



TANZANIA INSURANCE REGULATORY AUTHORITY

MAMLAKA YA USIMAMIZI WA BIMA TANZANIA

**GUIDELINES TO THE INSURANCE INDUSTRY ON THE
ACTUARIAL FUNCTION**

**MIONGOZO KWA SEKTA YA BIMA KUHUSU
KITENGO CHA TAKWIMU BIMA**

Revised Version No. 1.0

Toleo Liliboreshwa Na. 1.0

DECEMBER, 2024

DESEMBA, 2024

TABLE OF CONTENTS	YALIYOMO
SECTION ONE: INTRODUCTION	SEHEMU YA KWANZA: UTANGULIZI
1.1 Authorization and Powers.....1	1.1 Idhini na Mamlaka.....1
1.2 Citation.....1	1.2 Nukuu.....1
1.3 Background and Rationale.....1	1.3 Usuli na Mantiki.....1
1.4 Application and Scope.....1	1.4 Matumizi na Mawanda.....1
1.5 Purpose and Objective.....2	1.5 Lengo na Madhumuni.....2
1.6 Interpretation and Acronyms.....3	1.6 Tafsiri na Vifupisho vya Maneno.....3
SECTION TWO: GENERAL PRINCIPLES	SEHEMU YA PILI: KANUNI ZA JUMLA
2.1 General Principles.....5	2.1 Kanuni za Jumla.....5
SECTION THREE: ACTUARIAL FUNCTION	SEHEMU YA TATU: KITENGO CHA TATHMINI BIMA
3.1 Qualification of Head of Actuarial Function.....6	3.1 Sifa ya Mkuu wa Kitengo cha Tathmini Bima.....6
3.2 Roles of Actuarial Function.....7	3.2 Majukumu ya Kitengo cha Tathmini Bima.....7
SECTION FOUR: APPOINTED ACTUARY	SEHEMU YA NNE: MTATHMINI BIMA ALIYETEULIWA
4.1 Qualification of Appointed Actuary.....11	4.1 Sifa za Mtathmini bima aliyeteuliwa.....11

TABLE OF CONTENTS	YALIYOMO
SECTION FIVE: SPECIFIC REQUIREMENTS	SEHEMU YA TANO: MAHITAJI MAALUM
5.1 Financial Condition Report.....15	5.1 Taarifa ya Hali ya Fedha.....15
5.2 Actuarial Valuation Report.....15	5.2 Taarifa ya Utathmini wa Bima.....15
SECTION SIX: REPORTING REQUIREMENTS	SEHEMU YA SITA: MAHITAJI YA TAARIFA
6.1 Reporting for Actuarial Function.....16	6.1 Utoaji wa Taarifa kwa Kitengo cha Utathmini Bima..16
6.2 Reporting for Appointed Actuary.....17	6.2 Utoaji wa Taarifa kwa Mtathmini aliyeteuliwa.....17
SECTION SEVEN: ENFORCEMENT	SEHEMU YA SABA: UTEKELEZAJI
7.1 Enforcement.....19	7.1 Utekelezaji.....19
SECTION EIGHT: REVIEW AND APPROVAL	SEHEMU YA NANE: MAPITIO NA IDHINI
8.1 Review of the Guidelines.....20	8.1 Mapitio ya Miongozo.....20
8.2 Effective Date.....20	8.2 Tarehe Rasmi ya Kuanza Kutumika.....20
8.3 Approval of the Guidelines.....20	8.3 Idhini ya Miongozo.....20

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
1.1 Authorization and Powers	These Guidelines are issued under Section 6 (2) (e) and 11 (b) of the Insurance Act Cap 394 which mandates the Authority to formulate and enforce standards in the conduct of the business of insurance which shall be observed by insurance registrants.	1.1 Idhini na Mamlaka	Miongozo hii imetolewa kwa mujibu wa Kifungu cha 6 (2) (e) na 11 (b) cha Sheria ya Bima Sura Ya. 394 ambacho kinaiwezesha Mamlaka kuweka vigezo vya uendeshaji wa shughuli za bima ambavyo vitatakiwa kuzingatiwa na watoa huduma za bima.
1.2 Citation	These Guidelines may be cited as “ <i>Guidelines to the Insurance Industry on the Actuarial Function</i> ”	1.2 Nukuu	Miongozo hii inafahamika kama “ <i>Miongozo Kwa Sekta Ya Bima Kuhusu Kitengo Cha Tathmini Bima</i> ”
1.3 Rationale	The rationale of these guidelines is to guarantee that an insurer possesses a adequate actuarial function capable of assessing and offering guidance to the insurer on, at least, estimation of liabilities, adequacy of premium, pricing of products, product design and adherence to relevant statutory and regulatory obligations.	1.3 Mantiki	Mantiki ya miongozo hii ni kuhakikisha kwamba kampuni ya bima ina kitengo cha tathmini bima chenye ujuzi wa kutosha kinachoweza kufanya uchambuzi na kutoa mwongozo kwa kampuni ya bima juu ya angalau, makadirio ya madeni, utoshelevu wa ada za bima, mchakato wa kupanga bei za bidhaa za bima, ubunifu wa bidhaa za bima na kufuata wajibu wa kisheria na usimamizi.
1.4 Application and Scope	These Guidelines are applicable to appointed actuarial firms, actuaries and all insurers registered in the United Republic of Tanzania. Unless otherwise stated, the term “insurer” in	1.4 Matumizi na Mawanda	Miongozo hii itatumika na kampuni za tathmini bima zilizoteuliwa, mtathmini bima aliyeteuliwa pamoja na kampuni zote za bima zilizosajiliwa katika Jamhuri ya Muungano wa Tanzania.

