

TANZANIA INSURANCE REGULATORY AUTHORITY



**TANZANIA INSURANCE QUARTERLY PERFORMANCE FOR THE NINE MONTHS
PERIOD FROM 1ST JANUARY TO 30TH SEPTEMBER 2019**

FEBRUARY, 2019



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 market performance statistics. The data reflected in this publication are sourced from Quarterly 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 nine-month period ended 30th September 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 31 insurers licensed to conduct insurance business for the period of January – September 2019, 25 insurers transact general insurance business, 4 life insurers, 1 composite (both general and life insurers) and 1 reinsurance company.

Market Growth and Impact on the Economy

The market grew by 14.3 percent in gross premiums written to TZS 603,707 million in the period ended 30th September 2019 as compared to TZS 527,962 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 15.5 percent in gross premium written from TZS 449,326 million during the period ended 30th September 2018 to TZS 518,864 million during the period under review. Life assurance business volume increased by 7.9 percent from TZS 78,636 million for the period ended September 2018 to TZS 84,843 million during the period under review.

Product Mix

General Insurance product mix shows a share of Motor insurance business at 33.3 percent. This is followed by Fire (21.96 percent), Health (20.41 percent), Accident (8.41 percent), Marine (5.13 percent), Engineering (3.58 percent), Aviation (3.16 percent) and Other classes shared the remaining 4.05 percent of the total General insurance business. Life assurance, on the other hand, was dominated by Group Life class at 79.6 percent, followed by Individual Life 20.3 percent while other life classes of business constituted 0.1 percent of the total life business.

Underwriting and Profitability

The general insurance underwriting results amounted to TZS 24,708 million in the nine months' period to September 30, 2019 being a significant increase compared to underwriting loss of TZS 7,075 million of similar nine 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 27,741 million in the period ended 30th September 2019, having decreased by 6.1 percent compared to an investment income of TZS 29,543 million earned during the similar period in 2018. On the other hand, life insurers recorded investment income amounting to TZS 4,968 million in the period ended 30th September 2019, having significantly decreased by 34.2 percent compared to an investment income of TZS 7,545 million earned during the similar period in 2018.

Asset Position & Investment Portfolio

As at the end of the underwriting period ended 30 September 2019, total assets of insurers amounted to 978,660 million compared to TZS 908,929 million of the similar period year 2018. Total insurers' investments amounted to TZS 696,102 million as at 30th September 2019 compared to TZS 633,685 million as at 30th September 2018. The largest share of insurers' investment assets comprised of Deposits in financial institutions (including Cash and Bank Deposits (51.3 percent), followed by Government Securities (23.1 percent), Shares (11.8 percent), Real Estates (11.8 percent), Investments in related parties (1.6 percent) and other Financial Investments (0.3 percent) in that order.

Brokers Participation in Insurance Intermediation

Brokers remained in command in the market, accounting for 45.7% percent of the transactions amounting to TZS 275.7 billion of the total insurance premiums written during the nine months (January to September 2019) in respect of both long – term and general insurance businesses (TZS 603.7 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	Sept-18	Sept-19	Incr/(Decr)
General - Gross premiums written	449,326	518,864	15.5%
Life - Gross premiums written	78,636	84,843	7.9%
Total Gross premiums written	527,962	603,707	14.3%
General - Assets	660,176	729,196	10.5%
Life - Assets	248,753	249,464	0.3%
Total Assets	908,929	978,660	7.7%
General - Liabilities	419,822	474,025	12.9%
Life - Liabilities	196,585	201,188	2.3%
Total Liabilities	616,407	675,213	9.5%
General - Net assets	240,354	255,170	6.2%
Life - Net assets	52,168	48,277	-7.5%
Total Net assets	292,522	303,447	3.7%
General - Investments	442,041	486,628	10.1%
Life - Investments	191,644	209,474	9.3%
Total Investments	633,685	696,102	9.8%

ii. General Business

Particulars	Sept -18	Sept -19	Incr/(Decr)
Net earned premiums	236,066	275,270	16.6%
Net incurred claims	122,336	125,041	2.2%
Net Expenses (Commission &	118,730	125,521	5.7%
Underwriting results	-4,999	24,708	-594.2%
Investment income	27,974	27,741	-0.8%
Net income/loss after tax	19,163	43,409	126.5%
Net loss ratio	51.82%	45.42%	-12.3%
Total Assets	660,176	729,196	10.5%
Net Assets	240,354	255,170	6.2%
Returns on total assets	2.90%	5.95%	105.1%
Returns on net assets	7.97%	17.01%	113.4%

iii. Life Business

Particulars	Sept -18	Sept -19	Incr/(Decr)
Net premiums written	66,673	71,492	7.2%
Total policyholders	33,288	35,619	7.0%
Total investment	7,545	4,968	-34.2%
Total expenses	33,713	37,138	10.2%
Total income	6,680	3,092	-53.7%
Policyholders benefit	49.93%	49.82%	-0.2%
Total assets	248,753	249,464	0.3%
Net assets	52,168	48,277	-7.5%
Returns on net assets	12.80%	6.41%	-50.0%

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 14.3 percent from TZS 527,962 million during the period ended 30 September, 2018 to TZS 603,707 million at the end of September 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 3.7 percent to TZS 303.447 million as at end of September 2019 compared to TZS 292,522 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 7.7 percent to TZS 978,660 million as at 30th September 2019 from TZS 908,929 million of the similar period 2018. (See Table 1 below).

Industry's total liabilities recorded an increase of 9.5 percent to TZS 675,213 million as at September, 2019 whereas total liabilities as at end September 2018 stood at TZS 616,407 million. This was a result of an increase in both current and future insurance liabilities.

