

**UNITED REPUBLIC OF TANZANIA**



**INSURANCE SUPERVISORY DEPARTMENT**

**ANNUAL INSURANCE MARKET  
PERFORMANCE REPORT**

**For the Year Ended 31<sup>st</sup> December 2005**

***(HIGHLIGHTS)***

**Dar Es Salaam, September 2006**

## TABLE OF CONTENTS

Content Description	Page No.
Introduction	4
Statement of the Chairman of the National Insurance Board	5
Report of the Commissioner of Insurance for the Year Ending 31 Dec 2005	7
Objectives perceived under liberalization of Insurance Business	7
Tanzania's Economic Review for the 2004/2005 Financial Year and Insurance Demand in Tanzania	11
Registrations during 2005	13
Insurance Business	13
General & Long Term Assurance Business Performance Highlights	13
General Insurance Market Performance Overview	14
General Insurance Underwriting Summary	14
General Insurance Financial Highlights & Ratio Analysis	15
General Insurance Underwriting Trends	17
General Insurance Claims Experience	17
General Insurance Management Expenses	17
General Insurance Underwriting Result	18
<b>General Insurance Portfolio Mix</b>	18
Long Term Assurance Market Performance Overview	19
Long Term Assurance Business Analysis	19
Long Term Assurance Underwriting Trends	20
Long Term Assurance Claims & Benefits Payments	20
Long Term Assurance Management Expenses	20
Long Term Assurance Funds Position	20
<b>Long Term Assurance Portfolio Mix</b>	20
Operational Results of Tan-Re	21
Brokers Participation in Insurance Underwriting	21
Insurance Industry Staff Position	23
Regulation of Insurance Activities	23
Relations with International Organisations	25
Activities of the National Insurance Board	26
Administrative Issues of the Department	27
Acknowledgement	27
<b>Statistical Tables &amp; Charts</b>	<b>28</b>

## LIST OF STATISTICAL TABLES &amp; CHARTS

## TABLES

Table No.	Table Description	Page No.
1a	General Insurance Gross Premiums Written by Insurance Companies in Tanzania as at 31 December 2005	29
1b	Long Term Assurance Gross Premiums Written by Insurance Companies in Tanzania as at 31 December 2005	30
2a(i)	General Insurance Revenue Account for the Year Ended 31 December 2005	31
2a(ii)	Insurer-by-Insurer General Insurance Financial Highlights and Ratio Analysis as at 31 December 2005	32
2b	Long Term Assurance Income & Expenditure Statement for the Year Ended 31 December 2005	33
3	General & Long Term Insurers' Balance Sheet as at 31 December 2005	34
4	General & Long Term Insurers' Profit & Loss Account as at 31 December 2005	35
5a	General Insurance Business Through Brokers as at 31 December 2005	38
5b	Long Term Assurance Business Through Brokers as at 31 December 2005	39

## CHARTS

Chart No.	Chart Description	Page
1	1999-2005 Trends of Life & Non-Life Insurance Gross Premiums Written by Tanzania Insurers by Class of Business	40
2a	2001-2005 Trends of (General) Non-Life Insurance Portfolio Mix in the Tanzania Insurance Industry	41
2b	2003-2005 Trends of (Long Term) Life Assurance Portfolio Mix in the Tanzania Insurance Industry	42
3	2000-2005 Trends of General Insurance Net Premiums Earned & Net Claims Incurred by Tanzania Insurers	43
4a	2000-2005 Development of General Insurance Premiums and Claims	44
4b	2000-2005 Development of Life Premiums and Claims	45
5a	1998-2005 State and Private Sectors Trend of Participation in General Insurance Business	46
5b	1998-2005 State and Private Sectors Trend of Participation in Long Term Assurance Business	47
5c	1998-2005 State and Private Sectors Consolidated Trend of Participation in General & Long Term Insurance Business	48
6	2001-2005 Trends of Tanzania Insurers' Assets, Liabilities, Net Worth & Technical Reserves	49
7a	2006-2008 Projection of General Insurance Gross Market Premiums Written in Tanzania	50
7b	2006-2008 Projection of Long Term Assurance Gross Market Premiums Written in Tanzania	51
7c	2006-2008 Projection of Consolidated Gross Market Premiums Written in Tanzania	52

## INTRODUCTION

Year 2005, the eighth since Tanzania insurance business was liberalized, has witnessed significant milestones in the realms of not only insurance supervision and regulation, but also developments within individual insurance registrants and the industry at large.

The Insurance Supervisory Department (ISD) now implements Risk Based Supervision (RBS) monitoring framework as its basic supervisory and regulatory mechanism (in line with best practices advocated by the International Association of Insurance Supervisors (IAIS)). The framework involves creation of industry-wide risk profile on product line and on insurer-by-insurer basis that provides the necessary input to assessment of the necessary risk factors inherent in insurers' business operations. These include capital adequacy, assets quality, reinsurance, actuarial liabilities, management & corporate governance, earnings, liquidity, and related parties transactions. The framework is developed around the need to concentrate supervisory resources to riskier entities. It is envisaged that the public and other stakeholders' confidence in the industry will continue to be enhanced.

**The following is a summary of selected historical industry performance indicators:**

### Selected Recent Historical Performance Indicators

<b>General Insurance</b>					
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Underwriting Result (Tshs M)	(1,427)	(1,433)	(1,064)	1,402	(2,988)
Premium Growth	12%	21%	33%	21%	22%
Loss Ratio (Net)	49%	54%	50%	52%	57%
Expense Ratio (Net)	61%	49%	53%	47%	51%
Combined Ratio	110%	102%	101%	98%	108%

<b>Long Term Assurance</b>					
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Life Fund Growth	29%	79%	1%	-21%	11%
Premium Growth	12%	-10%	3%	-7%	26%
Claims/Benefits Ratio	77%	90%	52%	88%	75%
Expense Ratio	42%	50%	42%	45%	47%
Year End Funds Position (Tshs Million)	13,542.0	24,193.0	24,324.0	19,102.3	21,182.5

**More information is given in this report.**

**STATEMENT OF THE CHAIRMAN  
OF THE NATIONAL INSURANCE BOARD**

This is the eighth in the series of Annual Insurance market Performance Reports issued by the Insurance Supervisory Department (ISD).

On behalf of the Board, I am immensely pleased to give a brief review on the Performance of the Tanzania insurance market during the underwriting year 2005. This has been yet another year during which the market experienced encouraging results in its various areas of operations as characterized by market growth, assets portfolio, investments, and product mix.

The market achieved an overall growth of 22% in gross premiums written compared to the previous year's performance (18%) which is above the set target of 15%. The growth was higher than the country's Nominal GDP growth of 14.3%. However, in the same period, (real GDP growth was 6.9%). The industry's contribution to the Finance & Insurance sector's GDP (at current prices) was 28.9% during 2005 compared to 27.6% achieved in 2004. In order to enhance this performance, the Insurance Supervisory Department (ISD) continues to take measures to address strategic challenges that face the Tanzania Insurance Industry (as highlighted on Section 2.3 of main report).

Total general insurance claims paid in the industry during the year under review increased significantly to Tshs 46,695 million up by 135% compared to Tshs 19,873 million paid in previous year. The large increase is attributed to a major marine insurance claim (valued at Tshs 13,679 million) experienced by a major player in the market during the year under review.

The industry recorded an underwriting loss of Tshs 2,988 million during 2005, compared to a profit of Tshs 1,402 million in 2004. This result is mainly attributable to a significant underwriting loss incurred by a key insurer in the market amounting to Tshs 5,746 million. Two other insurers underwrote for losses in 2005. The rest of the insurance companies recorded underwriting profits ranging between Tshs 78 million and Tshs 1,022 million.

As at the end of the underwriting year 2005, total assets of insurers had increased by 19% (2004: 8%) to Tshs 143,979 million from Tshs 121,173 million of the previous year. Total Insurers' investments also increased by 13% from Tshs 84,924 Million in 2004 to Tshs 95,572 Million in 2005. This total increase in investments is mainly attributed to an increase in investments in land and buildings (24%). The next highest absolute value increase in investments is observed with Government Securities & Bank Deposits (15%). Other increases were in shares (17%), and other financial investments (79%). Investments in connected companies decreased by 28%. Good returns offered by investments in marketable securities were a major incentive for expansion of investments in same avenues. The Dar Es Salaam Stock Exchange has also continued to provide potential investors (including insurers) with greater investment opportunities in shares. The increase in investment in lands & buildings has been contributed by a venture of a major private insurer in real estate holdings. Whereas, holdings of real estate properties should be treated with caution for regulatory compliance purposes, prudent investments in such assets has a tendency of inspiring a natural sense of confidence to the ordinary policyholder. Other players are encouraged to emulate this example and invest in landed properties within the prescribed prudent limits provided in the Insurance Legislation.

General Insurance product mix in the year 2005 shows a steady share of Motor insurance business at 37% (2004: 37%). This is followed by Miscellaneous & accident with 28% share (2004: 27%), Fire 19% (2004: 18%), Engineering 6% (2004: 6%), Aviation 5% (2004: 7%), and Marine 5% (2004: 5%).

General insurance management expense ratio during the year under review improved to 22% (2004: 23%), being slightly on the high side of 20%, which is a maximum prudent standard.

The ratio of reinsurance premiums ceded to gross premiums written remained stable at 53% in 2005 the same as that of previous year. The country continued to experience unfavourable Net Reinsurance Inflows during the year under review. However, there was an improvement in the Net Reinsurance Outflows which represented 16% of gross premiums written in 2005, down by 57% compared to the ratio of 37% of previous year. With consolidation of operations of the Tanzania National Reinsurance Corporation Ltd (Tan Re), significant improvements in net retentions and net reinsurance inflows are expected. At this juncture, I would like to express my appreciation to all parties involved in the process which culminated into signing of a Deed of Settlement between the Government and Tanzania insurers. The Deed has paved a way into strategic and fruitful business relationship between insurers in Tanzania and the National Reinsurance Corporation Ltd (Tan Re).

Long-term assurance business gross premium income increased by 26.0% from Tshs 7,292 Million during 2004 to Tshs 9,163.1 Million during 2005. Claims/benefits payable under Long-term assurance business increased by 8.1% from Tshs 6,400.7 Million in 2004 to Tshs 6,917.4 Million in 2005. Long-term assurance management expense ratio increased from 45.23% during 2004 to 47.44% during 2005. The industry Life funds increased by 10.9% to Tshs 21,182.5 million at end of 2005 compared to Tshs 19,102.3 million as at beginning of same year.

Out of the total insurance premiums written during 2005 in respect of both long term and general insurance businesses (Tshs 100 billion), 68.1% of this amount was transacted through brokers (2004: 61.27%). Clearly, significance of brokers in the industry continues to be enormous. It therefore remains needful to concentrate substantial resources to supervision of 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. To this end, the Department is devising a robust framework for use by the Department staff in assessing risks inherent on the conduct and operations of insurance brokers registered to transact business in Tanzania. The main purpose is to identify broker segments which require greater supervisory oversight.

*I wish to express my appreciation to the Ministry of Finance and to the staff of ISD for their on going contribution towards building a sound Regulatory environment in Tanzania. I would also like to acknowledge the commitment of members of the National Insurance Board in pursuing the objectives of Insurance liberalisation and their readiness to meet the significant challenges that lie ahead. Last but not least, I thank Boards of Directors, Management, and Staff of all insurance companies, intermediaries, and service providers for their cooperation and support extended to the ISD in its stewardship of supervision and regulation of the Tanzania insurance industry.*

Professor G. M. Fimbo

**Chairman, National Insurance Board**

**REPORT OF THE COMMISSIONER OF INSURANCE  
FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2004**

***Preamble***

*The Commissioner of Insurance is required in terms of Section 6(4) of the Insurance Act No: 18 of 1996 to submit to the Minister for Finance an Annual Insurance Market Performance Report. This report therefore presents a review of performance of Tanzania's insurance industry for the year ended 31<sup>st</sup> December 2005.*

**1 OBJECTIVES PERCEIVED UNDER LIBERALIZATION OF INSURANCE BUSINESS**

The Tanzania's insurance industry completed its eighth year of operations under liberalized environment. Liberalization of the insurance industry seeks to achieve a number of objectives, as stated hereunder:

- *Transforming the insurance industry into a sound and competitive agent for national savings mobilisation and development investment channelling.*
- *Promoting insurance sector as an effective catalyst for enhanced economic growth*
- *Strengthening and promoting the industry health and orderly growth through establishment of operating performance standards and prescriptions.*
- *Exempting the industry from undue interferences.*
- *Developing efficient, cost effective, comprehensive and customer driven insurance services.*

**2 TANZANIA'S ECONOMIC REVIEW FOR THE 2004/2005 FINANCIAL YEAR AND THE INSURANCE DEMAND IN TANZANIA**

**2.1 Tanzania's Economic Review for the 2004/2005 Financial Year**

Tanzania's economy during the last financial year was characterized by a number of factors including GDP growth, per capital income, money supply, interest rates trends, financial markets performance, and government finance. These factors affected all sectors of the economy, insurance inclusive.

***GDP Growth***

Preliminary statistics indicate that the Gross Domestic Product (GDP) in real terms grew by 6.9% to Tshs 2,239.0 bn/= in 2005 from Tshs 2,094.5 bn/= in 2004. This compares favorably against a growth of 6.7% in 2004. The improved performance of the economy is attributed to growth in all sectors of the economy as supported by the ongoing structural reforms and increased infrastructure investments. The largest

growth was recorded in the mining and quarrying sector, which grew by 9.9%, followed by construction sector, which achieved a growth of 9.4%. Other sectors namely, manufacturing and trade have also contributed to the improved performance.

### ***Per Capita Income***

Real per capital income increased by 4.1% to Tshs 61,937/= in 2005 from Tshs 59,503/= in 2004. This compares favorably against a growth of 3.7% in 2004.

### ***Money Supply***

As at 30<sup>th</sup> September 2005 broad money supply (M2) increased by 28.3% from Tshs 1,979.9 billion in September 2004 to Tshs 2,540.0 billion by September 2005. The increase in money supply during 2004/05 was mainly attributed to the rise in the net domestic assets (NDA) as net foreign assets (NFA) of the banking system declined. The increase in NDA was a result of credit extended to private sector, which increased by Tshs 171 billion compared to an increase of Tshs 61.3 billion in a similar period of the previous year.

### ***Interest Rates Structure***

The overall lending rates declined from 15.5% in June 2005 to 15.1% in September 2005, while lending rates to prime customers rose from 11.0% to 11.4%.

### ***Financial Markets***

There was an increase in demand for 91,182 and 364 days treasury bills such that the overall weighted average yield for all maturities increased from 9.6% in September 2004 to 12.6% in September 2005. Same trend was also observed in respect of demand for Treasury bonds whose yields for the 2-year and 5-year Treasury bonds increased from 11.0% and 11.5% in September 2004 to 16.9% and 15.0% in September 2005 respectively. In the same period the yields for the 7-year Treasury bond decreased from 10.4% in September 2004 to 13.1% in September 2005, while the yield for 10-year bond increased from 12.6% to 14.1%.

### ***Government Finance***

The Government budget during financial year 2004/2005 recorded an overall deficit of Tshs 1,390.5 bn/= before grants compared to an overall deficit of Tshs 945.0 bn/= during the previous financial year. The 2004/2005 deficit was equivalent to 12.3% of GDP against the initial target of 11.6% of GDP.

### ***Inflation Developments & Price Trends***

During year ending 31 December 2005, the year-to-year inflation rate was at an average of 4.4%, up from an average of 4.1% recorded during previous year. The increase in the rate of inflation was mainly attributed to the increase in food inflation resulting from increased average prices in major food items.

*(Sources: Bank of Tanzania Annual Report 2004/05 & Economic Bulletin for the Quarter Ended September 2005)*



## 2.2 Insurance Demand

A number of socio – economic factors affect demand for insurance including, income and wealth, inflation, attitude to risk and risk awareness, insurance pricing, tax incentives and compulsory insurance. The country's various economic indicators during the period under review have indicated improved income per capita, relatively stable inflation rates, and improved yields on Treasury Bills/Bonds. These factors have contributed to an overall underwriting profitability and the positive demand for insurance services during the period under review.

### Contribution to GDP

The trend of contribution of insurance premiums to total national GDP and Finance & Insurance sector's GDP over the past 5 years, 2001 to 2005, is as presented hereunder: -

<b>Contribution of Gross Premium Income (GPI) to Gross Domestic Product (GDP)</b>						
<i>Figures in Billion Tshs</i>						
	<b>Year 2001</b>	<b>Year 2002</b>	<b>Year 2003</b>	<b>Year 2004</b>	<b>Year 2005*</b>	<b>% Change 2004/05</b>
Gross Premium Income (GPI)	46.60	53.76	69.44	81.77	100.13	22.46%
GDP at factor cost (at const. 1992 prices)						
National Total	1,749.36	1,857.17	1,962.41	2,094.52	2,239.00	6.90%
Finance & Insurance Only	66.21	68.86	71.06	74.28	77.99	5.00%
GDP at factor cost (at current prices)						
National Total	7,624.62	8,699.89	9,816.32	11,287.32	12,901.41	14.30%
Finance & Insurance Only	197.99	231.65	257.13	296.69	347.13	17.00%
GPI as a % of GDP (at current prices)						
National Total	0.61%	0.62%	0.71%	0.72%	0.78%	7.14%
Finance & Insurance Only	23.54%	23.21%	27.01%	27.56%	28.85%	4.66%

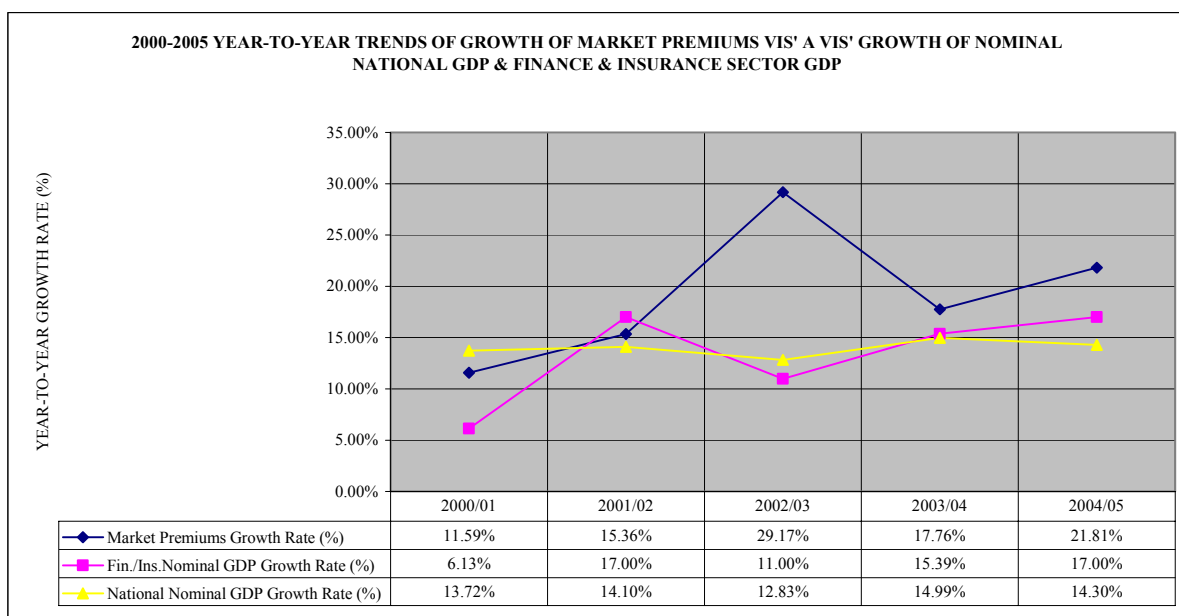
Source of GDP data: Bank of Tanzania (BoT) & National Bureau of Statistics (NBS).

\*2005 GDP figure provisional

### Growth of Insurance Market

Total market insurance premiums grew by 22% to Tshs 100.13 billion in 2005 compared to Tshs 81.77 billion in 2004, which is higher than the growth of the National nominal GDP of 14% during the period under review. This growth also surpassed the growth of the Finance & Insurance sector nominal GDP of 17% recorded during same period.

The chart below shows the year-to-year growth of market premiums over the past five years of liberalization of the insurance sector.



The steady growth in the market premium volume indicates, *inter alia*, an increase in the demand for insurance. It also suggests that the public's attitude to risk and risk awareness is changing positively.

This performance is above the set target of 15% annual premium growth. On class-to-class basis, the consolidated market growth between the periods under review is attributable to (with % growth in brackets) general insurance (22%), and Long Term business (26%). The industry is projected to grow at an average annual rate of 15% in the next five years.