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
	these Guidelines includes both an insurer and reinsurer.		Isipokuwa imeelezwa vinginevyo, neno “kampuni ya bima” katika miongozo hii inajumuisha kampuni ya bima na kampuni ya bima mtawanyo.
1.5 Purpose and Objectives	<p>These Guidelines intend to;</p> <ul style="list-style-type: none"> i. Establish a mechanism of regulating and supervising activities of Appointed actuarial firms, appointed actuaries and actuarial functions of Insurers; ii. Provide duties of Appointed actuarial firms, appointed actuaries and roles of the actuarial functions of insurers; iii. Reinforce the professional standards expected of an appointed actuarial firms, appointed actuary and actuarial units of insurers in carrying out specified duties and overall responsibilities as a control function; and iv. Provide guidance for the operation of the Actuarial functions established by Insurers. 	1.5 Lengo na Madhumuni	<p>Miongozo hii inakusudia;</p> <ul style="list-style-type: none"> i. Kuanzisha utaratibu wa kusimamia shughuli za kampuni za tathmini bima zilizoteuliwa, watathimini bima walioteuliwa na kitengo cha tathmini bima cha kampuni ya bima; ii. Kuainisha majukumu ya kampuni za tathmini bima zilizoteuliwa, wataalamu wa tathmini bima walioteuliwa, na nafasi za kitengo cha tathmini bima cha makampuni ya bima; iii. Kuimarisha viwango vya kitaalamu vinavyotarajiwa kutoka kwa mtathmini bima aleyeteuliwa katika kutekeleza majukumu yake maalumu na wajibu wake kwa ujumla kama kazi ya udhibiti; na iv. Kutoa mwongozo wa uendeshaji wa kazi za kitengo cha tathmini bima kilianzishwa na kampuni ya bima.

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
<p>1.2 Interpretation and Acronyms</p>	<p>Act: means the Insurance Act Cap 394</p> <p>Authority: means Tanzania Insurance Regulatory Authority established under the Insurance Act.</p> <p>Commissioner: means the Commissioner of Insurance appointed under Section 7(1) of the Act</p> <p>Appointed Actuary: means an external and independent actuarial firm and actuary with qualifications specified in these guidelines.</p> <p>Actuarial Function: is a department/unit/section of a company that consists of one or more associate actuaries and actuarial candidates to assist and support the actuarial work of the company as required in these guidelines.</p> <p>Insurer: means an insurer as defined under section 3 of the Act.</p> <p>Financial Condition Report (FCR): means a written report to assess the financial condition of an Insurer.</p> <p>Actuarial Valuation Report: means a document for conveying Appointed Actuary's professional conclusion and recommendations to ensure that</p>	<p>1.6 Tafsiri ya maneno vifupisho vya maneno</p>	<p>Sheria: Maana yake ni Sheria ya Bima Sura ya 394</p> <p>Mamlaka: maana yake ni Mamlaka ya Usimamizi wa Bima Tanzania iliyoanzishwa chini ya Sheria ya Bima.</p> <p>Kamishna: maana yake ni Kamishna wa Bima aliyeteuliwa chini ya Kifungu cha 7(1) cha Sheria.</p> <p>Mtathmini bima aliyeteuliwa: inamaanisha mtathmini bima wa nje na aliye huru mwenye sifa zilizoainishwa katika miongozo hii.</p> <p>Kitengo cha tathmini Bima: ni idara / kitengo / sehemu ya kampuni ambayo ina mtathmini bima mmoja au Zaidi mwenye sifa zilizoainishwa kwenye miongozo hii.</p> <p>Bima: maana yake ni bima kama ilivyoelezwa chini ya Kifungu cha 3 cha Sheria.</p> <p>Taarifa ya Hali ya Kifedha (FCR): inamaanisha taarifa iliyoandaliwa kwa ajili ya kutathmini hali ya kifedha ya kampuni ya bima.</p> <p>Taarifa ya Utathmini Bima: inamaanisha taarifa ya kuwasilisha mjumuisho na mapendekezo ya</p>

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
	<p>insurer is aware of the significance of the Appointed Actuary's opinion and findings.</p> <p>Board means Insurer's Board of Directors.</p>		<p>mtathimi bima aliyeteuliwa kuhahakisha kwamba kampuni ya bima inatambua umuhimu wa maoni na matokeo ya kazi yake.</p> <p>Bodi inamaanisha Bodi ya Wakurugenzi wa Kampuni ya Bima.</p>

SECTION TWO: INSURERS ACTUARIAL SERVICE REQUIREMENTS		SEHEMU YA PILI: MAHITAJI YA HUDUMA ZA KITATHMINI BIMA KWA MAKAMPUNI YA BIMA	
2.1 Requirements	<p>2.1.1 An insurer shall be required to set up a robust actuarial function that is well positioned, resourced and staffed for proper operation.</p> <p>2.1.2 The insurer shall be required to engage an appointed actuary subject to approval by the Authority.</p> <p>2.1.3 The actuarial function and the appointed actuary shall be required to have access to and periodically report to the Board.</p>	2.1 Mahitaji	<p>2.1.1 Kampuni ya Bima itahitajika kuanzisha kitengo cha utathmini bima thabiti ambacho kina rasilimali za kutosha kwa ajili ya utendaji madhubuti.</p> <p>2.1.2 Kampuni ya Bima itamteua mtathmini bima kulingana na idhini ya Mamlaka.</p> <p>2.1.3 Kitengo cha tahmini bima na mtathmini bima aliyeteuliwa watapaswa kuwa na uwezo wa kufikia na kuwasilisha taarifa kwa Bodi kwa kipindi husika.</p>

