favourable environment to foreign reinsurance investors.

Table 6.2.1: Reinsurance Companies Accreditation by Country as at 30th September 2018

Country	Number of Re-Companies	% of Total
Kenya	6	19.4%
South Africa	8	25.8%
Kingdom of Bahrain	2	6.5%
Togo	1	3.2%
Spain	1	3.2%
France	1	3.2%
Switzerland	1	3.2%
Uganda	1	3.2%
Zimbabwe	1	3.2%
Bermuda	1	3.2%
Slovenia	1	3.2%
Sweden	1	3.2%
Mauritius	1	3.2%
USA	1	3.2%
Tunisia	1	3.2%
Morocco	1	3.2%
Germany	1	3.2%
United Kingdom	1	3.2%
Total	31	100%



There were 41 reinsurance brokers accredited to transact with the insurance companies registered in Tanzania. This also shows a favorable environment to foreign reinsurance investors.

Table 1.4.2 : Reinsurance Companies Accreditation by Country as at 30th September 2018

Country	Number of Re-Broker	% of Total
United Kingdom	15	37%
South Africa	6	15%
Mauritius	5	12%
India	4	10%
Kenya	3	7%
UAE	2	5%
France	2	5%
Cyprus	1	2%
Australia	1	2%
Korea	1	2%
Morocco	1	2%
Total	41	100%

7 INSURANCE MARKET DEVELOPMENT ACTIVITIES

7.4 Consumer education and Corporate Responsibilities

During the period under review, the industry has conducted 143 programs on insurance public awareness creation countrywide, and 20 Corporate Social Responsibilities. It is the joint efforts between TIRA and the market to educate the public and ensure that part of benefits revert to the public.

During sabasaba exhibition from June 28 to 10 July 2018 TIRA in collaboration with all Insurers teamed up to form an insurance street and jointly offered insurance services which ranges from underwriting new business, claims and complaints handling. Insurers have also conducted microinsurance trainings in Manyara, Iringa Njombe, kilombero and Kiteto. This is a positive move towards the growth of agriculture insurance.

TIBA on the other hand, held its fourth annual Sports Day, which included Golf, tennis, snooker and football. The event was highlighted as the largest event held at the Dar Es Salaam Gymkhana club with over 300+ participants and delegates. TIBA launched the KPMG Internship challenge for the 3rd year in which three students will be given Paid internships at KPMG, ITL and Eagle Africa Insurance Brokers upon announcement of winners. TIBA has continued to train students at IFM and recently in support of Metropolitan Insurance Company Limited handed over TZS. 4.5 million as sponsorship for students tuition fee and accommodation.

Table below illustrates the position.

S/N	NAME OF THE INSTITUTION	NUMBER MARKET SENSITIZATION	TYPE OF OUTLET	NUMBER OF PARTICIPANTS/AUDIENCE
1	TIRA	93	Workshop, seminars (face to face), TV radio programs, exhibitions	5,700 students and 3987 other participants
2	INSURERS	50	Agriculture trainings, TV and radios, Blogs, newspapers and Billboards	1,000 plus
3	BROKERS	5	Sports, insurance walk, internship	300+

S/N	NAME OF THE INSTITUTION	CORPORATE SOCIAL RESPONSIBILITIES	TYPE OF ACTIVITY	REGION/ LOCATION
1.	TIRA	5	Donation of some basic needs to the old age people at Government camps and children at orphanage camp.	Dodoma And Zanzibar
2.	INSURERS	15	Renovation projects to classrooms, school toilets, school competition countrywide, donation of sports gear, charity run support, contribution to Zanzibar insurance day, fund raising for trainings	Dae Es Salaam, Zanzibar Bukoba, Mbeya, Morogoro, Arusha and Dodoma
3.	BROKERS	5	Donations, internships, sponsorship	Gymkhana, Institute of Finance Management, Moshi

7.5 Development of Tanzania Imports Insurance Portal

TIRA in collaboration with the industry developed ‘Tanzania Imports Insurance Portal’ (TIIP) System to capture all data of marine imports to comply with the Insurance Act No: 10 of 2009 Section 133 as amended, that ground, marine and air cargo insurance covers for Tanzanian imports shall be effected by a Tanzanian insurer. The system came into operation in January 2018.

