



TANZANIA INSURANCE REGULATORY AUTHORITY

MAMLAKA YA USIMAMIZI WA BIMA TANZANIA

**GUIDELINES ON INVESTMENT AND SOLVENCY
MARGIN MANAGEMENT**

**MIONGOZO YA UWEKEZAJI NA USIMAMIZI WA
UKWASI**

Version No. 1.0

Toleo Na. 1.0

SEPTEMBER, 2022

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SECTION ONE: INTRODUCTION		SURA YA KWANZA: UTANGULIZI	
1.1 Authorization and Powers	These Guidelines are issued pursuant to Section 6(1), 6(2) (d) & (e) and 11 (a) & (b) of the Insurance Act Cap 394.	1.1 Idhini na Mamlaka	Miongozo hii imetolewa kwa mujibu wa Kifungu 6(1), 6(2) (d) & (e) na 11 (a) & (b) cha Sheria ya Bima Sura Na. 394.
1.2 Citation	These Guidelines may be cited as ' <i>Guidelines on implementation of Regulation 20 of Insurance Regulations 2009 (Government Notice no. 372/2009)</i> '.	1.2 Nukuu	Miongozo hii itafahamika kama ' <i>Miongozo kuhusu utekelezaji wa Kanuni ya 20 ya Kanuni za Bima za mwaka 2009 (Tangazo la Serikali na. 372/2009)</i> '.
1.3 Background and Rationale	<p>The Authority has noted several challenges in implementation of Regulation 20 by insurers in the market. These challenges include;</p> <ul style="list-style-type: none"> i. Risk of Non-compliance upon maturity of the financial instruments relating to the security deposit specified in accordance with Regulation 20 ii. Policyholders are exposed to risk of non-compensation when an insurer suffers substantial loss which cannot be met from its available resources. iii. The industry stability and sustainability are jeopardized thus compromising consumer protection. iv. The insurer's going concern is endangered. v. Risk of unavailability of resources to offset undischarged liabilities arising out of policies transacted by the insurer in the event of closure or winding up of insurance business. 	1.3 Usuli na Mantiki	<p>Mamlaka imebaini changamoto mbali mbali katika utekelezaji wa Kanuni Na. 20. Changamoto hizo ni pamoja na;</p> <ul style="list-style-type: none"> i. Hatari ya kukiukwa kwa matakwa ya uwepo wa amana ya dhamana kama ilivyoainishwa kwenye Kanuni Na. 20. ii. Wakatabima kuwa kwenye hatari ya kutofidiwa endapo kampuni ya bima itapata hasara kubwa zaidi ya uwezo wake wa kifedha uliopo. iii. Uhimilivu na Ustahimilivu wa soko la bima kuhatarishwa hivyo kuathiri usalama wa mlaji wa bima. iv. Uendelevu wa Kampuni ya bima kuhatarishwa. v. Hatari ya kukosekana kwa rasilimali fedha kulipia madeni na madai yatoakanayo na biashara ya bima endapo kampuni itafungwa au kufilisiwa
1.4 Application and Scope	These Guidelines shall apply to all insurers and reinsurers registered and licensed under the Insurance Act Cap 394.	1.4 Matumizi na Mawanda	Miongozo hii itatumika kwa kampuni zote za bima na bima mtawanyo zilizosajiliwa na kupewa leseni kwa mujibu wa Sheria ya Bima Sura Na. 394.

SECTION ONE: INTRODUCTION		SURA YA KWANZA: UTANGULIZI	
<p>1.5 Purpose and objectives</p>	<p>1.5.1 The overall purpose of these Guidelines is to lay down an effective and consistent framework for implementation of Regulation 20</p> <p>1.5.2 The specific objectives include;</p> <ul style="list-style-type: none"> i. Ensuring compliance upon maturity of the financial instruments relating to the security deposit specified in accordance with Regulation 20 ii. Enhancing protection of Policyholders when an insurer suffers substantial loss which cannot be met from its available resources. iii. Improving industry's stability and sustainability. iv. Ensuring availability of resources to offset undischarged liabilities arising out of policies transacted by the insurer in the event of closure or winding up of insurance business. 	<p>1.5 Lengo na Madhum uni</p>	<p>1.5.1 Lengo kuu la Miongozo hii ni kuweka utaratibu Madhubuti na endelevu wa kutekeleza Kanuni Na. 20</p> <p>1.5.2 Malengo mahsusi ni pamoja na;</p> <ul style="list-style-type: none"> i. Kuhakikisha utekelezaji wa matakwa ya uwepo wa amana ya dhamana kama ilivyoainishwa kwenye Kanuni Na. 20. ii. Kuimarisha usalama wa Wakatabima kufidiwa kwa uhakika endapo kampuni ya bima itapata hasara kubwa zaidi ya uwezo wake wa kifedha uliopo. iii. Kuboresha Uhimilivu na Ustahimilivu wa soko la bima. iv. Kuhakikisha uwepo wa rasilimali fedha kwa ajili ya kulipia madeni na madai yatokanayo na biashara ya bima endapo kampuni itafungwa au kufilisiwa.
<p>1.6 Definitions and Acronyms</p>	<p>Act: means the Insurance Act Cap 394</p> <p>Authority: means Tanzania Insurance Regulatory Authority established under the Insurance Act.</p> <p>Commissioner: means the Commissioner of Insurance appointed under Section 7 of the Insurance Act.</p> <p>Fifth Schedule: means an investment guide provided in Insurance Regulations, 2009 (GN. 372)</p>	<p>1.6 Maana na vifupisho vya maneno</p>	<p>Sheria: maana yake ni Sheria ya Bima Sura ya 394</p> <p>Mamlaka: maana yake ni Mamlaka ya Usimamizi wa Bima Tanzania iliyoanzishwa chini ya Sheria ya Bima.</p> <p>Kamishna: maana yake ni Kamishna wa Bima aliyeteuliwa chini ya Kifungu Namba 7 cha Sheria ya Bima</p> <p>Jedwali la Tano: maana yake ni mwongozo wa uwekezaji unaotolewa katika Kanuni za Bima ya mwaka 2009</p>