SECTION THREE: QUALIFICATION, ROLES AND FUNCTION OF HEAD OF ACTUARIAL UNIT		SEHEMU YA TATU: SIFA, MAJUKUMU NA KAZI ZA MKUU WA KITENGO CHA TATHMINI BIMA	
3.1 Qualification of Head of Actuarial Function	<p>3.1.1 The Head of Actuarial Function shall:</p> <ul style="list-style-type: none"> i. Have a minimum of bachelor's degree in actuarial studies, statistics and mathematics or relevant qualifications and with 3 years post-qualification work experience; ii. Has enrolled in the recognized and reputable actuarial professional bodies or institutions within or outside Tanzania; and iii. Be a citizen of Tanzania. 	3.1 Sifa ya Mkuu wa Kitengo cha Tathmini Bima	<p>3.1.1 Mkuu wa Kitengo cha Tathimini Bima atapaswa:</p> <ul style="list-style-type: none"> i. Kuwa na angalau na shahada ya tathmini bima katika masomo ya utathimini bima pamoja na uzoefu wa kazi usiopungua miaka mitatu (3) baada ya kuhitimu; ii. Awe amesajiliwa na taasisi au vyama vya wataalamu wa tathmini bima vinavyotambulika na vyenye hadhi, ndani au nje ya Tanzania; na iii. Kuwa raia wa Tanzania.
3.2 Roles of Actuarial Functions	<p>3.2.1 The actuarial function shall be required to have access to and periodically report to the Board on matters such as:</p> <ul style="list-style-type: none"> i. Circumstances that may have a material effect on the insurer from an actuarial perspective; 	3.2 Majukumu ya kitengo cha Tathmini Bima	<p>3.2.1 Kitengo cha tathmini bima kinapaswa kuwa na ufikiaji kwa kipindi husika kwa Bodi juu ya masuala kama:</p> <ul style="list-style-type: none"> i. Hali ambazo zinaweza kuathiri kampuni ya bima kwa mtazamo wa kitathmini bima; ii. Makadirio na dhana za madeni;

SECTION THREE: QUALIFICATION, ROLES AND FUNCTION OF HEAD OF ACTUARIAL UNIT		SEHEMU YA TATU: SIFA, MAJUKUMU NA KAZI ZA MKUU WA KITENGO CHA TATHMINI BIMA	
	<ul style="list-style-type: none"> ii. Estimates and assumptions for liabilities; iii. Prospective solvency position and cash flow of the insurer; iv. Adequacy of Actuarial Models used in providing output for preparation and presentation of financial statements; and v. Any other matters as determined by the Board. <p>3.2.2 The actuarial function shall be required to evaluate and provide advice on the following:</p> <ul style="list-style-type: none"> i. Risks facing insurer; ii. Insurer's investment policies and valuation of assets; iii. Insurer's current and prospective solvency position, including a calculation of capital requirements and liabilities for regulatory purposes. iv. Risk assessment and management policies and controls relevant to 		<ul style="list-style-type: none"> iii. Uwezo wa kulipa madeni ya kibima ya baadae mtiririko wa fedha wa kampuni ya bima; iv. Utoshelevu wa miundo ya utathmini bima inayotumika kutoa matokeo ya kuandaa na kuwasilisha taarifa za kifedha; Na v. Mambo mengine yoyote yatakayotajwa na Bodi. <p>3.2.2 Kitengo cha tathmini Bima kinapaswa kutathmini na kutoa ushauri juu ya yafuatayo:</p> <ul style="list-style-type: none"> i. Hatari zinazokabili kampuni ya bima; ii. Sera za uwekezaji wa kampuni ya bima na tathmini za mali; iii. Hali ya sasa na ya baadae ya ukwasi ikiwa ni pamoja na hesabu ya mahitaji ya mtaji na madeni kwa madhumuni ya usimamizi. iv. Tathmini ya vihatarishi na sera za uongozi na udhibiti unaofaa kwa

SECTION THREE: QUALIFICATION, ROLES AND FUNCTION OF HEAD OF ACTUARIAL UNIT		SEHEMU YA TATU: SIFA, MAJUKUMU NA KAZI ZA MKUU WA KITENGO CHA TATHMINI BIMA	
	<p>actuarial matters or financial condition of the insurer;</p> <p>v. Distribution of surplus;</p> <p>vi. Underwriting policies;</p> <p>vii. Reinsurance arrangements;</p> <p>viii. Product development and design, including the terms and conditions of insurance contracts;</p> <p>ix. Scenario and sensitivity testing;</p> <p>x. Sufficiency and quality of data used in the calculation of liabilities; and</p> <p>xi. Risk modelling and use of internal models, where applicable.</p>		<p>masuala ya tathmini bima au hali ya kifedha ya kampuni ya bima;</p> <p>v. Ugawanyaji wa kiasi cha ziada;</p> <p>vi. Sera za uandikishaji bima;</p> <p>vii. Mikataba ya bima mtawanyo;</p> <p>viii. Utengenezaji na uundaji wa bidhaa za bima kwa kuzingatia vigezo na masharti ya mikataba ya bima;</p> <p>ix. Upimaji wa mabadiliko ya hali;</p> <p>x. Utoshelevu na ubora wa data zilizotumika katika hesabu ya madeni; Na</p> <p>xi. Muundo wa vihatarishi na matumizi ya miundo ya ndani, ikiwa inafaa.</p>
3.3 Access to information	3.3.1 The actuarial function must have access to the insurer's Board, External Auditors and Internal Auditors as required.	3.3 Upatikanaji wa Taarifa	3.3.1 Kitengo cha tathmini bima kinapaswa kuwa na mawasiliano na Bodi ya kampuni ya bima, Wakaguzi wa Nje na Wakaguzi wa Ndani kama inavyotakiwa.
3.4 Role of Insurer	3.4.1 An insurer must ensure that the actuarial function has access to all relevant data, information, reports and staff of the insurer, and must take all reasonable steps to	3.4 Majukumu ya Kampuni ya Bima	3.4.1 Kampuni ya Bima inapaswa kuhakikisha kitengo cha tathmini bima kina ufikiaji wa taarifa ghafi, taarifa, ripoti na rasilimali watu wa kampuni ya bima, na kuchukua

SECTION THREE: QUALIFICATION, ROLES AND FUNCTION OF HEAD OF ACTUARIAL UNIT		SEHEMU YA TATU: SIFA, MAJUKUMU NA KAZI ZA MKUU WA KITENGO CHA TATHMINI BIMA	
	ensure access to all relevant service providers of the insurer, that its actuarial function reasonably believes are necessary to fulfill its responsibilities.		hatua zinazofaa ili kuhakikisha ufikiaji wa watoa huduma za bima kwa kampuni ya bima husika, ambazo kitengo cha tathmini bima kinaamini ni muhimu katika kufanikisha majukumu yake.