### 2.3 Measures being taken by the Department to Sustain the Industry Performance

The industry currently faces a number of challenges, including:

- Lack of facilities in the country for training professionals in the fields that have direct bearing to the development of the industry including, actuarial science, and other related risk management studies;
- The current system of selling of insurance products whereby insurance covers take effect when the client has not paid prescribed premium;
- Deterioration of one insurer in the market whose troubled solvency status has impeded its ability to meet its various financial obligations including payment of clients' claims;
- Delay in adopting new distribution methods such as banc assurance due to challenges yet to be addressed by cross-sectoral financial Institution regulators.

The Department continues to take measures to address the issues, as well as other matters of strategic importance to the industry. Some of these measures are as follows:

- Consolidating collaborative efforts with some key stakeholders to work on the feasibility of establishment of an Institute of Risk Management under the University of Dar Es Salaam which is to offer world-class training in actuarial science and related risk management studies;

- Consulting with various industry stakeholders on the need to review the Law and introduce the ‘cash & carry’ system in selling of insurance products in the market;
- Carrying on consultations with Bank of Tanzania with a view to formulating regulations for conducting Banc assurance;
- Consulting with all potential stakeholders on the need for comprehensive review of the Insurance Act and Regulations in order to improve the country’s insurance regulatory practices in line with internationally recognized Insurance Core Principles (ICPs);
- Consulting with all potential stakeholders on the need for comprehensive review of annual and quarterly filings formats to be used by insurers in filing their annual and quarterly business performance results. The aim is to come up with formats which address more adequately data/information requirements to enable more effective analysis and monitoring of insurers’ financial conditions from time to time;
- Introduction and implementation of an internationally recommended approach to supervision namely, Risk Based Supervision (RBS) monitoring framework in place of the old compliance-based supervision system.

In addition to the above, the Department plans to execute the following measures in the coming year (2006):

- Carrying out a study on the feasibility of setting up a mechanism for self regulation of insurance industry market conduct. The aim is to set up a mechanism for effective enforcement of the industry’s code of conduct (among others);
- Carrying out a study on the feasibility of setting up a Dispute/ Complaints Settlement Mechanism (Insurance Ombudsman Service). The main purpose to assist in resolving insurance disputes, particularly regarding payment of claims, in a manner and at a lower cost than the court system;
- Completing the research on the Viability of Insurance of Government Properties initiated in the prior year. The study is aimed at achieving an end result of advising the Government on the need to insure sensitive Government property and make savings on the National Budget;
- Campaign of awareness creation to sensitize the general population on the need to insure property and life against risks;
- Consolidation of implementation of Risk Based Monitoring Approach and effecting of the further enhancements to the Insurance Act & Regulations aimed at increased public confidence in the industry, which will stabilize sales within the market; and
- Supporting Government efforts of privatization of the National Insurance Corporation Ltd (NIC) accompanied by settlement of the backlog of outstanding claims, will increase public confidence in insurance services in the country and thereby boost insurance sales.

## REGISTRATION DURING 2005

### 3.1 Insurance Companies

While in the previous year only 13 insurance companies were registered in the market, in the period under review, 1 new insurance company namely, African Life Assurance Company Ltd has been admitted. The company specializes in Life assurance products. Thus, the total number of insurance companies registered under the Insurance Act, as at 31<sup>st</sup> December 2005 stood at 14. Out of these, 12 direct insurance companies are privately owned with at least one third Tanzania citizen ownership, while 2 companies are

100% state owned by the Governments of Tanzania and Zanzibar, respectively. One insurance company namely, Niko Insurance Tanzania Ltd (formerly, Imperial Insurance Company Ltd), acquired a new ownership structure with Nico Holdings Ltd of Malawi holding the largest share (66.8%). The other shareholder is a Tanzanian namely, Mr Amirali Jamal Esmail (33.2%). A summary of insurance companies' registration position is given below:

Business for which Registered	100% Local	Mixed Local & Foreign	Total in 2005	Total in 2004	2004/2005 Change
Long Term Assurance only	-	-	-	-	-
General Insurance only	-	9	9	8	-
Both Long Term and General	2	2	4	4	-
Reinsurance	-	1	1	1	1
<b>Total</b>	<b>2</b>	<b>12</b>	<b>14</b>	<b>13</b>	<b>1</b>

### 3.2 Insurance Intermediaries and Other Service Providers

The Table below gives a summary on the number of Insurance Agents, Insurance Brokers and Loss Adjusters/Assessors registered under the Act as at 31<sup>st</sup> December 2005.

	Number at 31-Dec-05	Number at 31-Dec-04	Incr./ (Decr.) 2004/05
Insurance Agents	348	332	16
Insurance Brokers	47	44	3
Loss Adjusters/Assessors	35	31	4
<b>Total</b>	<b>430</b>	<b>403</b>	<b>23</b>

#### *Insurance Brokers*

The total number of registered brokers as at 31<sup>st</sup> December 2005 was 47 compared to 44 as at end of previous year. However, only 39 brokers were active during the year in terms of having renewed their licenses for year 2005. A total of three (3) new brokers were registered during 2005.

#### *Insurance Agents*

Twenty-three (23) new agents were registered during 2005, bringing the total insurance agency force as at 31 December 2005 to 348 compared to 332 as at end of previous year. However, only 176 agents were active during the year under review in terms of having renewed their licenses for year 2005.

#### *Loss Adjusters/ Assessors*

The number of registered Loss Adjusters/Assessors as at 31<sup>st</sup> December 2005 was 35 having increased by 4, compared to 31 registered as by end of 2004. However, only 28 loss assessors/adjusters were active during the year under review in terms of having renewed their licenses for year 2005.

## INSURANCE BUSINESS

### 4.1 Definition

Insurance business is defined under the Insurance Act No. 18 of 1996 as the business of assuming the obligation of an insurer in any class of insurance whether defined in the Act or not, which is not declared to be exempt from the provisions of the Act in terms of section 2(4)(c) and **includes assurance and reinsurance and reinsurance.**

Insurance business is divided into two main classes, namely:

- (i) General Insurance Business
- (ii) Long Term Assurance Business

General Insurance business comprises the following classes: **accident, sickness, land vehicles, railway rolling, aircraft, ships, goods in transit, fire and nature forces, damage of property, motor vehicle liability, aircraft liability, liability for ships, general liability, credit, suretyship, miscellaneous, legal expenses, and assistance (as per Second Schedule of the Insurance Regulations, GN No: 124 of 1998 made under Section 139 of the Insurance Act, 1996).**

Long Term Assurance business is defined as meaning **life assurance business, pension business, and permanent health insurance business (as per First Schedule of the Insurance Regulations, GN No: 124 of 1998 made under Section 139 of the Insurance Act, 1996).**

### 4.2 General & Long Term Business Performance Highlights

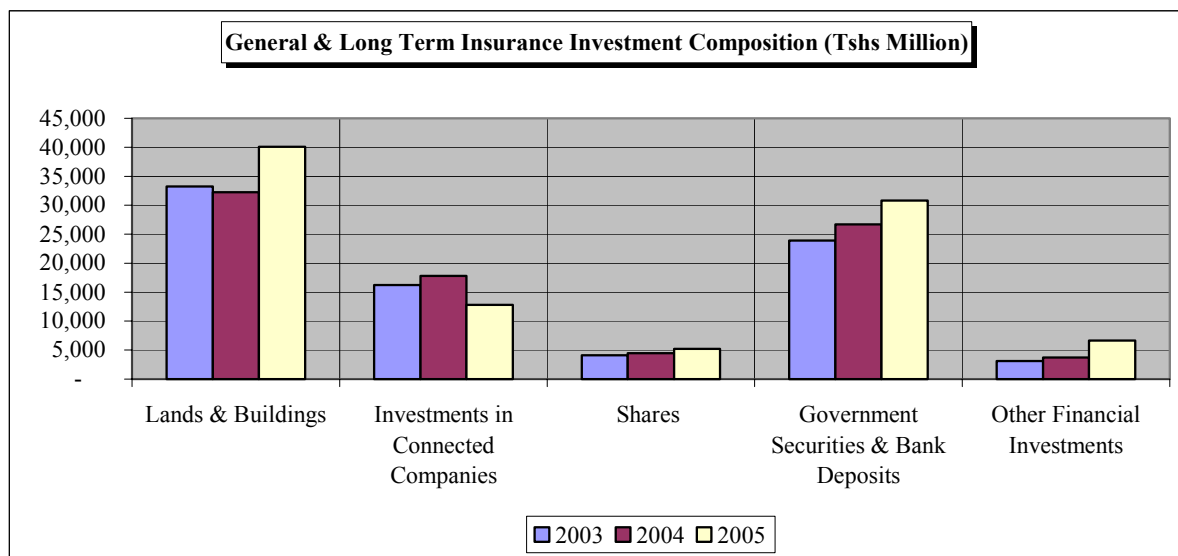
The following Table highlights on the performance of the General and Long Term businesses on consolidated basis, in terms of Gross Premiums Written, Assets, Liabilities, Net Worth, and Investments as at 31<sup>st</sup> December 2005:

<b>General &amp; Long Term Assurance Business as at 31 December 2005 (In Tshs Million)</b>				
PARTICULARS	2003 (TSHS)	2004 (TSHS)	2005 (TSHS)	2004/05 % Incr/(Decr.)
Total Gross Premiums Written	69,440	81,773	100,133	22%
Total Assets	111,844	121,173	143,979	19%
Total Liabilities	64,011	77,204	99,157	28%
Total Net Worth	47,833	43,970	44,822	2%
Total Investments	80,637	84,924	95,572	13%

There was a small increase in the insurers' net worth during the year under review. This has been exacerbated by a significant increase in insurers' consolidated liabilities (28%), accompanied with a less proportionate increase in consolidated assets (19%), leading to a small increase of net worth by 2%. The

increase in insurers' liabilities in this case should not be cause for concern since following increase in premiums underwritten, insurers have to provide for technical reserves to support liabilities associated with the increased business (claims and unearned premiums). Technical reserves increased by 10% to Tshs 61,044 million compared to Tshs 55, 141 million previous year.

The diagram below gives the distribution of General & Long Term Insurance investments by type for last three years – 2003, 2004, and 2005.



Total insurers' investments increased by 13% from Tshs 84,924 Million in 2004 to Tshs 95,572 Million in 2005. This total increase in investments is mainly attributed to an increase in investments in land and buildings (24%). The next highest absolute value increase in investments is observed with Government Securities & Bank Deposits (15%). Other increases were observed in shares (17%), and other financial investments (79%). Investments in connected companies decreased by 28%.

**Sections 5 and 6** below give an overview of performance of Tanzania's General Insurance business and Long Term Assurance business, respectively.

## 5 GENERAL INSURANCE - MARKET PERFORMANCE OVERVIEW

### 5.1 General Insurance Underwriting Results

The table below gives a summary of underwriting results of General Insurance Business for 2005 compared to 2004.

<b>General Insurance Business Underwriting Summary as at 31 December 2005</b>			
	2005 (Tshs)	2004 (Tshs)	%Increase/ (Decrease)(%)
<b>Gross Premiums Written</b>	<b>90,970,240,495</b>	<b>74,480,968,046</b>	<b>22.14%</b>
<b>Income</b>			
Net Premium Earned	39,240,089,751	35,677,483,377	<b>9.99%</b>
<b>Expenditure</b>			
Net Claims Incurred	22,346,759,825	18,438,863,677	<b>21.19%</b>
Management Expenses	19,999,979,956	16,763,646,696	<b>19.31%</b>
Commission Paid (Net)	(118,421,259)	(926,786,127)	<b>-87.22%</b>
<b>Total Expenditure</b>	<b>42,228,318,522</b>	<b>34,275,724,246</b>	<b>23.20%</b>
Underwriting Profits/(Losses)	(2,988,228,771)	1,401,759,131	

General insurance business showed a growth of 22% in gross premium income from Tshs 74,481 Million during 2004 to Tshs 90,970 Million during the year under review. This growth was slightly higher than a growth of 21% observed between 2003 and 2004, and higher than the projected industry average growth rate of 15% which is within prudential growth levels. The increase is attributed to a number of factors, including the following:

- A regained public confidence in insurance services due to greater observance of prudent underwriting practices by most players in the market
- Compliance by the public, with the statutory requirement provided under Section 111 of the Insurance Act of 1996 and Insurance Regulation 33 thereto, which provides that all insurances for locally based risks must be placed with Tanzanian insurers, except by written approval of the Commissioner of Insurance.
- Compliance with Section 57 of the Insurance Act & Insurance Regulation 29 which require brokers to remit all premiums to insurers within 60 days of the last calendar month in which cover under the policy was incepted.
- Conducive business environment in the country due to Government's efforts in creating wealth and thereby enabling people to acquire disposable income with which they can buy insurance covers.

## 5.2 General Insurance – Financial Highlights and Ratio Analysis

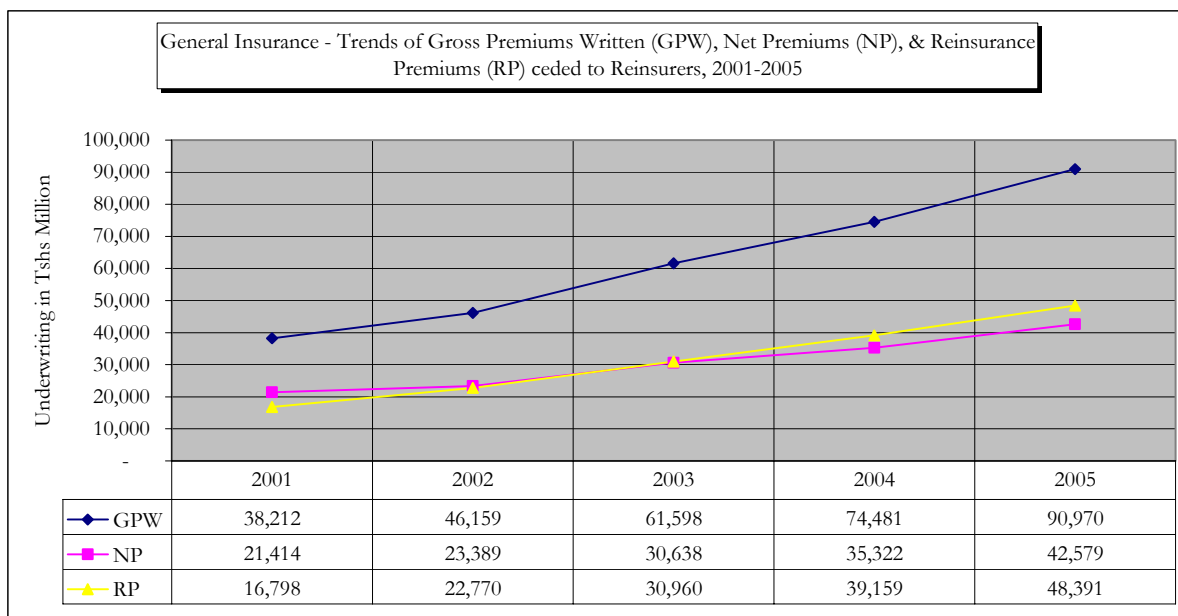
The table below gives a summary of financial highlights as well as ratio analysis in respect of some key general insurance business performance indicators for 2005 compared to 2004.

<b>General Insurance Financial Highlights as at 31 December 2005 (In Tshs Million)</b>				
PARTICULARS	2003 (TSHS)	2004 (TSHS)	2005 (TSHS)	2004/05 %Incr/(Decr.)
Gross Premiums	61,598	74,481	90,970	22%
Premiums Ceded (Reinsurance Outwards)	30,960	39,159	48,391	24%
Net Premiums	30,638	35,322	42,579	21%
Earned Premiums (Net)	26,960	35,677	39,240	10%
Gross Claims Paid	20,747	19,873	46,695	135%
Reinsurance Recoverable on Losses	9,658	6,002	27,791	363%
Net Claims Paid	11,088	13,871	18,904	36%
Net Claims Incurred	13,429	18,439	22,347	21%
Underwriting Gains/(Loss)	(1,064)	1,402	(2,988)	-313%
Gross Investment Income	3,707	3,888	4,375	13%
Commissions Earned (Received)	4,556	5,960	6,446	8%
Commissions Expenses (Comm. Paid)	4,252	5,569	6,328	14%
Net Reinsurance Inflows	(16,746)	(27,198)	(14,155)	-48%
Management Expenses	14,201	16,764	20,000	19%
Net Expenses (Management & Commission)	13,897	16,373	19,882	21%
<b>Ratio Analysis (in %)</b>				
	2003 Ratio	2004 Ratio	2005 Ratio	2004/05 %Incr/(Decr.)
Premiums Ceded to Gross Premiums	50%	53%	53%	1%
Net Reinsurance Inflows to Gross Premiums	-27%	-37%	-16%	-57%
Net Earned Premiums to Gross Premiums	44%	48%	43%	-10%
Gross Claims to Gross Premiums	34%	27%	51%	92%
Net Claims Incur. to Net Earned Prem. (Loss Ratio)	50%	52%	57%	10%
Underwriting Gains/(Loss) to Earned Premiums	-3.9%	3.9%	-7.6%	-294%
Commissions Earned to Premiums Ceded	15%	15%	13%	-12%
Commissions Expenses to Gross Premiums	7%	7%	7%	-7%
Management Expenses to Gross Premiums	23%	23%	22%	-2%
Management Expenses to Net Premiums	46%	47%	47%	-1%
Management Expenses to Net Earned Premiums	53%	47%	51%	8%
Net Exp. to Net Earned Prem. (Expense Ratio)	52%	46%	51%	10%
Combined Ratio (Expense Ratio + Loss Ratio)	101%	98%	108%	10%



### 5.3 General Insurance – Underwriting Trends

The following chart presents trends of General Insurance Gross Premiums Written (GPW), Net Premiums Retained (NP), and Reinsurance Premiums Payable (RP) for the period 2001 to 2005.



The ratio of reinsurance premiums ceded to gross premiums written remained stable at 53% in 2005 the same as that of previous year. On insurer-by-insurer basis, the highest reinsurance dependence ratio is seen with Tanzindia Assurance Company Ltd at 73.4% (2004: 78.2%) followed by Heritage AII Insurance Company Ltd at 59.3% (2004: 63.9%) (see **Table 6a(ii)** appended). Meanwhile, insurers with the lowest reinsurance dependence ratio were Zanzibar Insurance Corporation Ltd at 26.2% (2004: 6.1%), followed by Niko Insurance Company Ltd at 40.6% (2004: 34.4%).

The country continued to experience unfavourable Net Reinsurance Inflows during the year under review. However, there was an improvement in the Net Reinsurance Outflows which represented 16% of gross premiums written in 2005, down by 61% compared to the ratio of 37% of previous year.

### 5.4 General Insurance – Claims Experience

General Insurance Net Loss Ratio deteriorated to 57% compared to 52% during previous year. Gross claims paid increased significantly by 135% to Tshs 46.7 billion during 2005, compared to claims of Tshs 19.9 billion paid in 2004. The increase in claims payments by insurers is attributed to, *inter alia*, a major marine insurance claim (valued at Tshs 13,679 million) experienced by a major player in the market during the year under review. However, net claim incurred by the insurer in same product line amounted to only Tshs 19 million owing to reinsurance intervention.

### 5.5 General Insurance – Management Expenses

The ratio of Management Expenses to Gross Premiums slightly improved to 22% in 2005 compared to 23% previous year, being slightly higher than the recommendable norm of 20%. The ratio of

Management Expenses to Net Premiums remained stable at 47% in 2005 compared to 47% in 2004. However, it was still on the high side compared to 30% which is recommended.

