

**TANZANIA INSURANCE REGULATORY AUTHORITY**



**TANZANIA INSURANCE QUARTERLY PERFORMANCE FOR THE TWELVE  
MONTHS PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2019**

**MARCH, 2020**



## **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”**

## TABLE OF CONTENTS

<b>STATEMENT OF THE COMMISSIONER OF INSURANCE .....</b>	<b>5</b>
<b>1.OVERVIEW OF THE INDUSTRY PERFORMANCE .....</b>	<b>9</b>
<b>2.GENERAL INSURANCE – MARKET PERFORMANCE OVERVIEW .....</b>	<b>12</b>
<b>2.1.General Insurance Business Growth .....</b>	<b>12</b>
<b>2.2.General Insurance Underwriting Results .....</b>	<b>12</b>
<b>2.3.General Insurance – Claims Experience .....</b>	<b>13</b>
<b>2.4.General Insurance – Portfolio Mix .....</b>	<b>14</b>
<b>3.LONG TERM ASSURANCE – MARKET PERFORMANCE OVERVIEW .....</b>	<b>16</b>
<b>3.1.Long Term Assurance Business Analysis .....</b>	<b>16</b>
<b>3.2.Long Term Assurance – Underwriting Results .....</b>	<b>16</b>
<b>3.3.Long Term Assurance – Claims &amp; Benefit Payments .....</b>	<b>16</b>
<b>3.4.Long Term Assurance Portfolio Mix .....</b>	<b>17</b>
<b>4.OPERATIONAL RESULTS OF THE TANZANIA REINSURANCE COMPANY LIMITED (TANRE) .....</b>	<b>18</b>
<b>5.BROKERS PARTICIPATION IN INSURANCE UNDERWRITING .....</b>	<b>20</b>
<b>5.1.Introduction .....</b>	<b>20</b>
<b>5.2.General insurance Broking .....</b>	<b>21</b>
<b>5.3.Long Term Assurance Broking .....</b>	<b>21</b>

## **Important notices**

### **Introduction**

This publication provides selected quarterly insurance market performance statistics. The data reflected in this publication are sourced from Quarterly and Annual Returns submitted to TIRA by insurance and brokerage companies under the provisions of Sections 40 and 78 of the Insurance Act, 2009 respectively. This publication has two main parts, the first part analyses insurance market developments as reflected on tables appended to the report; while the second part provides comparative statistical figures for the insurance industry

### **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 insurers and brokers re-submissions and audited annual returns received after the previous quarter publishing date.

## **STATEMENT OF THE COMMISSIONER OF INSURANCE**

*On behalf of management of the Tanzania Insurance Regulatory Authority, I am pleased to give an overview of the performance of the Tanzania insurance market during the twelve-month period ended 31<sup>st</sup> December 2019 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.*

*Out of 32 insurers licensed to conduct insurance business for the period of January – December 2019, 25 insurers transact general insurance business, 5 life insurers, 1 composite (both general and life insurers) and 1 reinsurance company.*

### **Market Growth and Impact on the Economy**

*The market grew by **17.1 percent** in gross premiums written to **TZS 809,914 million** in the period ended 31<sup>st</sup> December 2019 as compared to **TZS 691,902 million** of the similar period prior year. This performance was above the set target of **10.5 percent annual premium growth for the industry.***

*General insurance business recorded a growth of 18.0 percent in gross premium written from TZS 587,631 million during the period ended 31<sup>st</sup> December 2018 to TZS 693,425 million during the period under review. Life assurance business volume increased by 11.7 percent from TZS 104,272 million for the period ended December 2018 to TZS 116,490 million during the period under review.*

### **Product Mix**

*General Insurance product mix shows a share of Motor insurance business at 32.03 percent. This is followed by Fire (20.72 percent), Health (18.35 percent), Accident (7.78 percent), Engineering (7.74 percent), Marine (4.68 percent), Aviation (4.12 percent), Oil & Gas (0.66 percent) and Other classes shared the remaining 3.92 percent of the total General insurance business. Life assurance, on the other hand, was dominated by Group Life class at 79.58 percent, followed by Individual Life 18.79 percent while other life classes of business constituted 1.63 percent of the total life business.*

### **Underwriting and Profitability**

*The general insurance **underwriting profit** amounted to **TZS 27,937 million** in the twelve months' period to December 31, 2019 being a tremendously improvement compared to underwriting loss of TZS 25,739 million of similar twelve months' period of year 2018. This reflects a significant improvement of the underwriting practice particularly on the increase in net premium earned as a result of increase in retention for the general insurance industry.*

*From an investment point of view, general insurers attained investment income amounting to TZS 34,481 million in the period ended 31<sup>st</sup> December 2019, having increased by 11.3 percent compared to an investment income of TZS 30,975 million earned during the similar period in 2018. On the other hand, life insurers recorded investment income amounting to TZS 7,722 million in the period ended 31<sup>st</sup> December 2019, having decreased by 10.8 percent compared to an investment income of TZS 8,655 million earned during the similar period in 2018.*

### ***Asset Position & Investment Portfolio***

*As at the end of the underwriting period ended 31 December 2019, total assets of insurers amounted to 1,045,896 million compared to TZS 936,027 million of the similar period year 2018. Total insurers' investments amounted to TZS 729,452 million as at 31<sup>st</sup> December 2019 compared to TZS 647,293 million as at 31<sup>st</sup> December 2018. The largest share of insurers' investment assets comprised of Deposits in financial institutions (including Cash and Bank Deposits (52.4 percent), followed by Government Securities (22.7 percent), Real Estates (11.5 percent), Shares (11.2 percent), Investments in related parties (1.5 percent) and other Financial Investments (0.6 percent) in that order.*

### ***Brokers Participation in Insurance Intermediation***

*Brokers remained in command in the market, accounting for 48.7% percent of the transactions amounting to TZS 809.9 billion of the total insurance premiums written during the twelve months (January to December 2019) in respect of both long – term and general insurance businesses (TZS 394.4 billion). Brokers remain to be a significant insurance intermediation force in the industry.*

### ***Opportunities***

*The insurance sector continues to exhibit several opportunities for expansion and growth. These manifested through various developments including the following:*

- (i) A growing middle class which is likely to create more demand for insurance products;*
- (ii) New channels of insurance distribution including mobile insurance technology for enhancement of insurance inclusiveness in the market;*
- (iii) Ongoing efforts towards finalising the approval process for the 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;*
- (iiii) Existence of National Financial Inclusion Policy for enhancement of financial literacy in Tanzania and thus promoting a saving culture;*
- (ivi) Untapped Long Term Assurance market in Tanzania likely to attract new investors;*
- (vi) Regional integration initiatives coupled with enhanced cross-border trading markets for Tanzania insurers;*
- (vii) 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;*
- (viii) Presence of Actuarial and Risk Management graduates in the local market which will improve the industry's human capital; and*
- (ixi) Continued political stability creating conducive environment for investors.*