SECTION FOUR: QUALIFICATION, ROLES AND FUNCTION OF THE APPOINTED ACTUARY		SEHEMU YA NNE: MTATHMINI BIMA ALIYETEULIWA	
4.1 Qualification of appointed actuary	<p>4.1.1 The Appointed Actuary shall:</p> <ul style="list-style-type: none"> i. Be an actuarial firm that locally registered and licensed by the Authority; ii. Has minimum capabilities to perform valuations of actuarial liabilities for an insurer and debt evaluation, capital management, stress and scenario testing, investment and financial statements analysis; iii. Has ability to prepare and analyse IFRS 17 Reports; 	4.1 Sifa za Mtathmini bima aliyeteuliwa	<p>4.1.1 Mtathmini Bima aliyeteuliwa anatakiwa:</p> <ul style="list-style-type: none"> i) Kuwa kampuni ya tathmini bima iliyosajiliwa na Mamlaka nchini; ii) Kuwa na uzoefu katika kufanya tathmini ya kihesabu kwa kampuni za bima na awe anashiriki kikamilifu katika kutoa ushauri kwa kampuni za bima kuhusu tathmini ya madeni, usimamizi wa mitaji, na utoaji wa taarifa za kifedha. iii) Kuwa na uwezo wa kuandaa na kufanya uchambuzi wa IFRS 17; iv) Awe amsajiliwa na kupewa leseni na Mamlaka;
4.2 Appointment, Approval and Duration	<p>4.2.1 An insurer shall appoint an Actuary with prior approval of "Commissioner" for each financial year not later than one month before end of the relevant year.</p> <p>4.2.2 The responsibility for nominating the appointed actuary lies with the Board. In carrying out this responsibility, the Board must ensure that the appointment is in</p>	4.2	<p>4.2.1 Kampuni ya Bima inapaswa kuteua Mtathmini bima kwa idhini ya "Kamishna" kwa kila mwaka wa fedha si zaidi ya mwezi mmoja kabla kuisha kwa mwaka husika.</p> <p>4.2.2 Wajibu wa kumteua Mtathmini bima ni wa Bodi. Wakati wa kutekeleza jukumu hilo, Bodi inalazimika kuhakikisha kuwa uteuzi</p>

SECTION FOUR: QUALIFICATION, ROLES AND FUNCTION OF THE APPOINTED ACTUARY		SEHEMU YA NNE: MTATHMINI BIMA ALIYETEULIWA	
	<p>accordance with the requirements set out in these Guidelines.</p> <p>4.2.3 An appointed actuary shall be appointed for a fixed term of four (4) years, with an option to extend for an additional four (4) years, not exceeding a total of eight (8) years. After the completion of this period, a different appointed actuary must be appointed to ensure independence and objectivity. An appointed actuary who has been rotated off the audit of an insurer may resume the role as an appointed actuary after a lapse of four (4) years from the last engagement with that insurer.</p>		<p>huo unazingatia mahitaji yaliyowekwa katika Miongozo hii.</p> <p>4.2.3 Mtathmini Bima aliyeteuliwa atateuliwa kwa kipindi cha miaka minne (4), na chaguo la kuongeza kwa miaka mingine minne (4), pasipo kuzidi jumla ya miaka sita (6). Baada ya kumalizika kwa kipindi hiki, mkaguzi tofauti lazima ateuilwe ili kuhakikisha uhuru na uwazi. Mtathmini Bima aliyeteuliwa ambaye amesitishwa kwenye ukaguzi wa kampuni ya bima anaweza kurudi kuteuliwa kama Mtathmini Bima aliyeteuliwa baada ya kupita kwa miaka minne (4) tangu uteuzi wa mwisho na kampuni hiyo ya bima.</p>
4.3 Removal of appointed actuary	<p>4.3.1 If an Appointed Actuary resigns or is replaced, the insurer shall notify the Authority and give the reasons for the resignation or replacement. Such a notification shall include a statement of whether or not there were any</p>	4.3 Mabadiliko ya Mtathmini Bima aliyeteuliwa	<p>4.3.1 Ikiwa Mtathmini bima aliyeteuliwa atajiuzulu au kubadilishwa, kampuni ya bima itapaswa kutoa taarifa kwa Mamlaka na kutoa sababu za kujiuzulu au kubadilisha. Taarifa hiyo itaainisha ikiwa ilikosekana na makubaliano na Mtathmini</p>

SECTION FOUR: QUALIFICATION, ROLES AND FUNCTION OF THE APPOINTED ACTUARY		SEHEMU YA NNE: MTATHMINI BIMA ALIYETEULIWA	
	<p>disagreements with the former Appointed Actuary over the content of the actuary's opinion on matters of risk management, required disclosures, scopes, procedures, or data quality, and whether or not such disagreements were resolved to the former Appointed Actuary's satisfaction.</p> <p>4.3.2 The Authority may require an insurer to replace an Appointed Actuary when such person fails to adequately perform required functions or duties, is subject to conflicts of interest or no longer meets eligibility requirements.</p>		<p>bima wa zamani juu ya maudhui ya maoni ya masuala ya usimamizi wa vihatarishi, ufichuzi unaohitajika, mawanda, taratibu, au ubora wa taarifa, na ikiwa kutokubaliana huko kulitatuliwa kwa kuridhika kwa Mtathmini bima wa zamani aliyochaguliwa.</p> <p>4.3.2 Mamlaka inaweza kuitaka kampuni ya bima kubadilisha Mtathmini bima aliyeteuliwa iwapo atashindwa kutekeleza majukumu yake ipasavyo, mgongano wa kimaslahi au kutokidhi matakwa yanayostahili.</p>

