

TANZANIA INSURANCE REGULATORY AUTHORITY



**DRAFT ANNUAL INSURANCE MARKET PERFORMANCE REPORT FOR THE
YEAR ENDED 31ST DECEMBER 2020**

FEBRUARY, 2021



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

STATEMENT OF THE COMMISSIONER OF INSURANCE	5
1. OVERVIEW OF THE INDUSTRY PERFORMANCE	9
1. GENERAL INSURANCE – MARKET PERFORMANCE OVERVIEW	13
1.1. General Insurance Business Growth	13
1.2. General Insurance Underwriting Results	13
1.3. General Insurance – Claims Experience	14
1.4. General Insurance – Portfolio Mix	16
2. LONG TERM ASSURANCE – MARKET PERFORMANCE OVERVIEW	17
2.1. Long Term Assurance Business Analysis	17
2.2. Long Term Assurance – Underwriting Results	17
2.3. Long Term Assurance – Claims & Benefit Payments	18
2.4. Long Term Assurance Portfolio Mix	19
3. OPERATIONAL RESULTS OF THE TANZANIA REINSURANCE COMPANY LIMITED (TANRE)	20

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 twelve-month period ended 31st December 2020 as well as the 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 registered to conduct insurance business for the period of January – December 2020, 25 insurers transacted general insurance business, 5 life insurers, and 1 company transacted composite (both general and life insurers) and 1 reinsurance company.

The year 2020 was characterised with different challenges due to the outbreak of corona virus which led to some of the businesses which depends on movement of people to be widely affected. We have witnessed the change of live in different countries including total lockdown, partial lockdown and curfews. These changes have somehow impacted the insurance business as we know it for some of the sectors such as tourism sector which also uses insurance as risk management mechanism.

It is during year 2020, whereby one general insurance company named Star General Insurance Company Limited opted for voluntary windup.

However, despite all challenges and changes on the way of life, insurance sector has continued to record a positive growth in terms of business growth compared to previous years. This tells us that if it wouldn't have been for the pandemic, the insurance sector in Tanzania would have recorded a tremendously growth.

Market Growth and Impact on the Economy

*The market remained almost the same with just a slight increase of **1.6 percent** in gross premiums written to **TZS 827.9 billion** in the period ended 31st December 2020 as compared to **TZS 814.5 billion** of the similar period prior year. This performance was far below the set target of at least **10.5 percent annual premium growth for the industry**. As mentioned earlier, the slow growth was anticipated due to decrease in movement caused by lockdown and curfews in different countries. (Business allies)*

General insurance business recorded a slight decrease of 0.7 percent in gross premium written from TZS 694.9 billion during the year ended 31st December 2019 to TZS 690.0 billion during the period under review. Life assurance business volume increased by 15.3 percent from TZS 119.6 billion for the period ended December 2019 to TZS 137.9 billion during the period under review.

Product Mix

General Insurance product mix shows a share of Motor insurance business at 33.0 percent followed by Fire (22.7 percent), Health (19.6 percent), Accident (8.0 percent), Marine (4.6 percent), Aviation (4.1 percent), Engineering (3.2 percent), oil & Gas (0.5 percent) and Other classes combined (4.2 percent). Life assurance, on the other hand, was dominated by Group Life

class at 79.5 percent, followed by Individual Life 17.9 percent while other life classes of business constituted 2.6 percent of the total life business.

Underwriting and Profitability

The general insurance underwriting results amounted to TZS 4,132 million in year ended 31st December 2020, being a significant decrease compared to underwriting profit of TZS 23,018 million of similar twelve months' period of year 2019. This reflects a significant increase in general claims especially in Aviation, Marine, Accident, Fire and other classes of businesses during year 2020, as compared to previous year 2019. Meanwhile the decrease in underwriting profit was also associated with the increase in management expenses and commissions of which the Authority has reminded the insurance players to adhere to the limits prescribed in circular 074/2019.

From an investment point of view, general insurers attained investment income amounting to TZS 52,529 million in the period ended 31st December 2020, having significantly increased by 63.9 percent compared to an investment income of TZS 32,048 million earned during the similar period in 2019. In addition, life insurers recorded investment income amounting to TZS 16,968 million in the period ended 31st December 2020, having significantly increased by 69.0 percent compared to an investment income of TZS 10,043 million earned during the similar period in 2019.

The increase in investment return in year 2020 is a result of a higher returns on investments whereby some of the insurance companies invested in government bonds and realized higher income compared to previous year 2019.

Asset Position & Investment Portfolio

As at the end of the underwriting period ended 31st December 2020, total assets of insurers amounted to 1,181.0 billion compared to TZS 1,047.0 billion of the similar period year 2019. Total insurers' investments amounted to TZS 858,717 million as at 31st December 2020 compared to TZS 750,828 million as at 31st December 2019. The largest share of insurers' investment assets comprised of Deposits in financial institutions (including Cash and Bank Deposits (46.4 percent), followed by Government Securities (31.8 percent), Shares (10.0 percent), Real Estates (9.8 percent), Investments in related parties (1.5 percent) and other Financial Investments (0.5 percent) in that order.

Insurance intermediaries and other players

During the period under review, all intermediaries including insurance brokers, reinsurance brokers, insurance agents, loss assessors, loss adjusters as well as surveyors continued to play a significant role as always. However, there has been an addition of banks to provide insurance services as bancassurance agents following the lurching of The Bancassurance Regulations done on March 2019. In year 2020 a total number of 14 banks were already licensed to undertake bancassurance agent's services. Furthermore, the registration of Actuarial Firms has commenced of which three (3) actuarial firms were licensed to provide actuarial services for the insurance market during year 2020.