### ***Outlook***

*The insurance sub-sector has good prospects for growth and improvement in the future, following the Government's initiative of formulating a requisite National Insurance Policy.*

### ***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 with the support of the Ministry of Finance and Planning. TIRA confidently looks forward to further enhancing the supervision and regulation of the Tanzania insurance industry.*

*I would also like to acknowledge the commitment of the National Insurance Board, TIRA management, and staff in the pursuit of the policy objectives underlying continued market based insurance developments 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 as we grapple with emerging challenges and constraints on supervision and regulation of the Tanzania insurance industry.*



---

***Dr. Mussa C. Juma, ACII***  
***Chartered Insurance Practitioner***  
***Commissioner of Insurance***

## KEY COMPARATIVE FIGURES ON MARKET DEVELOPMENTS (TZS MILLION)

### *i. Life and General Business*

Particulars	Dec-18	Dec-19	Incr/(Decr)
General - Gross premiums written	587,631	693,425	18.0%
Life - Gross premiums written	104,272	116,490	11.7%
<b>Total Gross premiums written</b>	<b>691,902</b>	<b>809,914</b>	<b>17.1%</b>
General - Assets	696,052	779,336	12.0%
Life - Assets	239,974	266,561	11.1%
<b>Total Assets</b>	<b>936,027</b>	<b>1,045,896</b>	<b>11.7%</b>
General - Liabilities	467,867	515,017	10.1%
Life - Liabilities	187,317	214,192	14.3%
<b>Total Liabilities</b>	<b>655,185</b>	<b>729,210</b>	<b>11.3%</b>
General - Net assets	228,185	264,318	15.8%
Life - Net assets	52,657	52,368	-0.5%
<b>Total Net assets</b>	<b>280,842</b>	<b>316,687</b>	<b>12.8%</b>
General - Investments	458,505	513,241	11.9%
Life - Investments	188,789	216,211	14.5%
<b>Total Investments</b>	<b>647,293</b>	<b>729,452</b>	<b>12.7%</b>

### *ii. General Business*

Particulars	Dec -18	Dec -19	Incr/(Decr)
Net earned premiums	300,051	367,422	22.5%
Net incurred claims	157,556	161,058	2.2%
Net Expenses (Commission &	168,234	178,427	6.1%
<b>Underwriting results</b>	<b>-25,739</b>	<b>27,937</b>	<b>-208.5%</b>
Investment income	30,975	34,481	11.3%
<b>Net income/loss after tax</b>	<b>3,027</b>	<b>53,788</b>	<b>1,677.0%</b>
<b>Net loss ratio</b>	<b>52.51%</b>	<b>43.83%</b>	<b>-16.5%</b>
Total Assets	696,052	779,336	12.0%
Net Assets	228,185	264,318	15.8%
Returns on total assets	0.43%	6.90%	1,487.1%
<b>Returns on net assets</b>	<b>1.33%</b>	<b>20.35%</b>	<b>1,434.1%</b>

### *iii. Life Business*

Particulars	Dec -18	Dec -19	Incr/(Decr)
Net premiums written	88,500	99,381	12.3%
Total policyholders	43,653	50,151	14.9%
Total investment	8,655	7,722	-10.8%
Total expenses	45,129	51,639	14.4%
<b>Total income</b>	<b>7,858</b>	<b>5,549</b>	<b>-29.4%</b>
<b>Policyholders benefit</b>	<b>49.32%</b>	<b>50.46%</b>	<b>2.3%</b>
Total assets	239,974	266,561	11.1%
Net assets	52,657	52,368	-0.5%
<b>Returns on net assets</b>	<b>14.92%</b>	<b>10.60%</b>	<b>-29.0%</b>



## 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 17.1 percent from TZS 691,902 million during the period ended 31 December, 2018 to TZS 809,914 million at the end of December 2019. This implies that during this period, the market recorded favourable results. Development and operationalisation of the new systems in place (e.g. TIIP, TIRA MIS), marketing and continued public awareness programs significantly contributed to these positive developments. However, more developments in terms of system and automation are expected for the purpose of increasing efficiency and transparency in premium collection.

Insurers' net worth has increased by 12.8 percent to TZS 316,687 million as at end of December 2019 compared to TZS 280,842 million as at end of similar period in 2018. This indicates maintenance of the existing wealth of the industry with a slight improvement for some companies during the period under review. Insurers' consolidated assets increased by 11.7 percent to TZS 1,045,896 million as at 31<sup>st</sup> December 2019 from TZS 936,027 million of the similar period 2018. Meanwhile, the registration of one new insurance company contributed to the increase of the industry's assets as well as net worth. (See Table 1 below).

Industry's total liabilities recorded an increase of 11.3 percent to TZS 729,210 million as at December, 2019 whereas total liabilities as at end December 2018 stood at TZS 655,185 million. This was a result of an increase in both current and future insurance liabilities.

Total insurers' investments increased by 12.7 percent from TZS 647,293 million as at December 31<sup>st</sup>, 2018 to TZS 729,452 million as at December 31<sup>st</sup>, 2019. This indicates the presence of favourable investments avenues in the economy. (See Table 1 below for details).

The investment Income for the insurance market increased by 6.5 percent to TZS 42,203 million during the twelve months' period to December 31, 2019 compared to TZS 39,630 million of a similar period year 2018 (See Table 1.1 below).

**Table 1.1: Total Gross Premium**

General & Long Term Assurance Business as at 31 December 2019 (TZS Millions)			
Particulars	Jan – Dec 2018	Jan – Dec 2019	% Incr./ (Decr.)
<b>Total Gross Premium Written</b>	<b>691,902</b>	<b>809,914</b>	<b>17.1%</b>
<b>Total Assets</b>	<b>936,027</b>	<b>1,045,896</b>	<b>11.7%</b>
<b>Total Liabilities</b>	<b>655,185</b>	<b>729,210</b>	<b>11.3%</b>
<b>Total Net Worth</b>	<b>280,842</b>	<b>316,687</b>	<b>12.8%</b>
<b>Total Investments</b>	<b>647,293</b>	<b>729,452</b>	<b>12.7%</b>
<b>Total Investment Income</b>	<b>39,630</b>	<b>42,203</b>	<b>6.5%</b>

The largest share of insurers' investment assets comprised Deposits in financial institutions, including Cash and Bank Balances (52.4 percent), followed by Government Securities (22.7 percent), Real Estates (11.5 percent), Shares (11.2 percent), Investments in related parties (1.5 percent) and other Financial Investments (0.6 percent) in that order. As stated above total investment assets were TZS 729,452 million. The analysis indicates that during the period under