SECTION FIVE: FINANCIAL CONDITION REPORT AND ACTUARIAL VALUATION REPORT		SEHEMU YA TANO: TAARIFA YA HALI YA FEDHA NA TAARIFA YA TATHMINI WA BIMA	
5.1 Financial Condition Report	<p>5.1.1 The insurer shall produce a Financial Condition Report (FCR) duly prepared by the Appointed Actuary for each financial year.</p> <p>5.1.2 The FCR shall include items under Appendix 1.</p>	5.1 Taarifa ya Hali ya Fedha	<p>5.1.1 Kampuni ya Bima itaandaa Taarifa ya Hali ya Fedha (FCR) iliyoandaliwa Mtathmini bima aliyeteuliwa kwa kila mwaka wa fedha.</p> <p>5.1.2 Taarifa ya Hali ya Fedha (FCR) itajumuisha mahitaji yaliyoainishwa kwenye Kiambatisho 1.</p>
5.2 Actuarial Valuation Report	<p>5.2.1 The insurer shall produce Actuarial Valuation Report (AVR) duly prepared by appointed actuary as per provision of the Act.</p> <p>5.2.2 The Actuarial Valuation Report shall include items under Appendix 2.</p>	5.2 Taarifa ya Utathmini wa Bima	<p>5.2.1 Kampuni ya Bima itatengeneza Taarifa ya Utathmini wa Bima (AVR) iliyoandaliwa na Mtathmini bima aliyeteuliwa kulingana na kifungu cha Sheria.</p> <p>5.2.2 Taarifa ya Utathmini (AVR) itajumuisha mahitaji yaliyoainishwa kwenye Kiambatisho 1.</p>



SECTION SIX: REPORTING REQUIREMENTS		SEHEMU YA SITA: MAHITAJI YA TAARIFA	
6.1 Reporting for Actuarial Function	<p>6.1.1 The head of actuarial function shall report to the Board:</p> <ul style="list-style-type: none"> i. Any matter that may have an adverse material impact on the insurer's solvency or financial condition; ii. Any circumstance that may have a material effect on the insurer from an actuarial perspective; iii. Adequacy of the assumptions and estimates of insurance contract liabilities and other liabilities; iv. The adequacy of reinsurance contract held assets; v. If the insurer is in contravention of, or the actuarial function considers that the insurer is likely to contravene, any provisions of the Act, Regulations or any requirements concerning capital 	6.1 Utoaji wa Taafifa kwa Kitengo cha Tathmini Bima	<p>6.1.1 Kiongozi wa kitengo cha tathmini kitawasilisha taarifa ifuatayo kwa Bodi:</p> <ul style="list-style-type: none"> i. Suala lolote ambalo linaweza kuwa na athari mbaya kwenye ukwasi wa kampuni ya bima au hali ya kifedha; ii. Hali yoyote ambayo inaweza kuwa na athari kwa kampuni ya bima kwa mtazamo wa utathmini bima; iii. Utoshelevu wa dhana na makadirio ya madeni ya mkataba wa bima na madeni mengine; iv. Utoshelevu wa mali za mikataba ya bima mtawanyo; v. Ikiwa kampuni ya bima inaenda kinyume, au imekiuka kitengo cha utathmini bima na kinazingatia kwamba kampuni ya bima imekiuka kifungu chochote cha Sheria, Kanuni zake au matakwa yoyote yanayohusu utoshelevu wa mtaji, ukwasi na hali ya kifedha.

SECTION SIX: REPORTING REQUIREMENTS		SEHEMU YA SITA: MAHITAJI YA TAARIFA	
	<p>adequacy, solvency or financial condition;</p> <p>6.1.2 The head of actuarial function must report to the Authority directly and immediately in circumstances where the insurer has:</p> <ol style="list-style-type: none"> i. breached or is likely to breach solvency requirements; ii. ceased holding effective reinsurance contract held assets; <p>6.1.3 The head of actuarial function shall is required to report to the Authority directly and immediately where an insurer or its directors may have contravened the Act, or any other law and the contravention may prejudice the interests of the policyholders.</p>		<p>6.1.2 Mtathmini bima aliyeteuliwa ni lazima awasilishe kwa Mamlaka moja kwa moja hali ambayo inaashiria kwamba kampuni ya bima:</p> <ol style="list-style-type: none"> i. imekiuka au inaelekea kukiuka matakwa ya ukwasi; ii. haina mali za mikataba ya bima mtawanyo madhubuti; <p>6.1.3 Mtathmini bima aliyeteuliwa aliyeteuliwa anatakiwa kuwasilisha taarifa moja kwa moja kwa Mamlaka iwapo kampuni ya bima au wakurugenzi wake wamekiuka Sheria ya bima au Sheria nyingine na ukiukwaji huo unapoteza maslahi ya wakata bima.</p>
6.2 Reporting for Appointed Actuary	<p>6.2.1 The Appointed Actuary of an insurer shall submit to the Board a Quarterly Solvency Statement determined in accordance with the Regulations and generally accepted actuarial principles.</p> <p>6.2.2 The insurer shall submit to the Authority:</p>	6.2 Utoaji wa Taarifa Mtathmini Aliyeteuliwa	<p>6.2.1 Mtathmini bima aliteuliwa atapaswa kuwasilisha kwenye Bodi taarifa ya Ukwasi ya robo mwaka kwa mujibu wa Kanuni za bima na Kanuni za tathmini bima.</p>

SECTION SIX: REPORTING REQUIREMENTS		SEHEMU YA SITA: MAHITAJI YA TAARIFA	
	<ul style="list-style-type: none"> i. A Financial Condition Report duly prepared by the Appointed Actuary within four months of the end of each financial year; ii. Annual Solvency Statement determined in accordance with the Regulations and generally accepted actuarial principles at the end of each year; <p>6.2.3 The Appointed Actuary must report to the Authority directly and immediately in circumstances where the insurer has</p> <ul style="list-style-type: none"> i. breached or is likely to breach solvency requirements; ii. ceased holding effective reinsurance contract held assets; <p>6.2.4 The Appointed Actuary is required to report to the Authority directly and immediately where an insurer or its directors may have contravened the Act, or any other law and the contravention</p>		<p>6.2.2 Kampuni ya bima itawasilisha kwa Mamlaka:</p> <ul style="list-style-type: none"> i. Taarifa ya Hali ya Fedha iliyoandaliwa na Mtathmini bima aliyeteuliwa ndani ya miezi minne baada ya kuisha kwa mwaka wa fedha husika; ii. Taarifa ya Ukwasi ya kila mwaka itaandaliwa kwa mujibu wa Kanuni za bima na Kanuni za tathmini bima kila baada ya mwaka kuisha; <p>6.2.3 Mtathmini bima aliyeteuliwa ni lazima awasilishe kwa Mamlaka moja kwa moja hali ambayo inaashiria kwamba kampuni ya bima:</p> <ul style="list-style-type: none"> iii. imekiuka au inaelekea kukiuka matakwa ya ukwasi; iv. haina mali za mikataba ya bima mtawanyo madhubuti; <p>6.2.4 Mtathmini bima aliyeteuliwa aliyeteuliwa anatakiwa kuwasilisha taarifa moja kwa moja kwa Mamlaka iwapo kampuni ya</p>