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) Untapped Long Term Assurance market in Tanzania likely to attract new investors;*
- (iiii) Continued Government's support for the insurance sector particularly agricultural insurance whereby the government has excluded VAT in agriculture insurance;*
- (ivi)*
- (vi) Continued political stability creating conducive environment for investors.*

Future Prospects of the Industry

The Tanzania Insurance Regulatory Authority (TIRA) is strengthening its TIRA MIS system as well as automating other processes including registration and licensing of insurance players in order to ensure policyholders protection. Meanwhile the development of national insurance database which will be used for various purposes is one among other important activity that TIRA has started to implement.

The Financial Sector Development Master Plan for the year 2020 to 2030 has provided the roadmap for the Tanzania Insurance Regulatory Authority (TIRA) to follow so that the desirable results are achieved in insurance sector.

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 Chairman 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	19-Dec	20-Dec	Incr/(Decr)
General gross premium	694,894	689,952	-0.71%
Life gross premium written	119,607	137,908	15.30%
Total gross premium written	814,500	827,861	1.64%
General – assets	773,693	866,344	11.98%
Life- assets	273,347	314,615	15.10%
Total assets	1,047,041	1,180,960	12.79%
General liabilities	511,226	520,954	1.90%
life – liabilities	208,575	243,950	16.96%
Total liabilities	719,801	764,904	6.27%
General net assets	262,467	345,390	31.59%
Life - net asset	64,773	70,666	9.10%
Total net assets	327,240	416,056	27.14%
General investments	527,561	614,272	16.44%
life investments	223,267	244,445	9.49%
Total investments	750,828	858,717	14.37%

ii. General Business

Particulars	19-Dec	20-Dec	Inc/dec
Net earned premium	363,842	351,239	-3.46%
Net incurred claims	159,997	161,591	1.00%
Net expenses (commission &	180,827	185,516	2.59%
underwriting result	23,018	4,132	-82.05%
investment income	32,048	52,529	63.91%
Net income/loss after tax	45,810	50,064	9.29%
Net loss ratio	43.97%	46.01%	4.62%
Total assets	773,693	866,344	11.98%
Net assets	262,467	345,390	31.59%
Returns on total assets	4.14%	6.06%	46.38%
Returns on net assets	12.21%	15.21%	24.56%

iii. Life Business

Particulars	19-Sep	20-Sep	Inc/dec
Net premium	102,352	117,277	14.58%
Total policyholders	50,573	64,227	27.00%
Total investment Income	10,043	16,968	68.95%
Total expenses	105,163	123,094	17.05%
Total income	114,186	134,691	17.96%
Policyholders benefit	49.41%	54.77%	10.84%
total assets	273,347	314,615	15.10%
Net assets	64,773	70,666	9.10%
Returns on net	15.51%	24.01%	54.86%

1. OVERVIEW OF THE INDUSTRY PERFORMANCE

Total volume of business, in terms of gross premium written for both general and life assurance businesses slightly increased by 1.6 percent from TZS 814,500 million during the period ended 31 December, 2019 to TZS 827,861 million at the end of December 2020. This implies that the performance of the insurance industry remained almost the same during year 2020 compared to year 2019. The significant decrease in premium especially in engineering and marine classes of businesses due to decrease in number of new mega projects which requires insurance as compared to year 2019 as well as impact of lockdown and curfew taken in different countries due to pandemic. All these factors together with other factors contributed to the slow growth of the insurance industry for the year 2020 as it was anticipated. However, life assurance has continued to record a satisfactory positive growth in terms of gross premium written during year 2020.

Insurers' net worth has increased by 27.14 percent to TZS 416,056 million as at end of December 2020 compared to TZS 327,240 million as at end of similar period in 2019. This indicates maintenance of the existing wealth of the industry with increase of capital for some companies during the period under review. Insurers' consolidated assets increased by 12.79 percent to TZS 1,180,960 million as at 31st December 2020 from TZS 1,047,041 million as at the similar period 2019. (See Table 1 below).

Industry's total liabilities recorded an increase of 6.27 percent to TZS 764,904 million as at December, 2020 whereas total liabilities as at end December 2019 stood at TZS 719,801 million. This was a result of an increase in both current and future insurance liabilities.

Total insurers' investments increased by 14.37 percent from TZS 750,828 million as at December 31st, 2019, to TZS 858,717 million as at December 31st, 2020. This indicates the presence of favourable investments avenues in the economy. (See Table 1 below for details).

The increase in investments of the insurers, contributed positively to the investment Income which increased by 65.11 percent to TZS 69,496 million during the year ended 31st December 2020 as compared to TZS 42,091 million of a similar period year 2019 (See Table 1 below).

Table 1: Total Gross Premium

General & Long Term Assurance Business as at 31st December 2020 (TZS Millions)			
Particulars	Jan – Dec 2019	Jan – Dec 2020	% Incr./(Decr.)
Total Gross Premium Written	814,500	827,861	1.64%
Total Assets	1,047,041	1,180,960	12.79%
Total Liabilities	719,801	764,904	6.27%
Total Net Worth	327,240	416,056	27.14%
Total Investments	750,828	858,717	14.37%
Total Investment Income	42,091	69,496	65.11%