Total insurers' investments increased by 9.8 percent from TZS 633,685 million as at September 30th, 2018 to TZS 696,102 million as at September 30th, 2019. This indicates the presence of favourable investments avenues in the economy. (See Table 1 below for details).

However, the investment Income for the market decreased by -7.9 percent to TZS 32,709 million during the nine months' period to September 30, 2019 compared to TZS 35,518 million of a similar period year 2018 (See Table 1 below).

Table 1: Total Gross Premium

General & Long Term Assurance Business as at 30 September 2019 (TZS Millions)			
Particulars	Jan – Sept 2018	Jan – Sept 2019	% Incr./ (Decr.)
Total Gross Premium Written	527,962	603,707	14.3%
Total Assets	908,929	978,660	7.7%
Total Liabilities	616,407	675,213	9.5%
Total Net Worth	292,522	303,447	3.7%
Total Investments	633,685	696,102	9.8%
Total Investment Income	35,518	32,709	-7.9%

The largest share of insurers' investment assets comprised Deposits in financial institutions, including Cash and Bank Balances (51.3 percent), followed by Government Securities (23.1 percent), Shares (11.8 percent), Real Estates (11.8 percent), Investments in related parties (1.6 percent) and other Financial Investments (0.3 percent) in that order. As stated above total investment assets were TZS 696,102 million. The analysis indicates that during the period under

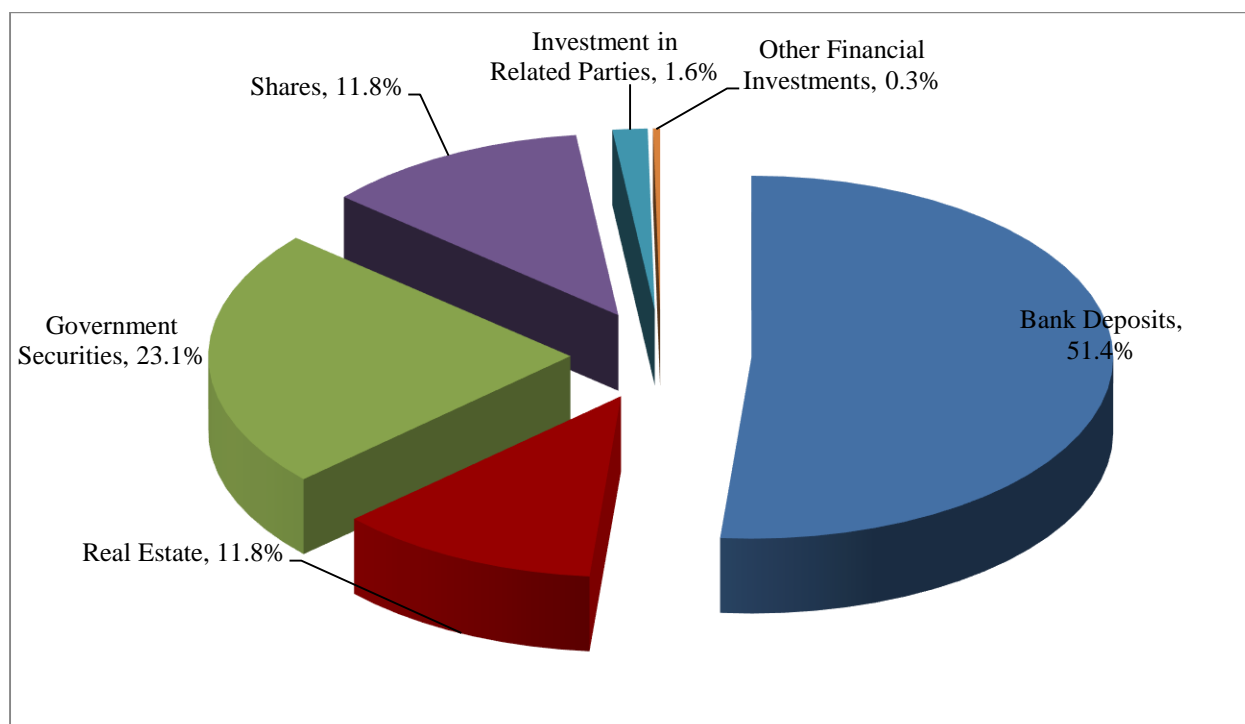
review, most insurers have invested in the lowest risk securities, which were bank deposits and government securities (74.4%).

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 (TZS Million)	% of Total
Cash and Bank Balances	31	51,774	7.4%
Deposits in Financial Institutions	30	305,902	43.9%
Tanzanian Government Securities	30	160,979	23.1%
Other Bonds and debentures	3	606	0.1%
Mortgage Loans	1	562	0.1%
Real estate	5	82,031	11.8%
Listed shares	12	16,201	2.3%
Other shares	23	66,185	9.5%
Investment in investment pools, mutual funds, unit trusts	1	227	0.0%
Equity investments in related parties	3	5,990	0.9%
Other related party investments	6	4,867	0.7%
Policy Loans	2	664	0.1%
Other Investments	2	114	0.0%
Total Investment Assets		696,102	100.0%

