

# TANZANIA INSURANCE REGULATORY AUTHORITY



## TANZANIA INSURANCE QUARTERLY PERFORMANCE FOR THE THREE MONTHS PERIOD FROM 1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> MARCH 2020

## Market Growth and Impact on the Economy

The market grew by 9.5 percent in gross premiums written to **TZS 259,889 million** in the period ended 31<sup>st</sup> March 2020 as compared to **TZS 237,407 million of the similar period prior year. This performance was below the set target of 10.5 percent annual premium growth for the industry.**

General insurance business recorded a growth of 5.9 percent in gross premium written from TZS 212,018 million during the period ended 31st March 2019 to TZS 224,509 million during the period under review. Life assurance business volume increased by 39.4 percent from TZS 25,389 million for the period ended March 2019 to TZS 35,380 million during the period under review.

Class of Business	Jan-Mar 2020 (TZS Million)	Jan-Mar 2019 (TZS Million)	% Change
Total General Insurance	224,509	212,018	5.9%
Total Life	35,380	25,389	39.4%
Total Gross Premium Written	259,889	237,407	9.5%

## Product Mix

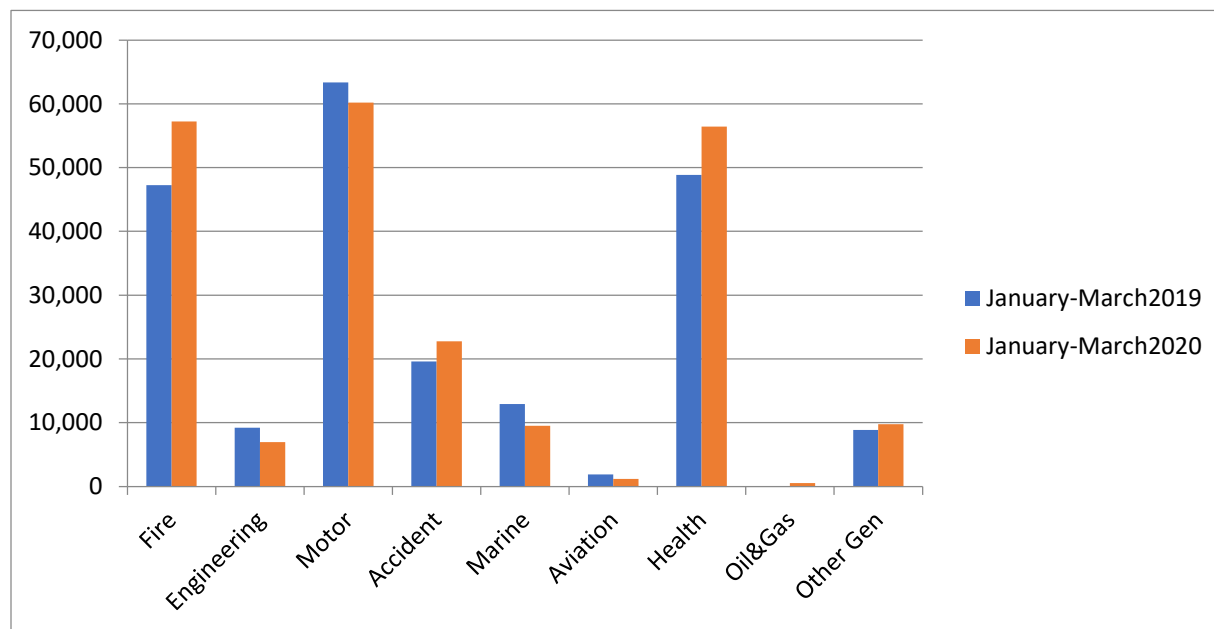
General Insurance product mix shows a share of Motor insurance business at 26.8 percent. This is followed by Fire (25.5 percent), Health (25.1 percent) and Accident (10.1 percent). Other classes shared the remaining 12.5 percent of the total General insurance business. Life assurance, on the other hand, was dominated by Group Life class at 84.0 percent, followed by Individual Life 16.0 percent.