SECTION SIX: REPORTING REQUIREMENTS		SEHEMU YA SITA: MAHITAJI YA TAARIFA	
	<p>may prejudice the interests of the policyholders.</p> <p>6.2.5 Where such a report is made directly to Authority, the Appointed Actuary is not under any obligation to disclose this to the Management and/or the Board if the Appointed Actuary considers that by doing so, the interests of policyholders may be jeopardized; or has lost confidence in the Board or Management of the Insurer.</p>		<p>bima au wakurugenzi wake wamekiuka Sheria ya bima au Sheria nyingine na ukiukwaji huo unapoteza maslahi ya wakata bima.</p> <p>6.2.5 Pale ambapo taarifa hiyo inawasilishwa moja kwa moja kwa Mamlaka, Mtathmini bima aliyeteuliwa hana wajibu wa kuwasilisha kwenye uongozi au Bodi iwapo mtathmini bima aliyeteuliwa anaona kwamba kwa kufanya hivyo maslahi ya wakata bima yatakua hatarini au amekosa imani na Bodi au Uongozi wa kampuni ya bima.</p>

SECTION SEVEN: PROHIBITED PRACTICES		SEHEMU YA SABA: UTEKELEZAJI	
7.1 Prohibition	<p>7.1.1 The Appointed Actuary shall not hold positions within or outside of the insurer that may create conflicts of interest or compromise his or her independence.</p> <p>7.1.2 Any person who contravenes the provision of these guidelines commits an offence and shall be subject to regulatory sanctions by the Commissioner of Insurance as per Insurance Act Cap 394.</p>	7.1 Makatizo	<p>7.1.1 Mtathmini bima aliyeteuliwa hatashika nafasi yoyote ya ndani au nje ya kampuni ya bima ambayo inaweza kusababisha migongano ya maslahi au kuathiri uhuru wake.</p> <p>7.1.2 Mtu yeyote anayekiuka matakwa ya miongozo hii anatenda kosa na atawajibishwa na Kamishna wa Bima kwa mujibu wa Sheria ya Bima Sura ya 394.</p>

SECTION EIGHT: REVIEW AND APPROVAL		SEHEMU YA NANE: MAPITIO NA IDHINI	
8.1 Review of the Guidelines	<p>8.1.1 These Guidelines may be reviewed by the Authority once every three years for improvement.</p> <p>8.1.2 Notwithstanding 8.1.1 above, the Commissioner may issue provisions that shall form Addendum to these Guidelines as and when required.</p>	8.1 Mapitio ya Miongozo	<p>8.1.1 Miongozo hii inaweza kupitiwa mara moja kila baada ya miaka mitatu kwa ajili ya maboresho.</p> <p>8.1.2 Bila kuathiri kifungu cha 8.1.1 hapo juu, Kamishna anaweza kutoa masharti yatakakuwa Kiambatisho kwenye Miongozo hii kulingana na mahitaji.</p>
8.2 Effective date	The reviewed Guidelines shall come into force on the 1 st January, 2025.	8.3 Tarehe Rasmi ya Kuanza Kutumika	Miongozo hii iliyoboreshwa itanza kutumika rasmi tarehe 1 Januari, 2025.
8.4 Approval	<p>Approved by:</p>  <p>.....</p> <p>Dr. Baghayo A. Saqware Commissioner of Insurance</p>	8.5 Idhini	<p>Imeidhinishwa na:</p>  <p>.....</p> <p>Dkt. Baghayo A. Saqware Kamishna wa Bima</p>

FOR APPLICATION AND ENQUIRIES PLEASE WRITE TO:	KWA MAOMBI AU MAULIZO, ANDIKA KWA:
<p>HEADQUARTERS OFFICE</p> <p>PSSSF Building, 5th floor, Plot No. 4/5, Makole street, P. O. Box 2987,</p> <p>DODOMA - TANZANIA.</p> <p>Tel: +255 (026) 232 1180 Fax: +255 (026) 232 1180 Email: coi@tira.go.tz Website: www.tira.go.tz</p>	<p>OFISI ZA MAKAO MAKUU</p> <p>Jengo la PSSSF, Ghorofa 5, Kiwanja Na. 4/5, Mtaa wa Makole, S.L.P 2987,</p> <p>DODOMA -TANZANIA</p> <p>Simu: +255 (026) 232 1180 Nukushi: +255 (026) 232 1180 Baruapepe: coi@tira.go.tz Mtandao: www.tira.go.tz</p>
<p>DAR ES SALAAM OFFICE</p> <p>TIRA HOUSE, Block 33, Plot No. 85/2115, Mtendeni Street, P. O. Box 9892,</p> <p>DAR ES SALAAM - TANZANIA</p>	<p>OFISI YA DAR ES ALAAM</p> <p>Jengo la TIRA, Kitalu Na. 85/2115, Mtaa wa Mtendeni, S.L.P 9892,</p> <p>DAR ES SALAAM – TANZANIA</p>