Chart 1: Investment Portfolio as at September 30, 2019



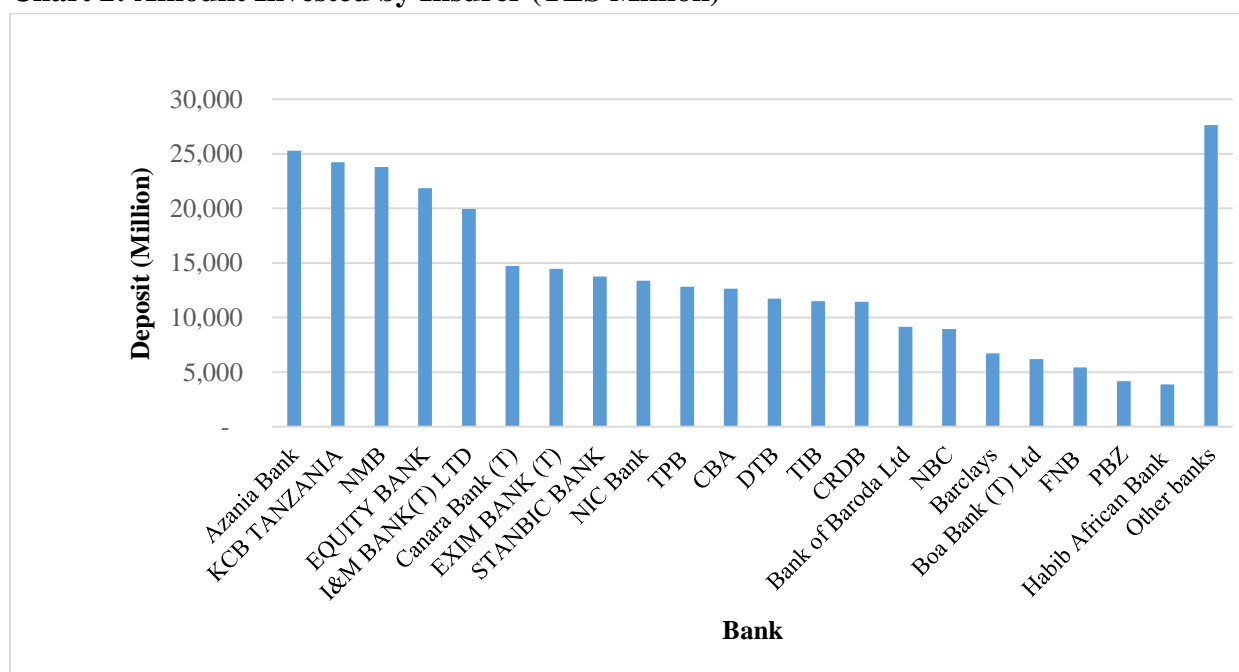
The Deposits in Financial Institutions had the following distribution;

Table 3: Financial Institution

Distribution of Financial Institution as at 30 September 2019

Name of Financial Institution	Amount Invested by Insurer (TZS '000')	% of Total Investment to Financial Institutions
Azania Bank	25,280,314	8.3%
KCB TANZANIA	24,225,781	8.0%
NMB	23,787,037	7.8%
EQUITY BANK	21,851,652	7.2%
I&M BANK(T) LTD	19,959,478	6.6%
Canara Bank (T)	14,738,683	4.9%
EXIM BANK (T)	14,472,686	4.8%
STANBIC BANK	13,762,788	4.5%
NIC Bank	13,367,848	4.4%
TPB	12,811,932	4.2%
CBA	12,653,723	4.2%
DTB	11,726,281	3.9%
TIB	11,507,709	3.8%
CRDB	11,444,897	3.8%
Bank of Baroda Ltd	9,146,900	3.0%
NBC	8,939,622	2.9%
Barclays	6,721,400	2.2%
Boa Bank (T) Ltd	6,190,312	2.0%
FNB	5,436,741	1.8%
PBZ	4,159,172	1.4%
Habib African Bank	3,882,256	1.3%
Other banks	27,628,979	9.1%
TOTAL DEPOSITS	303,696,190	100.0%

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 15.5 percent in gross premium income from TZS 449,326 million during the period ended 30 Sept 2018 to TZS 518,864 million during the period ended Sept 2019 (see Appendix 1 – appended). This growth is associated with 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 continued public awareness programmes.
- iii. Stability on the new platform of premium payment that requires the direct deposit of premium to insurer.

However, investment income for general insurance business in the nine months' period to September 30th, 2019 was TZS 27,741 million, a slight decrease compared to TZS 27,974 million for the similar nine months' in year 2018. (See Table 2.1 below for details). The decrease of the investment returns was mainly due to slight decrease in bank interest rates compared to previous year.

Table 2.1: Insurance and Investment performance

General Insurance Business		– TZS million		
Particulars	Jan – Sept 2018	Jan – sept 2019	Incr/Decr (%)	
General Insurers Gross Premiums Written	449,326	518,864	15.5%	
General Insurers Investment Income	27,974	27,741	-0.8%	

2.2. General Insurance Underwriting Results

Net premiums written for general insurance business in the nine months to September 30, 2019 was TZS 291,670 million compared to TZS 257,020 million for the similar period in 2018, an increase of 13.7 percent. This indicated the increase on retention of risks by the insurance companies compared to previous year similar period.

Net incurred claims were TZS 125,041 million for the nine months' period to September 30th 2019 compared to TZS 127,685 million for the similar nine months in 2018, implying a slight decrease on the claims for the period under review compared to similar period in the previous year.

Underwriting expenses for general insurance business in the nine month's period to end of September 2019 was TZS 125,521 million compared to TZS 123,942 million for the similar period in 2018. This implies an increase in the costs of underwriting which is consistent with the growth of business.

General insurance business recorded a tremendously underwriting profit amounting to TZS 24,708 million in the nine month's period to end of September, 2019 compared to underwriting loss of TZS 7,075 million for the similar period in 2018. These tremendous results have been attributed to the slight decrease of the net incurred claims as compared to similar period of the previous year as well as the increase in net premium earned during the period under review.