Class of Business	Jan-Mar 2020 (TZS Million)	Market Share (%)	Jan-Mar 2019 (TZS Million)	Market Share (%)
Fire	57,252	25.5%	47,250	22.3%
Engineering	6,946	3.1%	9,234	4.4%
Motor	60,176	26.8%	63,374	29.9%
Accident	22,757	10.1%	19,592	9.2%
Marine	9,520	4.2%	12,923	6.1%
Aviation	1,167	0.5%	1,877	0.9%
Health	56,423	25.1%	48,879	23.1%
Gas & Oil	517	0.2%	0	0.0%
Other General	9,750	4.3%	8,888	4.2%
Total General Insurance	224,509	100.0%	212,018	100.0%

Class of Business	Jan-Mar 2020 (TZS Million)	Market Share (%)	Jan-Mar 2019 (TZS Million)	Market Share (%)
Individual Life	5,664	16.0%	5,666	22.3%
Group Life	29,710	84.0%	19,707	77.6%
Other Life	5	0.0%	16	0.1%
<b>Total Life</b>	<b>35,380</b>	<b>100.0%</b>	<b>25,389</b>	<b>100.0%</b>
<b>Total Gross Premium Written</b>	<b>259,889</b>		<b>237,407</b>	

For general insurance, classes of Aviation, Marine, engineering and motor recorded the decrease in premium by 37.8%, 26.3%, 24.8% and 5% respectively. This is mainly due to pandemic and closure of business in other countries. The remained classes of business recorded growth in gross premium written compared to similar period previous year. Fire class of business recorded the fastest growth whereby it grew by 21.2% as compared to year 2019 similar period.

### General Insurance Gross Premiums Written by Class of Business – TZS Million



## Life Assurance Business Analysis

Gross premiums written for Long Term Assurance business for the three months' period ended 31<sup>st</sup> March, 2020 increased by 42 percent to TZS 35,934 million compared to TZS 25,389 million for the similar three month's period in 2019. The increase reflects enhanced public awareness and uptake of life insurance products as well as availability of customized life products for the Tanzanians population.

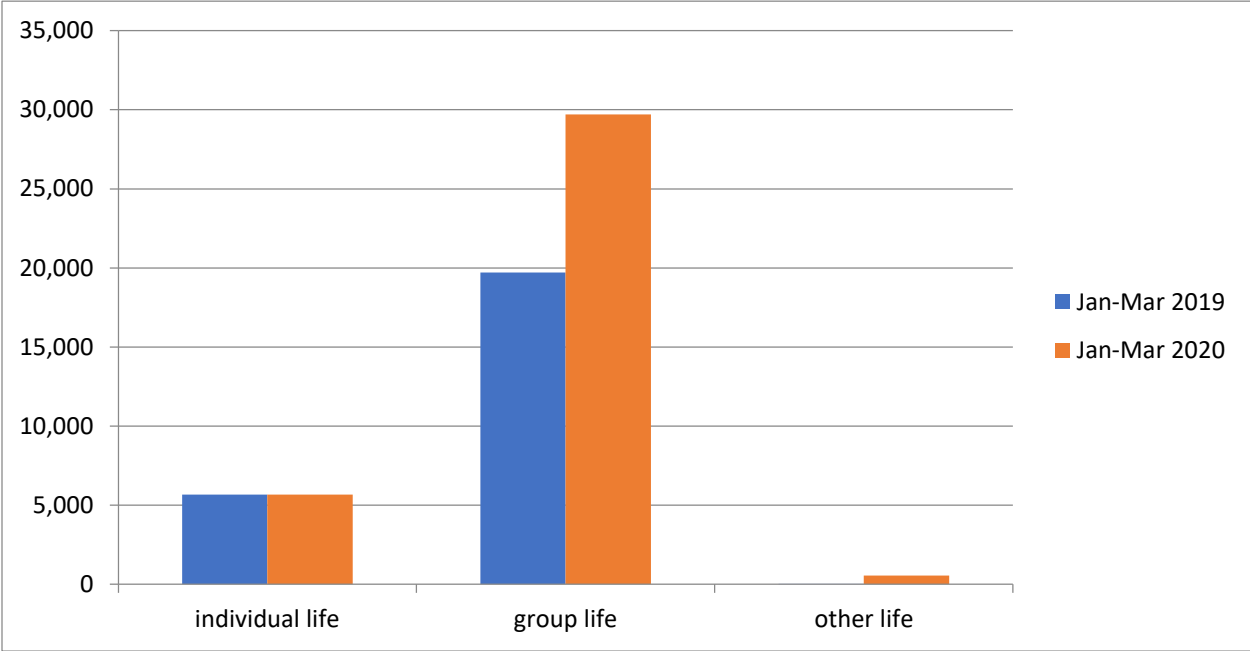
<b>Long Term Assurance Business Financial Performance (TZS Million)</b>			
<b>Particulars</b>	<b>Jan – Mar 2019</b>	<b>Jan – Mar 2020</b>	<b>Incr/Decr (%)</b>
Gross Premiums Written	25,389	35,934	42%
Net Premiums Written	21,717	30,792	41.8%
Policyholders Benefits	9,963	16,188	63%
Underwriting Expenses	11,045	14,549	32%
Investment Income	1,314	5,144	291%