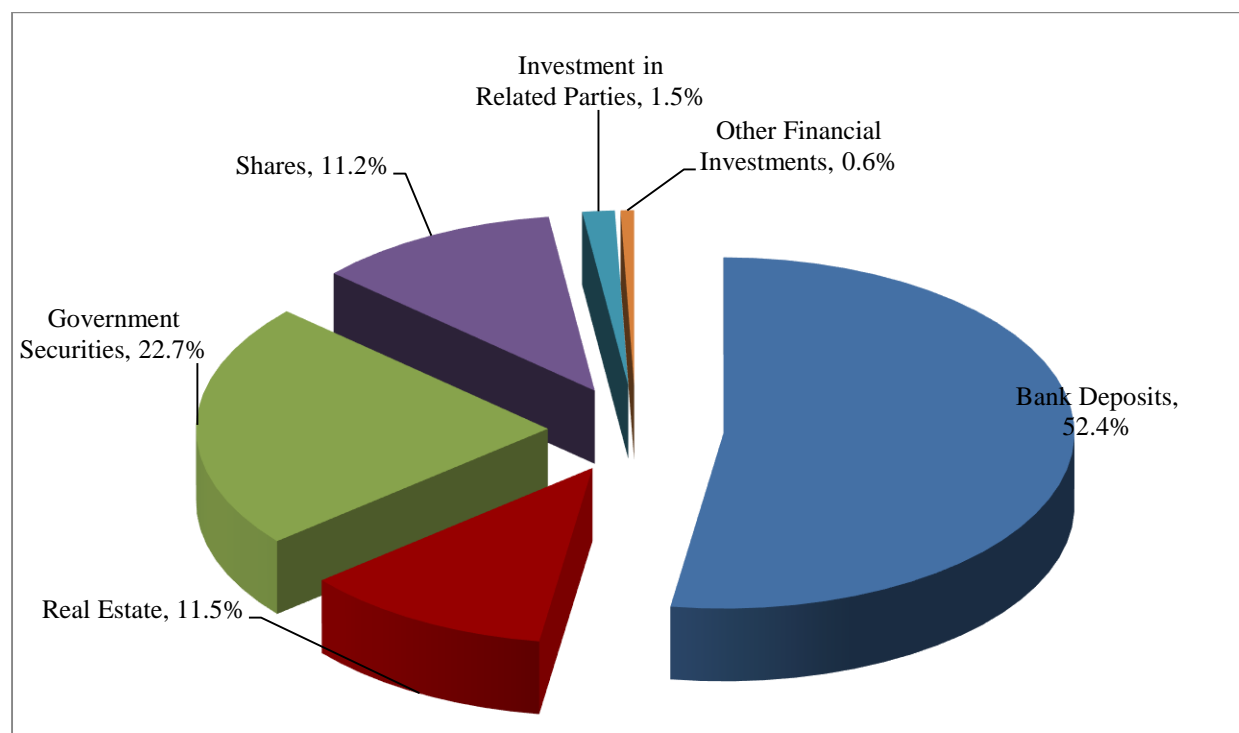
review, most insurers have invested in the lowest risk securities, which were bank deposits and government securities (75.1%).

Table 1.2 below indicates the concentration of the amounts invested by the insurance companies for the period under review (TZS Million):-

**Table 1.2: Investment concentration**

Investment Assets	Number of Insurers	Amount (TZS Million)	% of Total
Cash and Bank Balances	32	58,199	8.0%
Deposits in Financial Institutions	30	324,146	44.4%
Tanzanian Government Securities	32	165,640	22.7%
Other Bonds and debentures	4	3,054	0.4%
Mortgage Loans	1	432	0.1%
Real estate	6	84,220	11.5%
Listed shares	13	15,833	2.2%
Other shares	23	66,100	9.1%
Investment in investment pools, mutual funds, unit trusts	2	473	0.1%
Equity investments in related parties	3	5,990	0.8%
Other related party investments	6	4,850	0.7%
Policy Loans	11	363	0.0%
Other Investments	2	150	0.0%
<b>Total Investment Assets</b>		<b>729,452</b>	<b>100.0%</b>

**Chart 1: Investment Portfolio as at December 31, 2019**



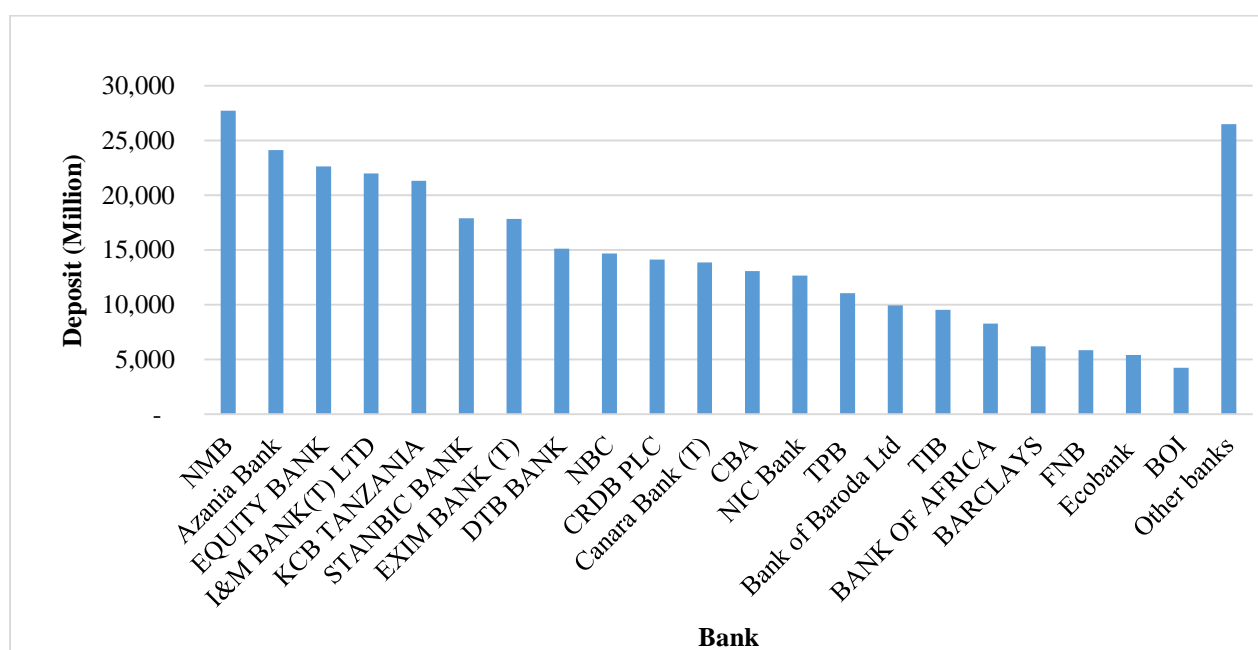
The Deposits in Financial Institutions had the following distribution;

