

**“CIRCULAR LETTER NO.47 /2017 (INSURERS’ SALES OFFICES)”**

**TO: ALL INSURANCE COMPANIES**

**SUBJECT: MINIMUM CONDITIONS FOR ESTABLISHMENT OF INSURERS’  
SALES OFFICES**

**DATE: July 31, 2017**

It has come to the attention of the Tanzania Insurance Regulatory Authority (TIRA) that some insurance companies (“insurers”) have opened and others intend to open Sales Offices<sup>1</sup> in various parts of the country. Most of the Insurers that have opened Sales Offices have not put in place operational structures that enable such offices to effectively deliver the desired services to their stakeholders. This is in contravention of a sound business practice.

This Circular aims to require the following:

1. An Insurer’s Sales Office must at all times observe, at the minimum, operational conditions set out under **Appendix 1** hereto.
2. All Insurers which are currently operating Sales Offices which do not meet the minimum required conditions set out under this circular must submit to the Commissioner of Insurance their respective plans (including timelines) for achieving the minimum requirements for establishment of such offices by no later than 31<sup>st</sup> August 2017.
3. Nothing in this circular shall preclude the Commissioner of Insurance from conducting on-site inspections of insurance registrants as provided under Section 142 of the Insurance Act, 2009.

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<sup>1</sup> For purposes of this Circular Letter, an insurer’s Sales Office will be deemed to mean any office or business outlet (other than Head Office or Branch Office) established by an insurer for purposes of furthering its business interests whether in terms of sales, marketing, liaison, customer service, or such similar purpose.

Please be so advised.

A handwritten signature in black ink, appearing to be 'D. Saquare', written over a horizontal line.

**Dr. Baghayo A. Saquare**  
**Commissioner of Insurance**

**Encl.**

## **APPENDIX 1: MINIMUM OPERATIONAL CONDITIONS FOR A BROKER'S SALES OFFICE**

The minimum operational conditions to be observed by a Sales Office of a broker authorized to transact insurance business in the United Republic of Tanzania shall be as follows:

### **1. TIRA's Prior Approval for a Broker's Sales Office:**

- 1.1 No sales office shall be operated by any insurance broker without a prior authorization by TIRA as evidenced by an approval letter duly signed by the Commissioner of Insurance;
- 1.2 No sales office shall be operated by any insurance broker without a prior inspection by TIRA as to its suitability.

### **2. Sales Office Employees:**

- 2.1 A broker's sales office shall be headed by a Full Time employee (hereinafter referred to as "Sales Office in-Charge") who possesses at the minimum, certificate of proficiency in insurance or equivalent qualification in insurance;
- 2.2 A broker shall employ at least two staff members to handle the various key functions of the sales office, including, in the least, underwriting and claims function.
- 2.3 A broker's Sales Office employee handling sales office underwriting function or claims function must possess at least a National Examination Council Form IV Certificate Qualification (or equivalent) plus a basic professional insurance certificate issued by a reputable training institution;
- 2.4 Each broker's sales office employee shall be served with an appropriate letter/contract of appointment which shall specify, at the minimum, the employee's terms and conditions of employment as well as duties and responsibilities associated with relevant post.

### **3. Sales office Set-Up**

- 3.1 A broker's Sales Office shall be set-up in an adequate commercial neighbourhood, preferably within a Central Business District of a city, municipality, or town in which it operates, and shall afford the necessary accessibility to clients and other stakeholders;

- 3.2 A broker's Sales Office shall have sufficient office space to enable comfortable mobility of staff, clients, and other stakeholders who visit the office from time to time for official errands or other business-related activities;
- 3.3 A Broker's Sales Office shall observe appropriate hygiene requirements, including but not limited to, adequate ventilation for persons working in or visiting the office and clean washrooms;
- 3.4 A Broker's Sales Office shall contain appropriate office infrastructure that enable effective discharge of services to clients and other stakeholders.

#### **4. Sales Office Underwriting and Claims Function(s)**

- 4.1 A Broker's Sales Office Underwriting and Claims Function(s) shall be operated by employee(s) with minimum academic and professional qualifications as per Clause 1.3 above;
- 4.2 A Broker's Sales Office Underwriting and Claims Function(s) shall observe certain documented underwriting and claims guidelines (deposited at the Sales Office) either formulated at company level and approved by appropriate competent persons with the company or borrowed from relevant insurance companies with which the broker transacts business;
- 4.3 A broker's sales office underwriting and claims function(s) staff member(s) shall be conversant with the underwriting and claims guidelines;

#### **5. Sales Office Record Keeping and ICT**

- 5.1 A broker shall prescribe written guidelines regarding the desired forms and manner of records to be maintained by its sales offices;
- 5.2 A Broker's Sales Office shall maintain certain business records in both manual and electronic form, in respect of its key functions including, at least, in respect of business underwritten, claims processed/paid, premium collections and complaints lodged against the broker;
- 5.3 A broker's Sales Office shall be seamlessly connected to the Head Office to ensure accessibility of Sales Office records by company Head Office;
- 5.4 A broker's Sales Office records shall be regularly reconciled to Head Office Records to eliminate discrepancies that may arise;
- 5.5 A broker's Sales Office shall maintain appropriate electronic back-ups of its records and shall have them secured against possible destruction by perils.

*CONDITIONS FOR AN INSURANCE BROKER'S SALES OFFICE*

**6. Sales Office Reporting to Head Office**

- 6.1 A broker shall prescribe written guidelines regarding the desired forms and manner of reporting by its Sales Offices to the Head Office;
- 6.2 A broker's Sales Office shall prepare and submit certain business reports in both manual and electronic form, in respect of its key activities including, at least, in respect of business underwritten, claims processed/paid, premium collected and banked and complaints against the broker.

**7. Sales Office Supervision by Broker's Head Office**

- 7.1 A broker's Sales Office shall be sufficiently subjected to oversight by its Head Office;
- 7.2 The Broker's Head Office shall demonstrate a sufficient on-site review of the Sales office's transactions from time to time.