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

Particulars	Jan – Sept 2018	Jan – sept 2019	Incr/Decr (%)
Net Premiums Written	257,020	291,670	13.7%
Net Incurred Claims	127,685	125,041	-2.1%
Underwriting Expenses	123,942	125,521	1.3%
Underwriting Income/(loss)	-7,075	24,708	-449.2%

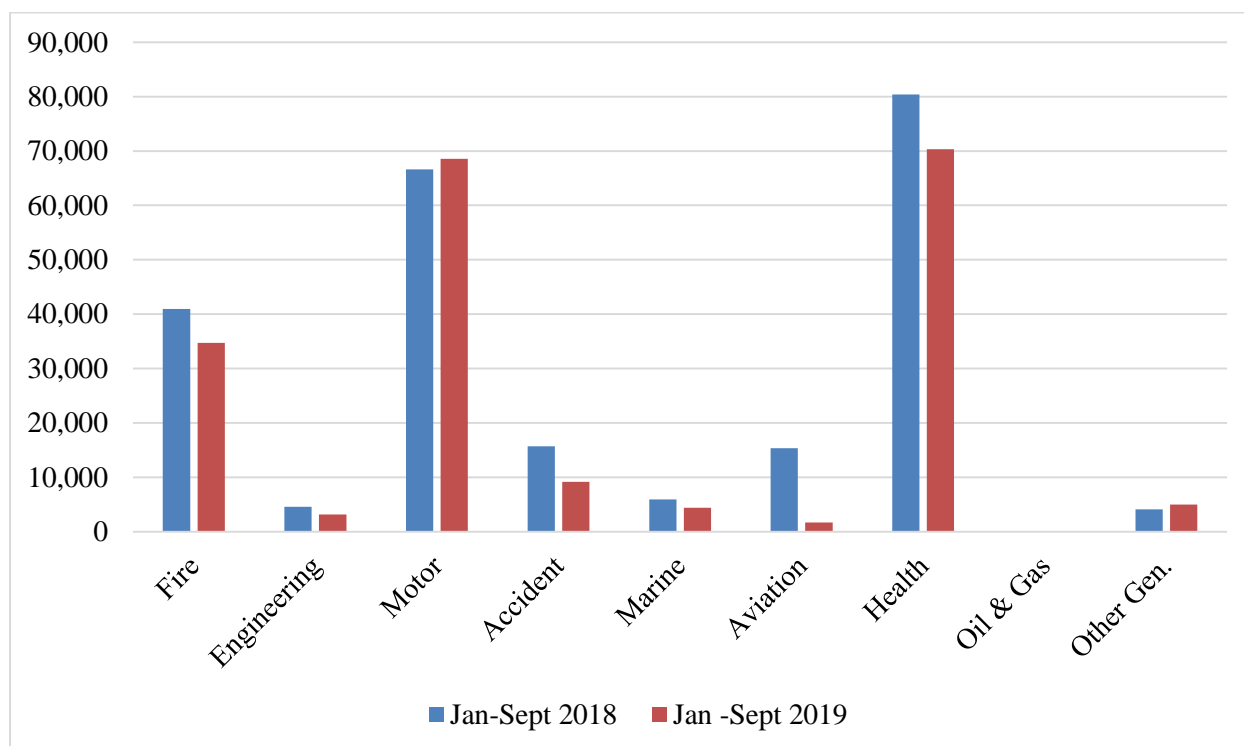
2.3. General Insurance – Claims Experience

General Insurance Gross Claims paid decreased by 15.6 percent from TZS 233,618 million recorded in Jan – Sept 2018 to TZS 197,087 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 engineering as compared to similar period in 2018. Significant impact has been noted on Health, Aviation, Fire and engineering 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 - Sept 2018	Jan - Sept 2019	%Incr/Decr
Fire	40,940	34,734	-15.2%
Engineering	4,587	3,166	-31.0%
Motor	66,607	68,557	2.9%
Accident	15,673	9,176	-41.5%
Marine	5,942	4,406	-25.8%
Aviation	15,351	1,689	-89.0%
Health	80,415	70,352	-12.5%
Oil & Gas	-	-	0.0%
Other Gen.	4,103	5,008	22.1%
Total	233,618	197,087	-15.6%

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 September, 2019 showed that the Motor insurance business continue to dominate general insurance product with market share of 33.30 percent. This was followed by Fire (21.96 percent), Health (20.41 percent), Accident (8.41 percent), Marine (5.13 percent), Engineering (3.58 percent), and Aviation (3.16 percent). Other classes shared the remaining 4.05 percent of the total General insurance business while there was no premium Oil & Gas class of business. (See **Chart 4** below).