SECTION ONE: INTRODUCTION	SURA YA KWANZA: UTANGULIZI
<p>Trust Account: means a bank account that is opened, maintained and managed by the Commissioner for the purpose of maintaining all security deposits of at least fifty percent of the prescribed minimum paid up capital of each insurer.</p> <p>Regulation 20: means Regulation 20 of the Insurance Regulation, 2009 (GN. 372).</p> <p>Commercial Bank: means a Bank registered and licensed by the Bank of Tanzania under the Banking and Financial Institutions Act, Cap 342</p> <p>Designated Bank; means the Commercial Bank selected by the Authority to maintain its Trust Account specified under these Guidelines.</p> <p>Security Deposit: means an amount of not less than fifty percent of the prescribed minimum paid up capital as stipulated under Regulation 18 the Insurance Regulations 2009.</p>	<p>(Tangazo la Serikali Na. 372)</p> <p>Akaunti ya Dhamana: maana yake ni akaunti ya benki iliyofunguliwa na kusimamiwa na Kamishna kwa madhumuni ya kuhifadhi amana zote za angalau asilimia hamsini ya kiwango cha chini cha mtaji kinachotakiwa kwa kila Kampuni ya Bima.</p> <p>Kanuni Na. 20: inamaanisha Kanuni Na. 20 ya Kanuni za bima za mwaka 2009 (Tangazo la Serikali Na. 372).</p> <p>Benki ya biashara: inamaanisha Benki iliyosajiliwa na kupewa leseni chini ya Sheria ya Benki na Taasisi za Fedha Sura Na. 342</p> <p>Benki Teule: inamaanisha Benki ya biashara iliyochaguliwa na Mamlaka na kufunguliwa akaunti ya amana chini ya Miongozo hii.</p> <p>Amana ya Dhamana: inamaanisha kiasi kisichopungua asilimia hamsini ya mtaji kama ilivyo elezwa katika Kanuni Na. 18 ya Kanuni za Bima za mwaka 2009.</p>

SECTION TWO: COMPLIANCE REQUIREMENTS		SEHEMU YA PILI: MAHITAJI YA UTEKELEZAJI	
2.1 Trust Account	The Authority shall open, maintain and manage Trust Accounts in a designated Commercial Banks for the purposes of implementation of Regulation 20.	2.1 Akaunti ya Dhamana	Mamlaka itafungua na kusimamia Akaunti ya Dhamana katika benki teule ya biashara kwa madhumuni ya utekelezaji wa Kanuni Na. 20.
2.2 Security Deposit	Every insurer shall deposit at the Trust Account in a Designated Commercial Bank, a security deposit not less than fifty percent of the prescribed minimum paid up capital of the Company as prescribed under Regulation 18.	2.2 Amana ya Dhamana	Kampuni zote za Bima zitatakiwa kuweka kwenye Akaunti ya Dhamana iliyo kwenye Benki Teule ya Biashara kiwango kisichopungua asilimia hamsini ya kiwango kinachotakiwa kwenye mtaji wa Kampuni kama ilivyoainishwa kwenye Kanuni Na. 18.
2.3 Investment of Security Deposit	<p>2.3.1 The deposits made in the Trust Account shall be available for investment by the insurer with prior approval of the Commissioner at the Bank of Tanzania in line with Regulation 20 (1) (b).</p> <p>2.3.2 Subject to 2.3.1, the investment made from the Trust Account by the Commissioner of Insurance will be in favor of the insurer</p> <p>2.3.3 The principal amount and income derived from investment made under 2.3.2 shall be deposited in the Trust Account.</p>	2.3 Uwekezaji wa Amana za Dhamana	<p>2.3.1 Amana zitakazowekwa katika Akaunti ya Dhamana zitawekezwa Benki Kuu ya Tanzania kadri itakavyopendekezwa na Kampuni husika ya Bima na kuidhinishwa na Kamishna kulingana na Kanuni Na. 20 (1) (b)</p> <p>2.3.2 Kulingana na 2.3.1, uwekezaji utakaofanyika na Kamishna katika Akaunti ya Dhamana utafanyika kwa niaba ya kampuni husika</p> <p>2.3.3 Mapato yote yatayotokanayo na uwekezaji uliofanywa na Kampuni za Bima kulingana na 2.3.2 zatarejeshwa kwenye Akaunti ya Dhamana.</p>