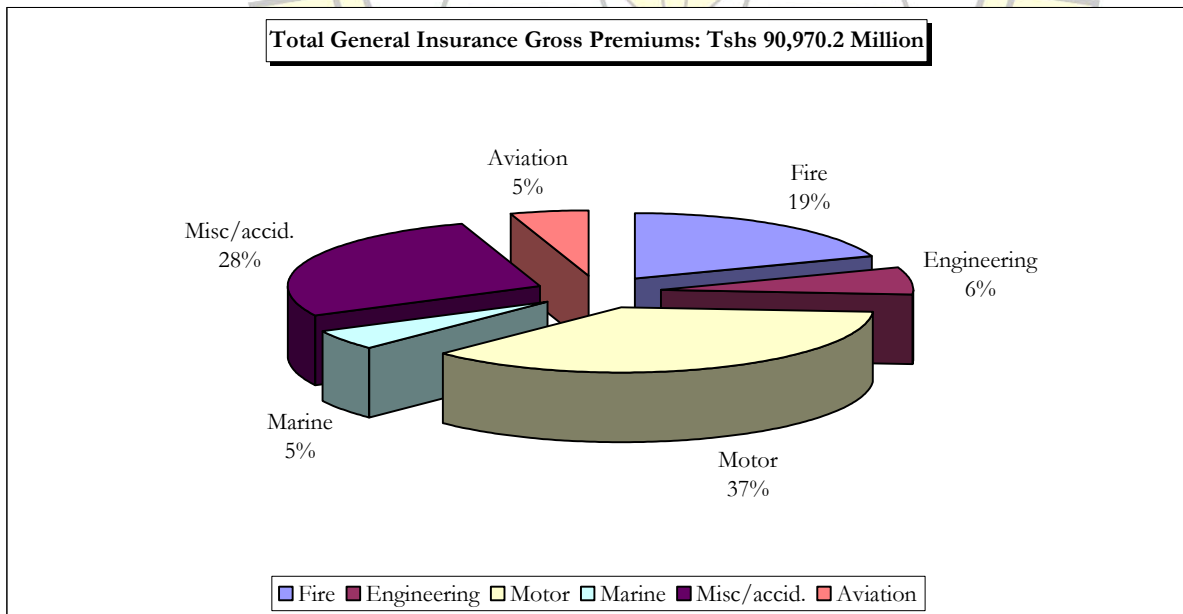
### 5.6 General Insurance – Underwriting Results

The general insurance underwriting result deteriorated to a loss of Tshs 2,988 million compared to previous year’s profit of Tshs 1,402 million. This result is mainly attributable to a significant underwriting loss incurred by M/s National Insurance Corporation Ltd amounting to Tshs 5,746 million. Two other insurers underwrote for losses in 2005 namely, Niko Insurance Company Ltd and Tanzindia Assurance Company Ltd (see **Table 6a(i)** appended). The rest of the insurance companies recorded underwriting profits ranging between Tshs 78 million and Tshs 1,022 million. The Department has continued to urge insurers to improve their underwriting results by carrying out various administrative measures including, cutting down on unnecessary management expenses and exercising professionalism in underwriting of risks.

### 5.7 General Insurance - Portfolio Mix

The diagram below shows the composition of General Insurance gross premiums per class of business during 2005.

General Insurance product mix in the year 2005 shows a steady share of Motor insurance business at 37% (2004: 37%). This is followed by Miscellaneous accident with 28% share (2004: 27%), Fire 19% (2004: 18%), Engineering 6% (2004: 6%), Aviation 5% (2004: 7%), and Marine 5% (2004: 5%).



## 6 LONG TERM ASSURANCE - MARKET PERFORMANCE OVERVIEW

### 6.1 Long Term Assurance Business Analysis

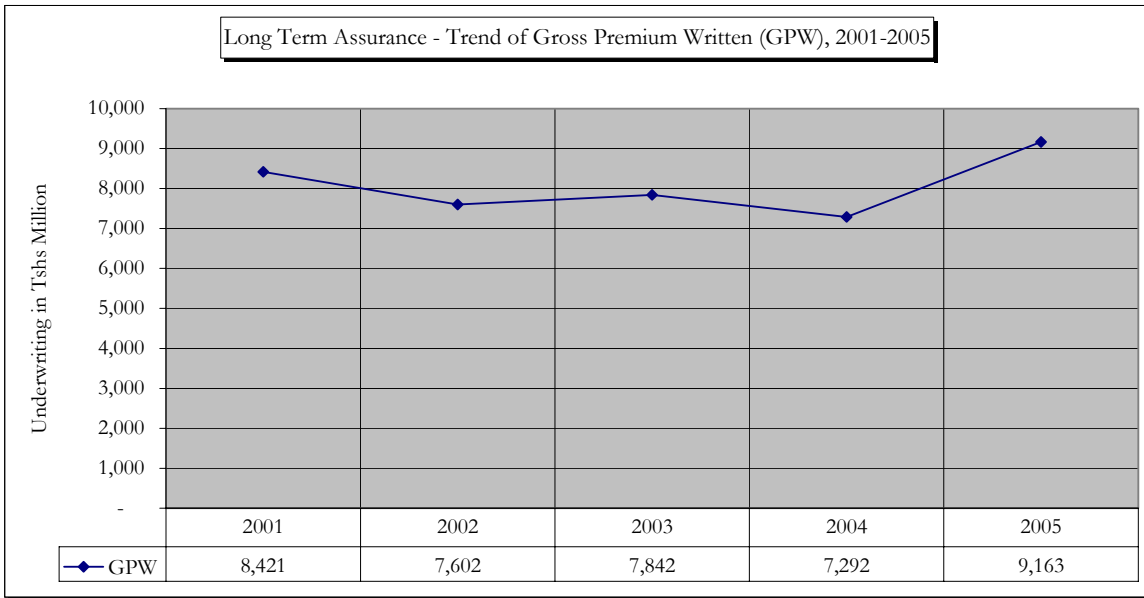
<b>Long Term Assurance Business Financial Summary as at 31 December 2005</b>			
	2005 (Tshs)	2004 (Tshs)	%Increase/ (Decrease)(%)
<b>Income</b>			
<i>Funds at Beginning of Year</i>	19,102,349,409	24,329,793,385	<b>0.57%</b>
Premiums Receivable	9,163,099,014	7,292,121,728	<b>25.66%</b>
Investment Income	1,902,104,665	953,365,063	<b>99.51%</b>
Receivables from Reinsurers	120,575,543	183,574,615	<b>-34.32%</b>
Commission Receivable (Net)	7,108,642	2,732,680	<b>160.13%</b>
Other Income	3,018,823,525	337,809,658	<b>793.65%</b>
Transfer from P&L account	862,931,373	-	<b>0.00%</b>
<b>Total Income</b>	<b>34,176,992,171</b>	<b>33,099,397,129</b>	<b>3.26%</b>
<b>Expenditure</b>			
Claims/Benefits Payable	6,917,357,308	6,400,711,073	<b>8.07%</b>
Reinsurance Premiums Payable	316,143,729	228,544,350	<b>38.33%</b>
Management Expenses	4,346,752,121	3,298,554,350	<b>31.78%</b>
Commission Payable (Net)	868,588,174	764,689,249	<b>13.59%</b>
Other Expenditure	390,589,413	3,183,432,346	<b>-87.73%</b>
Transfer to P&L account	155,039,084	121,116,226	<b>28.01%</b>
<i>Funds at End of Year</i>	21,182,522,342	19,102,349,409	<b>10.89%</b>
<b>Total Expenditure</b>	<b>34,176,992,171</b>	<b>33,099,397,003</b>	<b>3.26%</b>
<b>Increase/(Decrease) in Funds</b>	<b>2,080,172,933</b>	<b>(5,227,443,976)</b>	
<i>Management Expense Ratio</i>	47.44	45.23	<b>4.87%</b>

The table above gives a summary of financial position of Long Term Assurance Business for 2005 compared to 2004.

### 6.2 Long Term Assurance - Underwriting Trends

Long-term assurance business gross premium income increased by 26% from Tshs 7,292 Million during 2004 to Tshs 9,163.1 Million during 2005.

The chart below shows the trend of Long Term Assurance Gross Premiums Written (GPW) for the period 2001 to 2005.



### 6.3 Long Term Assurance - Claims & Benefits Payments

Claims/benefits payable under Long-term assurance business increased by 8.1% from Tshs 6,400.7 Million in 2004 to Tshs 6,917.4 Million in 2005.

### 6.4 Long Term Assurance - Management Expenses

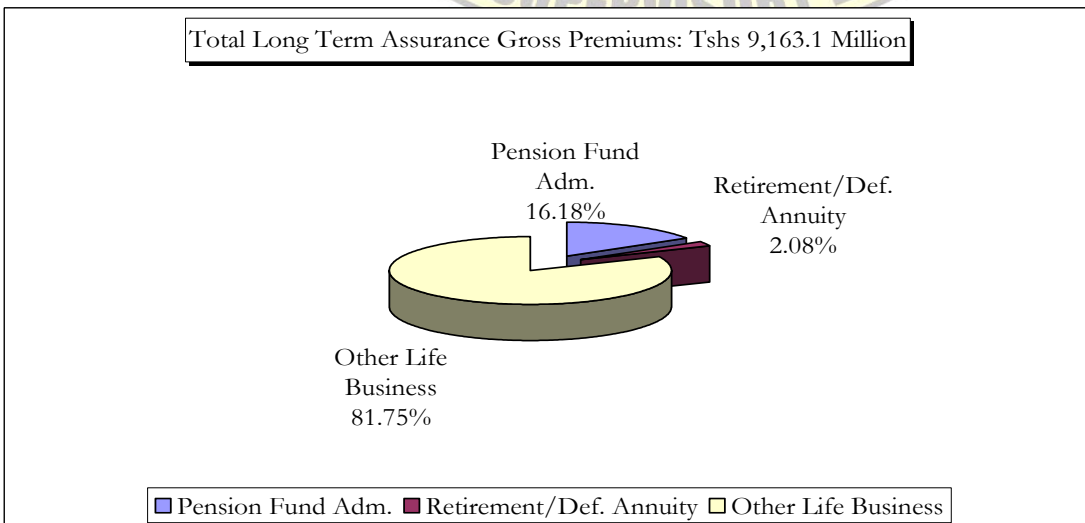
The Management Expense Ratio increased from 45.23% during 2004 to 47.44% during 2005. The ratio was still much higher than the recommendable norm of 20%.

### 6.5 Long Term Assurance – Funds Position

The industry Life funds increased by 10.9% to Tshs 21,182.5 million at end of 2005 compared to Tshs 19,102.3 million as at beginning of same year.

### 6.6 Long Term Assurance Portfolio Mix

The chart below shows the distribution of Long Term Assurance gross premiums per class of business during 2005.



## 7 OPERATIONAL RESULTS OF THE TANZANIA NATIONAL REINSURANCE CORPORATION LTD (TAN-RE)

<b>Tanzania National Reinsurance Corporation Ltd (TAN-RE)</b>					
<b>Condensed Balanced Sheet and Income Statement as at December 31, 2005</b>					
<b>(Tshs Million)</b>	<b>2005</b>	<b>2004</b>		<b>2005</b>	<b>2004</b>
Investments	2,676.4	3,923.6	Gross Premiums Written	4,030.6	1,683.2
Cash & Bank Balances	59.0	35.1	Net Premiums Earned	2,043.1	471.8
Other Assets	3,543.4	1,460.0	Claims Incurred	127.2	419.5
<b>Total Assets</b>	<b>6,278.8</b>	<b>5,418.8</b>	Other Expenses	2,049.4	1,412.9
Actuarial Liabilities	1,821.5	815.7	<b>Underwriting Loss</b>	<b>(133.4)</b>	<b>(1,360.6)</b>
Other Liabilities	910.2	483.1	Investment Income	239.6	241.0
<b>Total Liabilities</b>	<b>2,731.7</b>	<b>1,298.9</b>	Other Income/(Expenses)	(75.9)	(105.2)
<b>Net Assets</b>	<b>3,547.2</b>	<b>4,119.9</b>	<b>Income/(Loss) before Tax</b>	<b>30.3</b>	<b>(1,224.8)</b>
			<b>Net Income/(Loss) after Tax</b>	<b>30.3</b>	<b>(1,224.8)</b>

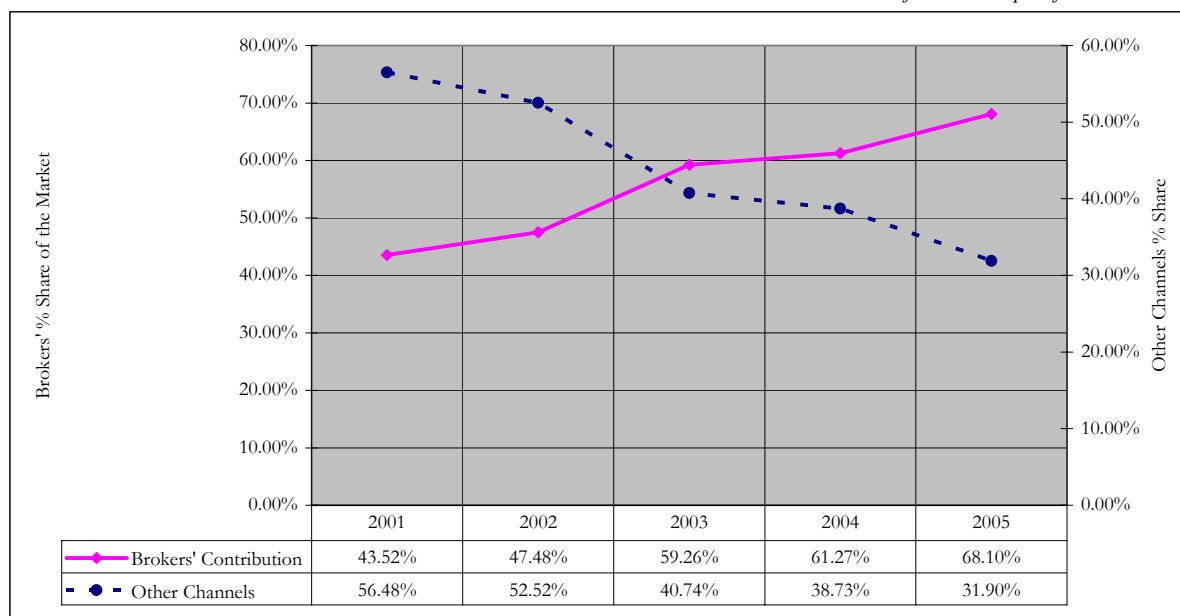
TAN-RE continued with its reinsurance business transactions during underwriting year 2005 albeit presence of some significant difficulties in its operations. A summary of the reinsurer's financial performance results is presented above.

The reinsurer incurred an underwriting loss of Tshs 133.4 million, being an improvement compared for a loss of Tshs 1,360.6 million during previous year. However, the reinsurer recorded a profit after tax of Tshs 30.3 million during 2005, compared to a loss of Tshs 1,224.8 million previous year. The insurer's net assets decreased by 13.9% to Tshs 3,547.2 at end of 2005 compared to Tshs 4,119.9 at previous year's end. The insurer's results are expected to improve with consolidation of its operations in the market place.

## 8 BROKERS PARTICIPATION IN INSURANCE UNDERWRITING

The trend of brokers' share of the market for the period 2001 to 2005 is as per below.

Out of the total insurance premiums written during 2005 in respect of both long term and general insurance businesses (Tshs 100 billion), 68.1% of this amount was transacted through brokers (2004: 61.27%). As observed in last year's Annual Market Report, significance of brokers in the industry continues to be enormous. It remains needful to concentrate substantial resources to supervision of 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. To this end, the Department is devising a robust framework for use by the Department staff in assessing risks inherent on the conduct and operations of insurance brokers registered to transact business in Tanzania. The main purpose is to identify broker segments which require greater supervisory oversight.



## 8.1 General insurance Broking

During the year ended 31<sup>st</sup> December 2005, a total of 41 brokers participated in transacting general insurance business, compared to 39 brokers as at the end of 2004. A total of 66.83 billion in general insurance premiums were collected through brokers during 2005 compared to 47.56 billion in the previous year, suggesting an increase of 41%.

### Market Share

The largest share of general insurance business, 31.66% (2004: 26.36%), was held by Alexander Forbes (T) Ltd followed by AON Tanzania Ltd, 25.07% (2004: 25.23%) (see **Table 9a** appended). These two brokers handled about 58% of the entire general insurance broking industry business, while the rest (37 brokers) transacted the remaining 42%. Of the latter segment, 9 brokers handled above average market share (i.e. above 2.4%). These were Impex, 5.41% (2004: 5.69%), Astra, 4.28% (2004: 4.81%), Busara, 3.09 (2004: 3.75%), B. R. Puri, 2.83% (2004: 1.39%), Milmar, 2.75% (2004: 3.06%), Kabage & Mwirigi, 2.70% (2004: 4.44%), MIC Global, 2.68% (2004: 1.31%), Medex, 2.63% (2004: 2.59%), and Eastern, 2.41% (2004: 1.49%), in that order. Total share for this segment was 28.78%. The rest (31 brokers) shared the balance of the business (15%), each with below average market share.

## 8.2 Long Term Assurance Broking

As at the end of 2005, ten (10) brokers transacted long term assurance business compared to eight (8) brokers in 2004. Total premium collected by brokers in respect of 2005 long-term assurance business amounted to Tshs 1.27 billion having decreased by 50% compared to amount collected during similar period of previous year (see **Table 9b** appended)..

## 9. INSURANCE INDUSTRY STAFF POSITION

The total insurance industry workforce as at the end of 2005 consisted of a total of 2,380 staff, compared to 2,269 in 2004. Out of these, 968 (or 40.67%) were working in insurance companies (2004: 40.63%), while 1,412 (or 59.33%) were engaged in insurance agencies, broking houses and Loss Assessors & Adjusters firms (2004: 59.37%).

## 10. REGULATION OF INSURANCE ACTIVITIES

### 10.1 Supervision

The Insurance Act No. 18 of 1996 confers upon the Commissioner of Insurance powers to ensure compliance with its provisions by registered insurers and insurance intermediaries, which inter alia, require that business be conducted on the basis of sound insurance principles. Thus supervision not only requires a detailed scrutiny of the statutory returns but also other aspects of insurers' business such as the maintenance of the statutory deposits at the level prescribed in the Act, the constitution and maintenance of the statutory Reserve Fund, investment in securities prescribed by law, the proper investment of funds in general, adequate reinsurance arrangements, margins of solvency, as well as there being fit and proper persons to run the industry.

Further, the Insurance Act requires the auditor and directors of an insurance company to certify the solvency position of the insurer where general business is transacted. The actuary appointed by the company is, on the other hand, required to certify the solvency of the insurer in case long term insurance business is carried on, i.e. for life insurance, pensions, and permanent health insurance business.

### 10.2 Amendments to the Act and Regulations

No amendments/changes were made to the Insurance Act/Regulations during the period under review. However, ISD in collaboration with the Resident Insurance Advisor has proposed several Amendments to the Act and the Regulations. It is anticipated that the Amendments will be effected in year 2007.

### 10.3 Consumer Complaints Handling

During the year ending 31<sup>st</sup> December 2005, a total of 120 complaints were handled by the Insurance Supervisory Department, from policyholders and third parties against certain insurance companies. Most of the complaints handled by ISD were on delay to settle claims by the National Insurance Corporation and this is due to serious financial problems facing NIC. Few complaints were on refusal to settle claims and were addressed sufficiently as where there was no justifiable grounds to reject a claim, concerned insurers were ordered to settle the claims. However, it was observed in some few complaints that the insurers had justifiable grounds to reject the claims whereby claimants/complainants were advised accordingly.

There was a big increase in number of complaints handled by the Department in year 2005 comparing with complaints handled in year 2004. This indicates that the Public is becoming more and more aware of the existence of the Insurance Supervisory Department and its functions.

## 10.4 Off-Site Examination & On Site Inspection of Insurers

Best practices in insurance industry supervision dictate compliance with core principles and standards of the International Association of Insurance Supervisors (IAIS). To ensure that insurance markets in various jurisdictions are prudently supervised, an effective approach to supervision of market players has been developed, namely, Risk Based Supervision (RBS). Various RBS models are being put to use in different jurisdictions around the world.

RBS is a supervisory monitoring and remedial technique that emphasizes the examination, analysis and control of risks inherent in the conduct of insurance business. With RBS, supervisory resources are to be focused on high-risk companies or high-risk activities within a particular company.

The Insurance Supervisory Department has subscribed to and is implementing an RBS model called CAMELS. CAMELS is an acronym for Capital Adequacy, Assets Quality, Reinsurance, Actuarial provisions, Management and corporate governance, Earnings, Liquidity, and Subsidiaries and related parties. Under this model a number of indicators and performance benchmarks are used against each component. Generally, the model uses information that company file when making their annual application for registration and information filed on annual returns as its basic inputs. ***The essential modus operandi of this RBS approach consists of conducting both off-site examinations and risk assessment of insurance companies and on-site examinations on riskier companies.***

The preliminary risk assessment reports provide a reasonably comprehensive assessment of the risk profiles of insurance companies based on information contained in the financial filings and audited financial statements of the companies. On-site inspections are, however, required in order to obtain a comprehensive risk profile for each company. Since the essence of Risk Based Supervision is to concentrate supervisory resources to riskier entities, the preliminary risk assessment reports have been used to determine which companies should be the priority companies for purposes of an on-site inspection. Companies rated as highly risky are then subjected to on-site examinations/ inspections.