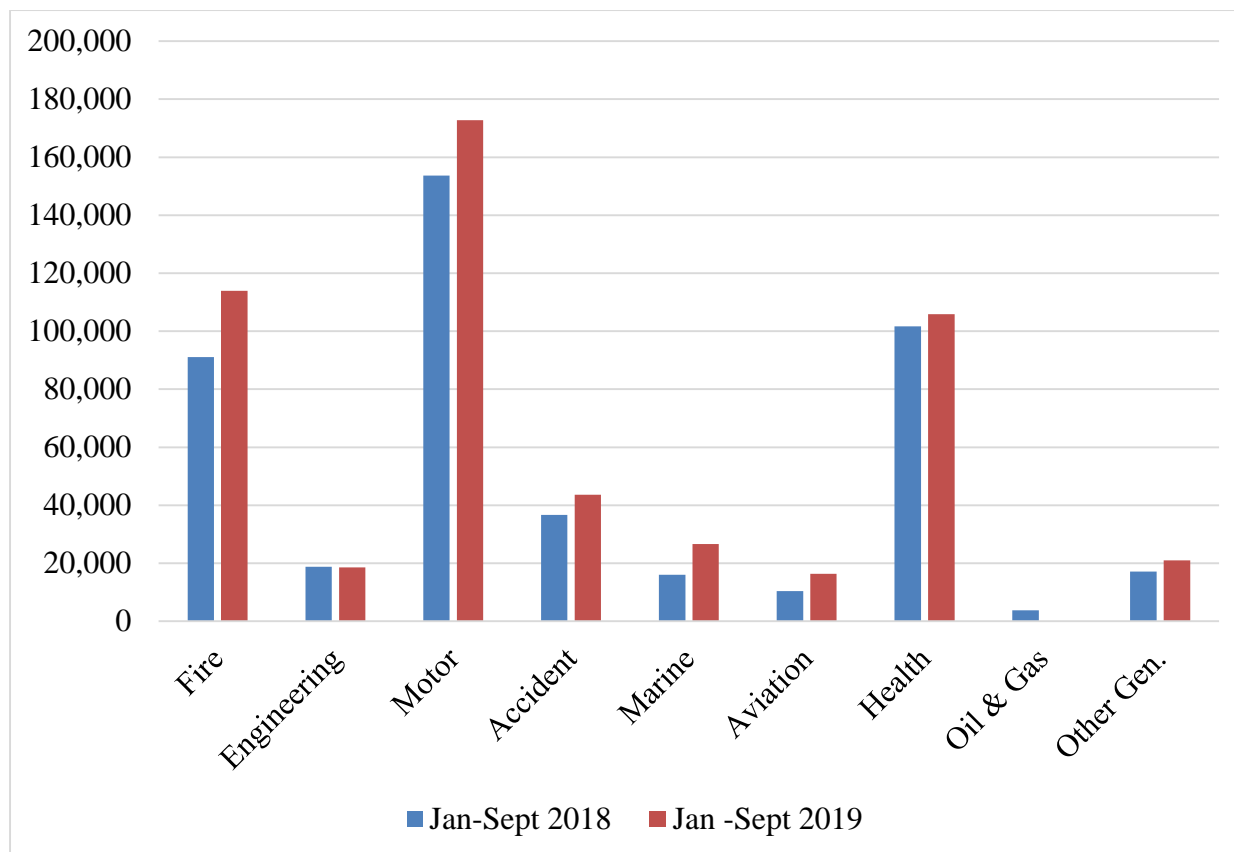
All classes of business recorded increase in gross premium written during the period under review compared to the similar period in 2018, with the exception of Oil & Gas and Engineering. For the case of Oil & gas class of business there was no business underwritten during the period under review. Marine class of business was leading in growth of gross premium written during the period under review, with an increase of 66.0 percent compared to the same period in the previous year. Aviation and Fire classes of businesses followed with an increase of 58.2 percent and 25.1 percent respectively, compared to the similar period in previous year. Other 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 – Sept 2018	Market Share	JAN – Sept 2019	Market Share	% Incr/Decr
Fire	91,125	20.28%	113,965	21.96%	25.1%
Engineering	18,843	4.19%	18,587	3.58%	-1.4%
Motor	153,619	34.19%	172,789	33.30%	12.5%
Accident	36,707	8.17%	43,622	8.41%	18.8%

Marine	16,027	3.57%	26,607	5.13%	66.0%
Aviation	10,357	2.31%	16,383	3.16%	58.2%
Health	101,637	22.62%	105,910	20.41%	4.2%
Oil & Gas	3831	0.85%	0	0.00%	-100.0%
Other Gen.	17,179	3.82%	21,001	4.05%	22.2%
TOTAL	449,325	100.00%	518,864	100.00%	15.5%

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 nine month's period ended 30th September, 2019 increased by 6.4 percent to TZS 83,668 million compared to TZS 78,636 million for the similar nine month's period in 2018. The increase reflects enhanced public awareness and uptake of life insurance products as well as customized products for the Tanzanians population.

Table 3.1: Long Term Assurance Business

Particulars	Jan – Sept 2018	Jan –Sept 2019	Incr/Decr (%)
Life Insurers Gross Premiums Written	78,636	83,668	6.4%
Life Insurers Investment Income	7,545	4,968	-34.2%

3.2. Long Term Assurance – Underwriting Results

Underwriting expenses for Long Term Assurance business in the nine month's period to September 30, 2019 were TZS 37,138 million compared to TZS 33,713 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 costs.

Investment income for Long Term Assurance business in the nine month's period to September 30th 2019 was TZS 4,968 million, a decrease of 34.2 percent compared to TZS 7,545 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 for Jan-Sept, 2019 (TZS Million)

Particulars	Jan – Sept 2018	Jan – Sept 2019	Incr/Decr (%)
Gross Premiums Written	78,636	83,668	6.4%
Net Premiums Written	66,673	71,492	7.2%
Policyholders Benefits	33,288	35,619	7.0%
Underwriting Expenses	33,713	37,138	10.2%
Investment Income	7,545	4,968	-34.2%

3.3. Long Term Assurance – Claims & Benefit Payments

Policyholders benefits paid for the nine month's period to September, 2019 were TZS 35,619 million, an increase of 7.0 percent compared to TZS 33,288 million for the similar period in 2018, implying the increase in number of matured life policies.