2.4 Access of Income Accrued from Investment	All income accrued from the investment shall be payable to insurer after taking into consideration changes in minimum paid up capital in line with the Act.	2.4 Upatikanaji wa Mapato yatokanayo na Uwekezaji	Mapato yote yatokanayo na uwekezaji yatalipwa kwa kampuni baada ya kufanyika uchambuzi kuhusu viwango vya mtaji unaotakiwa kwa mujibu wa Sheria.
2.5 Recognition of Security Deposit	The security deposit maintained by the insurer under these Guidelines shall form part of the assets in respect of the capital of the insurer as per Regulation 20 (1) (a).	2.5 Utambuzi wa Amana ya Dhamana	Amana ya Dhamana iliyowekwa na kampuni ya bima kwa mujibu wa miongozo hii itakuwa sehemu ya mtaji wa kampuni ya bima kwa mujibu wa Kanuni Na.20(1) (a)
2.6 Access of Security Deposit during substantial losses	<p>2.6.1 Subject to Regulation 20 (2) (a), an insurer who suffer substantial loss may access the security deposit under these Guidelines in the following manner</p> <ol style="list-style-type: none"> i. Making an application in writing to the Commissioner specifying the grounds for the request ii. The amount requested shall not exceed fifty percent of the security deposit iii. The Commissioner after considering the grounds of the application may approve or disapprove the withdrawal in writing. iv. Where the Commissioner approves, the amount withdrawn shall be replaced to the Trust Account within a period of ninety (90) days from the date of withdrawal. 	2.6 Upatikanaji wa Amana ya Dhamana kunapotokea hasara kubwa	<p>2.6.1 Kulingana na Kanuni Na. 20 (a), kampuni ya bima iliyopata hasara kubwa inaweza kuruhusiwa kuchukua Amana ya Dhama kulingana na Miongozo hii kwa utaratibu ufuatao:</p> <ol style="list-style-type: none"> i. Kuomba kwa maandishi kwa Kamishna wa bima ikiainisha msingi wa maombi hayo ii. Kiwango kitakacho ombwa hakitakiwi kizidi asilimia hamsini ya Amana ya Dhamana iii. Kamishna baada ya kufanya uchambuzi wa sababu za maombi anaweza kuridhia au kutokuridhia maombi hayo kwa maandishi. iv. Pale ambapo Kamishna ameridhia kiwango kitakacho chukuliwa kitapaswa kurejeshwa kwenye Akaunti ya Amana ya Dhamana ndani ya siku tisini (90) kutoka tarehe ya kuchukuliwa.

2.7 Access of Security Deposit during closure or winding up	Subject to Regulation 20 (2) (b), in the event of a closure or winding up of the insurance business the Commissioner shall be utilized to discharge liabilities arising out of policies transacted by the insurer.	2.7 Upatikanaji wa Amana ya Dhamana wakati wa kufunga Kampuni.	Kulingana na Kanuni ya 20 (2) (b), ikiwa Kampuni itafunga biashara ya bima kwa sababu yeyote ile, Kamishna atatumia Amana ya Dhamana kufidia madeni na madai yatokanayo na biashara ya bima.
2.8 Legal Enforcement	Any person who contravenes the provisions of these Guidelines commits an offence and shall be subject to regulatory sanctions by the Commissioner of Insurance as per the Insurance Act Cap 394.	2.8 Utekelezaji wa Kisheria	Mtu yeyote atakayekiuka masharti ya Miongozo hii atakuwa ametenda kosa na atachukuliwa hatua na Kamishna wa Bima kwa mujibu wa Sheria ya Bima Sura Na. 394.
2.9 Review of the Guidelines	2.9.1 These Guidelines shall be reviewed once in every three years for improvement. 2.9.2 Notwithstanding 2.9.1 above, the Commissioner may review these Guidelines as and when need arises.	2.9 Mapitio ya Miongozo	2.9.1 Miongozo hii itapitiwa kila baada ya miaka mitatu kwa ajili ya maboresho. 2.9.2 Bila kuathiri 2.9.1 hapo juu, Kamishna anaweza kufanya mapitio ya Miongozo hii wakati wowote itakapohitajika.
2.10 Effective date	These Guidelines shall come into force on the 1 st October, 2022.	2.10 Tarehe rasmi ya kuanza kutumika	Miongozo hii itaanza kutumika rasmi tarehe 1 Oktoba, 2022.
2.11 Approval	Approved by: Dr. Baghayo A. Saqware Commissioner of Insurance	2.11 Idhini	Imeidhinishwa na: Dkt. Baghayo A.Saqware Kamishna wa Bima