**Table 1.3: Financial Institution**

**Distribution of Financial Institution as at 31 December 2019**

Name of Financial Institution	Amount Invested by Insurer (TZS '000')	% of Total Investment to Financial Institutions
NMB	27,725,714	8.6%
Azania Bank	24,119,138	7.4%
EQUITY BANK	22,640,368	7.0%
I&M BANK(T) LTD	21,995,986	6.8%
KCB TANZANIA	21,313,160	6.6%
STANBIC BANK	17,900,796	5.5%
EXIM BANK (T)	17,850,809	5.5%
DTB BANK	15,120,365	4.7%
NBC	14,666,637	4.5%
CRDB PLC	14,112,103	4.4%
Canara Bank (T)	13,863,369	4.3%
CBA	13,072,959	4.0%
NIC Bank	12,654,620	3.9%
TPB	11,048,004	3.4%
Bank of Baroda Ltd	9,932,264	3.1%
TIB	9,531,346	2.9%
BANK OF AFRICA	8,289,162	2.6%
BARCLAYS	6,202,626	1.9%
FNB	5,854,440	1.8%
Ecobank	5,408,415	1.7%
BOI	4,242,885	1.3%
Other banks	26,600,380	8.2%
<b>TOTAL DEPOSITS</b>	<b>324,145,545</b>	<b>100.0%</b>

**Chart 2: Amount Invested by Insurer (TZS Million)**



## 2. GENERAL INSURANCE – MARKET PERFORMANCE OVERVIEW

### 2.1. General Insurance Business Growth

General insurance business experienced a growth of 18.0 percent in gross premium income from TZS 587,631 million during the period ended 31 December 2018 to TZS 693,425 million during the period ended December 2019 (see Appendix 1 – appended). This growth is associated with a number of factors, including the following:

- i. Insurance cover of the ongoing mega construction projects by the government including Stigler’s Gorge, Standard Gauge railway as well as Airport expansions and constructions.
- ii. 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.
- iii. New systems in place i.e. TIIP, TIRA MIS, aggressive marketing and continued public awareness programmes.
- iv. Stability on the new platform of premium payment that requires the direct deposit of premium to insurer.

The investment income for general insurance business in the twelve months’ period to December 31<sup>st</sup>, 2019 was TZS 34,481 million, an increase by 11.3 percent compared to TZS 30,975 million for the similar twelve months’ in year 2018. (See Table 2.1 below for details). The increase of the investment returns was mainly due to good economic performance as well as increase in investment assets of the general insurance companies compared to previous year.

**Table 2.1: Insurance and Investment performance**

General Insurance Business		– TZS million		
Particulars	Jan – Dec 2018	Jan – Dec 2019	Incr/Decr (%)	
General Insurers Gross Premiums Written	587,631	693,425	18.0%	
General Insurers Investment Income	30,975	34,481	11.3%	

### 2.2. General Insurance Underwriting Results

Net premiums written for general insurance business in the twelve months to December 31, 2019 was TZS 364,522 million compared to TZS 318,057 million for the similar period in 2018, an increase of 14.6 percent. This indicated the increase on retention of risks by the insurance companies compared to previous year similar period.

Net incurred claims were TZS 161,058 million for the twelve months’ period to December 31<sup>st</sup> 2019 compared to TZS 157,556 million for the similar twelve months in 2018, implying a slight increase of claims for the period under review compared to similar period in the previous year.

Underwriting expenses for general insurance business in the twelve month’s period to end of December 2019 was TZS 178,427 million compared to TZS 168,234 million for the similar

period in 2018. This implies an increase in the costs of underwriting which appeared to be consistent with the growth of business.

General insurance business recorded a tremendously underwriting profit amounting to TZS 27,937 million in the twelve month's period to end of December, 2019 compared to underwriting loss of TZS 25,739 million for the similar period in 2018. These tremendous results have been attributed to the significant increase in volume of business as well as slight increase in net incurred claims as compared to similar period of the previous year. The general insurance underwriting performance for the year 2019 can also be explained by the impact of the minimum rates which appeared to have eradicated the undercutting practices and lead to significant improvement in underwriting profit as compared to previous underwriting years.

**Table 2.2: General Insurance Business Financial Performance for Jan – Dec 2019 (TZS Million)**

Particulars	Jan – Dec 2018	Jan – Dec 2019	Incr/Decr (%)
Net Premiums Written	318,057	364,522	14.6%
Net Incurred Claims	157,556	161,058	2.2%
Underwriting Expenses	168,234	178,427	6.1%
Underwriting Income/(loss)	<b>-25,739</b>	<b>27,937</b>	<b>-208.5%</b>

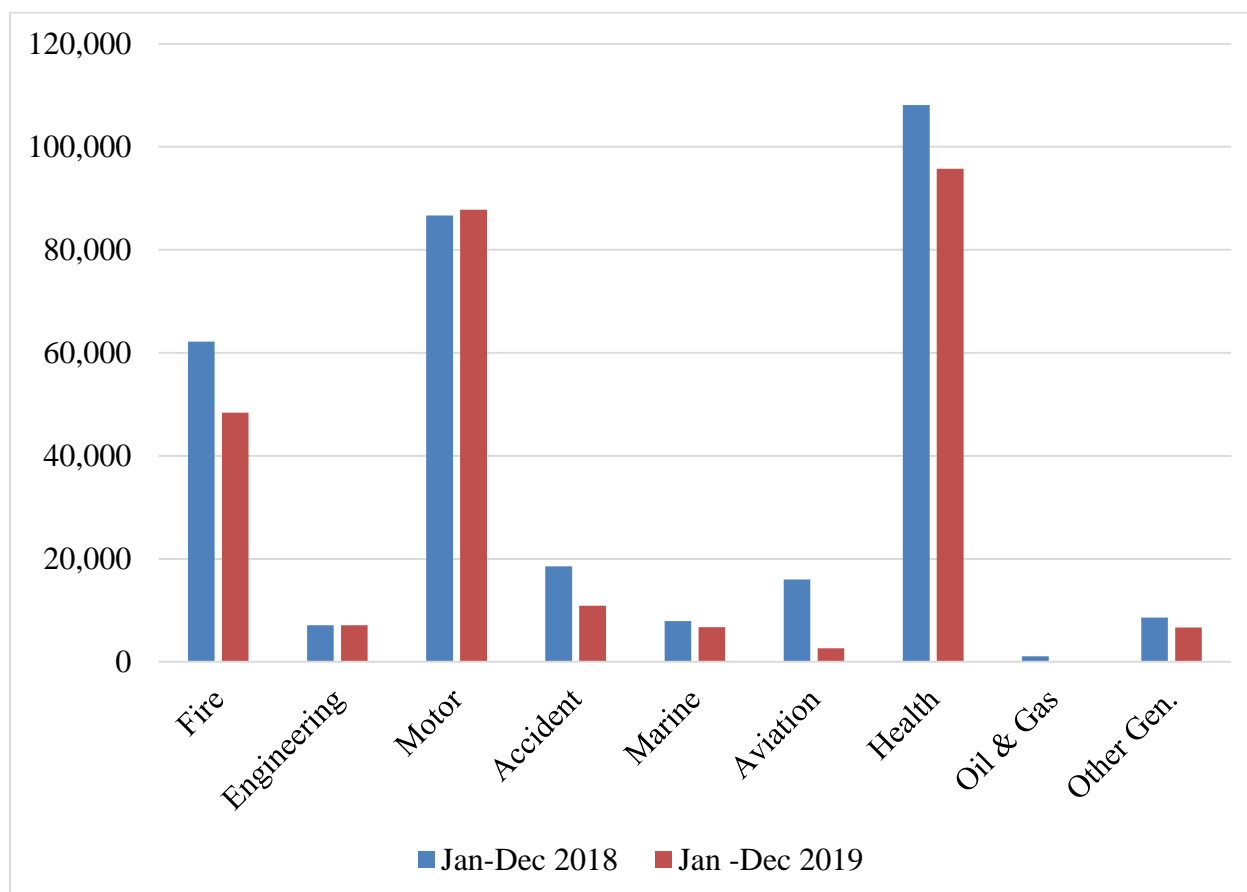
### 2.3. General Insurance – Claims Experience