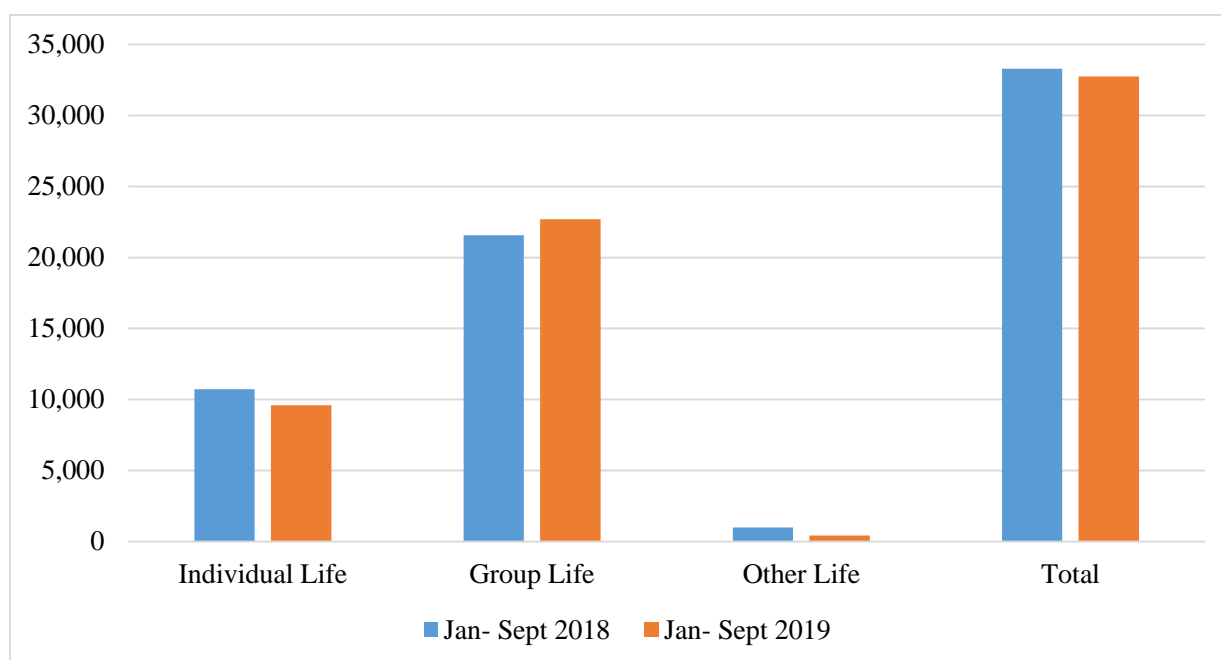
Table 3.3.1: Long Term Assurance Business Financial Performance for Jan - Sept 30, 2019 (TZS Million)

Particulars	Jan – Sept 2018	Jan – Sept 2019	Incr/Decr (%)
Policyholders Benefits	33,288	35,619	7.0%

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

Description/Class of insurance	Individual Life	Group Life	Other Life	Total
Jan- Sept 2018	10,733	21,573	982	33,288
Jan- Sept 2019	9,610	22,691	434	32,736
% Increase/Decrease	-10.46%	5.18%	-55.80%	-1.66%

Chart 5: Life Insurance Gross Claims Payments – TZS Million



3.4. Long Term Assurance Portfolio Mix

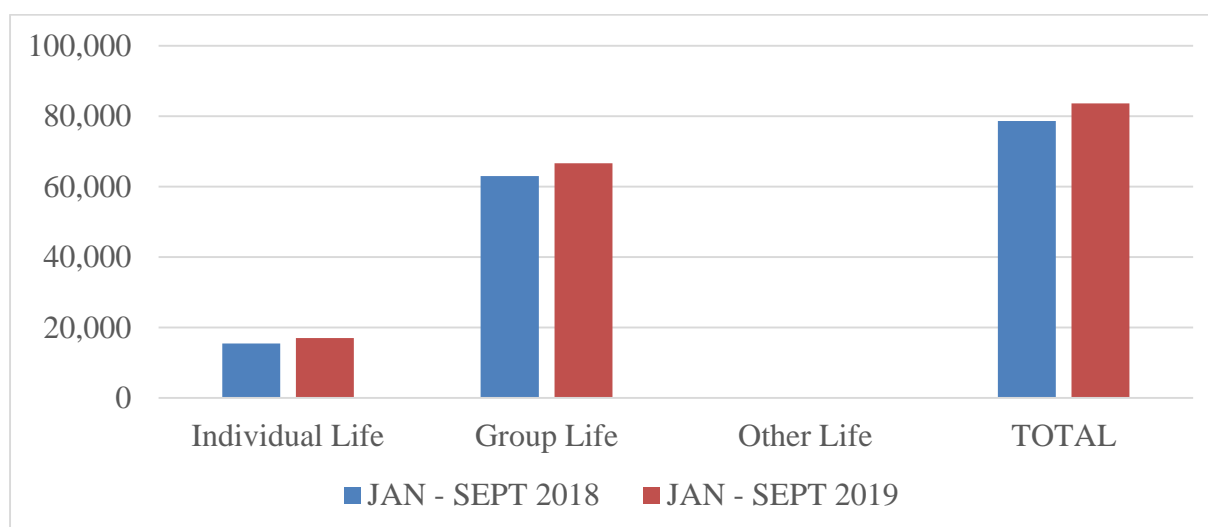
On a class-by-class basis, Long Term Assurance products mix as at September 30th, 2019 is as shown in Table 9 and Chart 6 below.

During the period under review, there was a significant improvement on both individual and group life classes of business which grew by 10 percent and 5.7 percent respectively, compared to a similar period in 2018. However, other life class of business significantly decreased by 61.8 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
Jan - Sept 2018	15,462	63,037	137	78,636
Market Share	19.7%	80.2%	0.2%	100.00%
Jan – Sept 2019	17,014	66,602	52	83,668
Market Share	20.3%	79.6%	0.1%	100.0%
% Incr/Decr	10.0%	5.7%	-61.8%	6.4%

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 9,210 million during the period ended 30th September, 2019 compared to an underwriting loss of TZS 753 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 11,025 million compared to a pre-tax profit of TZS 960 million during the similar period in 2018. The reinsurer’s net assets increased to TZS 67,124 million at the end of September 2019 compared to TZS 57,748 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 September 30, 2019.