Preliminary risk profiles for each insurance company operating in Tanzania are summarized on as follows:

- Six companies have been rated as low risk with respect to capital, while one company has been rated as low to moderate risk, one company at moderate risk and four companies at high risk;
- Seven companies have been rated as low risk with respect to asset quality, with one rated at low to moderate risk, two rated at moderate risk, one rated at moderate to high risk and one rated as high risk;
- With respect to earnings, four companies were rated as low risk, three companies were rated as low to moderate risk, one company was rated as moderate risk and four companies were rated as high risk;
- Five companies were rated as low risk with respect to liquidity, while three were rated as moderate risk, one as moderate to high risk and three as high risk; and,
- Eight companies were rated as low risk with respect to subsidiaries and related parties, one as low to moderate, two as moderate and one as high risk.
- On an overall basis, four companies were rated as low risk;
- On an overall basis, three companies were rated as moderate risk;
- One company is rated as moderate to high risk; and,
- Four companies are rated as high risk companies.



### ***On-site Inspection Priorities***

In terms of preliminary on site inspection priorities, companies have been placed in four groups each consisting of three insurers, with group 1 being of highest priority. The groupings are generally based on the risk profiles of each company.

### ***Insurers On-site Inspections***

Basing on groupings explained above, the ISD staff carried out on-site inspections of riskier insurance companies (involving 4 insurers – group 1 (three) and group 2 (one)). The inspections have enabled the ISD to determine the final risk rating status of the insurers for each of the CAMELS components and take appropriate measures as deserved. Pursuant to this exercise the following developments were recorded-

- An insurer previously rated as overall high risk company has been reviewed to a moderate risk status following obtaining evidences to that effect on-site;
- An insurer finally rated as high risk company is being placed under close surveillance while required to implement some strategic remedial measures;
- An insurer previously rated as overall moderate risk company has been reviewed to a high risk status following obtaining evidences to that effect on-site. Accordingly, the company has been required to execute some significant remedial measures aimed at achieving both operational efficiency and regulatory compliance;
- An insurer finally rated as high risk company is also being required to implement some strategic remedial measures especially relating to internal controls and other corporate governance issues.

It should be noted that each insurer's risk rating will be reviewed on a continuous basis basing on the most up-to-date information available to the ISD on regular basis (including interim/ annual returns and published accounts), those retrieved during on-site inspections, as well as those collected by other means (including market intelligence information).

### **10.5 On Site Inspection of Brokers**

Pursuant to Section 119 of the insurance Act no: 18 of 1996, the office of the Commissioner of Insurance carried out On-site inspection of some insurance brokers during the year under review. The exercise was intended to ascertain compliance with the Insurance Act and various regulations made under the Act by the brokers, as well as determining status of performance of insurance brokers in various risk areas of their operations. **Three (3)** (with significant non-compliance rate) **have been fined** for violations of provisions of the Insurance Act/Regulations, including Sections 54, 56, & 57 of the Act, and failure to observe sound business practices. Another group of 4 brokers have been warned to rectify lapses observed in their various operational areas. However, most brokers have continued to exercise prudence in doing business.

## **11. RELATIONS WITH INTERNATIONAL ORGANISATIONS**

The Insurance Supervisory Department (ISD) is a member of the African Insurance Supervisory Authorities (AAISA). The AAISA has as its main objectives, the promotion of cooperation and the exchange of information among insurance regulatory authorities throughout Africa with the aim of protecting policyholders and securing efficient insurance markets. The AAISA in turn is a Member of International Association of Insurance Supervision (IAIS) based in Basle, Switzerland. The ISD is also a

member of the African Insurance Organisation (AIO), Association of Insurance Supervisory Authorities of Developing Countries (AISADC), The Committee of Insurance Securities and Non-Banking Financial Authorities (CISNA) for SADC and The Association of Insurers and Reinsurers of Developing Countries (AIRDC). The Commissioner of Insurance, Mr I. L. Kamuzora continues to serve as an Executive Committee Member of the AISADC as well as the AIO. He also represents the Tanzania Government to the Africa Trade Insurance Agency (ATIA) as a Board Member.

## **12. ACTIVITIES OF THE NATIONAL INSURANCE BOARD**

During the year under review, the National Insurance Board transacted its business mainly through deliberations made during various Board meetings. The Board portfolio was comprised of the following persons:

1. Professor G. M. Fimbo (Professor of Law, University of Dar Es Salaam) – Chairman
2. Mr Wilson N. Ndesanjo (President – Insurance Institute of Tanzania) – Member.
3. Mr Nassor K. Pandu (retired Deputy Commissioner of Income Tax, Zanzibar Revenue Board) – Member
4. Mr Geoffrey M. Msella (Assistant Treasury Registrar, Ministry of Finance) – Member
5. Mr Lila H. Mkila (Director – Directorate of Bank Supervision, Bank of Tanzania) – Member
6. Ms Maria N. Kejo (Director of Civil & International Law – Ministry of Justice & Constitutional Affairs) – Member
7. Mr Ame H. Makame (Director of Finance & Administration– People’s Bank of Zanzibar Ltd) - Member

The Board held a total of (six) 6 Meetings during 2005, five (5) of which were of ordinary nature and one (1) extra-ordinary.

A summary of major issues presented, discussed and deliberated upon were as follows-

- Renewal of Licenses and Registration of Insurance Companies, Brokers, Agents, Loss Assessors & Adjusters;
- Adoption of Progress Report on establishment of Tanzania Reinsurance Corporation.
- Adoption of Reports on On-site Inspections of Insurance Companies and Brokers;
- Adoption of ISD Audited Accounts for the 2003/2004 Financial Year;
- Adoption of ISD Financial Reports; and,
- Adoption of Reports on Proposed Legislative Amendments to the Insurance Act and Regulations.

### 13. ADMINISTRATIVE ISSUES OF THE ISD

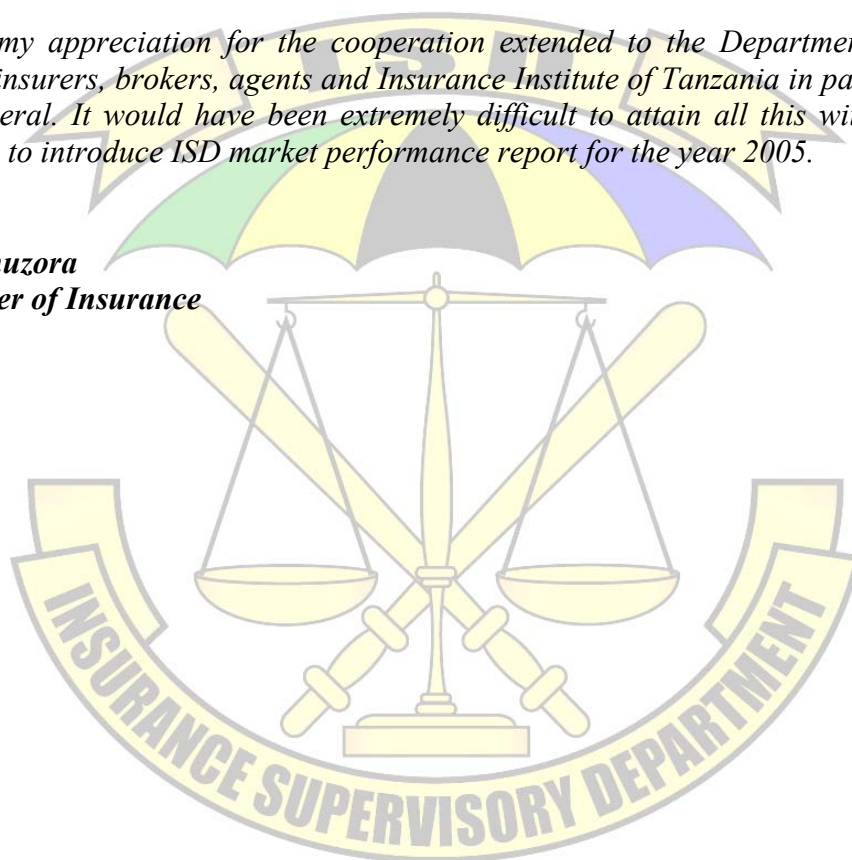
During the year 2005, the Department continued with the exercise of capacity building in terms of staff training for purposes of acquiring knowledge and skills required in supervision and regulation of insurance.

One member of staff left the services of the Department to seek employment elsewhere, while another (the Late Chezali Kiponda) passed away (*May the Almighty God grant comfort to the bereaved family!*). Meanwhile, one new staff member joined the Department.

#### **ACKNOWLEDGEMENT**

*I wish to record my appreciation for the cooperation extended to the Department (ISD) by the National Insurance Board, insurers, brokers, agents and Insurance Institute of Tanzania in particular and The Ministry of Finance in general. It would have been extremely difficult to attain all this without their support. I am pleased, therefore, to introduce ISD market performance report for the year 2005.*

**I. L. Kamuzora**  
**Commissioner of Insurance**





**STATISTICAL TABLES & CHARTS**



**TABLE 1A: General Insurance Gross Premiums Written by Tanzania Insurers as at 31 December 2005**

S/N	Name of Insurer	Gross Premiums Written by Class of Business in Tshs						2005 Total	2004 Total	% Incr. (decr.)
		Fire	Engineering	Motor	Marine	Miscel/Accid.	Aviation			
1	Heritage All Ins. Co. (T) Ltd	6,479,022,035	1,520,642,611	3,096,302,283	538,207,928	4,734,987,505	267,215,899	16,636,378,261	13,515,378,308	23.09%
2	Phoenix of Tanzania Assur. Co. Ltd	976,945,265	213,284,461	4,317,841,618	476,092,006	3,330,841,530	2,699,491,307	12,014,496,187	11,995,713,646	0.16%
3	Alliance Insurance Corp. Ltd	1,878,049,667	162,386,034	3,821,625,622	1,197,377,204	4,779,749,483	-	11,839,188,010	10,676,391,959	10.89%
4	National Insurance Corp. (T) Ltd	1,514,905,946	-	5,599,829,013	465,870,743	1,745,938,429	1,537,488,046	10,864,032,177	8,064,845,913	34.71%
5	Jubilee Insurance Co. (T) Ltd	1,792,844,099	728,633,471	4,878,366,473	618,755,041	1,957,417,414	-	9,976,016,498	7,955,305,855	25.40%
6	Reliance Insurance Co. (T) Ltd	1,107,162,375	581,313,056	2,461,394,386	436,650,771	1,266,516,684	-	5,853,037,272	4,700,516,196	24.52%
7	Lion of Tanzania Insurance Co. Ltd	1,325,587,037	1,066,916,517	1,671,271,047	195,284,799	1,113,500,559	-	5,372,559,959	4,669,960,451	15.05%
8	Tanzindia Assurance Co Ltd	1,174,189,187	416,850,827	1,464,136,344	503,274,817	1,802,692,430	-	5,361,143,605	4,273,727,623	25.44%
9	Royal Insurance (T) Ltd	1,135,874,000	1,044,714,000	1,688,199,000	81,912,000	1,073,189,000	-	5,023,888,000	2,918,044,831	72.17%
10	Zanzibar Insurance Corp. Ltd	163,279,221	-	3,308,438,408	43,691,500	149,040,485	-	3,664,449,614	2,906,301,284	26.09%
11	Strategis Tanzania Ltd	-	-	-	-	2,737,088,912	-	2,737,088,912	1,486,795,201	84.09%
12	Niko Insurance (Tanzania) Ltd	186,099,000	174,549,000	859,065,000	-	408,249,000	-	1,627,962,000	1,317,986,779	23.52%
	<b>Total</b>	<b>17,733,957,832</b>	<b>5,909,289,977</b>	<b>33,166,469,194</b>	<b>4,557,116,809</b>	<b>25,099,211,431</b>	<b>4,504,195,252</b>	<b>90,970,240,495</b>	<b>74,480,968,046</b>	<b>22.14%</b>

**Insurer-wise Market Share in Each Class of Business in %**

S/N	Name of Insurer	Fire	Engineering	Motor	Marine	Miscel/Accid.	Aviation	Total 2005	Total 2004	% Point Change
1	Heritage All Ins. Co. (T) Ltd	36.53%	25.73%	9.34%	11.81%	18.87%	5.93%	18.29%	18.15%	0.14%
2	Phoenix of Tanzania Assur. Co. Ltd	5.51%	3.61%	13.02%	10.45%	13.27%	59.93%	13.21%	16.11%	-2.90%
3	Alliance Insurance Corp. Ltd	10.59%	2.75%	11.52%	26.27%	19.04%	0.00%	13.01%	14.33%	-1.32%
4	National Insurance Corp. (T) Ltd	8.54%	0.00%	16.88%	10.22%	6.96%	34.13%	11.94%	10.83%	1.11%
5	Jubilee Insurance Co. (T) Ltd	10.11%	12.33%	14.71%	13.58%	7.80%	0.00%	10.97%	10.68%	0.29%
6	Reliance Insurance Co. (T) Ltd	6.24%	9.84%	7.42%	9.58%	5.05%	0.00%	6.43%	6.31%	0.12%
7	Lion of Tanzania Insurance Co. Ltd	7.47%	18.05%	5.04%	4.29%	4.44%	0.00%	5.91%	6.27%	-0.36%
8	Tanzindia Assurance Co Ltd	6.62%	7.05%	4.41%	11.04%	7.18%	0.00%	5.89%	5.74%	0.16%
9	Royal Insurance (T) Ltd	6.41%	17.68%	5.09%	1.80%	4.28%	0.00%	5.52%	3.92%	1.60%
10	Zanzibar Insurance Corp. Ltd	0.92%	0.00%	9.98%	0.96%	0.59%	0.00%	4.03%	3.90%	0.13%
11	Strategis Tanzania Ltd	0.00%	0.00%	0.00%	0.00%	10.91%	0.00%	3.01%	2.00%	1.01%
12	Niko Insurance (Tanzania) Ltd	1.05%	2.95%	2.59%	0.00%	1.63%	0.00%	1.79%	1.77%	0.02%
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	

**TABLE 1B: Long Term Assurance Gross Premiums Written by Tanzania Insurers as at 31 December 2005**

S/N	Name of Insurer	Gross Premiums Written by Class of Business in Tshs			2005 Total	2004 Total	% Incr. (decr.)
		Pension Fund Admin.	Retirement & Def. Annuity Fund	Other Life Business			
1	National Insurance Corp. (T) Ltd	1,525,198,146	-	6,329,277,751	7,854,475,897	6,443,221,752	21.90%
2	Alliance Insurance Corp. Ltd	-	-	760,457,287	760,457,287	614,363,836	23.78%
3	Jubilee Insurance Co. (T) Ltd	210,804,574	-	113,604,227	324,408,801	122,913,590	163.93%
4	Zanzibar Insurance Corp. Ltd	-	179,499,599	-	179,499,599	111,622,550	60.81%
5	African Life Assurance Co. (T) Ltd	-	-	44,257,431	44,257,431	N/A	N/A
	Total	1,736,002,720	179,499,599	7,247,596,696	9,163,099,015	7,292,121,728	25.66%

**Insurer-wise Market Share in Each Class of Business in %**

S/N	Name of Insurer	Pension Fund Admin.	Retirement & Def. Annuity Fund	Other Life Business	2005 Total	2004 Total	% Point Change
1	National Insurance Corp. (T) Ltd	87.86%	0.00%	87.33%	85.72%	88.36%	-2.64%
2	Alliance Insurance Corp. Ltd	0.00%	0.00%	10.49%	8.30%	8.43%	-0.13%
3	Jubilee Insurance Co. (T) Ltd	12.14%	0.00%	1.57%	3.54%	1.69%	1.85%
4	Zanzibar Insurance Corp. Ltd	0.00%	100.00%	0.00%	1.96%	1.53%	0.43%
5	African Life Assurance Co. (T) Ltd	0.00%	0.00%	0.61%	0.48%	N/A	N/A
	Total	100.00%	100.00%	99.39%	99.52%	100.00%	

**TABLE 2A(i): General Insurance Revenue Account for the Year Ended 31 December 2005 (Figures in Tshs)**

	NAME OF INSURER (IN SHORT)							
	NIC	JUBILEE	HERITAGE	PHOENIX	ALLIANCE	RELIANCE	ROYAL	STRATEGIS
Gross Premiums Written	10,864,032,177	9,976,016,498	16,636,378,261	12,014,496,187	11,839,188,010	5,853,037,272	5,023,888,000	2,737,088,912
Outward Reinsurance Premiums	(5,418,088,165)	(5,584,157,468)	(9,871,172,433)	(6,299,866,435)	(6,452,169,285)	(2,922,010,317)	(2,440,874,000)	(1,179,155,556)
Change in the Prov. for Unearned Premiums	-	(179,860,904)	(357,557,117)	(743,534,000)	(335,484,677)	(336,644,787)	(257,654,000)	(36,154,728)
<b>Net Earned Premiums</b>	<b>5,445,944,012</b>	<b>4,211,998,126</b>	<b>6,407,648,711</b>	<b>4,971,095,752</b>	<b>5,051,534,048</b>	<b>2,594,382,168</b>	<b>2,325,360,000</b>	<b>1,521,778,628</b>
Claims Paid - Gross	(3,229,809,813)	(2,910,974,309)	(18,012,728,209)	(5,019,592,326)	(4,558,876,667)	(2,780,329,964)	(2,470,336,000)	(1,499,723,056)
Claims Paid - Reinsurers' Share	-	1,200,630,199	15,709,200,583	1,836,274,657	2,117,863,116	1,789,101,395	1,355,674,000	629,064,621
Change in the Prov. for Claims Paid - Gross	(829,645,607)	(375,265,530)	(6,452,242,630)	554,097,161	(339,423,408)	938,841,235	(359,832,000)	(92,452,064)
Change in the Prov. for Claims Paid - Reins. Share	522,635,007	20,011,013	4,718,980,333	(399,389,615)	66,890,623	(1,177,553,182)	117,681,000	36,635,991
<b>Net Claims Incurred</b>	<b>(3,536,820,413)</b>	<b>(2,065,598,627)</b>	<b>(4,036,789,923)</b>	<b>(3,028,610,123)</b>	<b>(2,713,546,336)</b>	<b>(1,229,940,516)</b>	<b>(1,356,813,000)</b>	<b>(926,474,508)</b>
<b>Net Commission</b>	<b>767,280,374</b>	<b>(73,349,000)</b>	<b>(85,557,916)</b>	<b>329,085,000</b>	<b>(708,759,114)</b>	<b>(215,964,138)</b>	<b>(18,818,000)</b>	<b>317,505,506</b>
<b>Expenses</b>	<b>(8,422,341,277)</b>	<b>(1,534,117,049)</b>	<b>(1,782,818,313)</b>	<b>(1,249,344,000)</b>	<b>(1,201,529,903)</b>	<b>(1,036,938,288)</b>	<b>(721,406,000)</b>	<b>(835,247,364)</b>
<b>Underwriting Balance</b>	<b>(5,745,937,304)</b>	<b>538,933,450</b>	<b>502,482,559</b>	<b>1,022,226,629</b>	<b>427,698,695</b>	<b>111,539,226</b>	<b>228,323,000</b>	<b>77,562,262</b>

	NAME OF INSURER (IN SHORT)				2005 TOTAL	2004 TOTAL	% INCREASE/ (DECREASE)
	LION	NIKO	ZIC	TANZINDIA			
Gross Premiums Written	5,372,559,959	1,627,962,000	3,664,449,614	5,361,143,605	90,970,240,495	74,480,968,046	22%
Outward Reinsurance Premiums	(2,669,743,680)	(661,269,000)	(958,485,450)	(3,934,391,428)	(48,391,383,217)	(39,159,213,849)	24%
Change in the Prov. for Unearned Premiums	(286,572,367)	(139,108,000)	(314,595,791)	(351,601,156)	(3,338,767,527)	355,729,180	-1039%
<b>Net Earned Premiums</b>	<b>2,416,243,912</b>	<b>827,585,000</b>	<b>2,391,368,373</b>	<b>1,075,151,021</b>	<b>39,240,089,751</b>	<b>35,677,483,377</b>	10%
Claims Paid - Gross	(1,700,538,405)	(1,740,950,000)	(1,309,328,080)	(1,462,030,138)	(46,695,216,967)	(19,873,194,272)	135%
Claims Paid - Reinsurers' Share	801,507,299	1,103,910,000	216,374,846	1,031,385,471	27,790,986,187	6,001,858,663	363%
Change in the Prov. for Claims Paid - Gross	(313,828,236)	506,273,000	-	(759,417,280)	(7,522,895,359)	(28,420,185,018)	-74%
Change in the Prov. for Claims Paid - Reins. Share	171,623,854	(405,517,000)	-	408,368,290	4,080,366,314	23,852,656,950	-83%
<b>Net Claims Incurred</b>	<b>(1,041,235,488)</b>	<b>(536,284,000)</b>	<b>(1,092,953,234)</b>	<b>(781,693,657)</b>	<b>(22,346,759,825)</b>	<b>(18,438,863,677)</b>	21%
<b>Net Commission</b>	<b>(219,109,789)</b>	<b>(43,860,000)</b>	<b>(156,353,269)</b>	<b>226,321,605</b>	<b>118,421,259</b>	<b>926,786,127</b>	-87%
<b>Expenses</b>	<b>(857,571,643)</b>	<b>(715,649,000)</b>	<b>(1,049,449,305)</b>	<b>(593,567,814)</b>	<b>(19,999,979,956)</b>	<b>(16,763,646,696)</b>	19%
<b>Underwriting Balance</b>	<b>298,326,992</b>	<b>(468,208,000)</b>	<b>92,612,565</b>	<b>(73,788,845)</b>	<b>(2,988,228,771)</b>	<b>1,401,759,131</b>	