FOR APPLICATION AND ENQUIRIES PLEASE WRITE TO:	KWA MAOMBI AU MAULIZO, ANDIKA KWA:
<p>Tel:+255(022)2132537/2116120/2116131</p> <p>Fax: +255(022)2132539</p> <p>Email: coi@tira.go.tz</p> <p>Website: www.tira.go.tz</p>	<p>Simu:+255(022)2132537/2116120/2116131</p> <p>Nukushi: +255(022)2132539</p> <p>Baruapepe: coi@tira.go.tz</p> <p>Mtandao: www.tira.go.tz</p>
<p>ZANZIBAR OFFICE</p> <p>TIRA House, Kilimani Street, P. O. Box 133, ZANZIBAR.</p> <p>Tel: +255 (024) 223 7271</p> <p>Fax: +255 (024) 223 7272</p> <p>Email: dcoi@tira.go.tz</p> <p>Website: www.tira.go.tz</p>	<p>OFISI YA ZANZNIBAR</p> <p>Nyumba ya Kilimani, Mtaa wa Kilimani, S.L.P 133, ZANZIBAR.</p> <p>Simu: +255 (024) 223 7271</p> <p>Nukushi: +255 (024) 223 7272</p> <p>Paruapepe: dcoi@tira.go.tz</p> <p>Mtandao: www.tira.go.tz</p>

APPENDIX I: REQUIREMENTS OF FINANCIAL CONDITION REPORT

1. Statement by the Appointed Actuary

- a) The Appointed Actuary must sign and state the date of completion of FCR;
- b) The Appointed Actuary must provide the FCR to the insurer to allow the Board sufficient and reasonable opportunity to consider the information within the FCR in preparing the annual regulatory financial statement; and
- c) A statement must be provided that the Actuary's reporting has been prepared in accordance with this guideline and generally accepted actuarial principles.

2. Information requirement:

2.1. The Appointed Actuary must:

- a) request the insurer of the information required, including data and reports needed, as well as the staff and relevant professionals with whom the Actuary will need to consult, in order to prepare the FCR;
- b) identify in the FCR all information upon which material reliance has been placed in preparing the FCR; and
- c) take reasonable steps to verify and document the consistency, completeness and accuracy of the information, including data and reports, provided by the insurer against the insurer's financial and other records. Material discrepancies that cannot be resolved with the insurer must be outlined in the FCR, together with the consequent limitations of the FCR.

2.2. Where the insurer does not provide adequate and timely access to information, including data and reports, and staff, as required by the Appointed Actuary, and the information cannot otherwise be practically obtained, the Appointed Actuary may omit from the FCR analysis that is dependent on that

information, but must provide an explanation as to why it has been omitted and an assessment of the consequent limitations of the FCR.

2.3. Where the Appointed Actuary places reliance upon others to provide information required, and this information is limited, or not forthcoming, the Appointed Actuary must note this in the FCR, together with an assessment of the consequent limitations of the FCR.

2.4. The Appointed Actuary must take reasonable steps to verify and document the consistency, completeness and accuracy of the information, including data and reports provided by the insurer against the insurer's financial and other records. Material discrepancies that cannot be resolved with the insurer must be outlined in the FCR, together with the consequent limitations of the FCR.

2.5. Where the Appointed Actuary places reliance upon others to provide information required, and this information is limited, or not forthcoming, the Appointed Actuary must note this in the FCR, together with an assessment of the consequent limitations of the FCR.

3. Reliance on others

3.1. In the FCR, the Appointed Actuary must:

- a) disclose what the Appointed Actuary has relied on that has been provided by another person; and
- b) disclose details of the steps the Appointed Actuary took to determine whether it was appropriate to rely on the other person's work.

3.2. If, in performing work under these Guidelines, an Appointed Actuary wishes to rely on other Actuaries work, then the Appointed Actuary must:

- a) inform the other person that the Appointed Actuary is relying on his or her work; and
- b) assess the appropriateness of the other person's work for the Appointed

Actuary's intended purpose.

- 3.3. If, following the Appointed Actuary's assessment under clause 3.2, where the Appointed Actuary is not satisfied, if possible, alternative analyses must be undertaken and explained in the FCR. If the alternative analysis is not performed, the Appointed Actuary must disclose the reasons why, including the implications, if any, on the assessment of financial condition of the insurer.

4. Business overview

- 4.1. An FCR must include general background information about the corporate structure and operations of the insurer including sales, underwriting and claim management practices.
- 4.2. General background information includes relevant information about:
- a) the insurer's organization structure;
 - b) the insurer's operations, including sales, underwriting and claim management practices;
 - c) the insurer's strategy including business plans and projections;
 - d) Summary of the nature of the insurer's business, products, and target markets;
 - e) any support given or likely to be given to the insurer by any group company (if any), including implicit and explicit agreements; and
 - f) any prudential requirements imposed on the insurer by the Authority in writing that do not form part of the Act or Regulations.
- 4.3. An FCR must outline, consider and comment on material risks arising from the insurer's plans at the Effective Date.
- 4.4. In the FCR the Appointed Actuary must also provide an overview of the insurer and economic environment during the focused period;
- a) review of recent and current financial position;

- b) any key events or initiatives affecting the insurer in the recent past and any associated expected future developments;
- c) economic assumptions;
- d) the current and expected market conditions;
- e) prior year's FCT results, recommendations, and any corrective management actions;
- f) major risks not tested in the current year's FCT. The actuary would comment on when the risks were last tested and the reasons for not testing them in the current FCT; and
- g) Any findings from the external peer reviewer, if available.

5. Actual experience and performance

- 5.1. In the FCR, the Appointed Actuary must identify and comment upon features or trends in the Entity's recent experience.
- 5.2. In relation to experience items, deviations of actual experience from the projected experience of the insurer over the period, since the previous balance date, must also be discussed, including an assessment of the reasons for these deviations the impact this has on the insurer's financial condition, and the associated risks.
- 5.3. An FCR must comment on the steps taken, or proposed to be taken, by the Board or Management of the insurer to address areas of deviation and/or adverse experience.

6. Insurance and other Liabilities

- 6.1. An FCR must include a summary of key results of, and considerations arising from, the estimation of future cash flows expected to be paid out as claims, benefits and other policy related commitments.
- 6.2. An FCR must outline, consider and comment on Material issues arising from or disclosed by the estimation of Insurance contract Liabilities.