Table 4.1: Condensed Statement of Financial Position and Comprehensive Income Statement as at 30th September 2019 (TZS Million)

Particulars	Jan-Sept 18	Jan-Sept 19	Particulars	Jan-Sept 18	Jan-Sept 19
Fixed Assets	26,734	26,387	Gross Premiums Written	73,823	108,257
Investments	28,655	28,295	Net Premiums Earned	47,831	68,438
Receivables	40,692	47,100	Claims Incurred	35,277	29,612.6
Other Assets	887		Operating & Comm. Expenses	13,306	29,615
Total Assets	96,968	103,321	Underwriting Profit/(Loss)	-753	9,210
Actuarial Liabilities	36,131	25,824	Investment Income	1,713	1,815
Other Liabilities	202	727	Other Income/(Expenses)	-	-
Total Liabilities	39,220	36,197	Pre-Tax Income/(Loss)	960	11,025

Net Assets	57,748	67,124	Post-Tax Income/(Loss)	839	7,023
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The company's management expense ratio was 15.94 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 101.57 percent for the period ended 30th September 2018 to 86.54 percent during the period ended September 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-Sept 18	Jan-Sept 19
Net Claims Incurred (Loss) Ratio (%)	73.75%	43.27%
Commission Ratio (%)	11.88%	29.18%
Management Ratio (%)	15.94%	14.10%
Combined Ratio (%)	101.57%	86.54%

Tan-Re gross claims paid for the period under review decreased to TZS 30,574 million compared to TZS 38,042 million in the previous period of Jan – Sept 2018, which was a decrease of 19.6%. 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)

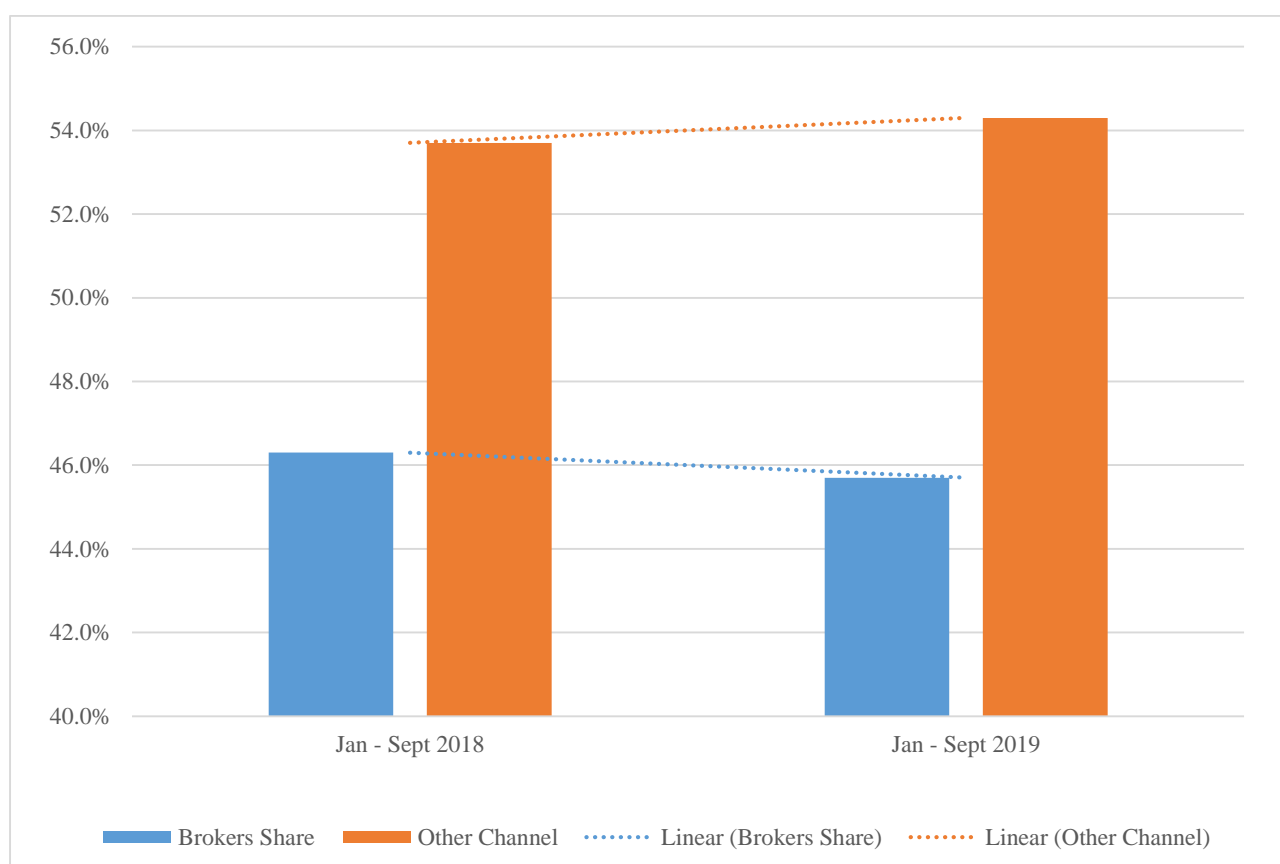
Description/Class of insurance	Jan – Sept 2018	Jan – Sept 2019	% Incr/Decr
Fire	15,870	10,228	-35.6%
Engineering	1,177	968	-17.8%
Motor	7,472	5,095	-31.8%
Accident	3,800	3,839	1.0%
Marine	753	2,472	228.2%
Aviation	3,777	382	-89.9%
Health	5,192	7,591	46.2%
Oil & Gas	-	-	-
Other Gen.	-	-	-
Total	38,042	30,574	-19.6%

5. BROKERS PARTICIPATION IN INSURANCE UNDERWRITING

5.1. Introduction

Out of the total insurance premiums written during the period ended 30th September 2019 in respect of both long – term and general insurance businesses (TZS 603.7 billion), 45.7 percent of this amount was transacted through brokers (2018: 46.3%). The trend of brokers' share of the market for the period of January – September 2018 and January – September 2019 is as per Chart 5.1 below:

Chart 5.1: Brokers' Participation in Insurance Underwriting January - September 2019 compared to January – September 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 30th September 2019, a total of 101 Insurance Brokers participated in transacting general insurance business. A total of TZS 235.0 billion in general insurance premium were collected through brokers compared to TZS 225.7 billion in the previous year, suggesting an increase of 4.1 percent compared to 2018.

