



## **TANZANIA INSURANCE REGULATORY AUTHORITY**

**WELCOME REMARKS BY THE NATIONAL INSURANCE BOARD  
CHAIR DR. YAMUNGU KAYANDABILA DURING THE 21<sup>st</sup>  
ANNUAL INSURANCE DAY ON 27<sup>th</sup> OCTOBER, 2018**

**TANGA BEACH RESORT  
TANGA.**

**Hon. Dr. Philip Isdory Mpango (MP), Minister for Finance and Planning.**

**Hon. Martine Shigella, Regional Commissioner (RC) – Tanga.**

**Members of the National Insurance Board Present,**

**Dr. Baghayo Saqware, Commissioner of Insurance,**

**Mr. Bosco Bugali, President of the Insurance Institute of Tanzania (IIT).**

**Mr. Khamis Suleiman, Chairman of the Association of Tanzania Insurers (ATI).**

**Mr. Mohammed Jaffer, President of the Tanzania Insurance Brokers Association (TIBA).**

**CEO's of Insurance Companies and Insurance Intermediaries,**

Distinguished representatives from the entire financial sector in Tanzania and beyond,

Members of the Press,

Ladies and gentlemen,

A warm Good morning to you all,

## **INTRODUCTION**

- 1.1 Let me start by thanking The Almighty GOD for graciously permitting us to convene here today. The preparations of this annual day and our being here today would not have been possible without his grace. I also thank all delegates of this 21<sup>st</sup> annual Insurance Day for their genuine interest in this remarkable event.

## **Honorable Guest of Honor**

- 1.2 The insurance industry is greatly honored to have you here today to preside over the opening ceremony of this year's Insurance day despite your busy schedule. Your acceptance to join us today is a clear demonstration of the importance you place on insurance sector which is a member of the wider financial sector which falls under the ambit of the Ministry of Finance and Planning which you lead.
- 1.3 Your presence here also encourages us an industry to do more towards making a greater contribution to a pursuit of the Vision of the Fifth Phase Government led by His Excellency, Honourable Dr. John Pombe Magufuli, The President of the United Republic of Tanzania. As an industry, we are well aware of the Government's Industrialization Agenda, and our main contribution would be to provide insurance coverage for risks faced by corporates and the citizens of Tanzania as they work around the Industrialization drive and as we all aspire to make our country a middle-income country in the foreseeable future.

## **Honourable Guest of Honour**

- 1.4 It is through your able guardianship and support the insurance sector has kept the pace required for growth and it is our hope that this support will continue for the betterment of our country.

## **THEME AND DISCUSSIONS**

### **Honorable Guest Honor,**

- 1.5 The industry is on course toward developing a robust and reliable foundation for public-private-partnerships that are required to deliver the expected impact in terms of deeper insurance penetration reaching the majority of Tanzanians. This augurs well with our theme for this year's Insurance Day - "BUILDING SUSTAINABLE FINANCIAL STABILITY IN INSURANCE THROUGH PARTNERSHIPS".
- 1.6 It is very evident from the outset that insurance is among the major economic sectors which is of paramount importance in steering our country towards attaining middle-income status. This can only be achieved through strategic public-private-partnerships is has been well articulated in this year's Insurance Day theme.
- 1.7 As a prominent member of the wider financial sector, insurance players should forge partnerships with other players in the financial service sector, mobile network operators and other key partners in coming up with redesigned insurance products, services and distribution models which answer to the fast changing demands of the market so that the target of reaching at least 50% of the Tanzania adult population using insurance services is achieved within the next ten years. This is the spirit which the Authority whose Board I chair stands for.

## **Honorable Guest of Honor**

- 1.8 Let me now mention a few initiatives that have been implemented by Tanzania Insurance Regulatory Authority and the insurance industry in general towards realization of the Government's goals and aspirations.
- 1.9 The Authority in consultations with your Ministry has in July 2017 amended the Insurance Act of 2009 through miscellaneous amendments to provide for, among things, mandatory local placement of marine cargo insurance business. This initiative seeks to strengthen local insurance market capacity in retaining risks emanating from Tanzania.
- 1.10 This effectively means that all goods imported into Tanzania whether by road, rail, air or sea have to be insured by a locally registered insurance company.
- 1.11 It is our strong belief that this initiative which was taken by design will enhance insurance market's contribution to the national economy and thereby contribute towards improving the livelihood of the individual Tanzanians.
- 1.12 Another area which the Authority is addressing since last year is tackling the problem of solvency and capital deficiencies perpetuated by some of our insurers. The Authority has begun engaging shareholders, boards of directors, and management teams of the affected insurers to obtain their commitments in implementing the

necessary remedial measures including recapitalization plans.