**TABLE 2A(ii): General Insurance Financial Highlights and Analysis of Some Ratios as at 31 December 2005**

Insurer by Insurer General Insurance Financial Highlights as at 31 December 2005 (In Tshs Million)													
PARTICULARS	NIC	JUBILEE	HERITAGE	PHOENIX	ALLIANCE	RELIANCE	ROYAL	STRATEGIS	LION	NIKO	ZIC	TANZINDIA	TOTAL
Gross Premiums (GPW)	10,864.0	9,976.0	16,636.4	12,014.5	11,839.2	5,853.0	5,023.9	2,737.1	5,372.6	1,628.0	3,664.4	5,361.1	90,970.2
Premims Ceded (RP)	5,418.1	5,584.2	9,871.2	6,299.9	6,452.2	2,922.0	2,440.9	1,179.2	2,669.7	661.3	958.5	3,934.4	48,391.4
Net Premiums (NPW)	5,445.9	4,391.9	6,765.2	5,714.6	5,387.0	2,931.0	2,583.0	1,557.9	2,702.8	966.7	2,706.0	1,426.8	42,578.9
Earned Premiums (Net) (NPE)	5,445.9	4,212.0	6,407.6	4,971.1	5,051.5	2,594.4	2,325.4	1,521.8	2,416.2	827.6	2,391.4	1,075.2	39,240.1
Net Claims Incurred (NCI)	3,536.8	2,065.6	4,036.8	3,028.6	2,713.5	1,229.9	1,356.8	926.5	1,041.2	536.3	1,093.0	781.7	22,346.8
Net Commission Paid (Net Com.)	(767.3)	73.3	85.6	(329.1)	708.8	216.0	18.8	(317.5)	219.1	43.9	156.4	(226.3)	(118.4)
Management Expenses (Mgt Exp)	8,422.3	1,534.1	1,782.8	1,249.3	1,201.5	1,036.9	721.4	835.2	857.6	715.6	1,049.4	593.6	20,000.0
Net Expenses (Mgt Exp & Net Com.)	7,655.1	1,607.5	1,868.4	920.3	1,910.3	1,252.9	740.2	517.7	1,076.7	759.5	1,205.8	367.2	19,881.6
Ratio Analysis (in %)													
	NIC	JUBILEE	HERITAGE	PHOENIX	ALLIANCE	RELIANCE	ROYAL	STRATEGIS	LION	NIKO	ZIC	TANZINDIA	TOTAL
RP to GPW ratio	49.9%	56.0%	59.3%	52.4%	54.5%	49.9%	48.6%	43.1%	49.7%	40.6%	26.2%	73.4%	53.2%
NPW to GPW ratio	50.1%	44.0%	40.7%	47.6%	45.5%	50.1%	51.4%	56.9%	50.3%	59.4%	73.8%	26.6%	46.8%
NPE to GPW	50.1%	42.2%	38.5%	41.4%	42.7%	44.3%	46.3%	55.6%	45.0%	50.8%	65.3%	20.1%	43.1%
NCI to NPE (Loss Ratio)	64.9%	49.0%	63.0%	60.9%	53.7%	47.4%	58.3%	60.9%	43.1%	64.8%	45.7%	72.7%	56.9%
Mgt Exp to GPW ratio	77.5%	15.4%	10.7%	10.4%	10.1%	17.7%	14.4%	30.5%	16.0%	44.0%	28.6%	11.1%	22.0%
Mgt Exp to NPW ratio	154.7%	34.9%	26.4%	21.9%	22.3%	35.4%	27.9%	53.6%	31.7%	74.0%	38.8%	41.6%	47.0%
Mgt Exp to NPE ratio	154.7%	36.4%	27.8%	25.1%	23.8%	40.0%	31.0%	54.9%	35.5%	86.5%	43.9%	55.2%	51.0%
Net Exp. to NPE (Expense Ratio)	140.6%	38.2%	29.2%	18.5%	37.8%	48.3%	31.8%	34.0%	44.6%	91.8%	50.4%	34.2%	50.7%
Combined Ratio	205.5%	87.2%	92.2%	79.4%	91.5%	95.7%	90.2%	94.9%	87.7%	156.6%	96.1%	106.9%	107.6%



**TABLE 2B: Long Term Assurance Insurer-by-Insurer Consolidated Income & Expenditure Statement as at 31 December 2005**

INCOME														
Name of Insurer In Short	Pension & Admin. Fund B/F	Life Fund(s) B/F	Premiums Receivable from these Businesses						Investment Income	Amount Payable by Reinsurers	Comm. (Net)	Other Income	Transfer From P&L A/c	Total Income
			Pension & Admin.	Retirement & Def. Annuity	Immediate Annuities	Long Term Disability	Other Life Business	Total						
NIC(T)	-	18,246,207,150	1,525,198,146	-	-	-	6,329,277,750	7,854,475,896	1,643,529,256	-	-	3,018,823,525	-	30,763,035,827
JUBILEE	101,095,139	381,151,417	210,804,574	-	-	-	113,604,227	324,408,801	63,762,009	6,525,620	3,342,506	-	-	880,285,492
ALLIANCE	-	181,563,024	-	-	-	-	760,457,287	760,457,287	23,530,210	114,049,923	-	-	-	1,079,600,444
ZIC	-	192,332,679	-	179,499,599	-	-	-	179,499,599	13,924,814	-	-	-	-	385,757,092
AFRICAN LIFE	-	-	-	-	-	-	44,257,431	44,257,431	157,358,376	-	3,766,136	-	862,931,373	1,068,313,316
<b>Total</b>	<b>101,095,139</b>	<b>19,001,254,270</b>	<b>1,736,002,720</b>	<b>179,499,599</b>	<b>-</b>	<b>-</b>	<b>7,247,596,695</b>	<b>9,163,099,014</b>	<b>1,902,104,665</b>	<b>120,575,543</b>	<b>7,108,642</b>	<b>3,018,823,525</b>	<b>862,931,373</b>	<b>34,176,992,171</b>

EXPENDITURE														
Name of Insurer In Short	Total Claims Under Policies Paid & O/s	Annuities	Surrenders		Expenses of Management	Reinsurance (Gross)		Comm. (Net)	Taxation Paid & Prov.	Other Expend.	Transfer To P&L A/c	Fund Amount C/F		Total Expenditure
			Pension Fund	Other Life Business		Within Tanzania	Outside Tanzania					Pension Fund	Life Business	
NIC(T)	4,455,901,172	229,676,709	1,916,098,130	100,136,848	2,999,768,313	-	-	772,429,369	-	405,489,550	-	-	19,883,535,736	30,763,035,827
JUBILEE	17,883,328	-	2,115,380	-	67,964,714	-	25,460,793	20,702,122	-	-	3,244,088	312,398,414	430,516,652	880,285,491
ALLIANCE	187,313,208	-	-	-	200,351,103	-	271,852,256	45,143,422	-	4,886,050	150,000,000	-	220,054,405	1,079,600,444
ZIC	3,485,761	-	-	3,471,772	36,214,868	-	-	12,465,543	-	-	1,794,996	-	328,324,152	385,757,092
AFRICAN LIFE	1,275,000	-	-	-	1,042,453,123	18,830,680	-	17,847,718	(19,786,187)	-	-	-	7,692,983	1,068,313,317
<b>Total</b>	<b>4,665,858,469</b>	<b>229,676,709</b>	<b>1,918,213,510</b>	<b>103,608,620</b>	<b>4,346,752,121</b>	<b>18,830,680</b>	<b>297,313,049</b>	<b>868,588,174</b>	<b>(19,786,187)</b>	<b>410,375,600</b>	<b>155,039,084</b>	<b>312,398,414</b>	<b>20,870,123,928</b>	<b>34,176,992,171</b>

**TABLE 3: Consolidated Insurers' Balance Sheet as at 31 December 2005**

	Liabilities	Current Year	Previous Year		Assets	Current Year	Previous Year
A	Capital & Reserves			K	Investments in:		
	(I) Issued & fully paid up share capital	14,669,000,000	11,700,000,000		(I) Land & buildings occupied by insurer for own activities	9,263,469,000	7,601,661,250
	(ii) Share premium Account	-	-		(ii) Other land & buildings	30,827,976,701	24,639,920,228
	(iii) Non-distributable reserve	12,796,447,252	15,046,265,858	L	Investments in connected and dependent companies		
	(iv) Distributable Reserve	15,471,442,700	17,241,448,921		(I) Shares in connected companies	11,062,863,336	17,703,693,855
	(v) Profit & Loss B/F	1,785,086,116	(18,154,861)		(ii) Debts securities and loans to connected companies	-	-
B	Subordinated Liabilities	367,718,703	-		(iii) Dependent companies	1,752,528,210	100,000,000
C	Tech. Provisions net of reinsurance recoveries				(iv) Debts securities and loans to linked dependent companies	-	-
	(I) Prov. For Unearned Premiums	18,652,119,750	15,701,682,925	M	Other financial investments		
	(ii) Life Insurance Provision	962,969,471	663,809,580		(I) Shares and units in unit trusts	5,195,353,051	4,456,258,729
	(iii) Claims Outstanding	40,187,673,572	37,724,176,385		(ii) Debts and fixed income securities	8,248,310,522	6,294,912,821
	(iv) Life Insurance bonuses/rebates	-	-		(iii) Participation in investment pools	-	-
	(v) Claims Equalisation Prov.	331,331,167	244,458,120		(iv) Loans guaranteed by mortgages	-	-
	(vi) Other Technical Provisions	909,819,817	807,142,043		(v) Other loans	223,883,566	110,000,000
D	Tech. Prov. For life insurance policies where investment risk is borne by the policyholder	328,324,152	192,332,679		(vi) Deposits at financial institutions	22,548,766,653	20,391,540,032
		-	-		(vii) Others	6,448,932,499	3,625,870,255
E	Provision for Other risks/Charges			N	Deposits with ceding undertaking	-	-
	(I) Prov for Pension and the Like	-	-	O	Debtors		
	(ii) Prov for Taxation	623,801,804	98,057,870		(I) Arising out of direct insurance operations	-	-
	(iii) Other Provisions	2,825,483,853	3,355,111,313		(a) from policyholders	3,608,096,794	3,984,176,622
F	Deposits received from Reinsurers	-	-		(b) from brokers	11,568,485,052	7,484,905,251
G	Creditors				(c) from agents	861,353,925	621,033,735
	(I) Arising out of direct insurance operations	2,126,988,745	1,483,015,241		(ii) Arising out of reinsurance operations	8,637,253,523	7,026,267,505
	(ii) Arising out of reinsurance operations	13,444,003,261	9,042,055,484		(iii) Other debtors	8,899,977,673	2,282,284,157
	(iii) Debenture loans	-	-		(iv) Subscribed capital called but not paid	23,625,000	-
	(iv) Amount owing to credit institutions	824,115,823	1,754,956,350	P	Other assets		
	(v) Other creditors tax	612,670,717	3,469,490,757		(I) Tangible assets and stocks	2,082,365,493	4,246,570,791
	(vi) Others	16,033,020,239	1,261,737,664		(ii) Cash at bank and in hand	6,963,425,664	6,144,662,610
H	Accruals and deferred income	341,310,628	434,822,636		(iii) Others	647,166,357	734,557,622
I	Other Income not covered above	4,300,896	-	Q	Prepayments and accrued income		
J	Profit for the Financial Year	580,904,663	970,714,625		(I) Accrued interest and rent	1,609,881,037	1,579,399,560
	<b>Total</b>	<b>143,878,533,331</b>	<b>121,173,123,590</b>		(ii) Deferred acquisition cost	2,761,067,132	1,909,821,026
					(iii) Others	643,752,143	235,587,540
					<b>Total</b>	<b>143,878,533,331</b>	<b>121,173,123,590</b>

**TABLE 4: Consolidated Insurers' Profit & Loss Account as at 31 December 2005**

		Current Year	Previous Year
<b>I</b>	<b>Technical Account - General Insurance Business</b>		
1	Earned Premiums - net of reinsurance		
	(a) Gross Premiums Written	90,970,240,495	74,480,967,423
	(b) Outward Reinsurance Premiums (-)	(48,391,383,217)	(39,159,213,849)
	(c) Change in the provision for unearned premiums, reinsurers' share	(3,338,768,083)	355,729,180
2	Allocated investment return transferred from non-technical account	209,009,583	160,497,401
3	Other technical income net of reinsurance	170,723,315	-
4	Claims incurred net of reinsurance		
	(a) Claims paid		
	(aa) Gross amount	(46,695,216,967)	(19,873,194,272)
	(bb) reinsurers share(+/-)	27,790,986,187	6,001,858,663
	(b) Change in the provision for claims -		
	(aa) Gross amount	(7,522,895,359)	(28,420,185,018)
	(bb) reinsurers share(+/-)	4,080,366,314	23,852,656,950
5	Change in other technical provisions net of reinsurance not shown elsewhere (+/-)	298,281,253	(66,856,228)
6	Bonuses and rebates net of reinsurance	-	-
7	Net operating expenses		
	(a) acquisition costs	(6,448,331,474)	(5,364,687,458)
	(b) Change in deferred acquisition costs	199,300,494	(204,070,819)
	(c) Administrative expenses	(19,144,395,523)	(16,227,603,345)
	(d) Reinsurance commissions and profit participation (+/-)	6,445,501,834	5,959,501,053
8	Other technical charges net of reinsurance	(1,491,293,036)	(177,528,567)
9	Change in the equalisation account (+/-)	-	(65,230,783)
10	Subtotal (transfer to item III(1) below.	<b>(2,867,874,184)</b>	<b>1,252,640,331</b>
<b>II</b>	<b>Technical Account - Long Term Assurance Business</b>		
1	Earned Premiums - net of reinsurance		
	(a) Gross Premiums Written	9,163,099,015	7,292,121,728
	(b) Outward Reinsurance Premiums (-)	(316,143,729)	(228,544,476)
	(c) Change in the provision for unearned premiums, reinsurers' share	-	38,703,463
2	Investment Income -		
	(a) Income from connected and dependent companies	-	-
	(b) Income from other investments		
	(aa) Income from land and buildings	-	-
	(bb) Income from other investments	258,575,410	154,689,216
	(c) Revaluation of investments	-	-
	(d) Gains on the realisation of investments	-	-
3	Unrealised gains on investments	-	-
4	Other technical income net of reinsurance	-	-
5	Claims incurred net of reinsurance		
	(a) Claims paid		

		Current Year	Previous Year
	(aa) Gross amount	(7,004,433,701)	(1,014,927,406)
	(bb) reinsurers share(+/-)	82,474,880	86,937,869
	(b) Change in the provision for claims -		
	(aa) Gross amount	82,838,601	(5,289,930,683)
	(bb) reinsurers share(+/-)	38,100,663	783,762
6	Change in other technical provisions net of reinsurance not shown elsewhere (+/-)		
	(a) Life insurance provision net of reinsurance -		
	(aa) Gross amount	(12,803,694)	(139,351,861)
	(bb) reinsurers share(+/-)	9,602,771	-
	(b) Other technical provision net of reinsurance	(5,140,318)	2,838,987
7	Bonuses and rebates net of reinsurance	-	-
8	Net operating expenses		
	(a) acquisition costs	(83,693,262)	(56,800,205)
	(b) Change in deferred acquisition costs	-	-
	(c) Administrative expenses	(4,242,506,809)	(3,297,325,214)
	(d) Reinsurance commissions and profit participation (+/-)	7,108,642	2,732,680
9	Investment charges-		
	(a) Investment management charges, including interest	(104,245,312)	-
	(b) Value adjustments on investments	-	-
	(c) Losses on the realisation of investments	-	-
10	Unrealised losses on investments	-	-
11	Other technical charges net of reinsurance	(784,895,112)	(707,889,045)
12	Allocated investment return transferred to the non-technical account (Item III(4) below)	(53,113,063)	-
13	Subtotal (transfer to item III(2) below)	<b>(2,965,175,018)</b>	<b>(3,155,961,185)</b>
<b>III</b>	<b>Non-Technical Account</b>		
1	Balance on the Technical Account (General insurance business) (Item I(10) above)	(2,867,874,184)	1,252,640,331
2	Balance on the Technical Account (Long term business) (Item II(13) above)	(2,965,175,018)	(3,155,961,185)
3	Investment Income -		
	(a) Income from connected and dependent companies	15,923,749	11,689,081
	(b) Income from other investments		
	(aa) Income from land and buildings	469,707,722	1,915,279,244
	(bb) Income from other investments	2,067,045,858	1,619,980,412
	(c) Revaluation of investments	1,215,224,872	(9,680,406)
	(d) Gains on the realisation of investments	86,596,767	190,075,040
4	Allocated investment return transferred from the long term tech. Ac (Item II(12) above)	53,113,063	-
5	Investment charges-		
	(a) Investment management charges, including interest	(74,513,088)	(66,700,456)
	(b) Value adjustments on investments	-	-
	(c) Losses on the realisation of investments	-	-
6	Allocated investment return transferred from the general ins. tech. Ac (Item 2 above)	-	-
7	Other income	2,311,317,846	1,496,707,516
8	Other charges including value adjustments	(709,587,750)	(984,186,196)

HIGHLIGHTS - Annual Insurance Market Performance Report for Year Ended 31 December 2005

		<b>Current Year</b>	<b>Previous Year</b>
9	Tax on profit or loss on ordinary activities	(1,373,522,289)	(1,126,885,727)
10	Profit or loss on ordinary activities	782,495,695	-
11	Extra ordinary income	70,142,000	-
12	Extra ordinary charges	(1,429,588,857)	(99,040,458)
13	Extra ordinary profit or loss	-	-
14	Tax on extra ordinary profit or loss	19,786,187	-
15	Other taxes not shown under preceding items	(560,885,573)	(402,818,270)
16	Profit or loss for the financial year	<b>(2,889,793,000)</b>	<b>641,098,925</b>