During the period under review, there was a significant improvement on both group life and other life classes of business which grew by 50.8% and 3,400% respectively, compared to a similar period in 2019. However, individual life class of business slightly decreased by 0.03% as compared to the similar period in 2019.

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

<b>Class of Business</b>	<b>Individual Life</b>	<b>Group Life</b>	<b>Other Life</b>	<b>TOTAL</b>
Jan - Mar 2019	5,666	19,707	16	25,389
Market Share	22.3%	77.6%	0.1%	100.0%
Jan – Mar 2020	5,664	29,710	560	35,934
Market Share	15.8%	82.7%	1.6%	100.0%
<b>% Incr/Decr</b>	<b>-0.03%</b>	<b>50.8%</b>	<b>3400%</b>	<b>41.5%</b>

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



**Claims payment**

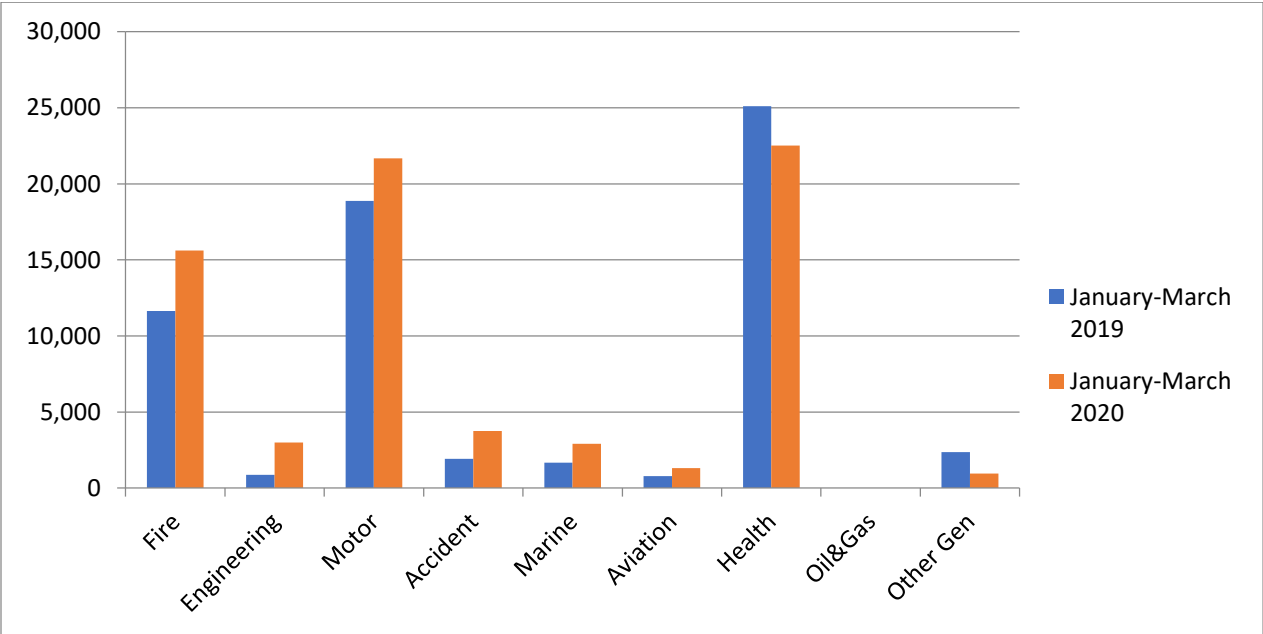
**General Insurance – Claims Experience**

General Insurance Gross Claims paid increased by 13 percent from TZS 63,242 million recorded in Jan – March 2019 to TZS 71,729 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 2019.