General Insurance Gross Claims paid decreased by 15.9 percent from TZS 316,220 million recorded in Jan – Dec 2018 to TZS 265,943 million during the period under review. This decrease has been attributed to the decrease in claims in some classes of business particularly health, aviation, fire, accident, and marine as compared to similar period in 2018. Significant impact has been noted on Health, Aviation, Fire, marine and other general classes of business whereby the amount significantly decreased compared to claim amounts paid during the similar period in 2018.

**Table 2.3: General Insurance Gross Claims Payments (TZS Million)**

Description/Class of insurance	Jan - Dec 2018	Jan - Dec 2019	%Incr/Decr
Fire	62,141	48,350	-22.2%
Engineering	7,099	7,111	0.2%
Motor	86,675	87,754	1.2%
Accident	18,554	10,906	-41.2%
Marine	7,901	6,760	-14.4%
Aviation	16,012	2,659	-83.4%
Health	108,103	95,717	-11.5%
Oil & Gas	1,106	-	N/A
Other Gen.	8,628	6,684	-22.5%
<b>Total</b>	<b>316,220</b>	<b>265,943</b>	<b>-15.9%</b>

**Chart 3: General Insurance Gross Claims Payments - TZS Million**



#### 2.4. General Insurance – Portfolio Mix

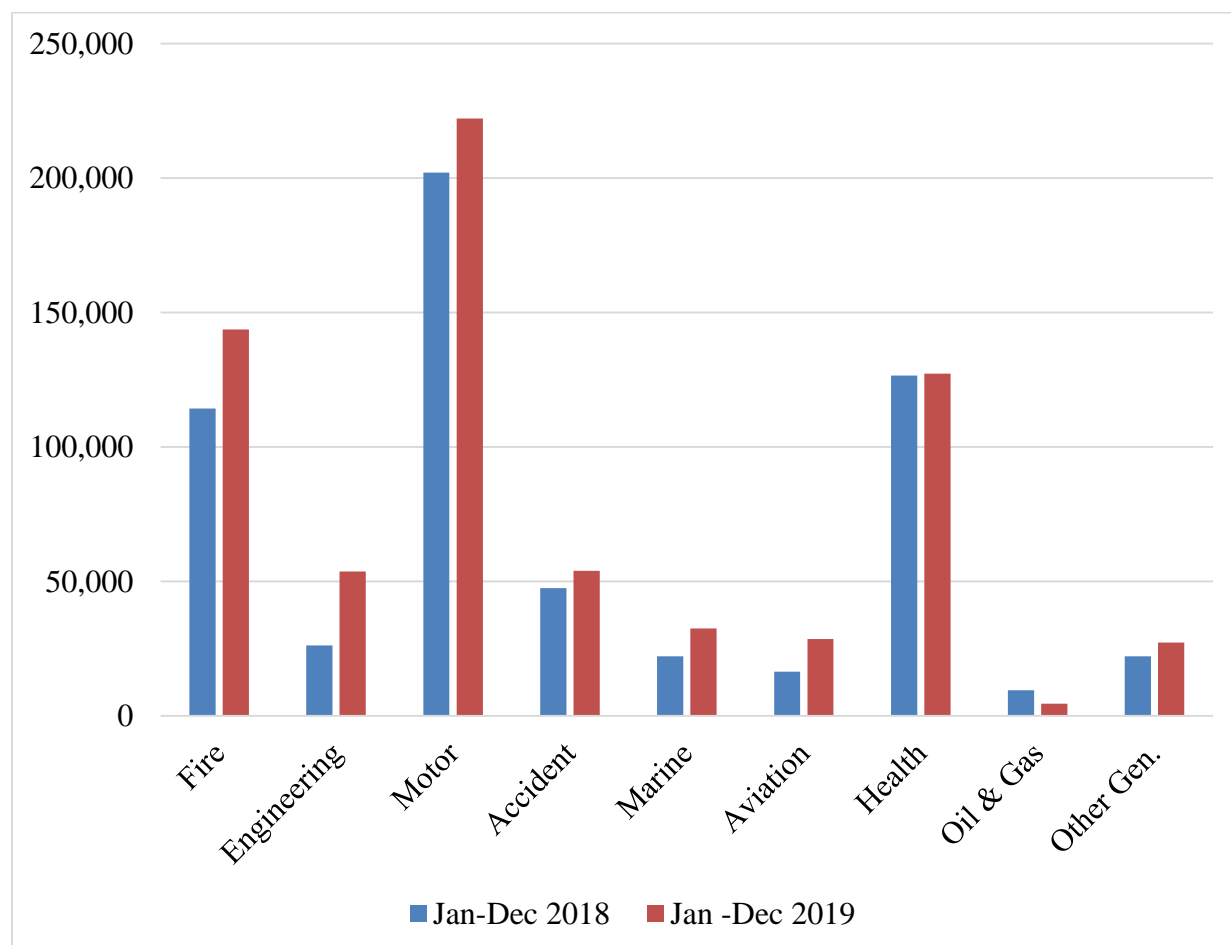
On a class-by-class basis, General Insurance product mix at end of December, 2019 showed that the Motor insurance business continue to dominate general insurance product with market share of 32.03 percent. This was followed by Fire (20.72 percent), Health (18.35 percent), Accident (7.78 percent), Engineering (7.74 percent), Marine (4.68 percent), Aviation (4.12 percent) and Oil & Gas (0.66 percent). Other General class of business which comprised of micro insurance business and other general insurance, shared the remained 3.92 percent of the total General insurance business. (See **Chart 4 below**).

All classes of business recorded increase in gross premium written during the period under review compared to the similar period in 2018, with the exception of Oil & Gas class of business which recorded a negative growth compared to similar period ended December 2018. Engineering class of business was leading in growth of gross premium written during the period under review, with an increase of 104.93 percent compared to the similar period in the previous year. Aviation and Marine and Fire classes of businesses followed with an increase of 74.27 percent, 46.97 percent and 25.65 percent respectively, compared to the similar period in previous year. The remained classes recorded average growth rates as presented on the table. (See **table 2.4 below**).