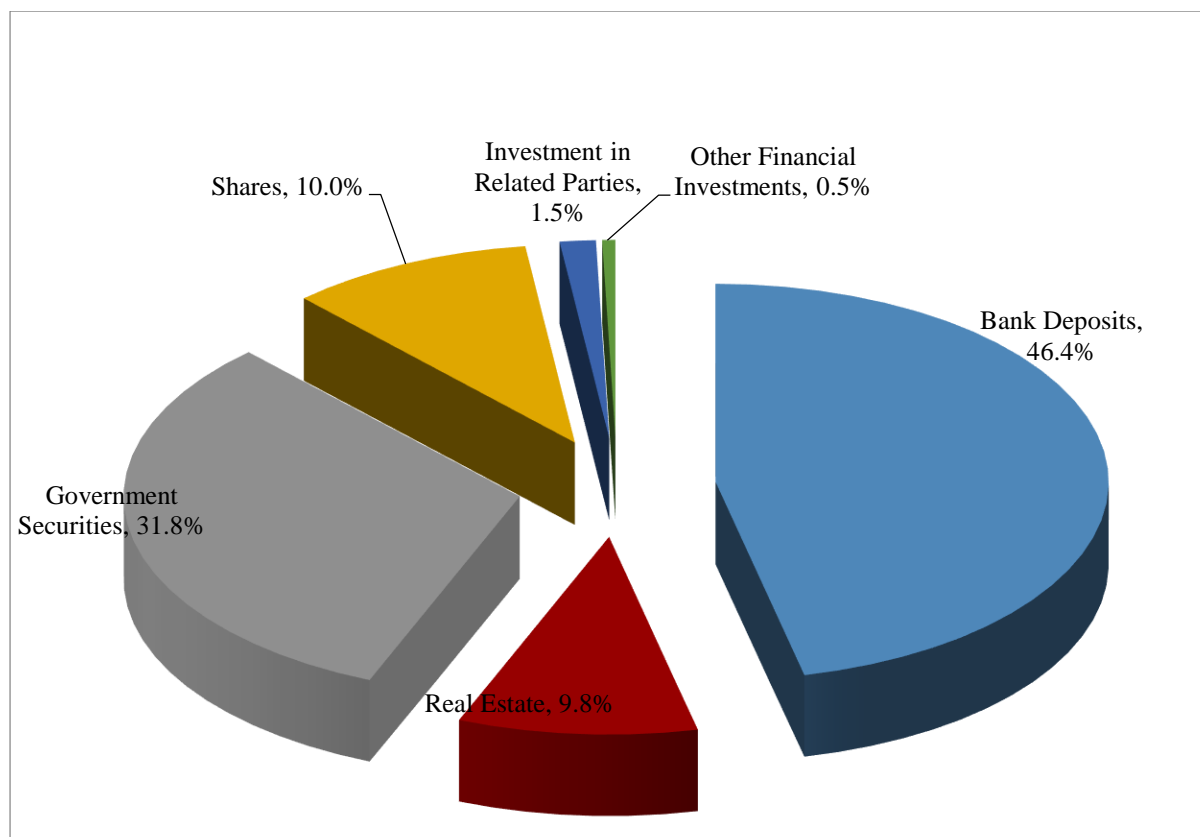
The largest share of insurers' investment assets comprised Deposits in financial institutions, including Cash and Bank Balances (46.4 percent), followed by Government Securities (31.8 percent), shares (10.0 percent), Real Estates (9.8 percent), Investments in related parties (1.5 percent) and other Financial Investments (0.5 percent) in that order. As stated above total investment assets amounted to TZS 858,717 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 (78.2%).

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	60,730	7.1%
Deposits in Financial Institutions	31	337,755	39.3%
Tanzanian Government Securities	32	273,180	31.8%
Other Bonds and debentures	3	492	0.1%
Mortgage Loans	1	900	0.1%
Real Estate	8	83,908	9.8%
Listed shares	13	16,751	2.0%
Other Shares	23	69,189	8.1%
Investment in investment pools, mutual funds, unit trusts	2	668	0.1%
Equity investments in related parties	3	5,990	0.7%
Other Related Party Investments	6	6,617	0.8%
Policy Loans	2	775	0.1%
Other Investments	3	1,761	0.2%
Total Investment Assets		858,717	100.0%

Chart 1: Investment Portfolio as at December 31st, 2020



The Deposits in Financial Institutions had the following distribution;