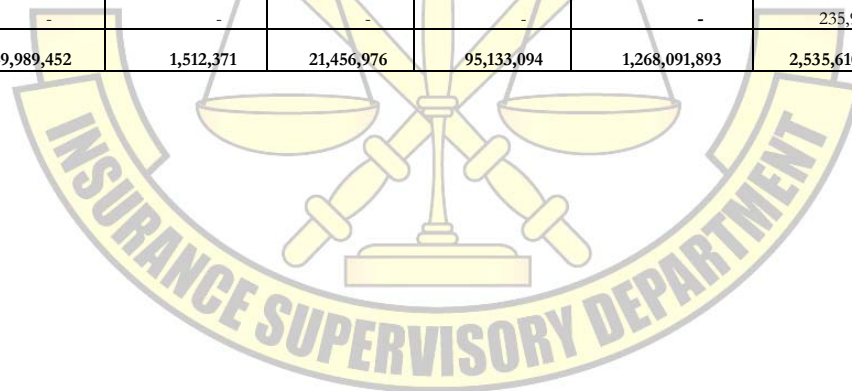


**TABLE 5A: 2005 General Insurance Business Through Brokers as at 31 December 2005 (Tshs)**

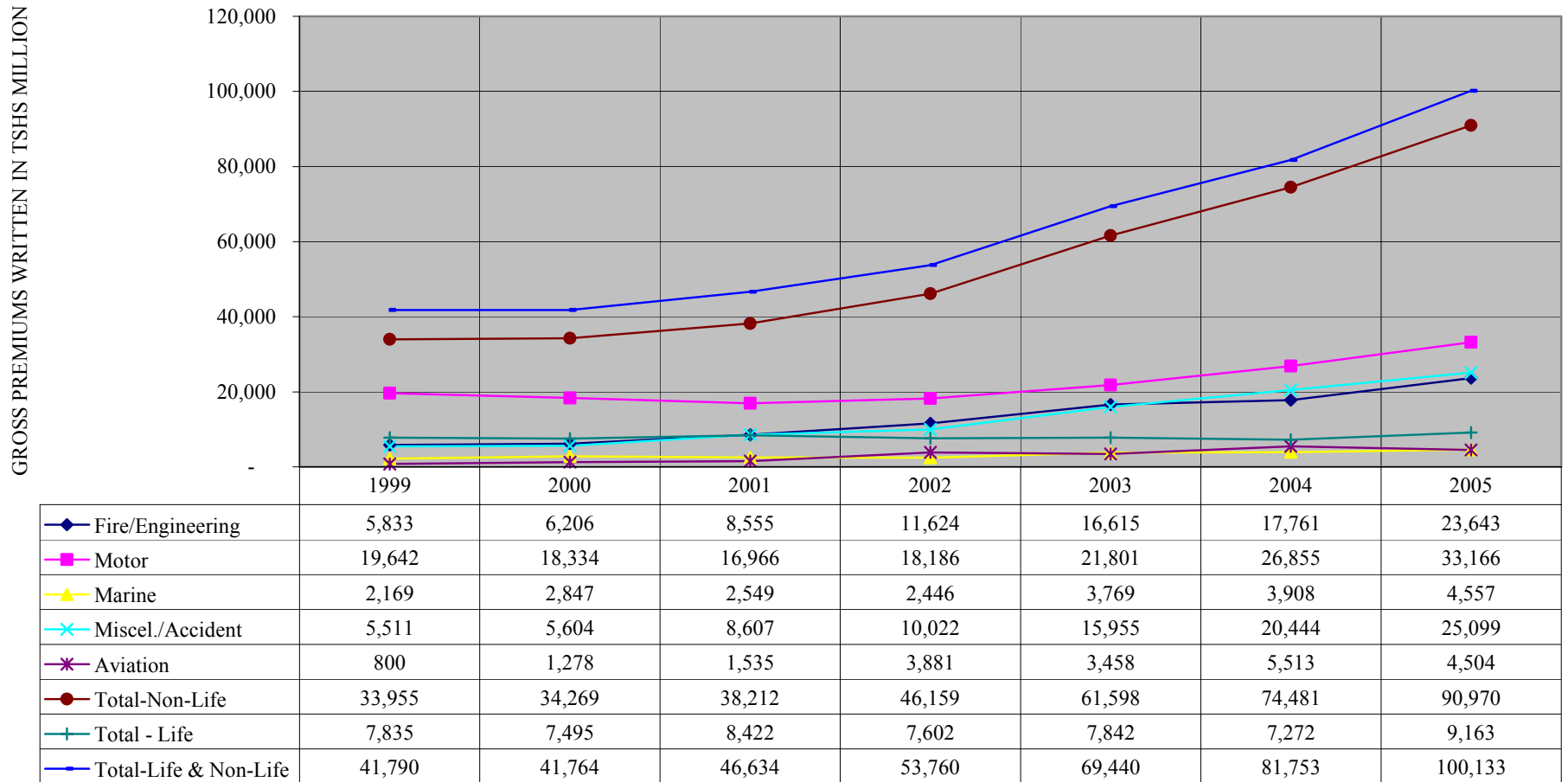
S/NO	NAME OF INSURANCE BROKER	GROSS PREMIUMS PER CLASS OF BUSINESS						JAN-DEC 2005	JAN-DEC 2004	% INCR./	% SHARE OF MARKET	
		FIRE	ENGINEERING	MARINE	MISC & ACCID	MOTOR	AVIATION	TOTAL	TOTAL	(DECR.)	JAN-DEC 2005	JAN-DEC 2004
1	Alexander Forbes Tanzania Ltd	4,573,487,490	-	1,972,258,409	9,349,417,951	2,624,183,892	2,640,788,561	21,160,136,303	12,539,499,991.00	69%	31.66%	18.76%
2	AON Tanzania Ltd	5,365,217,729	1,399,748,193	1,692,785,185	5,060,341,175	3,205,324,240	32,800,933	16,756,217,455	11,999,303,863.00	40%	25.07%	17.95%
3	Impex Insurance Brokers Ltd	586,663,901	-	323,177,670	1,029,750,848	1,536,617,157	136,814,225	3,613,023,801	2,704,510,113.00	34%	5.41%	4.05%
4	Astra Insurance Brokers (T) Ltd	188,116,237	197,787,283	906,073,607	651,903,770	883,749,689	34,625,000	2,862,255,585	2,289,641,184.69	25%	4.28%	3.43%
5	Busara Insurance Brokers Ltd	322,711,707	-	171,000	851,499,825	888,570,074	-	2,062,952,607	1,785,380,076.47	16%	3.09%	2.67%
6	B.R.Puri & Company Ltd	228,734,497	-	191,884,477	484,892,960	986,076,590	-	1,891,588,524	928,281,732.58	104%	2.83%	1.39%
7	Milmar Insurance Consultants Ltd	321,554,400	42,741,364	215,873,957	375,510,288	882,198,487	-	1,837,878,136	1,457,268,117.50	26%	2.75%	2.18%
8	Kabage & Mwirigi Ins. Brokers (T) Ltd	351,427,178	280,992,733	14,635,046	990,765,296	149,628,882	15,690,400	1,803,139,535	2,110,113,502.00	-15%	2.70%	3.16%
9	MIC Global Risks (T) Ltd	783,888,074	(4,113,233)	116,713,833	772,332,623	95,298,842	29,944,918	1,794,065,057	874,123,911.00	105%	2.68%	1.31%
10	Medical Express Tanzania Ltd	-	-	-	1,739,221,676	18,092,367	-	1,757,314,043	1,234,117,877.60	42%	2.63%	1.85%
11	Eastern Insurance Brokers Ltd	372,630,814	12,638,725	111,058,774	518,329,270	584,311,531	9,717,500	1,608,686,613	995,682,709.55	62%	2.41%	1.49%
12	Corporate Insurance Brokers Ltd	222,709,404	5,026,282	8,270,232	164,966,390	755,939,990	-	1,156,912,298	909,741,231.75	27%	1.73%	1.36%
13	F&P Insurance Brokers Ltd	171,517,493	101,195,262	2,649,404	192,420,951	444,560,367	-	912,343,476	608,774,876.00	50%	1.37%	0.91%
14	Orbit Insurance Consultants Ltd	35,908,825	63,378,277	33,150,596	84,644,555	611,693,266	-	828,775,520	601,985,518.90	38%	1.24%	0.90%
15	Tanzania Federation of Co-ops Ltd*	13,003,200	-	-	16,990,000	663,488,411	-	693,481,611	237,961,383.00	191%	1.04%	0.36%
16	ARR Health Service	-	-	-	666,640,470	-	-	666,640,470	-	N/A	1.00%	0.00%
17	Pan Oceanic Insurance Brokers Ltd	34,846,388	-	-	67,879,123	433,578,625	-	536,304,136	348,808,008.00	54%	0.80%	0.52%
18	Victory Vision Company Ltd	49,375,516	223,765,300	-	194,662,350	40,224,600	-	508,027,766	533,255,772.41	-5%	0.76%	0.80%
19	Star Investment (Zanzibar) Ltd*	65,956,641	-	50,227,582	113,032,005	261,499,349	-	490,715,576	451,107,783.28	9%	0.73%	0.67%
20	Bumaco Ltd	20,311,818	-	-	47,407,263	393,232,874	-	460,951,955	396,883,201.00	16%	0.69%	0.59%
21	British Tanz. Insur. & Re Brokers Ltd	124,559,917	-	-	20,093,352	107,668,803	128,918,740	381,240,812	286,893,461.30	33%	0.57%	0.43%
22	Endeavour Insurance Consultants Ltd	31,485,251	1,520,580	780,420	37,204,576	265,282,345	-	336,273,172	267,586,869.30	26%	0.50%	0.40%
23	Blannysons Insurance Brokers Ltd	28,735,112	-	13,266,824	85,824,255	175,160,312	12,967,500	315,954,003	238,622,450.00	32%	0.47%	0.36%
24	Ndege Insurance Brokers Ltd	2,730,148	375,000	-	5,248,838	267,853,837	-	276,207,823	359,337,978.56	-23%	0.41%	0.54%
25	M.C. Patel & Co. Ltd	16,072,771	-	13,450,679	20,646,606	207,873,999	-	258,044,055	583,439,897.00	-56%	0.39%	0.87%
26	Tashco Tan Ltd	50,555,233	-	69,615,830	27,738,204	95,565,175	-	243,474,441	274,608,849.40	-11%	0.36%	0.41%
27	Trans Africa Insurance Brokers Ltd*	17,229,822	26,376,907	10,030,075	115,217,410	39,838,642	-	208,692,856	122,880,109.00	70%	0.31%	0.18%
28	Mawenzi Insurance Brokers Ltd	9,786,441	-	511,261	7,344,184	169,443,343	-	187,085,229	154,260,814.15	21%	0.28%	0.23%
29	Thorn Ltd	20,060,546	-	4,898,080	7,928,166	150,489,907	-	183,376,699	96,154,239.00	91%	0.27%	0.14%
30	Reos Alliance Ltd	3,470,918	-	5,235,000	33,583,969	138,303,967	-	180,593,854	103,393,956.75	75%	0.27%	0.15%
31	Mileme Insurance Consultants	17,729,744	12,904,710	2,815,200	49,198,902	66,292,148	-	148,940,704	66,059,581.00	125%	0.22%	0.10%
32	Rabco Tanzania Ltd	128,500	-	-	12,997,479	66,681,835	50,143,500	129,951,314	1,537,519,828.65	-92%	0.19%	2.30%
33	Kibo Insurances Ltd.	6,823,633	262,500	1,876,000	3,478,928	113,426,435	-	125,867,496	-	N/A	0.19%	0.00%
34	Liaison General Insurance Brokers	15,167,647	273,750	-	72,156,067	26,559,213	-	114,156,677	-	N/A	0.17%	0.00%
35	Shield Company Tanzania Ltd	2,739,438	-	75,000	22,649,396	51,247,167	-	76,711,001	64,724,977.50	19%	0.11%	0.10%
36	F.K. Motors Ltd	700,000	-	2,652,836	1,804,500	48,258,491	-	53,415,827	52,441,903.00	2%	0.08%	0.08%
37	Aristocrats Insurance Brokers	14,849,635	-	9,566,899	24,664,484	3,255,000	-	52,336,018	1,407,000.00	3620%	0.08%	0.00%
38	Citizen Insurance Consultants (T) Ltd	5,878,360	-	-	3,423,432	42,720,536	-	52,022,328	55,291,135.75	-6%	0.08%	0.08%
39	Rova Services Insurance Brokers Ltd	1,921,601	-	6,000,000	1,535,931	41,944,215	-	51,401,747	53,519,999.00	-4%	0.08%	0.08%
40	Bid Insurance Brokers Ltd	4,931,130	2,039,989	-	5,335,875	18,508,397	-	30,815,391	131,155,322.00	-77%	0.05%	0.20%
41	Abby & Fay Investments Ltd	5,787,625	-	-	2,998,600	18,051,697	-	26,837,922	25,551,450.60	5%	0.04%	0.04%
42	Crown Insurance Brokers Ltd*	-	-	-	-	-	-	-	82,212,670.00	-100%	0.00%	0.12%
43	K + K Underwriting Services (T) Ltd	-	-	-	-	-	-	-	114,957.00	0%	0.00%	0.00%
	<b>TOTAL</b>	<b>9,515,916,933</b>	<b>2,366,913,621</b>	<b>3,807,445,466</b>	<b>14,584,263,991</b>	<b>14,948,510,803</b>	<b>451,622,716</b>	<b>66,834,809,833</b>	<b>47,563,618,302</b>	<b>41%</b>	<b>100.00%</b>	<b>100.00%</b>

**TABLE 5B: 2005 Long Term Assurance Business Through Brokers as at 31 December 2005 (Tshs)**

S/NO	NAME OF INSURANCE BROKER	GROSS PREMIUMS PER CLASS OF BUSINESS				2005 TOTAL	2004 TOTAL	% INCR./ (DECR.)	% SHARE OF MARKET	
		LIFE & ANNUITY	DEP. ADMIN	INDIV LIFE	MEDICARE				2005	2004
1	F&P Insurance Brokers Ltd	466,218,848	-	-	5,821,200	472,040,048	416,965,513.00	13%	37.22%	16.44%
2	AON Tanzania Ltd	319,312,158	-	19,500,508	-	338,812,666	282,876,392.00	20%	26.72%	11.16%
3	Alexander Forbes Tanzania Ltd	272,253,351	-	-	-	272,253,351	1,521,950,538.00	-82%	21.47%	60.02%
4	Busara Insurance Brokers Ltd	75,000,000	-	-	-	75,000,000	283,159,240.00	-74%	5.91%	11.17%
5	Liaison General Insurance Broker	-	-	-	61,663,224	61,663,224	-	N/A	4.86%	0.00%
6	Milembe Insurance Consultants	-	-	1,660,000	24,848,795	26,508,795	-	N/A	2.09%	0.00%
7	Kabage & Mwirigi Ins. Brokers (I) Ltd	15,423,125	-	-	1,227,875	16,651,000	10,767,557.00	55%	1.31%	0.42%
8	Endeavour Insurance Consultants Ltd	1,781,970	1,512,371	-	-	3,294,341	3,408,922.00	-3%	0.26%	0.13%
9	Trans Africa Insurance Brokers Ltd*	-	-	-	1,572,000	1,572,000	-	N/A	0.12%	0.00%
10	Rova Services Insurance Brokers Ltd	-	-	296,468	-	296,468	-	N/A	0.02%	0.00%
11	MIC Global Risks (I) Ltd	-	-	-	-	-	16,245,950.00	0%	0.00%	0.64%
12	Reos Alliance Ltd	-	-	-	-	-	235,927.00	0%	0.00%	0.01%
	<b>TOTAL</b>	<b>1,149,989,452</b>	<b>1,512,371</b>	<b>21,456,976</b>	<b>95,133,094</b>	<b>1,268,091,893</b>	<b>2,535,610,039</b>	<b>-50%</b>	<b>100.00%</b>	<b>100.00%</b>

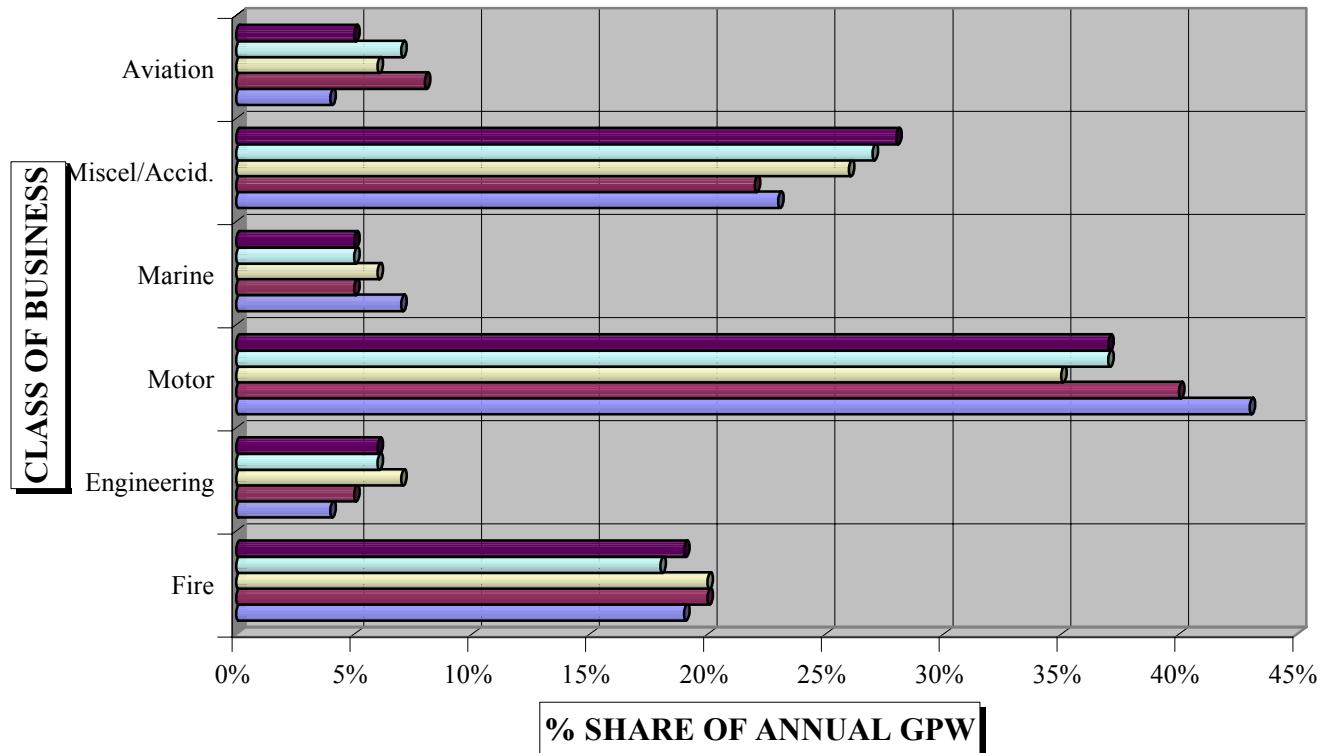


**CHART 1: 1999-2005 TRENDS OF LIFE & NON-LIFE GROSS PREMIUMS WRITTEN BY TANZANIA INSURERS (IN TSHS MILLION)**



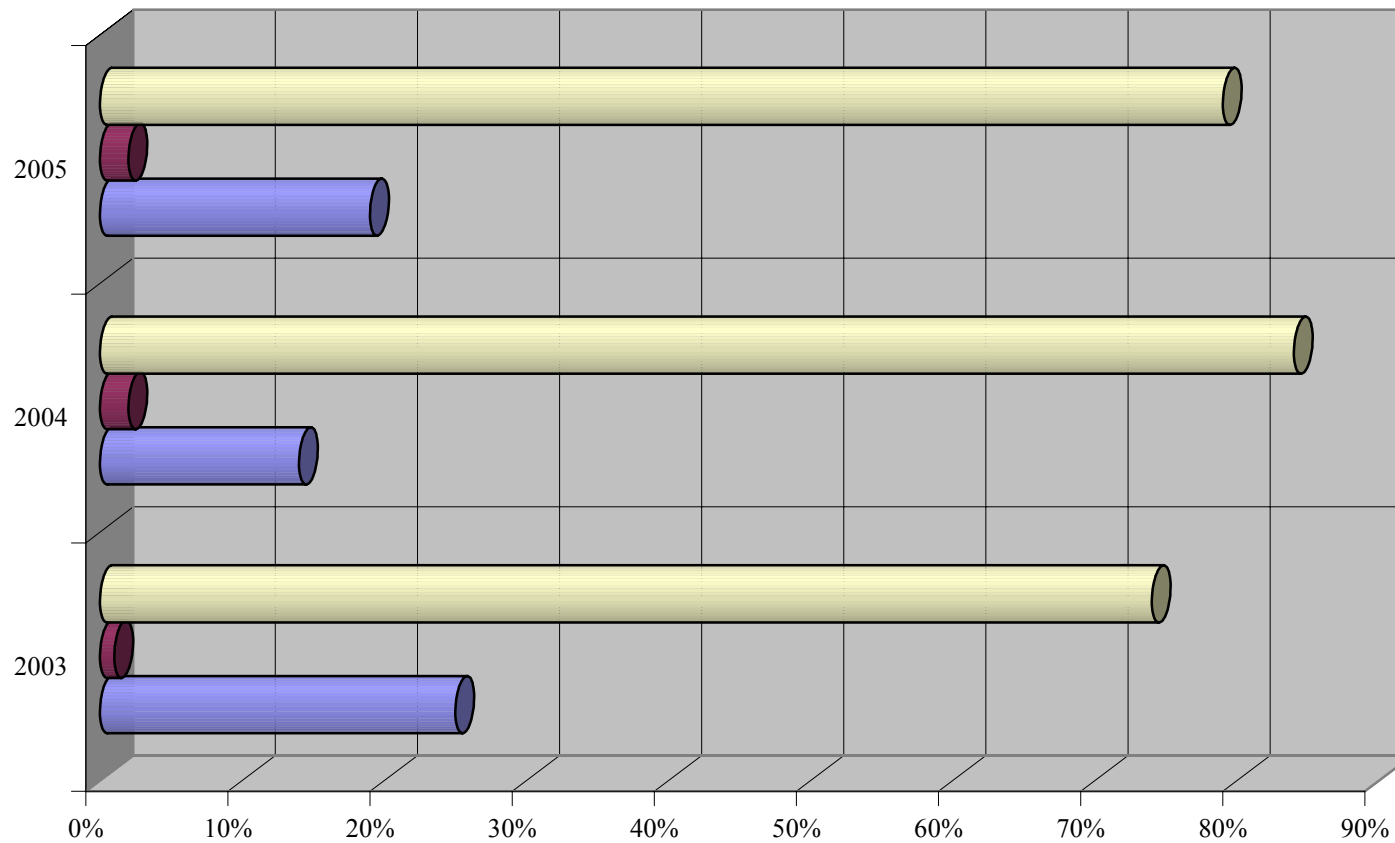


**CHART 2A: 2001-2005 TRENDS OF GENERAL INSURANCE BUSINESS PORTFOLIO MIX IN TANZANIA INSURANCE INDUSTRY (AS % OF ANNUAL TOTAL)**