Description/Class of insurance	Jan – March 2019	Jan - March 2020	%Incr/Decr
Fire	11,632	15,621	34.3%
Engineering	869	2,988	243.8%

Motor	18,873	21,682	14.9%
Accident	1,931	3,746	94%
Marine	1,671	2,919	74.7%
Aviation	794	1,306	64.5%
Health	25,110	22,511	-10%
Oil & Gas	-	-	N/A
Other Gen.	2,362	956	-60%
Total	63,242	71,729	13.4%

**General Insurance Gross Claims Payments - TZS Million**



**Life Insurance benefit payments**

Policyholders benefits paid for the three months period to march, 2020 were TZS 16,188 million, an increase of 63 percent compared to TZS 9,963 million for the similar period in 2019, implying the increase in number and amount of matured life policies.

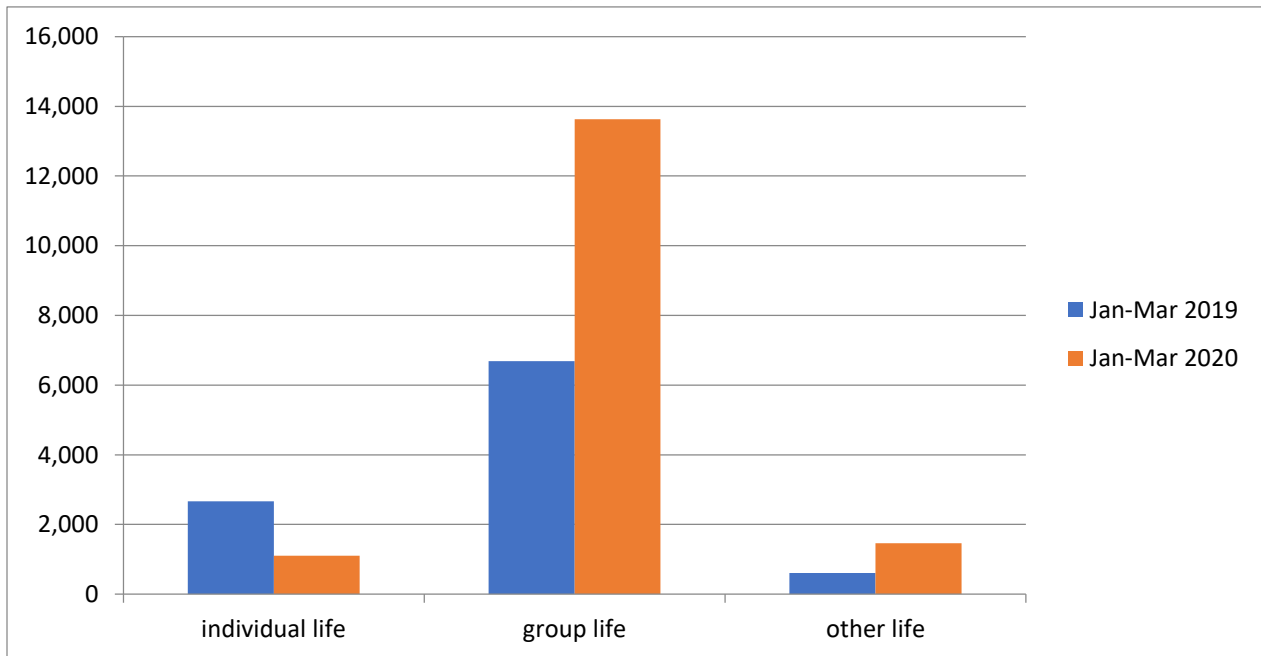
## Long Term Assurance Business Financial Performance(TZS Million)

Particulars	Jan 2019	–Mar	Jan 2020	– Mar	Incr/Decr (%)
Policyholders Benefits		9,963		16,188	63%

## Long Term Assurance Gross Claims Payments (TZS Million)

Description/Class of insurance	Individual Life	Group Life	Other Life	Total
Jan- Mar 2019	2,669.0	6,690.0	604.0	9,963.2
Jan- Mar 2020	1,099.7	13,628.9	1,459.9	16,188.5
% Increase/Decrease	-58.8%	103.7%	141.5%	152.5%

## Life Insurance Gross Claims Payments – TZS Million



## Underwriting and Profitability

The general insurance underwriting results amounted to a loss of TZS 6,070 million in the three months' period to March 31, 2020 being a decrease

compared to underwriting income of TZS 9,379 million of similar three months' period of year 2019.