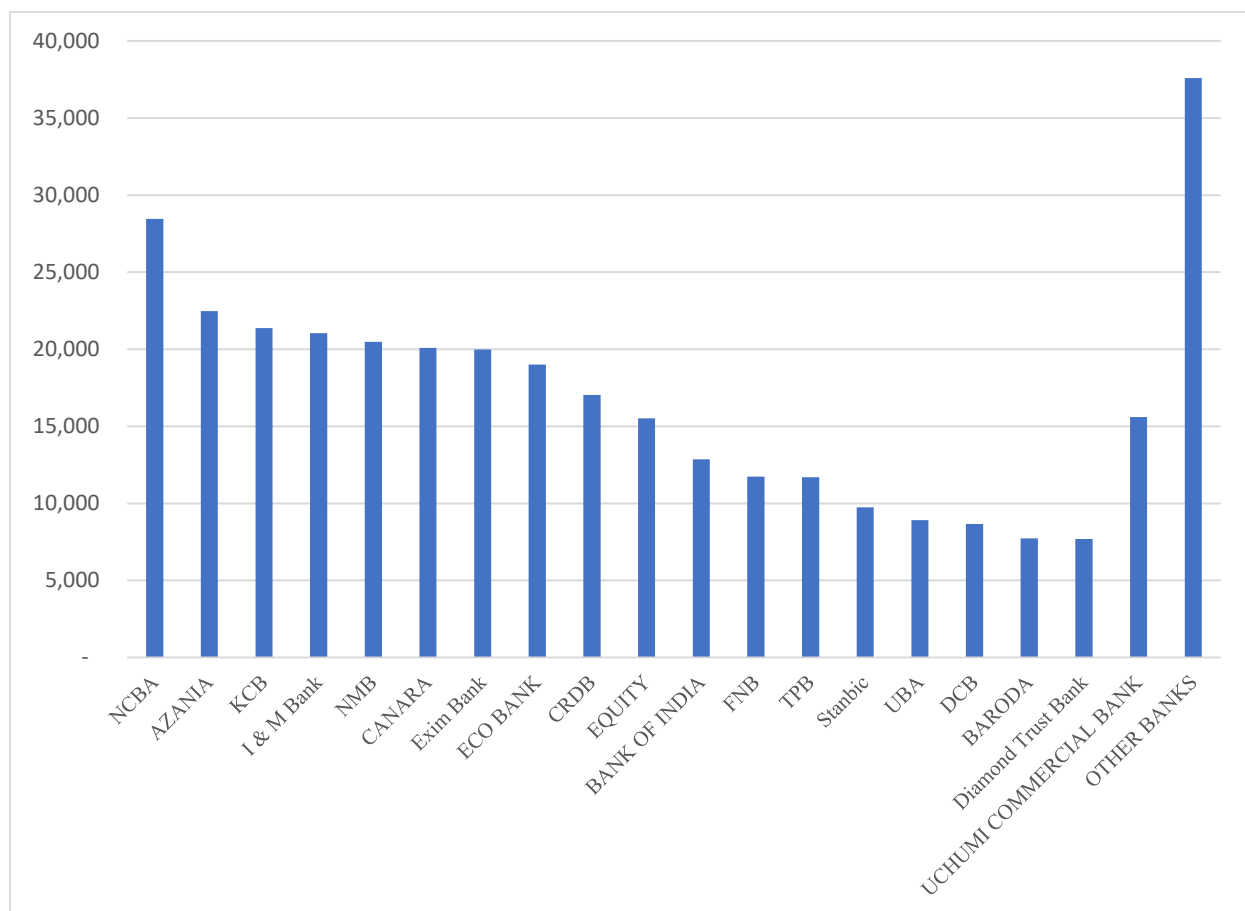
Table 3: Financial Institution

Distribution of Financial Institution as at 31st December 2020

Name of Financial Institution	Amount Invested by Insurer (TZS '000')	% of Total Investment to Financial Institutions
NCBA	28,463	8.4%
AZANIA	22,485	6.7%
KCB	21,382	6.3%
I & M Bank	21,052	6.2%
NMB	20,490	6.1%
CANARA	20,089	5.9%
Exim Bank	19,989	5.9%
ECO BANK	18,998	5.6%
CRDB	17,042	5.0%
EQUITY	15,527	4.6%
BANK OF INDIA	12,861	3.8%
FNB	11,747	3.5%
TPB	11,689	3.5%

Stanbic	9,746	2.9%
UBA	8,915	2.6%
DCB	8,664	2.6%
BARODA	7,724	2.3%
Diamond Trust Bank	7,687	2.3%
UCHUMI COMMERCIAL BANK	15,600	4.6%
OTHER BANKS	37,605	11.1%
TOTAL DEPOSITS	337,755	100.0%

Chart 2: Amount Invested by Insurer (TZS Million)



1. GENERAL INSURANCE – MARKET PERFORMANCE OVERVIEW

1.1. General Insurance Business Growth

General insurance business experienced a slight decline by 1.6 percent in gross premium income from TZS 694,894 million during the period ended 31st December 2019 to TZS 689,952 million during the period ended December 2020 (see Appendix 1 – appended). This decline is associated with a number of factors, including the following:

- i. The slow growth of GPW was due to decrease of new construction projects which requires insurance as compared to previous year 2019 whereby several mega projects were insured.
- ii. The impact brought about by lockdown and curfews in different countries which impacted the engineering projects undertaken in Tanzania.
- iii. Decrease in marine activities due to pandemic and therefore led to decrease in premium resulted from marine class of business as compared to previous year 2019.
- iv. The change of insurance covers from comprehensive to third party fire and theft for some of the assets in different economic sectors such as tourism which has been impacted by the lockdown and curfews in other countries has hindered the growth of general insurance premium compared to year 2019.

However, investment income for general insurance business in the twelve months' period to December 31st 2020 was TZS 52,529 million, an increase of 63.91 percent compared to TZS 32,048 million for the similar twelve months' in year 2019. (See Table 2.1 below for details). The reason for this increase in return in year 2020 was due to increase in investments made by the insurance companies as well as higher returns on investments made by some of the insurance companies invested in government bonds and realized higher income compared to previous year.

Table 2.1: Insurance and Investment performance

General Insurance Business		– TZS million		
Particulars	Jan – Dec 2019	Jan – Dec 2020	Incr/Decr (%)	
General Insurers Gross Premiums Written	694,894	689,952	-0.71%	
General Insurers Investment Income	32,048	52,529	63.91%	

1.2. General Insurance Underwriting Results

Net premiums written for general insurance business in the twelve months to December 31, 2020 was TZS 358,584 million compared to TZS 371,455 million for the similar period in 2019 with the decrease of 3.5 percent. This indicated the decrease of retention of risks by the insurance companies compared to previous year similar period.

Net incurred claims amounted to TZS 161,591 million for the twelve months' period ended December 31st 2020, which is a slight increase by 1.0 percent compared to TZS 159,997 million for the similar twelve months in 2019, implying a slight increase on the claims for the period under review compared to similar period in the previous year.

Underwriting expenses for general insurance business in the twelve months' period ended 31st December 2020 was TZS 185,516 million which is an increase of 2.6 percent compared to TZS 180,827 million for the similar period in 2019. This implies an increase in the costs of underwriting despite the slight decrease in volume of business. To ensure that the underwriting expenses decreases so as to improve the underwriting results as well as the profit, the Authority restricted the insurance companies to pay additional commission to the intermediaries apart from the.

General insurance business recorded underwriting profit amounting to TZS 4,132 million in the twelve months' period to end of December, 2020 compared to underwriting profit of TZS 23,018 million for the similar period in 2019. The decrease in underwriting profit reflects a significant increase in general claims especially in Aviation, Marine, Accident, Fire and other classes of businesses during year 2020, compared to previous year 2019 and the increase in management expenses and commissions.