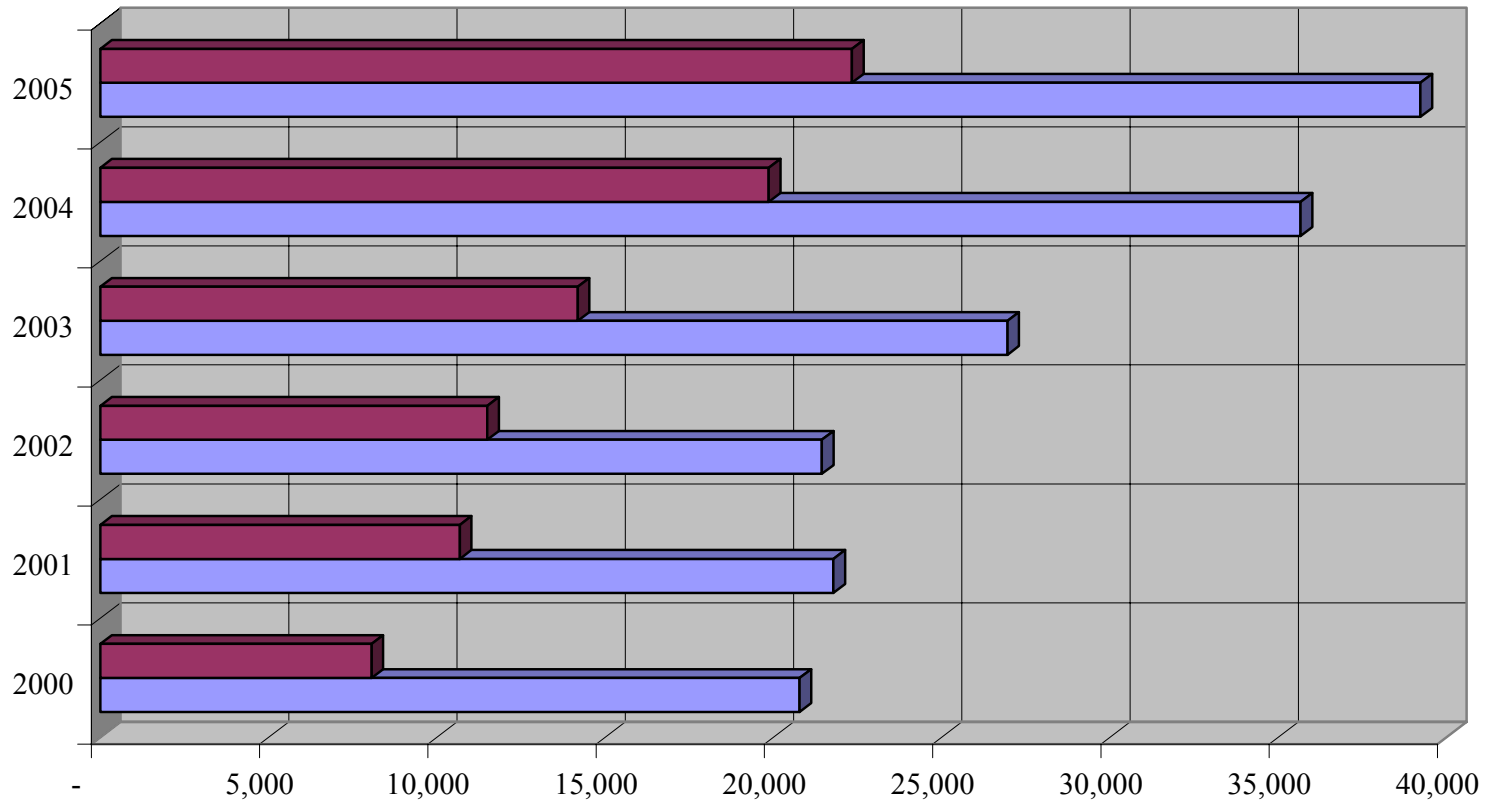
	Fire	Engineering	Motor	Marine	Miscel/Accid.	Aviation
■ 2005	19%	6%	37%	5%	28%	5%
□ 2004	18%	6%	37%	5%	27%	7%
■ 2003	20%	7%	35%	6%	26%	6%
■ 2002	20%	5%	40%	5%	22%	8%
■ 2001	19%	4%	43%	7%	23%	4%

**CHART 2B: 2003-2005 TRENDS OF LONG TERM (LIFE) ASSURANCE BUSINESS PORTFOLIO MIX IN TANZANIA INSURANCE INDUSTRY**



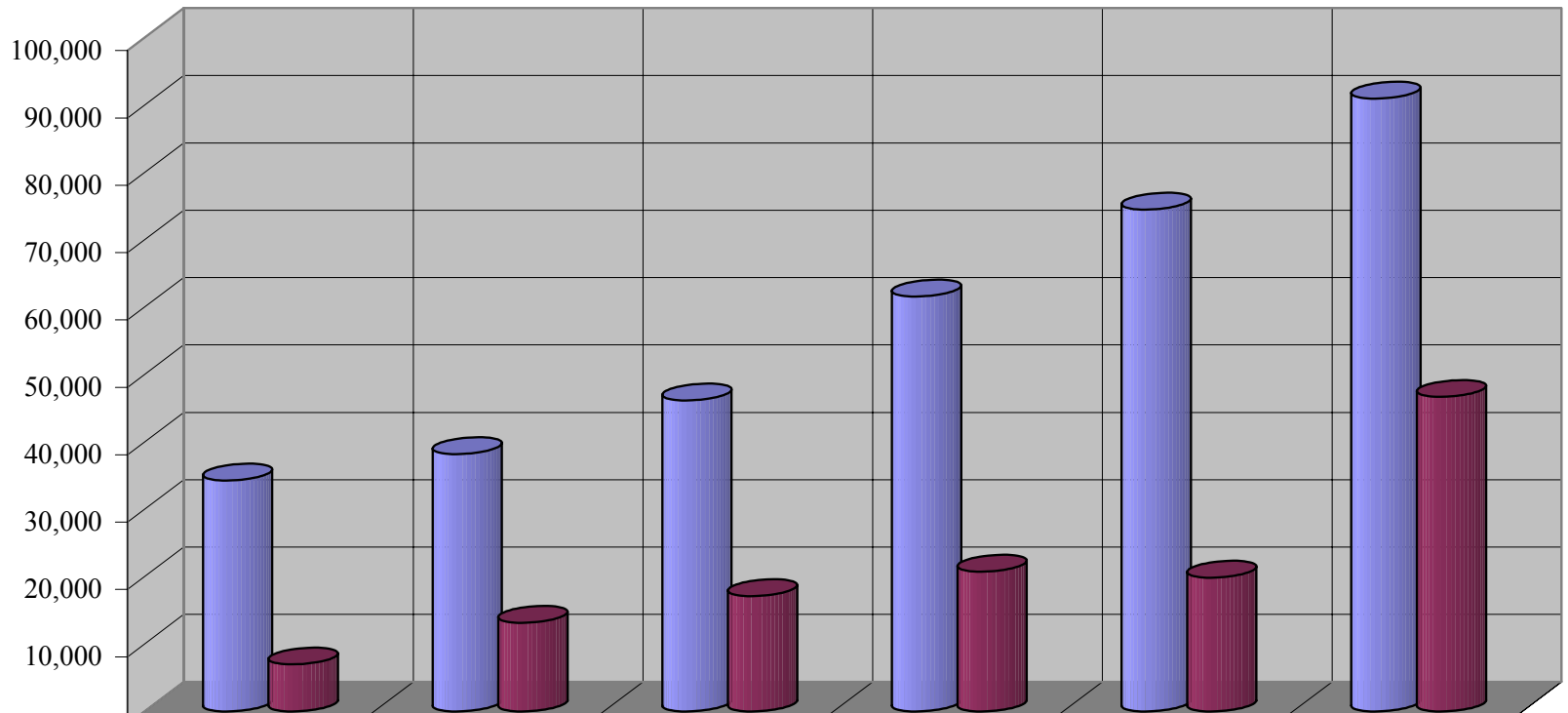
	2003	2004	2005
Other Life Business	74%	84%	79%
Retirement/Deferred Annuity	1%	2%	2%
Pension Fund Admin	25%	14%	19%

**CHART 3: 2000-2005 TRENDS OF GENERAL INSURANCE NET PREMIUMS EARNED & NET CLAIMS INCURRED BY TANZANIA INSURERS (IN TSHS MILLION)**



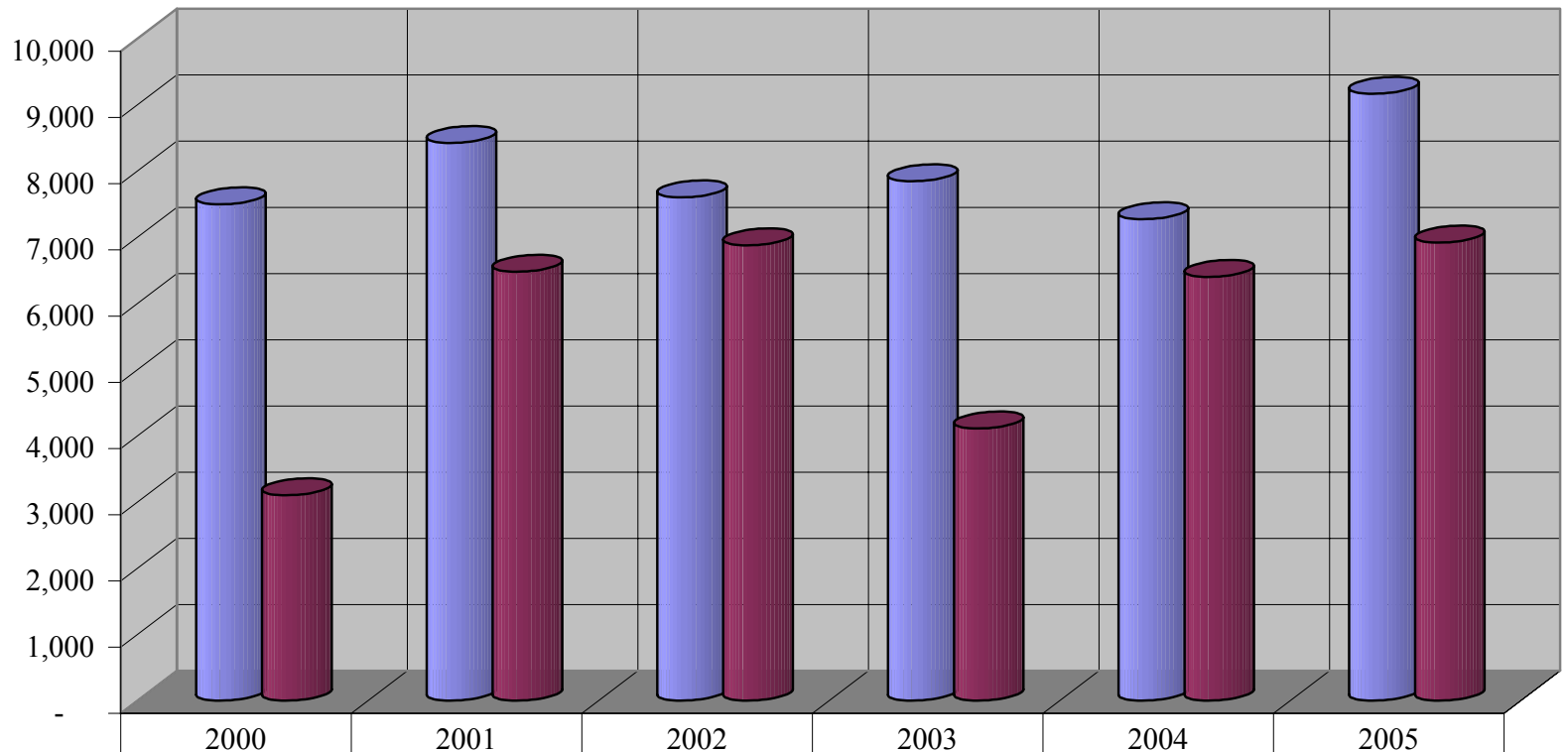
	2000	2001	2002	2003	2004	2005
Net Claims Incurred	8,067	10,684	11,502	14,190	19,873	22,347
Net Earned Premiums	20,784	21,788	21,447	26,960	35,677	39,240

**CHART 4A: 2000-2005 DEVELOPMENT OF GENERAL INSURANCE GROSS PREMIUMS WRITTEN & GROSS CLAIMS PAID BY TANZANIA INSURERS (IN TSHS MILLION)**



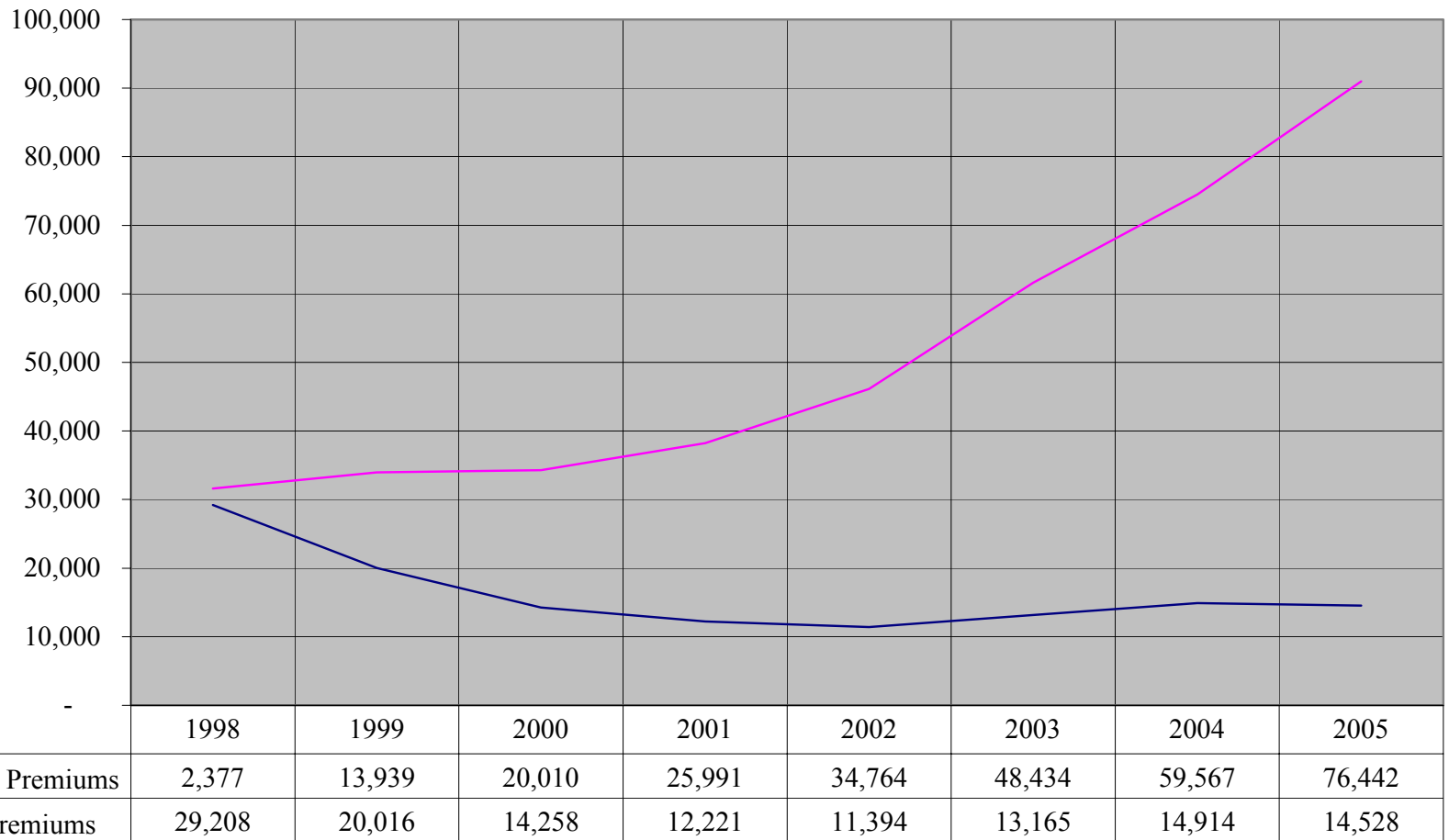
	2000	2001	2002	2003	2004	2005
■ Gross Premiums Written	34,269	38,212	46,159	61,598	74,481	90,970
■ Gross Claims Paid	6,983	13,159	17,110	20,747	19,873	46,695

**CHART 4B: 2000-2005 DEVELOPMENT OF LONG TERM (LIFE) GROSS PREMIUMS WRITTEN & GROSS CLAIMS PAYABLE BY TANZANIA INSURERS (IN TSHS MILLION)**

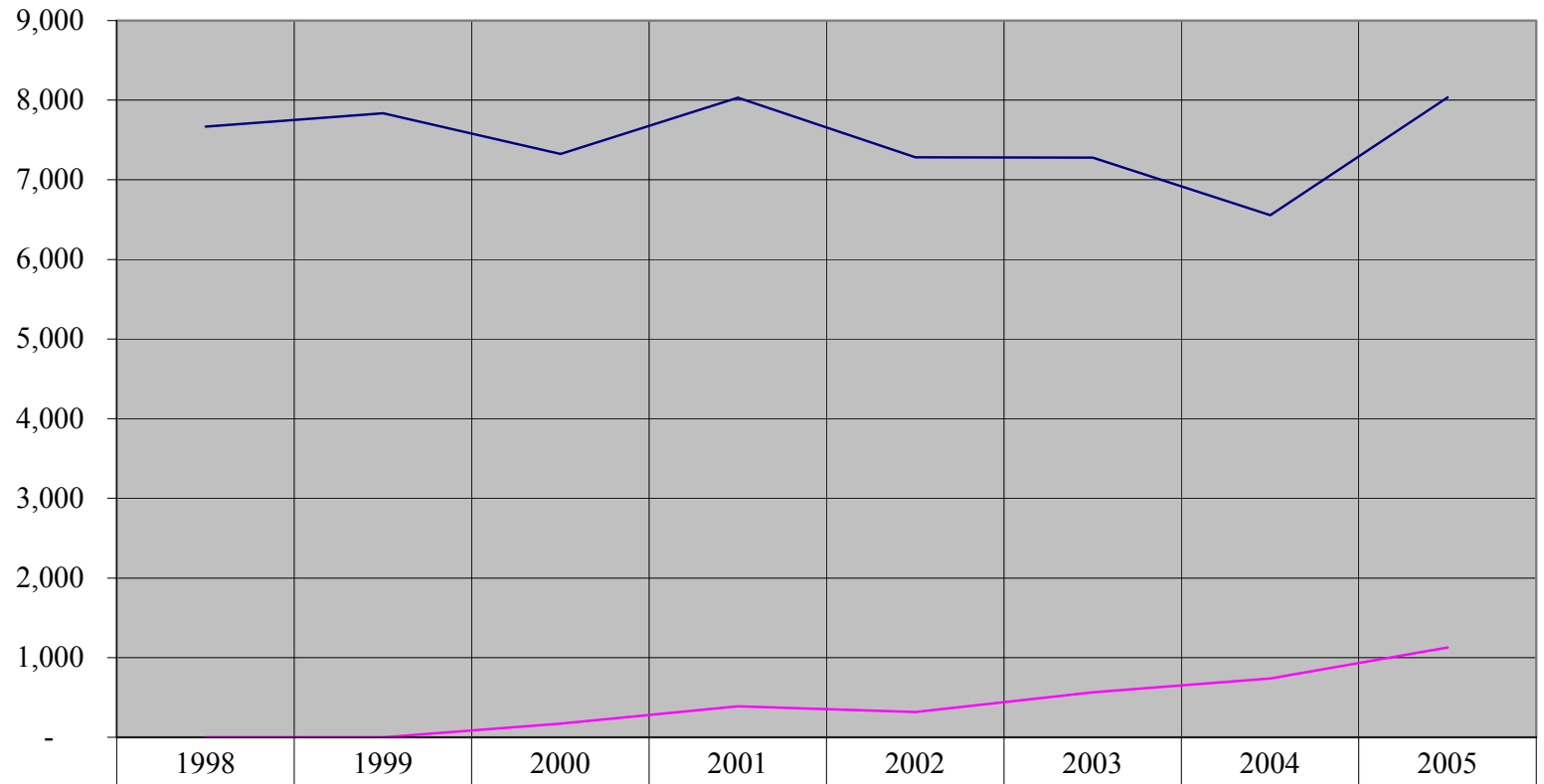


■ Gross Premiums Written	7,495	8,422	7,602	7,842	7,272	9,163
■ Gross Claims Payable	3,100	6,478	6,874	4,110	6,401	6,917