The main reason for the deterioration of the underwriting results being the significant underwriting losses recorded by National Insurance Corporation (NIC) which amounts to TZS 9,425 million.

From an investment point of view, general insurers attained investment income amounting to TZS 10,635 million in the period ended 31 March 2020, having increased by 50.2 percent compared to an investment income of TZS 7,080 million earned during the similar period in 2019.

Description/Class of Insurance	Jan-Mar 2020 (TZS Million)	Jan-Mar 2019 (TZS Million)	% Change
<b>Gross Premiums Written</b>	<b>224,509</b>	<b>212,018</b>	<b>5.9%</b>
Premiums Ceded	109,974	98,998	11.1%
<b>Net Premiums Written</b>	<b>114,534</b>	<b>113,020</b>	<b>1.3%</b>
Change in unearned premiums	(39,209)	(24,042)	63.1%
<b>Net Premiums Earned</b>	<b>75,325</b>	<b>88,977</b>	<b>-15.3%</b>
Claims Incurred	38,443	38,499	-0.1%
Commission Expense	6,579	6,446	2.1%
Management Expense	36,374	34,653	5.0%
<b>Total Underwriting Expenses</b>	<b>81,396</b>	<b>79,599</b>	<b>2.3%</b>
<b>Underwriting Income</b>	<b>(6,070)</b>	<b>9,379</b>	<b>-164.7%</b>

On the other hand, life insurers recorded investment income amounting to TZS 3,973 million in the period ended 31<sup>st</sup> March 2020, having significantly increased by 202.3 percent compared to an investment income of TZS 1,314 million earned during the similar period in 2019.

Description	Jan-Mar 2020 (TZS Million)	Jan-Mar 2019 (TZS Million)	% Change
<b>Gross Premium Written</b>	<b>35,380</b>	<b>25,389</b>	<b>39.4%</b>
Reinsurance Ceded	4,588	3,672	24.9%
<b>Net Written Premium</b>	<b>30,792</b>	<b>21,717</b>	<b>41.8%</b>
Investment Income	3,973	1,314	202.3%
Other Income	0	71	-100.0%
<b>Total Income</b>	<b>34,765</b>	<b>23,102</b>	<b>50.5%</b>



Policy Holder Benefits	16,188	9,963	62.5%
Other Expenses	14,240	10,785	32.0%
<b>Total Expenses</b>	<b>30,429</b>	<b>20,747</b>	<b>46.7%</b>
<b>Net Income</b>	<b>4,336</b>	<b>2,355</b>	<b>84.1%</b>

## Asset Position & Investment Portfolio

As at the end of the underwriting period ended 31 March 2020, total assets of insurers amounted to 1,102,462 million compared to TZS 947,566 million of the similar period year 2019. Total insurers' investments amounted to TZS 665,974 million as at 31<sup>st</sup> March 2019 compared to TZS 784,620 million as at 31<sup>st</sup> March 2020. The largest share of insurers' investment assets comprised of Deposits in financial institutions (including Cash and Bank Balances) (53.1 percent), followed by Government Securities (23.3 percent), Real Estates (10.9 percent), Shares (11.2 percent), Investments in related parties (1.5 percent) and other Financial Investments (12.7 percent) in that order.