Table 2.2: General Insurance Business Financial Performance for Jan –Dec 2020 (TZS Million)

Particulars	Jan – Dec 2019	Jan – Dec 2020	Incr/Decr (%)
Net Premiums Written	371,455	358,584	-3.5%
Net Incurred Claims	159,997	161,591	1.0%
Underwriting Expenses	180,827	185,516	2.6%
Underwriting Income/(loss)	23,018	4,132	-82.0%

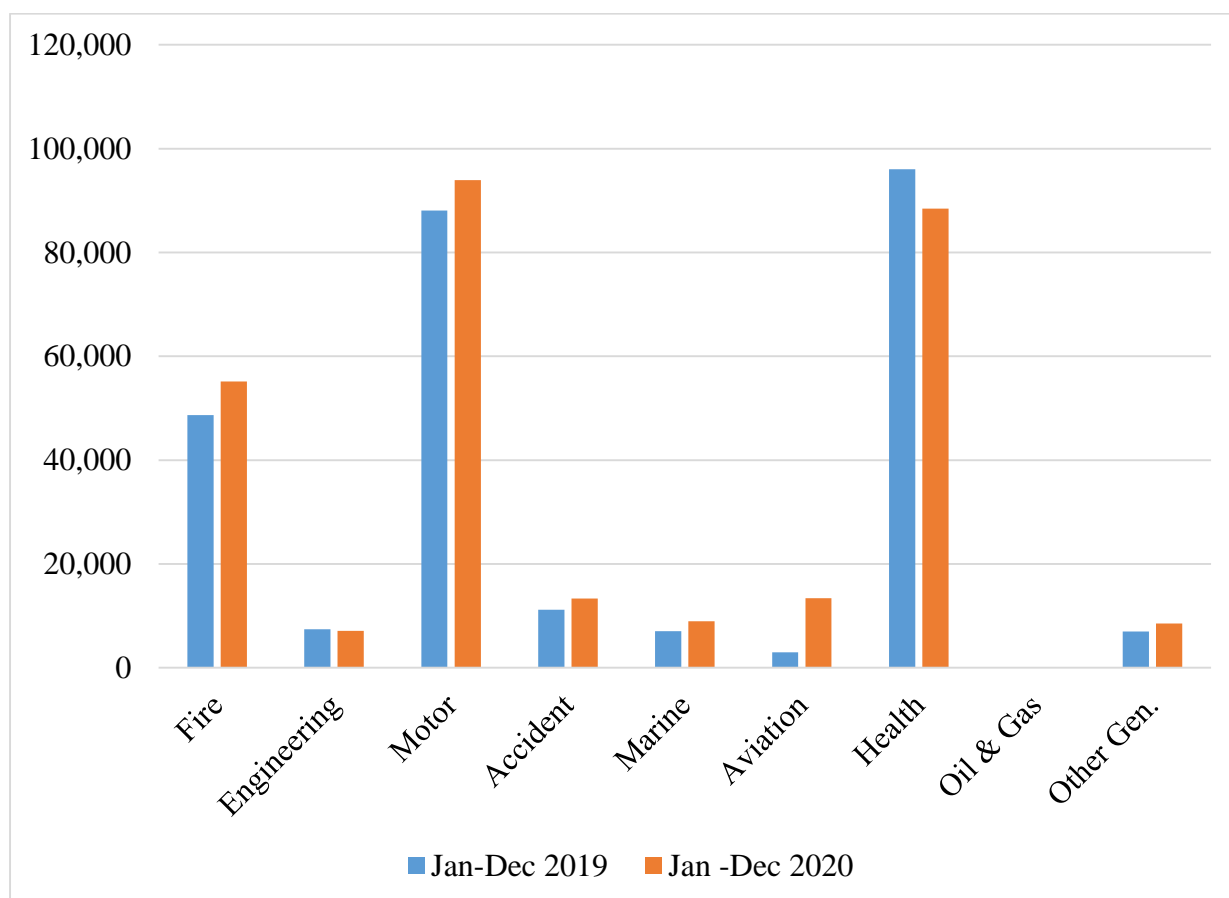
1.3. General Insurance – Claims Experience

General Insurance Gross Claims paid increased by 7.6 percent from TZS 268,393 million recorded in Jan –Dec 2019 to TZS 288,916 million during the period under review. This increase has been attributed to the increase in claims in some classes of business particularly aviation, marine, accident, motor and fire as compared to similar period in 2019. Significant impact has been noted on Aviation, motor, Fire and Marine classes of business whereby the amount significantly decreased compared to claim amounts paid during the similar period in 2019.

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

Description/Class of insurance	Jan - Dec 2019	Jan - Dec 2020	%Incr/Decr
Fire	48,657	55,170	13.4%
Engineering	7,418	7,097	-4.3%
Motor	88,060	93,920	6.7%
Accident	11,212	13,360	19.2%
Marine	7,066	8,967	26.9%
Aviation	2,965	13,394	351.7%
Health	96,023	88,451	-7.9%
Oil & Gas	0	0	0.0%
Other Gen.	6,990	8,559	22.4%
Total	268,393	288,916	7.6%