**CHART 5A: 1998-2005 TRENDS OF GENERAL INSURANCE GROSS PREMIUMS WRITTEN BY STATE AND PRIVATE INSURERS IN TANZANIA (IN TSHS MILLION)**

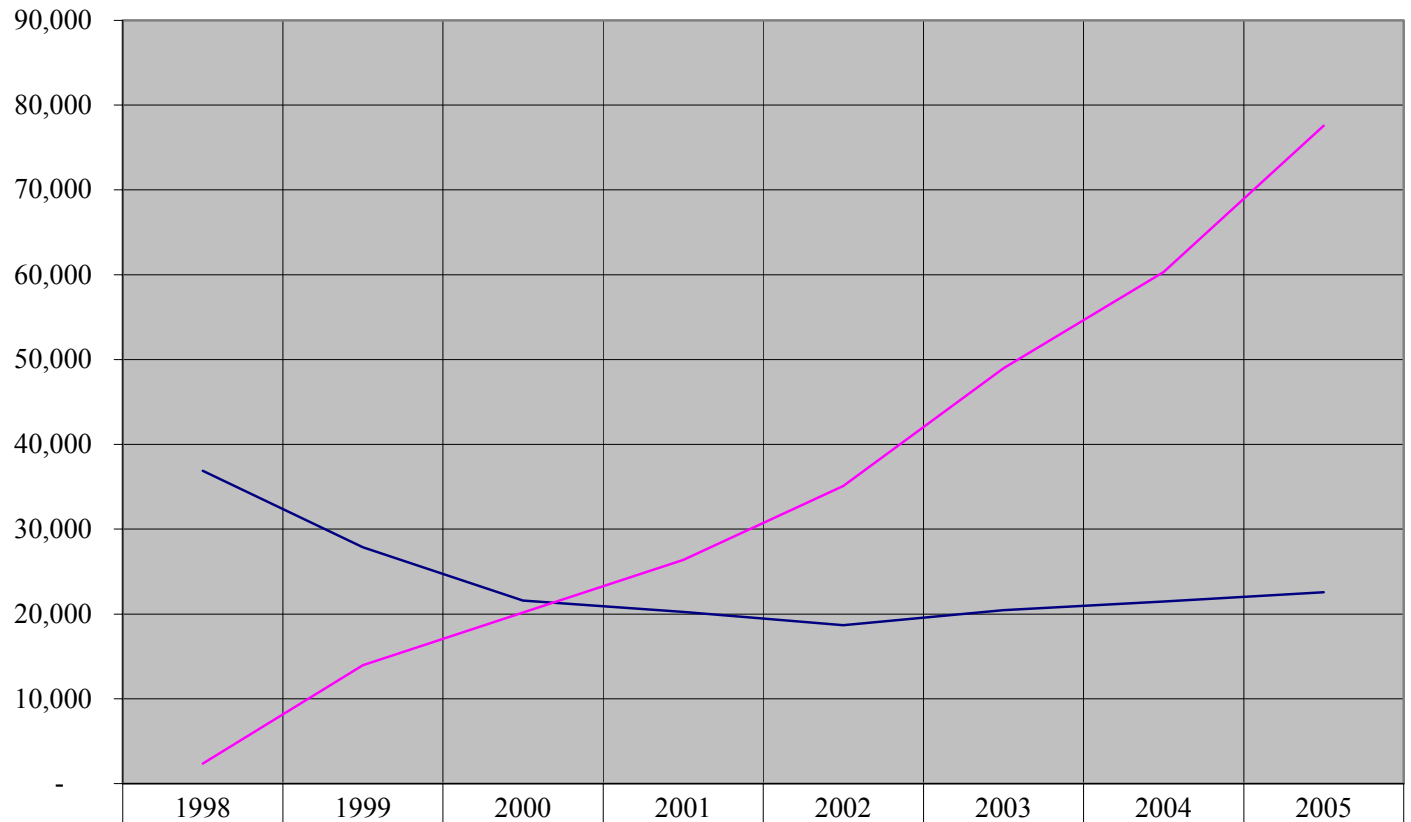


**CHART 5B: 1998-2005 TRENDS OF LONG TERM (LIFE) ASSURANCE GROSS PREMIUMS WRITTEN BY STATE AND PRIVATE INSURERS IN TANZANIA (IN TSHS MILLION)**



— State Sector Premiums	7,668	7,835	7,323	8,031	7,283	7,279	6,555	8,034
— Private Sector Premiums	-	-	171	390	319	563	737	1,129

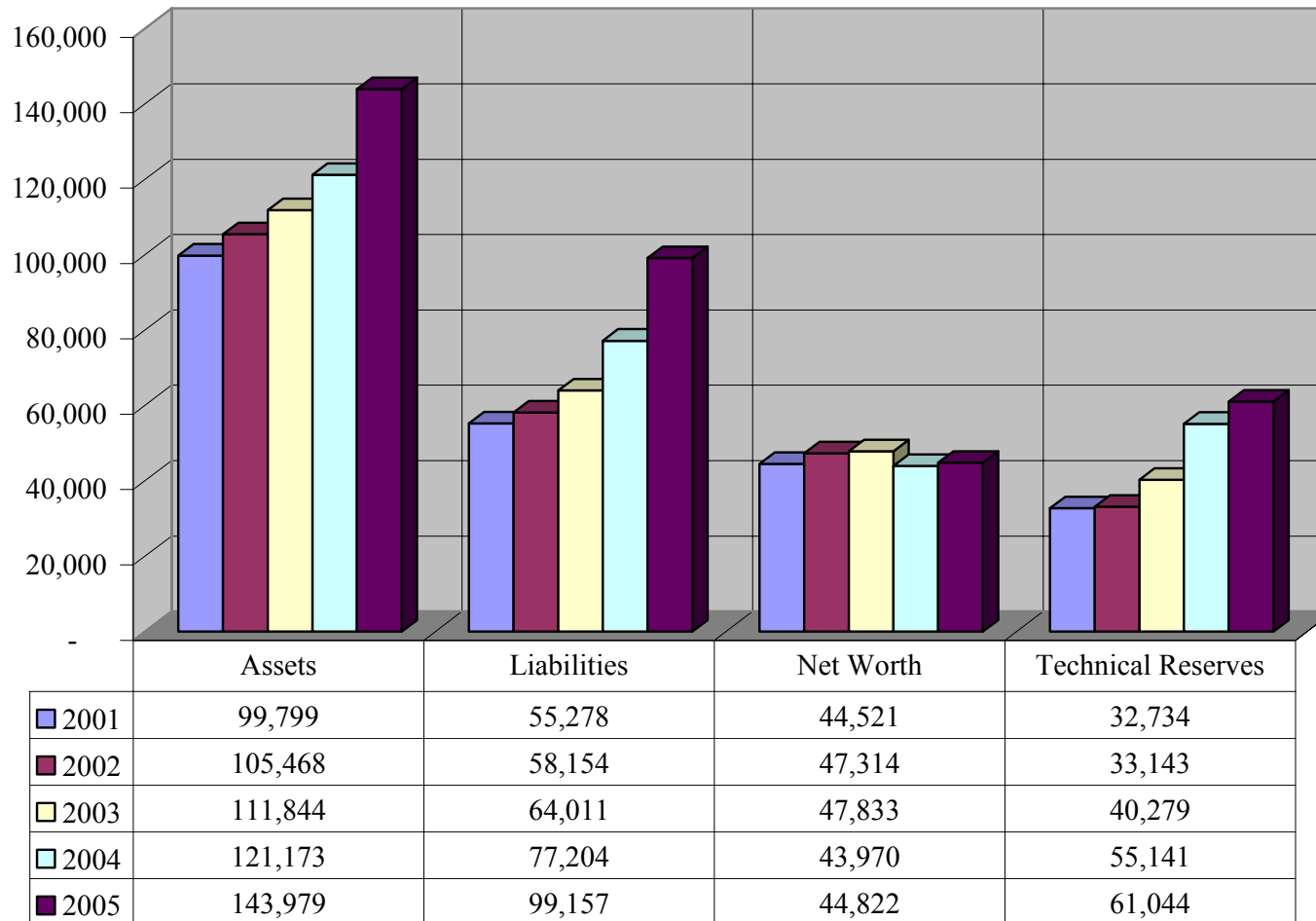
**CHART 5C: 1998-2005 TRENDS OF CONSOLIDATED GROSS PREMIUMS WRITTEN BY STATE AND PRIVATE INSURERS IN TANZANIA (IN TSHS MILLION)**



— State Sector Premiums (Consolidated)	36,876	27,851	21,581	20,252	18,677	20,444	21,469	22,562
— Private Sector Premiums (Consolidated)	2,377	13,939	20,181	26,381	35,083	48,996	60,305	77,571

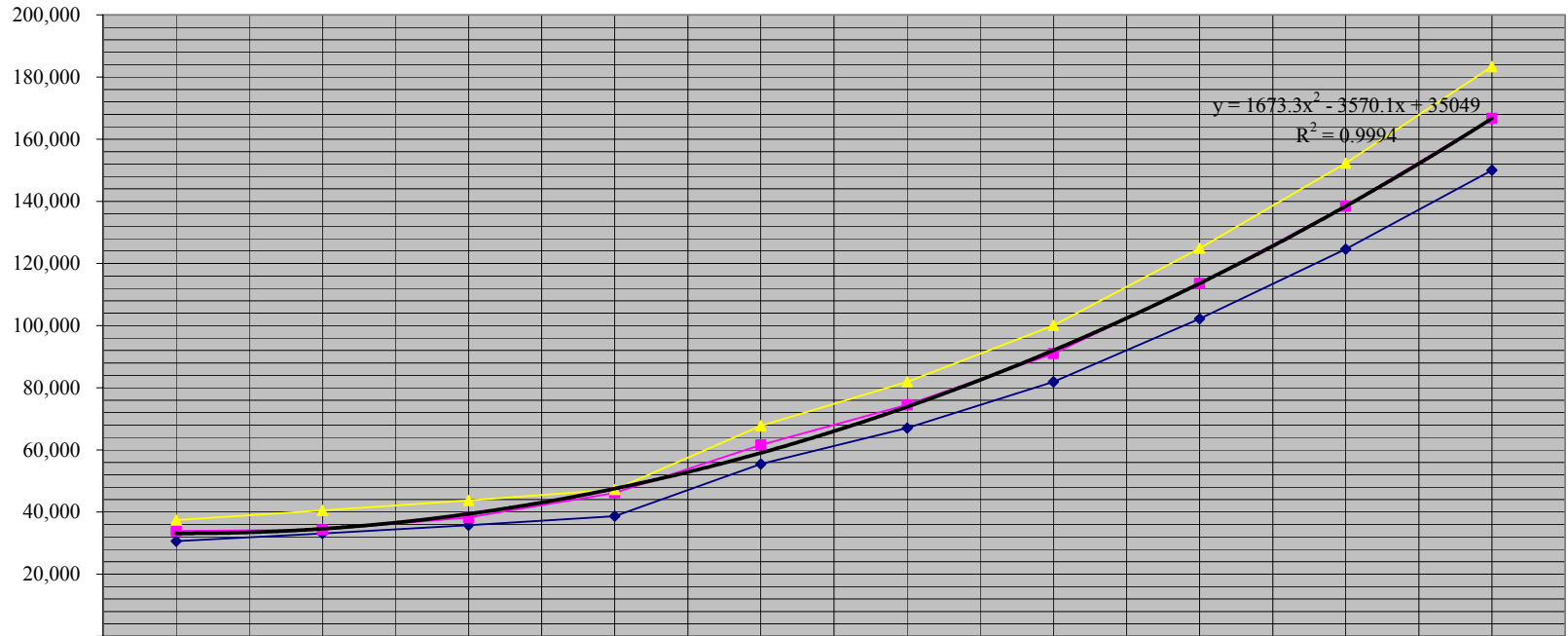


**CHART 6: 2001-2005 TRENDS OF TANZANIA INSURERS' ASSETS, LIABILITIES, NETWORTH, & TECHNICAL RESERVES (IN TSHS MILLION)**



**CHART 7A: 2006-2008 PROJECTION OF GENERAL (NON-LIFE) INSURANCE PREMIUMS WRITTEN BY TANZANIAN INSURERS, A POLYNOMIAL MODEL**

GROSS PREMIUMS WRITTEN IN TSHS MILLION

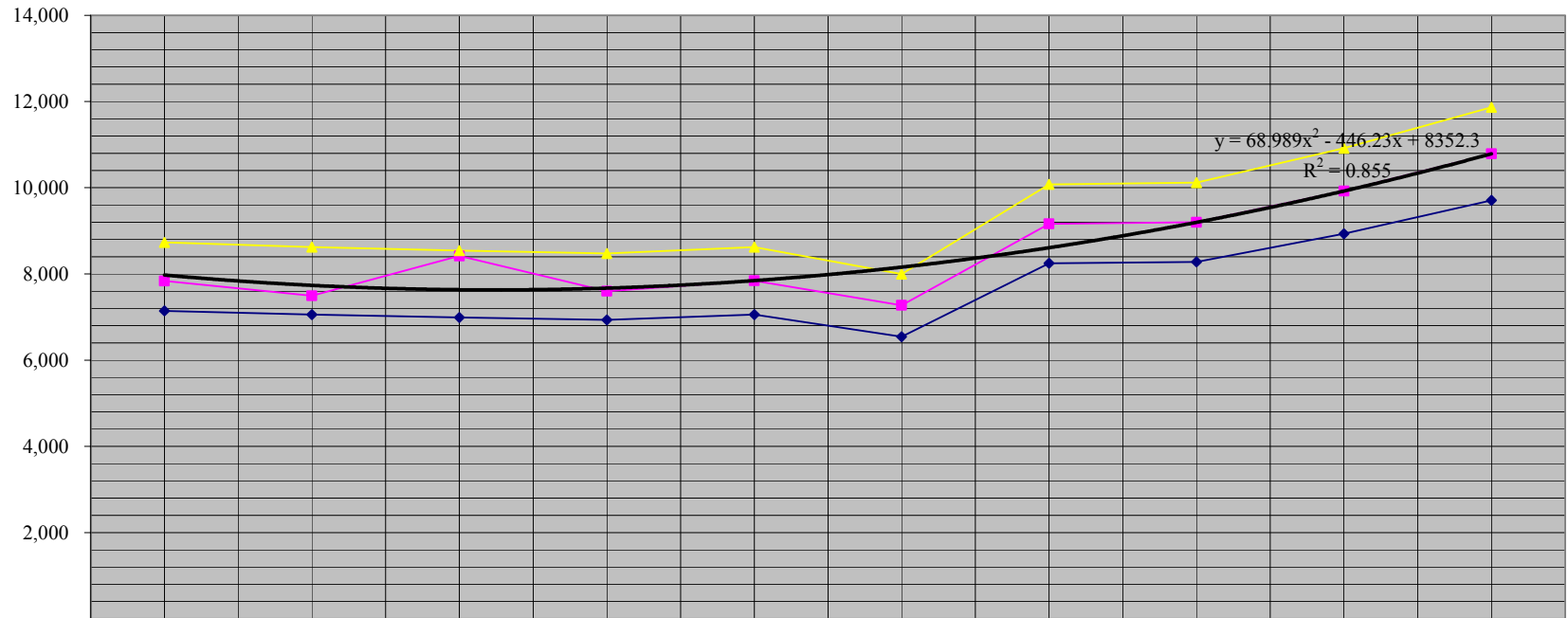


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
◆ Lower Corridor	30,651	33,118	35,783	38,663	55,438	67,033	81,873	102,221	124,610	150,010
■ NON-LIFE PREMIUMS	33,955	34,269	38,212	46,159	61,598	74,481	90,970	113,579	138,455	166,678
▲ Upper Corridor	37,463	40,478	43,735	47,254	67,758	81,929	100,067	124,937	152,301	183,346



**CHART 7B: 2006-2008 PROJECTION OF LONG TERM (LIFE) ASSURANCE PREMIUMS WRITTEN BY TANZANIAN INSURERS, A POLYNOMIAL MODEL**

GROSS PREMIUMS WRITTEN IN TSHS MILLION

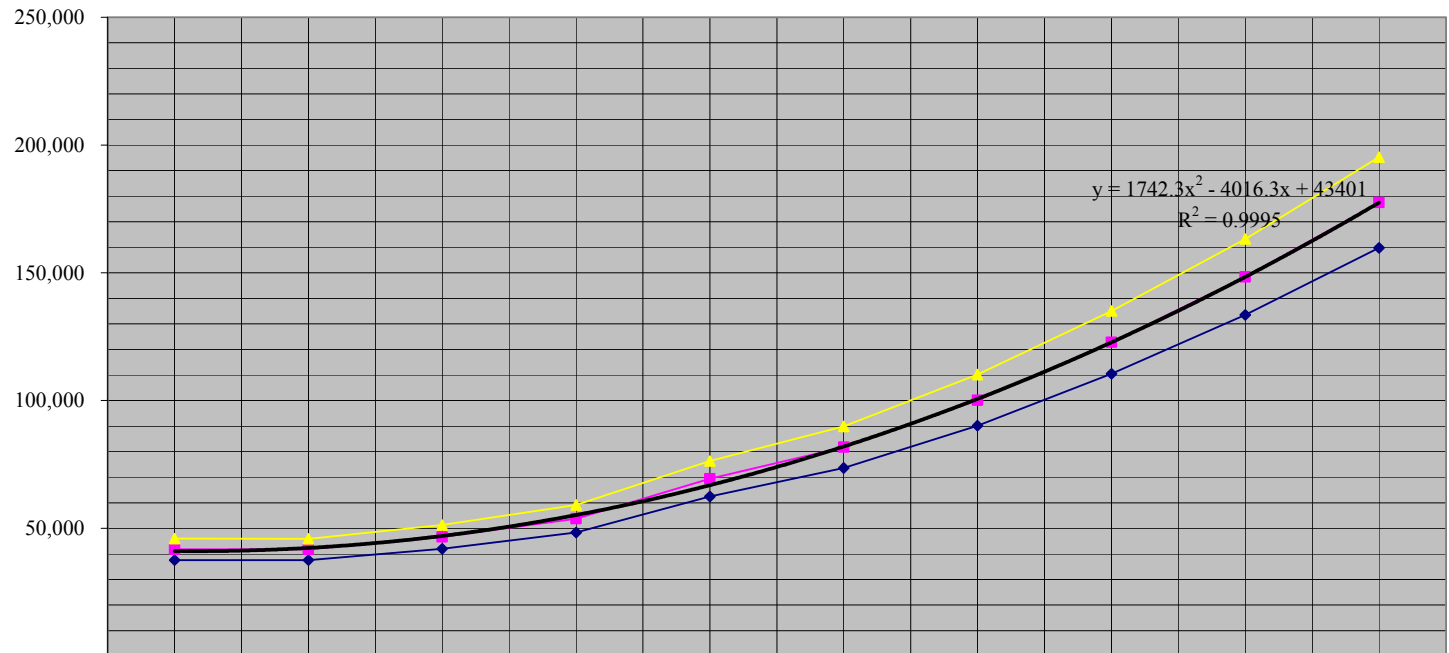


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Lower Corridor	7,144	7,056	6,988	6,932	7,058	6,545	8,247	8,278	8,932	9,710
LIFE PREMIUMS	7,835	7,495	8,421	7,602	7,842	7,272	9,163	9,198	9,924	10,789
Upper Corridor	8,732	8,624	8,541	8,473	8,626	7,999	10,079	10,118	10,917	11,868



**CHART 7C: 2006-2008 PROJECTION OF CONSOLIDATED (LIFE & NON-LIFE) MARKET PREMIUMS WRITTEN BY TANZANIAN INSURERS**

GROSS PREMIUMS IN TSHS MILLION



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
◆ Lower Corridor	37,611	37,587	41,970	48,385	62,496	73,578	90,120	110,499	133,542	159,720
■ CONSOLIDATED MARKET PREMIUMS	41,790	41,764	46,633	53,761	69,440	81,753	100,133	122,777	148,380	177,467
▲ Upper Corridor	45,969	45,940	51,296	59,137	76,384	89,928	110,146	135,055	163,218	195,214