Particular	Jan-Mar 2020 (TZS Million)	Jan-Mar 2019 (TZS Million)	% Change
Total Assets	1,102,462	947,566	16.3%
Total Liabilities	787,973	662,799	18.9%
Total Net Worth	314,489	284,768	10.4%

Investment Assets	Jan-Mar 2020 (TZS Million)	% of Total Investments	Jan-Mar 2019 (TZS Million)	% of Total Investments
Cash and Bank Balances	82,239	10.5%	47,233	7.1%
Deposits in financial institutions	334,372	42.6%	295,235	44.3%
Tanzanian government securities	183,072	23.3%	151,407	22.7%
Other Bonds and debentures	3,066	0.4%	663	0.1%
Mortgage Loans	1,696	0.2%	436	0.1%
Real estate	85,499	10.9%	82,927	12.5%
Listed shares	15,987	2.0%	15,730	2.4%
Other shares	65,677	8.4%	58,970	8.9%
Investment in investment pools, mutual funds, unit trusts	525	0.1%	2,204	0.3%
Equity investments in related parties	5,990	0.8%	5,990	0.9%
Other related party investments	5,342	0.7%	4,301	0.6%

Policy Loans	650	0.1%	799	0.1%
Other Investments	503	0.1%	79	0.0%
<b>Total Investments</b>	<b>784,620</b>	<b>100.0%</b>	<b>665,974</b>	<b>100.0%</b>

### Registration Status

Description	Jan-Mar 2020 (TZS Million)	Jan-Mar 2019 (TZS Million)	% Change
Reinsurer	1	1	0.0%
Insurers	31	30	3.3%
Insurance Agents	612	635	-3.6%
Insurance Brokers	47	88	-46.6%
Bancassurance Agents	13	0	na
Loss Adjusters/ Assessors	52	46	13.0%
<b>Total</b>	<b>800</b>	<b>756</b>	<b>5.8%</b>

## OPERATIONAL RESULTS OF THE TANZANIA REINSURANCE COMPANY LIMITED (TAN-RE)

Tan-Re recorded an underwriting profit amounting to TZS 6,976 million during the period ended 31<sup>st</sup> March, 2020 compared to an underwriting profit of TZS 5,570 million recorded during the similar period in 2019. After taking into account investment income and other income, the result was a pre-tax profit of TZS 7,527 million compared to a pre-tax profit of TZS 6,287 million during the similar period in 2019. The reinsurer's net assets increased to TZS 78,375 million at the end of March 2020 compared to TZS 76,582 million for the similar period in 2019.

### Condensed Statement of Financial Position and Comprehensive Income Statement For Tan Re (TZS Million)

Particulars	Jan-Mar19	Jan-Mar20	Particulars	Jan-Mar 19	Jan-Mar 20
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Fixed Assets	26,252	26,555	Gross Premiums Written	40,522	39,217
Investments	28,974	31,949	Net Premiums Earned	30,024	18,088
Receivables	41,589	60,721	Claims Incurred	10,155	4,934
Other Assets	1537.7	0	Operating & Comm. Expenses	5,570	6,976
Total Assets	98,353	121,155	Underwriting Profit/(Loss)	5,570	6,976
Actuarial Liabilities	24,112	29,937	Investment Income	577,022	529,482
Other Liabilities	11,542	3,214	Other Income/(Expenses)	140,400	21,811
Total Liabilities	35,654	42,780	Pre-Tax Income/(Loss)	76,582	76,582
Net Assets	66,450	78,375	Post-Tax Income/(Loss)	74,584	76,123

The company's management expense ratio was 18.6 percent during the period under review, which was favourable compared to a maximum acceptable level of 10.0 percent. The company's combined ratio improved from 79.6 percent for the period ended 31<sup>st</sup> March 2019 to 61.5 percent during the period ended March 2020.

Tan-Re gross claims paid for the period under review decreased to TZS 9,325 million compared to TZS 12.1billion in the previous period of Jan – March 2019, which was a decrease of 23.1%. Presence of Tan-Re has shown a significant impact in supporting the local market per claim payment.

<b>Tan-Re Gross Claims Payments (TZS Million)</b>			
<b>Description/Class of insurance</b>	<b>Jan – Mar2019</b>	<b>Jan – Mar 2020</b>	<b>% Incr/Decr</b>
Fire	3,095.4	2,730	-11.8%%
Engineering	502.8	841	67.3%
Motor	1,624.4	2,970	82.8%
Accident	721.0	560	-22.3%
Marine	465.0	409.2	-12%
Aviation	148.6	34.1	-77.1%
Health	5,562.5	1,781	-67.9%
Oil & Gas			%
Other Gen.			%
<b>Total</b>	<b>12,119.7</b>	<b>9,325.9</b>	<b>-23.1%</b>