Chart 3: General Insurance Gross Claims Payments - TZS Million



1.4. General Insurance – Portfolio Mix

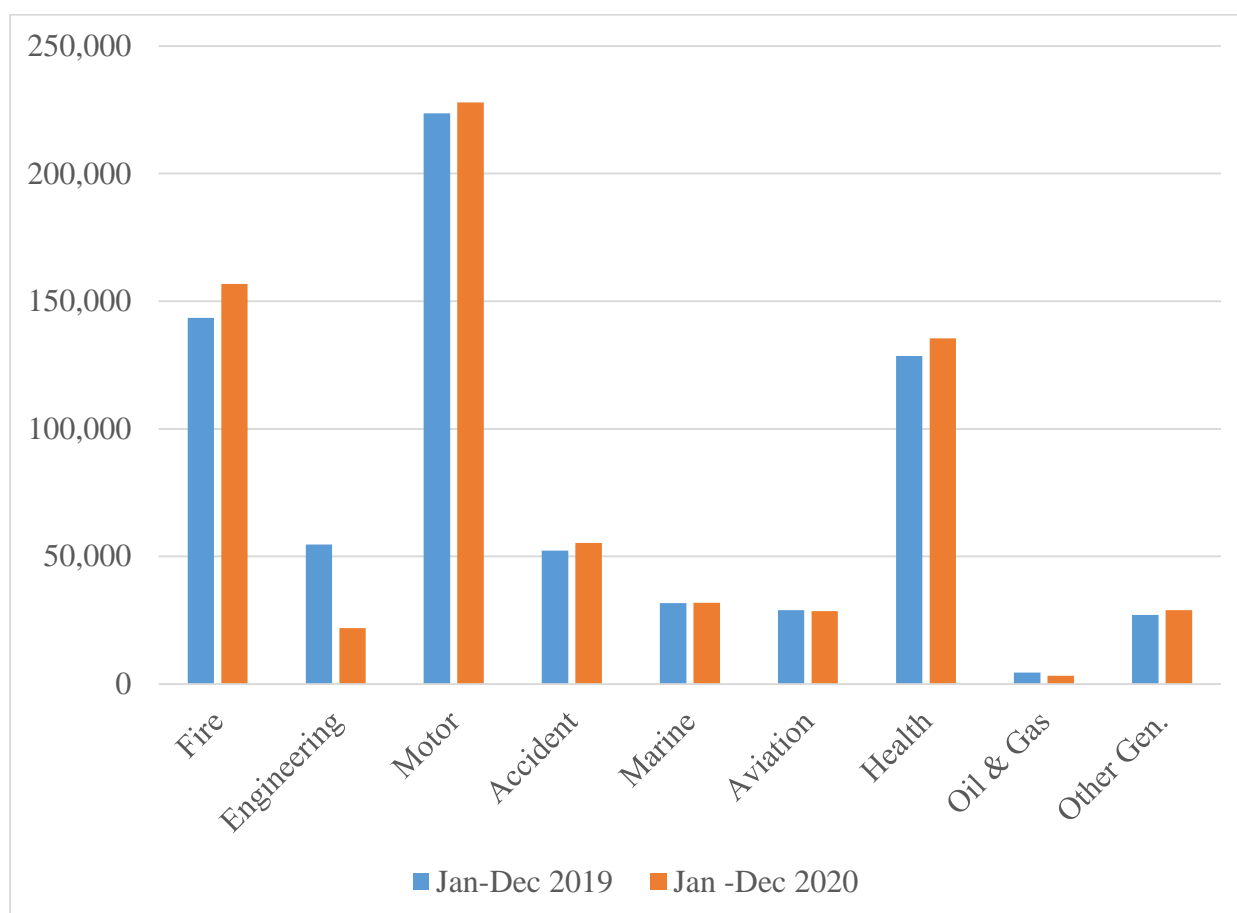
On a class-by-class basis, General Insurance product mix at end of December, 2020 showed that the Motor insurance business continue to dominate general insurance product with market share of 33.0 percent. This was followed by Fire (22.7 percent), Health (19.6 percent), Accident (8.0 percent), Marine (4.6 percent), Aviation (4.2 percent) Engineering (3.2 percent) Oil & Gas (0.5 percent). Other classes shared the remaining 4.2 percent of the total General insurance business. (See **Chart 4** below).

Many classes of business recorded increase in gross premium written during the period under review compared to the similar period in 2019 with exception of Engineering, Aviation and Oil & Gas which recorded a decrease in premium. Fire class of business was leading in growth of gross premium written during the period under review, with an increase of 9.3 percent compared to the same period in the previous year. Accident and Health classes of businesses followed with an increase of 5.9 percent and 5.3 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).

The Engineering, Aviation and Oil & Gas classes of businesses recorded a decrease in premium whereby significant decrease was noted on Engineering class of business by 60.0 percent decrease.

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

Class of Business	JAN – Dec 2019	Market Share	JAN – Dec 2020	Market Share	% Incr/Decr
Fire	143,457	20.64%	156,750	22.72%	9.27%
Engineering	54,701	7.87%	21,885	3.17%	-59.99%
Motor	223,627	32.18%	227,817	33.02%	1.87%
Accident	52,233	7.52%	55,320	8.02%	5.91%
Marine	31,684	4.56%	31,886	4.62%	0.64%
Aviation	28,917	4.16%	28,623	4.15%	-1.02%
Health	128,596	18.51%	135,426	19.63%	5.31%
Oil & Gas	4,549	0.65%	3,306	0.48%	-27.33%
Other Gen.	27,130	3.90%	28,941	4.19%	6.68%
TOTAL	694,894	100.00%	689,952	100.00%	-0.71%

Chart 4: General Insurance Gross Premiums Written by Class of Business – TZS Million

2. LONG TERM ASSURANCE – MARKET PERFORMANCE OVERVIEW

2.1. Long Term Assurance Business Analysis

Gross premiums written for Long Term Assurance business for the twelve month's period ended 31st December, 2020 increased by 15.3 percent to TZS 137908 million compared to TZS 119,607 million for the similar twelve month's period in 2019. 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 – Dec 2019	Jan –Dec 2020	Incr/Decr (%)
Life Insurers Gross Premiums Written	119,607	137,908	15.30%
Life Insurers Investment Income	10,043	16,968	68.95%

2.2. Long Term Assurance – Underwriting Results

Underwriting expenses for Long Term Assurance business in the twelve months' period to December 31, 2020 were TZS 58,867 million compared to TZS 51,639 million for the similar period in 2019. 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 twelve month's period to December 31st 2020 amounted to TZS 16,968 million, an increase of 69.0 percent compared to TZS 10,043 million for the similar period in 2019.

This is due to increase of investment assets as well as higher rate of returns provided by the government bonds. (See Table 3.2 below for details).