The largest share of general insurance business 17.3% was held by African Risk & Insurance Services followed by J.H. Minet & Co. Limited 15.9%, and MIC Global, 12.3% in that order. These three brokers handled about 45.5% of the entire general insurance broking industry business, while the rest transacted the remaining 54.5%.

5.3. Long Term Assurance Broking

As at the end of 30th September 2019, a total of 30 brokers transacted long-term assurance business. Total premium collected by brokers in respect of 2019 long-term assurance business amounted to TZS 40.7 billion which constitute 6.5% of the total gross premium written. (having significantly increased by 120.0% percent compared to TZS 18.5 billion collected during similar period of previous year.

6. INSURANCE MARKET DEVELOPMENT ACTIVITIES

6.1 Market Sensitization activities from January-September 2019

TIRA through its head office and zonal offices for the period of January to September 2019, conducted different activities aim being to develop the insurance market. Major activities undertake during the period under review are indicated below: -

- The Authority in collaboration with some of the insurance companies participated in 42nd International trade fairs knowan as Saba saba exhibitions in July 2019.
- The Authority in collaboration with some of the insurance companies participated in Farmers exhibitions (nane nane) conducted in Simiyu region on August 2019 to create awareness and sensitization to farmers and participants.
- The authority hosted the 5th Eastern and Southern Africa Regional Micro Insurance Conference.
- The Authority conducted TOTs training under peer to peer grass root level modal in Njombe region.
- The authority established Bima clubs in different primary schools whereby pupils were taught matters pertaining insurance so as to create awareness from primary schools.
- The Authority conducted training to 40 leaders of CHAKUA on insurance matters for the purpose of awareness creation to stakeholders of motor insurance.
- The Authority undertook market sensitization programs in different regions including Lindi, Mtwara and Coastal whereby different stakeholders were educated on the importance of insurance as a means of managing risks.

6.1. New Insurance products in the market

Three new insurance products were approved during the period under review as per Table below.

Table 7.5: List of Approved Product as at 30th September 2019

S/n	Name of the Product	Description of the Product	Name of Applicant	Status
1	Trade Credit Insurance Product	Cover for Credit risks	UAP Insurance Tanzania Ltd	Approved

2	POA POA	cover permanent dissabilities and death of beneficiaries; designed for low income earner	Tanzindia Assurance Company Ltd	Approved
3	NIA Njema	Provide Micro insurance coverage to Christian communities (life and health)	Acclavia Insurance Brokers	Approved
4	MyBIMA App	App-based distribution channel for selling insurance products	Mitikaz Solutions Company Ltd	Approved
5	Jilinde Afya	Offer medical insurance covers for medium income earners utilizing Aghakan Hospitals Network	Jubilee Insurance Company Ltd	Approved
6	Micro Credit Insurance Policy	The Group Credit Life Policy is a one year renewable policy which provides both death benefits and permanent and total disability benefits to the policyholder.	MGEN Insurance Company Ltd	Approved
7	Kilimo Voucher	submission of a proposal of Public Private Partnership (PPP) to introduce Agriculture Insurance focus being on maize crop.	Tanmanagement Insurance brokers Ltd	Approved
8	Commercial Vehicle Product.	Its upgraded benefits to motor insurance	Phoenix	Approved

APPENDIX 1: GENERAL INSURANCE FINANCIAL HIGHLIGHTS (TZS Millions)

Description	TOTAL		INCR/DECR (%)
	30 th SEPTEMBER 2018	30 th SEPTEMBER 2019	
Gross Premiums Written (GPW)	449,326	518,864	15.5%
Premium Ceded (RP)	192,306	227,194	18.1%
Net Premiums Written (NPW)	257,020	291,670	13.5%
Earned (Net)(NPE)	244,552	275,270	12.6%
Net Claims Incurred (NCI)	127,685	125,041	-2.1%
Net Commission Paid (Net Comm)	17,904	20,907	16.8%
Management Expenses (Mgt Exp)	106,038	104,614	-1.3%
Net Expenses (Mgt Exp. & Net Comm)	123,942	125,521	1.3%
Combined Exp (Incurred, Mgt Exp & Comm)	251,627	250,562	-0.4%
Underwriting income/(Loss)	-7,075	24,708	-449.2%

RATIO ANALYSIS (IN %)	30 th SEPTEMBER 2018	30 th SEPTEMBER 2019	(% CHANGE)
RP to GPW Ratio	42.80%	43.79%	1.0%
NPW to GPW Ratio	57.20%	56.21%	-1.0%
NPE to GPW	54.43%	53.05%	-1.4%
NCI to NPE (Loss Ratio)	52.21%	45.42%	-6.8%
Mgt Exp to GPW Ratio	23.60%	20.16%	-3.4%
Mgt Exp to NPW Ratio	41.26%	35.87%	-5.4%
Mgt Exp to NPE Ratio	43.36%	38.00%	-5.4%
Net Exp to NPE (Expense Ratio)	50.68%	45.60%	-5.1%
Combined Ratio	102.89%	91.02%	-11.9%