**Table 2.4: General Insurance Gross Premiums Written By Class Of Business (TZS Million)**

Class of Business	Jan – Dec 2018	Market Share	Jan – Dec 2019	Market Share	% Incr/Decr
Fire	114,334	19.60%	143,656	20.72%	24.7%
Engineering	26,178	4.45%	53,648	7.74%	104.9%
Motor	202,100	34.39%	222,131	32.03%	9.9%
Accident	47,505	8.08%	53,971	7.78%	13.6%
Marine	22,091	3.76%	32,467	4.68%	47.0%
Aviation	16,383	2.79%	28,550	4.12%	74.3%
Health	126,602	21.54%	127,256	18.35%	0.5%
Oil & Gas	9,461	1.61%	4,549	0.66%	-51.9%
Other Gen.	22,108	3.76%	27,198	3.92%	23.0%
<b>TOTAL</b>	<b>586,762</b>	<b>100.00%</b>	<b>693,425</b>	<b>100.00%</b>	<b>18.0%</b>

**Chart 4: 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 for the twelve month's period ended 31<sup>st</sup> December, 2019 increased by 11.7 percent to TZS 116,490 million compared to TZS 104,272 million for the similar twelve month's period in 2018. The increase reflects enhanced public awareness and uptake of life insurance products as well as availability of customized life products for the Tanzanians population.

**Table 3.1: Long Term Assurance Business**

Particulars	Jan – Dec 2018	Jan – Dec 2019	Incr/Decr (%)
Life Insurers Gross Premiums Written	104,272	116,490	11.7%
<b>Life Insurers Investment Income</b>	8,655	7,722	-10.8%

#### 3.2. Long Term Assurance – Underwriting Results

Underwriting expenses for Long Term Assurance business in the twelve month's period to December 31, 2019 were TZS 51,639 million compared to TZS 45,129 million for the similar period in 2018. This increase could be attributed to the increased new businesses and products in that category resulting into the increase in underwriting and administration costs.

Investment income for Long Term Assurance business in the twelve month's period to December 31<sup>st</sup> 2019 was TZS 7,722 million, a decrease of 10.8 percent compared to TZS 8,655 million for the similar period in 2018. This is due to a decrease of bank interest rate, which resulted from a decrease in return on investments particularly from fixed deposits and treasury bills, which constitute the largest part of the insurers' investments. (See Table 3.2 below for details).

**Table 3.2: -Financial performance**

**Long Term Assurance Business Financial Performance (TZS Million)**

Particulars	Jan – Dec 2018	Jan – Dec 2019	Incr/Decr (%)
<b>Gross Premiums Written</b>	104,272	116,490	11.7%
<b>Net Premiums Written</b>	88,500	99,381	12.3%
<b>Policyholders Benefits</b>	43,653	50,151	14.9%
<b>Underwriting Expenses</b>	45,129	51,639	14.4%
<b>Investment Income</b>	8,655	7,722	-10.8%

#### 3.3. Long Term Assurance – Claims & Benefit Payments

Policyholders benefits paid for the twelve month's period to December, 2019 were TZS 50,151 million, an increase of 14.9 percent compared to TZS 43,653 million for the similar period in 2018, implying the increase in number and amount of matured life policies.

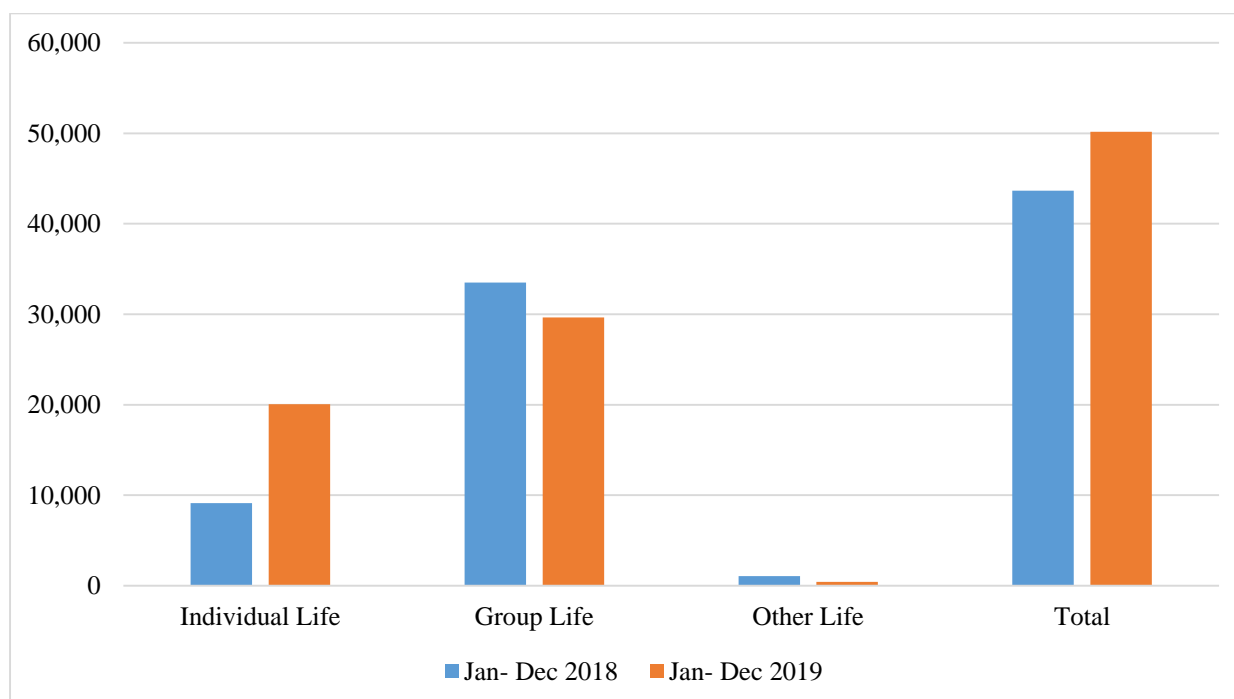


**Table 3.3.1: Long Term Assurance Business Financial Performance (TZS Million)**

Particulars	Jan – Dec 2018	Jan – Dec 2019	Incr/Decr (%)
Policyholders Benefits	43,653	50,151	14.9%

**Table 3.3.2 : Long Term Assurance Gross Claims Payments (TZS Million)**

Description/Class of insurance	Individual Life	Group Life	Other Life	Total
Jan- Dec 2018	9,114	33,483	1,055	43,653
Jan- Dec 2019	20,060	29,658	434	50,151
% Increase/Decrease	120.10%	-11.43%	-58.88%	14.89%