Table 3.2: -Financial performance

Long Term Assurance Business Financial Performance (TZS Million)				
Particulars	Jan – Dec 2019	Jan – Dec 2020	Incr/Decr (%)	
Gross Premiums Written	119,607	137,908	15.30%	
Net Premiums Written	102,352	117,277	14.58%	
Policyholders Benefits	50,573	64,227	27.00%	
Underwriting Expenses	105,163	123,094	17.05%	
Investment Income	10,043	16,968	68.95%	

2.3. Long Term Assurance – Claims & Benefit Payments

Policyholders benefits paid for the twelve months' period to December, 2020 were TZS 64,227 million, an increase of 27 percent compared to TZS 50,573 million for the similar period in 2019, implying the increase in number of matured life policies.

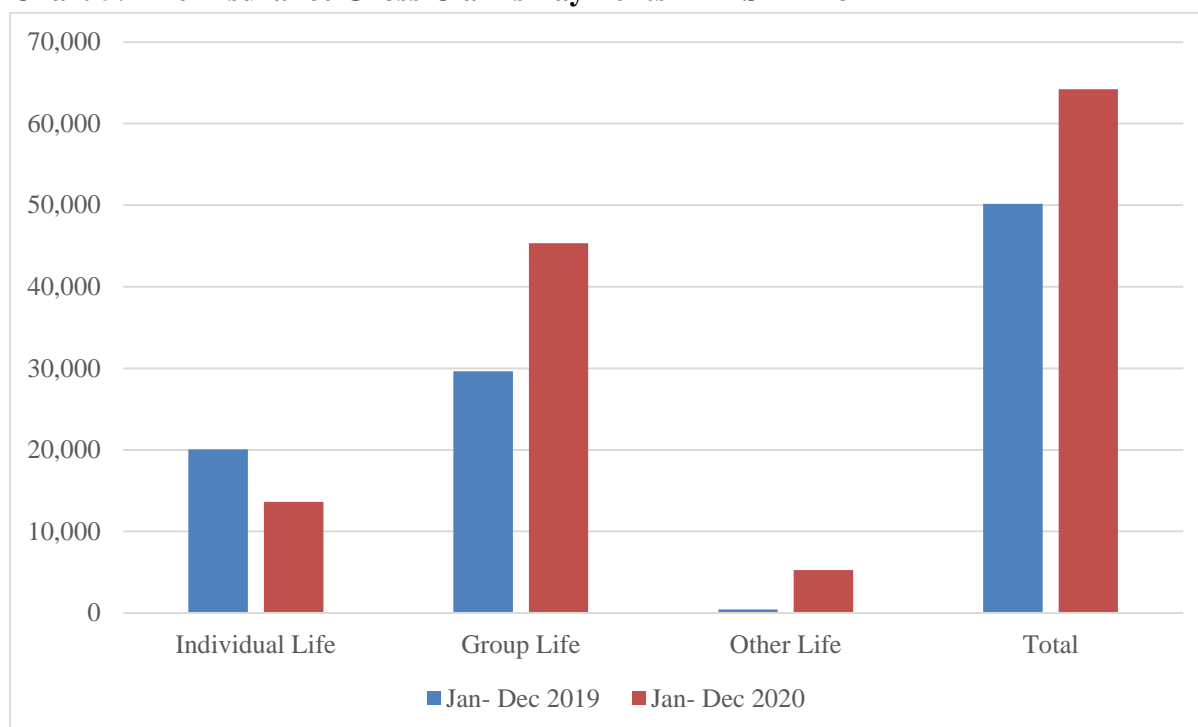
Table 3.3.1: Long Term Assurance Business Financial Performance for Jan – Dec, 2020 (TZS Million)

Particulars	Jan – Dec 2019	Jan – Dec 2020	Incr/Decr (%)
Policyholders Benefits	50,573	64,227	27%

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 2019	20,060	29,658	434	50,151
Jan- Dec 2020	13,630	45,321	5,276	64,227
% Increase/Decrease	-32%	53%	1115%	28%

Chart 5: Life Insurance Gross Claims Payments – TZS Million



2.4. Long Term Assurance Portfolio Mix

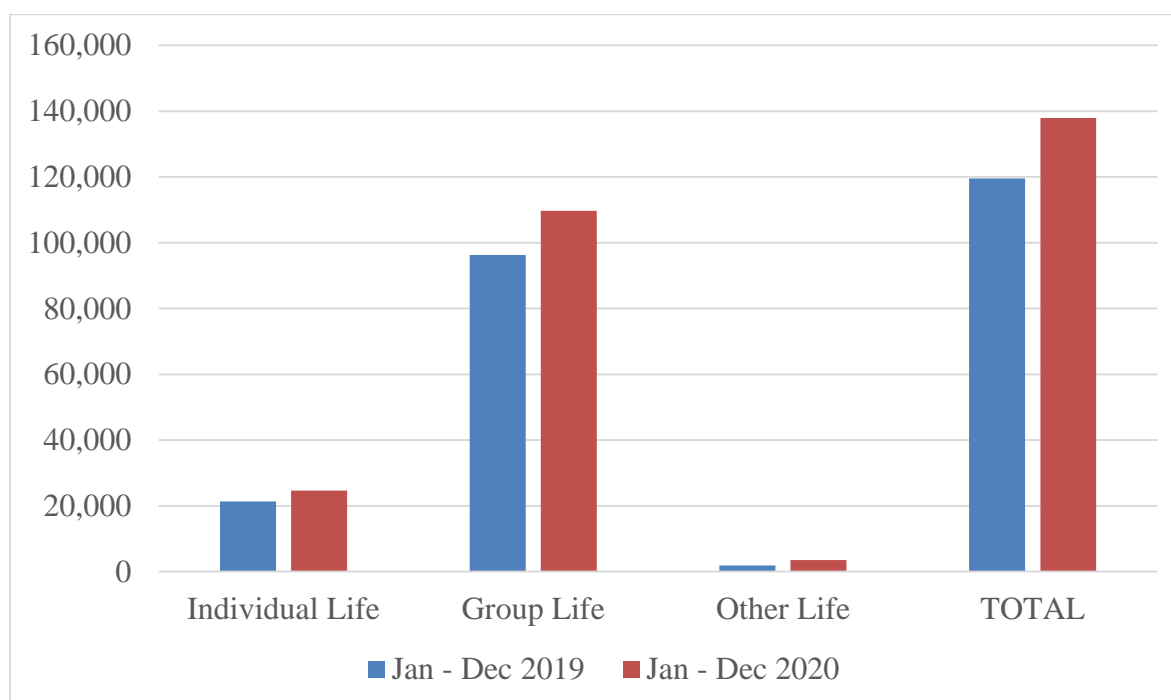
On a class-by-class basis, Long Term Assurance products mix as at December 31st 2020 is as shown in Table 9 and Chart 6 below.