- 1.13 The Authority is committed to ensure that only the financially sound insurance players are allowed to serve our citizens and our society in general. We cannot under rate the damage that financially troubled insurance players can do to the millions of the innocent policyholders, both private and corporate, which have entrusted their properties and lives to those insurance companies by purchasing insurance covers with them.
- 1.14 Prudence dictates that only the sound and financially viable insurance companies should be allowed to operate in the market place. In view of this, the Authority plans to systematically phase out all insolvent insurance players as required under the Insurance Act. May I therefore once again call upon all insurers with solvency and capital deficiencies to inject the required capital before 31<sup>st</sup> December 2018 or else put in place alternative exit plans such as merging with other insurers to attain business synergy.

**Honorable Guest of Honor,**

- 1.15 Recently, the Authority in collaboration with other partners has developed IT systems aimed at revolutionizing the way we do business and regulate the market. The systems include:

- a) TIRA – Motor Insurance Sticker System (TIRA-MIS) which is aimed at combating the use of fake motor stickers;
- b) Tanzania Imports Insurance Portal (TIIP) which provides a digital platform for purchasing of insurance policies for imported goods. These systems have given us a milestone in easing the ways of undertaking business in the insurance industry specifically for imported goods.

### **Honorable Guest of Honor,**

- 1.16 Cognizant of the great thrust which the Fifth Phase Government has been applying toward improving the livelihoods of the low income members of our society, the Authority and the insurance industry in general has put in place measures to increase use of insurance services by low income earners. Measures taken include introduction of micro-insurance regulations which target insurance services for low income people and also partnering with different stakeholders to improve access to insurance services. In this regard, I wish to commend the support of the Financial Sector Deepening Trust (FSDT) and other partners.
- 1.17 Insurance education and awareness is yet another area which the Authority together with insurance registrants is seeking to address with the view to upscaling the insurance understanding of the majority of Tanzanians. In the past one year the Authority has used main stream media channels, seminars and conferences to ensure that the

community is made more aware of not only insurance products and services but also the regulatory mechanisms in place to enable them claim their rights under insurance policies. The Authority plans to introduce a legal and regulatory framework for systematically involving all insurance players in insurance education and awareness campaigns for the mutual benefit of the industry and our country.

## **INSURANCE INDUSTRY REQUESTS**

### **Honorable Guest of Honor**

There is a Swahili saying that ***“Siku ukikutana na Mfalme, mueleze shida zako zote”*** which translates that ***“The day you meet the King, is the day to tell him all of your problems”***. I would like to use the wisdom behind that saying to inform you of a few challenges which we face as an industry, and which we ask you to assist us in delivering solutions:

- 1.18 As you are well aware, the Authority and the insurance sector in general await the finalization of the National Insurance Policy (NIP). Preparation of Policy commenced about five years ago and has yet to be concluded. The policy is now receiving the attention of the Inter ministerial Technical Committee (IMTC) after which it will be tabled at the Cabinet. Approval of this policy will unlock many opportunities for deepening and widening of the insurance sector in Tanzania for the benefit of

the industry and the society in general. The policy will, among other things, enhance the role of insurance in supporting the nation's economic development and improving the livelihoods of masses of Tanzanians through provision of micro-insurance, agri-insurance and other emerging insurance products and services befitting the majority of the citizens.

### **Honorable Guest of Honor**

- 1.19 The Insurance sector is very proud and grateful of the support it receives from your Ministry and indeed the Government in addressing challenges faced by the sector and developing the sector. This gives us the confidence of reaching at least 50% population of Tanzanians within the next ten years and ultimately the entire Tanzania population.
- 1.20 As I come towards the end of my speech, I would like to once again thank you Honorable Minister for setting aside time out of your busy schedule to join us in this year's Insurance Day.
- 1.21 With these remarks, I now welcome you to address the meeting.

Honorable Minister kindly welcome!