**Chart 5: Life Insurance Gross Claims Payments – TZS Million**

### 3.4. Long Term Assurance Portfolio Mix

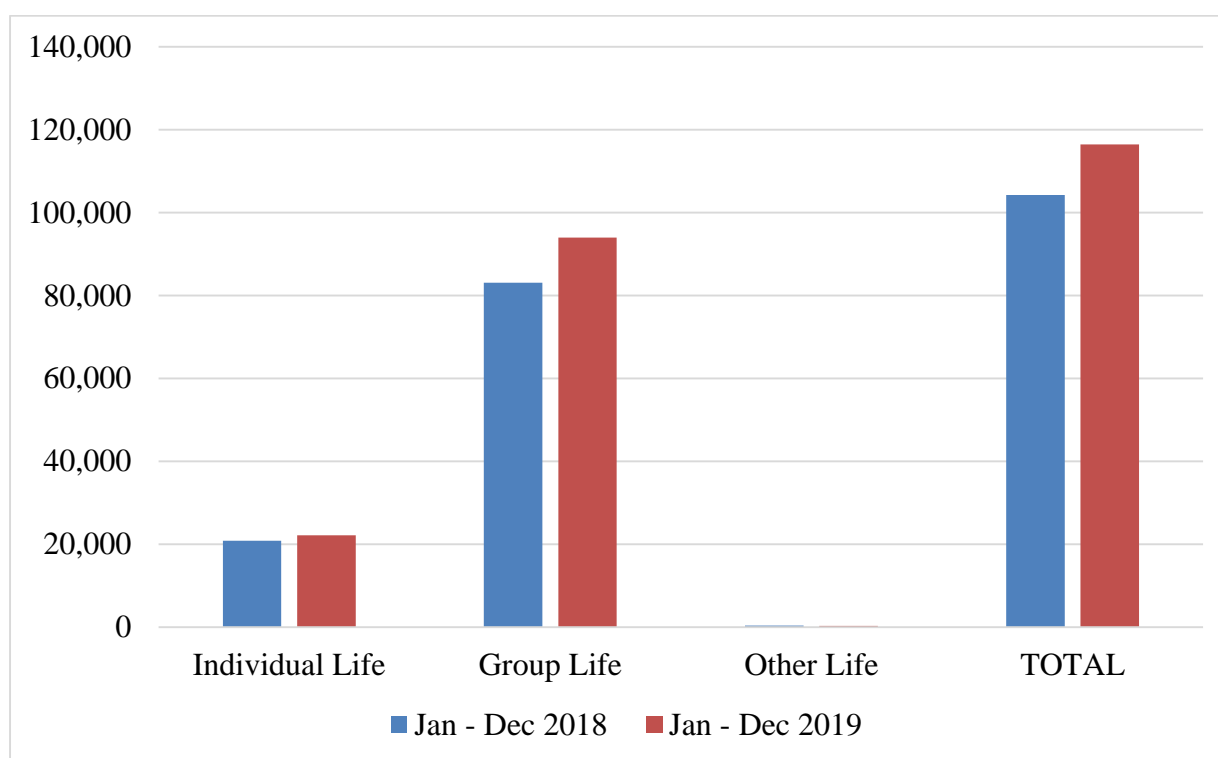
On a class-by-class basis, Long Term Assurance products mix as at December 31<sup>st</sup>, 2019 is as shown in Table 9 and Chart 6 below.

During the period under review, there was a significant improvement on both individual and group life classes of business which grew by 6.5 percent and 13.2 percent respectively, compared to a similar period in 2018. However, other life class of business decreased by 16.8 percent compared to the similar period in 2018.

**Table 3.4: Long Term Assurance Gross Premiums Written By Class Of Business (TZS Million)**

Class of Business	Individual Life	Group Life	Other Life	TOTAL
<b>Jan - Dec 2018</b>	20,845	83,069	340	104,254
<b>Market Share</b>	20.0%	79.7%	0.3%	100.0%
<b>Jan – Dec 2019</b>	22,194	94,013	283	116,490
<b>Market Share</b>	19.1%	80.7%	0.2%	100.0%
<b>% Incr/Decr</b>	6.5%	13.2%	-16.8%	11.7%

**Chart 6: Life Insurance Gross Premiums Written by Class of Business – TZS Million**



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

TanRe recorded an underwriting profit amounting to TZS 15,685 million during the period ended 31<sup>st</sup> December, 2019 compared to an underwriting profit of TZS 3,275 million recorded during the similar period in 2018. After taking into account investment income and other income, the result was a pre-tax profit of TZS 18,105 million compared to a pre-tax profit of TZS 6,668 million during the similar period in 2018. The reinsurer's net assets increased to TZS 72,406 million at the end of December 2019 compared to TZS 63,399 million for the similar period in 2018.

Table 4.1 below presents, in a summary form, Tan-Re's financial performance results during the period ended December 31, 2019.

**Table 4.1: Condensed Statement of Financial Position and Comprehensive Income Statement For Tan Re (TZS Million)**

Particulars	Jan-Dec 18	Jan-Dec 19	Particulars	Jan-Dec 18	Jan-Dec 19
Fixed Assets	26,252	26,193	Gross Premiums Written	111,522	141,394
Investments	27,613	28,625	Net Premiums Earned	67,245	85,465
Receivables	46,286	56,840	Claims Incurred	41,754	43,330
Other Assets	1,260	1,538	Operating & Comm. Expenses	22,215	26,450
<b>Total Assets</b>	<b>101,411</b>	<b>113,196</b>	<b>Underwriting Profit/(Loss)</b>	<b>3,275</b>	<b>15,685</b>
Actuarial Liabilities	24,507	27,820	Investment Income	3,393	2,420
Other Liabilities	13,505	12,970	Other Income/(Expenses)	-	-
<b>Total Liabilities</b>	<b>38,012</b>	<b>40,790</b>	<b>Pre-Tax Income/(Loss)</b>	<b>6,668</b>	<b>18,105</b>
<b>Net Assets</b>	<b>63,399</b>	<b>72,406</b>	<b>Post-Tax Income/(Loss)</b>	<b>6,255</b>	<b>11,979</b>

The company's management expense ratio was 14.4 percent during the period under review, which was favourable compared to a maximum acceptable level of 25 percent. The company's combined ratio improved from 95.1 percent for the period ended 31<sup>st</sup> December 2018 to 81.6 percent during the period ended December 2019.

Table 4.2 below presents selected ratios for Tan-Re during the period under review.

**Table 4.2 Tan Re - General Insurance Financial Highlights**

PARTICULARS	Jan-Dec 18	Jan-Dec 19
<b>Net Claims Incurred (Loss) Ratio (%)</b>	62.09%	50.70%
<b>Commission Ratio (%)</b>	13.46%	16.53%
<b>Management Ratio (%)</b>	19.58%	14.42%
<b>Combined Ratio (%)</b>	<b>95.13%</b>	<b>81.65%</b>

Tan-Re gross claims paid for the period under review decreased to TZS 44,372 million compared to TZS 47,857 million in the previous period of Jan – Dec 2018, which was a decrease of 7.3%. Presence of Tan-Re has shown a significant impact in supporting the local market per claim payment.