During the period under review, 498 users of the portal were trained as illustrated in the table below:-

Number of TIIP users trained.

Zone	Participants/ trainees	No of insurers	No of brokers/agents	Date
Dar Es salaam	300	27	95	January 2018
Northern Zone	70	12	12	May 2018
Lake Zone	78	11	15	May 2018
Southern Zone	50	7	5	May 2018

Zone	Participants/ trainees	No of insurers	No of brokers/agents	Date
Zanzibar (Unguja & Pemba)	120	4	38	Feb. 2018; March 2018; March 2018

7.6 Development of TIRA RBS Licensing Module

In this period under review, TIRA developed further its existing TIRA RBS system to accommodate online application for license and company profile maintenance. This module is developed to ensure all registration and licensing data for insurance companies, brokers, agents, loss adjusters and other registrants are well collected, analysed, approved and retrieved. The operationalization of this feature is planned for the 2019 license renewal and new applications for registration which starts this November, 2018. This module is expected to automate the manual system and enhance efficiency of the Directorate of Licensing and Market Conduct Supervision in processing and issuing licenses.

7.7 Development of TIRA MIS – Premium Daily Reporting

The Authority has also developed further ‘TIRA MIS to accommodate premium daily reporting feature which requires insurance companies to report their transacted business on daily basis and also improved the existing motor insurance features to provide notifications to policyholders on all events affecting the policy (cover note). This feature is planned to be implemented from January 2019 (and as per the industry calendar year). This feature is expected to ensure data on real time basis is collected, analysed and used to make well informed decisions for the development of industry and forecast for the future. It will further simplify and improve the regulatory and supervisory activities of the Authority.

7.8 Development of ORSA and Risk Based Capital to Insurers

TIRA hosted a Consultant to develop Own Risk and Solvency Assessment (ORSA) and Risk Based Capital (RBC) to insurers in the Market. The Consultant has trained the industry. The Authority is finalizing the analysis of the report before it is put in operation.

**GENERAL INSURANCE CLASSES OF BUSINESS FINANCIAL HIGHLIGHTS AND ANALYSIS OF SOME RATIOS
AS AT 30 SEPTEMBER 2018 (TZS Millions)**

Description	TOTAL		INCR/DECR (%)
	30TH SEPT 2017	30TH SEPT 2018	
Gross Premiums Written (GPW)	431,368	449,326	4.2%
Premium Ceded (RP)	186,985	200,141	7.0%
Net Premiums Written (NPW)	244,383	249,185	2.0%
Earned (Net)(NPE)	238,345	244,552	2.6%
Net Claims Incurred (NCI)	132,328	122,336	-7.6%
Net Commission Paid (Net Comm)	15,488	16,730	8.0%
Management Expenses (Mgt Exp)	103,653	102,000	-1.6%
Net Expenses (Mgt Exp. & Net Comm)	119,141	118,730	-0.3%
Combined Exp (Incurred, Mgt Exp & Comm)	251,469	241,066	-4.1%
Underwriting income/(Loss)	-13,124	-4,999	-61.9%

RATIO ANALYSIS (IN %)	30TH SEPT 2017	30TH SEPT 2018	INCR/DECR (%)
RP to GPW Ratio	41.9%	44.5%	2.6%
NPW to GPW Ratio	58.1%	55.5%	-2.6%
NPE to GPW	56.7%	54.4%	-2.3%
NCI to NPE (Loss Ratio)	55.5%	50.0%	-5.5%
Mgt Exp to GPW Ratio	24.7%	22.7%	-2.0%
Mgt Exp to NPW Ratio	42.4%	40.9%	-1.5%
Mgt Exp to NPE Ratio	43.5%	41.7%	-1.8%
Net Exp to NPE (Expense Ratio)	50.0%	48.6%	-1.4%
Combined Ratio	105.5%	98.6%	-6.9%