During the period under review, there was a significant improvement on both individual and group life classes of business which grew by 15.4 percent and 13.9 percent respectively, compared to a similar period in 2019. Meanwhile, other life class of business significantly increased by 83.9 percent compared to the similar period in 2019.

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 - Dec 2019	21,354	96,312	1,941	119,607
Market Share	17.85%	80.52%	1.62%	100.00%
Jan – Dec 2020	24,638	109,701	3,569	137,908
Market Share	18%	80%	3%	100%
% Incr/Decr	15.38%	13.90%	83.88%	15.30%

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



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

Tan-Re recorded an underwriting profit amounting to TZS 8,868 million during the period ended 31st December 2020, compared to an underwriting profit of TZS 6,945 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 13,382 million compared to a pre-tax profit of TZS 8,857 million during the similar period in 2019. The reinsurer's net assets increased to TZS 78,528 million at the end of December 2020 compared to TZS 73,121 million for the similar period in 2019.

Table 4.1 below presents, in a summary form, Tan-Re's financial performance results during the period ended December 31st, 2020.

Table 4.1: Condensed Statement of Financial Position and Comprehensive Income Statement as at 31st December 2020 (TZS Million)

Particulars	Jan-Dec 19	Jan-Dec 20	Particulars	Jan-Dec 19	Jan-Dec 20
Fixed Assets	26,193	26,087	Gross Premiums Written	141,394	140,639
Investments	29,367	37,657	Net Premiums Earned	87,016	62,869

Receivables	57,192	62,966	Claims Incurred	51,176	24,397
Other Assets	1,894	1,860	Operating & Comm. Expenses	28,895	29,604
Total Assets	114,646	128,570	Underwriting Profit/(Loss)	6,945	8,868
Actuarial Liabilities	30,440	33,824	Investment Income	1,912	4,515
Other Liabilities	11,085	16,218	Other Income/(Expenses)	0	0
Total Liabilities	41,525	50,042	Pre-Tax Income/(Loss)	8,857	13,382
Net Assets	73,121	78,528	Post-Tax Income/(Loss)	7,231	9,368

The company's management expense ratio was 22.1 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 92.0 percent for the period ended 31st December 2019 to 85.9 percent during the period ended 31st December 2020.

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 19	Jan-Dec 20
Net Claims Incurred (Loss) Ratio (%)	58.81%	38.81%
Commission Ratio (%)	18.18%	26.00%
Management Ratio (%)	15.02%	21.09%
Combined Ratio (%)	92.02%	85.90%

Tan-Re gross claims paid for the period under review decreased to TZS 37,852 million compared to TZS 53,672 million in the previous period of Jan – Dec 2019, which was a decrease of 29.5 percent. Presence of Tan-Re has shown a significant impact in supporting the local market especially on claims payment.

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

Description/Class of insurance	Jan – Dec 2019	Jan – Dec 2020	% Incr/Decr
Fire	13,472	10,322	-23.4%
Engineering	1,588	1,886	18.8%
Motor	10,194	14,458	41.8%
Accident	2,984	3,470	16.3%
Marine	1,378	1,042	-24.4%
Aviation	719	460	-36.0%

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

Description/Class of insurance	Jan – Dec 2019	Jan – Dec 2020	% Incr/Decr
Health	23,337	6,214	-73.4%
Oil & Gas	-	-	0.0%
Other Gen.	-	-	0.0%
Total	53,672	37,852	-29.5%

APPENDIX 1: GENERAL INSURANCE FINANCIAL HIGHLIGHTS (TZS Millions)

Description	TOTAL		INCR/DECR (%)
	31st DECEMBER 2019	31st DECEMBER 2020	
Gross Premiums Written (GPW)	694,894	689,952	-0.71%
Premium Ceded (RP)	323,438	331,369	2.45%
Net Premiums Written (NPW)	371,455	358,584	-3.47%
Earned (Net)(NPE)	363,842	351,239	-3.46%
Net Claims Incurred (NCI)	159,997	161,591	1.00%
Net Commission Paid (Net Comm)	26,200	31,970	22.02%
Management Expenses (Mgt Exp)	154,627	153,546	-0.70%
Net Expenses (Mgt Exp. & Net Comm)	180,827	185,516	2.59%
Combined Exp (Incurred, Mgt Exp & Comm)	340,824	347,107	1.84%
Underwriting income/(Loss)	23,018	4,132	-82.05%

RATIO ANALYSIS (IN %)	31st DECEMBER 2019	31st DECEMBER 2020	(% CHANGE)
RP to GPW Ratio	47%	48%	1%
NPW to GPW Ratio	53%	52%	-1%
NPE to GPW	52%	51%	-1%
NCI to NPE (Loss Ratio)	44%	46%	2%
Mgt Exp to GPW Ratio	22%	22%	0%
Mgt Exp to NPW Ratio	42%	43%	1%
Mgt Exp to NPE Ratio	42%	44%	1%
Net Exp to NPE (Expense Ratio)	50%	53%	3%
Combined Ratio	94%	99%	5%