**Table 4.3 Tan-Re Gross Claims Payments (TZS Million)**

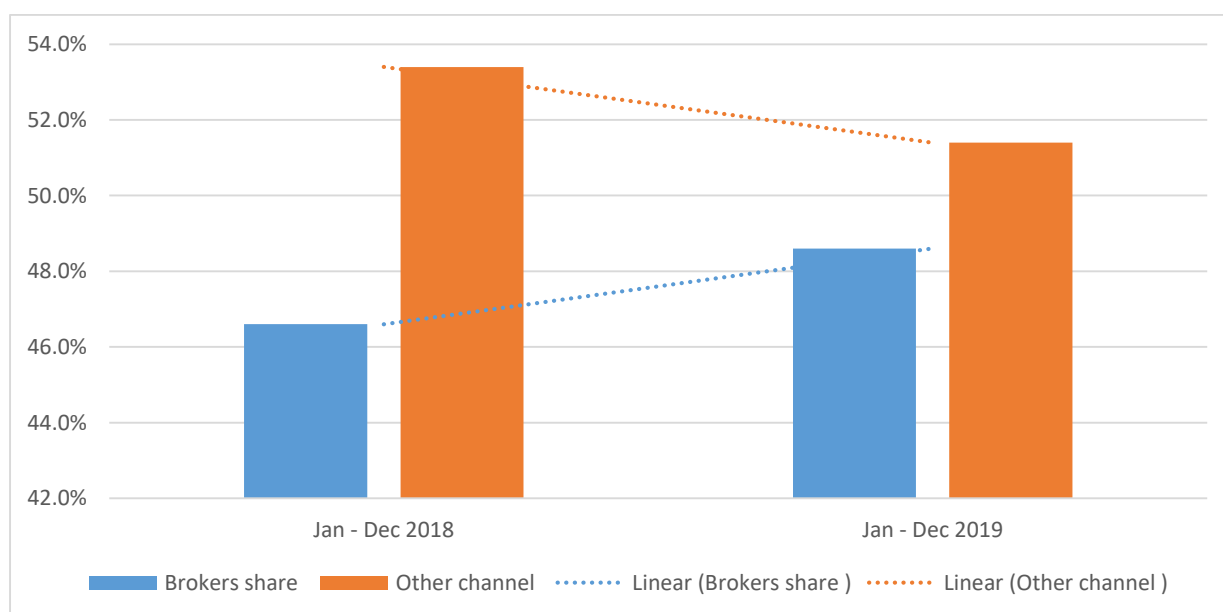
Description/Class of insurance	Jan – Dec 2018	Jan – Dec 2019	% Incr/Decr
Fire	16,977	16,048	-5.5%
Engineering	1,434	285	-80.1%
Motor	11,988	7,238	-39.6%
Accident	5,826	6,453	10.8%
Marine	1,055	4,256	303.5%
Aviation	477	608	27.4%
Health	10,101	9,483	-6.1%
Oil & Gas	-	-	0.0%
Other Gen.	-	-	0.0%
<b>Total</b>	<b>47,857</b>	<b>44,372</b>	<b>-7.3%</b>

## 5. BROKERS PARTICIPATION IN INSURANCE UNDERWRITING

### 5.1. Introduction

Out of the total insurance premiums written during the period ended 31<sup>st</sup> December 2019 in respect of both long – term and general insurance businesses (TZS 809.9 billion), 48.6 percent of this amount (TZS 394.4 billion) was transacted through brokers (2018: 46.6%). The trend of brokers’ share of the market for the period of January – December 2019 and January – December 2018 is as per **Chart 5.1 below**:

**Chart 5.1: Brokers’ Participation in Insurance Underwriting January - December 2019 compared to January – December 2018**



The Authority will continue with concentration of substantial resources of supervision to the broking industry to enhance compliance, as well as to facilitate strategies for further development of brokers into a more vibrant and efficient intermediary force.

## **5.2. General insurance Broking**

During the interim period ended 31<sup>st</sup> December 2019, a total of 99 Insurance Brokers participated in transacting general insurance business. A total of TZS 334.2 billion in general insurance premium were collected through brokers compared to TZS 267.0 billion in the previous year, suggesting an increase of 25.2% percent compared to 2018.

The largest share of general insurance business 16.8% (2018:23.0%) was held by African Risk & Insurance Services followed by J.H Minet & Co. Ltd 13.7% (2018:12.6%), MIC Global, 12.0% (2018: 11.7%), CRDB Insurance Broker 8.9% (2018:9.0%) and Impex Insurance Brokers Ltd 4.6% (2018:5.7%) in that order. These five brokers handled about 56.1% (2018: 62.0%) of the entire general insurance broking industry business, while the rest transacted the remaining 43.9% (2018:38.0%).

## **5.3. Long Term Assurance Broking**

As at the end of 31<sup>st</sup> December 2019, a total of 31 Insurance brokers transacted long-term assurance business (2018:24). Total premium collected by brokers in respect of 2019 long-term assurance business amounted to TZS 60.1 billion having increased by 9.1% percent compared to TZS 55.1 billion collected during similar period of previous year.

**APPENDIX 1: GENERAL INSURANCE FINANCIAL HIGHLIGHTS (TZS Millions)**

Description	TOTAL		INCR/DECR (%)
	31 <sup>ST</sup> DECEMBER 2018	31 <sup>ST</sup> DECEMBER 2019	
Gross Premiums Written (GPW)	587,631	693,425	18.0%
Premium Ceded (RP)	269,574	328,903	22.0%
Net Premiums Written (NPW)	318,057	364,522	14.6%
Earned (Net)(NPE)	300,051	367,422	22.5%
Net Claims Incurred (NCI)	157,556	161,058	2.2%
Net Commission Paid (Net Comm)	17,357	31,537	81.7%
Management Expenses (Mgt Exp)	150,877	146,890	-2.6%
Net Expenses (Mgt Exp. & Net Comm)	168,234	178,427	6.1%
Combined Exp (Incurred, Mgt Exp & Comm)	325,790	339,485	4.2%
<b>Underwriting income/(Loss)</b>	<b>-25,739</b>	<b>27,937</b>	<b>-208.5%</b>

RATIO ANALYSIS (IN %)	31 <sup>ST</sup> DECEMBER 2018	31 <sup>ST</sup> DECEMBER 2019	(% CHANGE)
RP to GPW Ratio	45.87%	47.43%	1.56%
NPW to GPW Ratio	54.13%	52.57%	-1.56%
NPE to GPW	51.06%	52.99%	1.93%
NCI to NPE (Loss Ratio)	52.51%	43.83%	-8.68%
Mgt Exp to GPW Ratio	25.68%	21.18%	-4.49%
Mgt Exp to NPW Ratio	47.44%	40.30%	-7.14%
Mgt Exp to NPE Ratio	50.28%	39.98%	-10.31%
Net Exp to NPE (Expense Ratio)	56.07%	48.56%	-7.51%
<b>Combined Ratio</b>	<b>108.58%</b>	<b>92.40%</b>	<b>-16.18%</b>