7. Adequacy of past estimates of insurance liabilities

- 7.1. An FCR must include an assessment of the adequacy of past estimates of insurance and other liabilities against the subsequent actual claims experience over a period of at least three years, where applicable.
- 7.2. An FCR must include comments on any material implications for the adequacy of current estimates of insurance liabilities, both including and excluding risk margins, arising out of the review of historical estimates.

8. Pricing and premium adequacy

- 8.1. A FCR must include the Appointed Actuary's assessment of pricing, including the suitability and adequacy of premiums and, if relevant, the adequacy for both new business and in-force premiums.
- 8.2. Where applicable, the Appointed Actuary must consider the following when undertaking an assessment of pricing:
 - a) the process for establishing the actual premium rates charged;
 - b) the links between underwriting, product design, valuation, claims management and pricing;
 - c) monitoring of premium rates charged and how the insurer responds to the outcomes of that monitoring;
 - d) the adequacy of premium rates relative to the business plan and/or the insurer's corporate pricing standards;
 - e) the likely outcome for the customer; and
 - f) other risks arising from the insurer's pricing processes.
- 8.3. For life insurers, if it is considered that the premium rates and charges for a product are inadequate, or likely to become inadequate, the Appointed Actuary must disclose why that opinion is held and indicate the potential or likely financial consequences of their continued adoption by the insurer. If a review of premium rates is recommended, it need not be completed as a part of the FCR

9. Asset and liability management

- 9.1. An FCR must outline, consider and comment on material issues arising from the insurer's approach to asset and liability management.
- 9.2. In undertaking this assessment, the Actuary must outline, consider and comment on material risks arising from the;
 - a) Insurer's liability profile and liquidity needs;
 - b) Insurer's investment assets, in particular its investment strategy and the nature, quantum and performance of those assets;
 - c) Insurer's other assets, in particular reinsurance and non- reinsurance recoveries;
 - d) Insurance contract liabilities and other liabilities;
 - e) Insurer's net assets; and
 - f) Methods for valuing assets and non-insurance contract liabilities, particularly, changes thereto.

10. Capital management and capital adequacy.

- 10.1. An FCR must outline the insurer's approach to setting and monitoring capital resources over time, including dividend policy, and the processes and controls in place to monitor and ensure compliance with the capital structure, Regulatory Capital Requirement, stress testing, risk based capital ratios, capital management strategies, capital planning, capital allocation, capital buffers and capital efficiency.
- 10.2. The Actuary must consider and comment on that approach, as well as material risks arising from its application, having regard to the insurer's Minimum Capital Requirement (MCR) and needs for future capital to support the insurer's plans, including target and trigger capital adequacy ratios used by the insurer.
- 10.3. An FCR must include the insurer's MCR calculated in accordance with the regulatory capital requirements.
- 10.4. An FCR must outline, consider and comment on trends in the insurer's compliance with its MCR and its capital targets at least in the last three years at quarterly intervals, taking into account the impact of material seasonal variation in the MCR. The FCR must comment on the extent of, and reasons for, identified breaches of the insurer's MCR or

of its capital targets during the past year, and the actions that were taken by the insurer to rectify such breaches.

- 10.5. The Actuary must consider and comment on the insurer's capacity to meet its MCR and its capital targets over at least the next three years.

11. Investment strategy

11.1. The FCR must include the Appointed Actuary's assessment on the Entity's investment strategy, including its asset hedging strategy and its approach to asset and liability management.

11.2. In undertaking this assessment, the Appointed Actuary must consider:

- a) liquidity needs;
- b) the mismatching of assets and liabilities;
- c) investment assets, in particular the investment strategy, the nature and quality, quantum and performance of those assets;
- d) other assets, in particular reinsurance and non-reinsurance recoveries;
- e) insurance liabilities, including any guarantees adoptions;
- f) non-insurance liabilities;
- g) the methods for valuing assets and non-insurance liabilities, particularly, changes in those methods;
- h) default/credit risks and any derivative exposures held; and
- i) other asset risk.

12. Reinsurance arrangements

12.1. The FCR must include the Appointed Actuary's assessment of the suitability and adequacy of reinsurance.

12.2. The Appointed Actuary must consider the following when assessing the suitability and adequacy of the reinsurance strategy:

- a) the reinsurance management strategy, and the appropriateness of this given the risk and capital profile of the insurer. Any intra-group reinsurance arrangements and relationships between the insurer and other insurers or institutions within the group must be considered;
- b) the effectiveness of reinsurance arrangements in past periods when considered against the strategy;
- c) the risk appetite of the insurer;
- d) the sufficiency, adequacy and effectiveness of the current and planned arrangements given the insurer's risk profile, the administration of any arrangements, and the profile of the insurers with which the reinsurance has been placed and how this impacts the certainty of receiving future recoveries;
- e) whether any of the reinsurance arrangements are likely to become inappropriate; and
- f) other risks arising from the reinsurance strategy.

12.3. Further detail on the nature of specific reinsurance requirements related to general or life insurers when commenting on the suitability and adequacy of the reinsurance strategy, the Appointed Actuary must also consider:

- a) The sufficiency to cover the Probable Maximum Loss;
- b) sufficiency to cover likelihood of multiple events impacting on the insurer;
- c) obligations to pay future premiums; and
- d) sufficiency of reinstatement arrangements.
- e) The use of limited risk transfer products, such as financial reinsurance or purported reinsurance must be commented upon.

- f) When considering reinsurance arrangements both risk-related and financial support arrangements must be considered.
- g) The Appointed Actuary must describe in general terms all arrangements in force, and their purpose.
- h) The Appointed Actuary must describe the identity of reinsurers, the nature of the cover held with each, and circumstances, if any, under which the risk mitigation strategy may be diminished, for example through any termination clause and re-pricing rights within the reinsurance arrangement.

13. Risk management.

- 13.1. In the FCR, the Appointed Actuary must provide general observations on the overall risk management framework, with a focus on financial and non-financial risks that could have a Material adverse effect on the financial condition of the insurer, including, how these risks are managed by the insurer.
- 13.2. The major risks category that must be considered by the Appointed Actuary are as follows:
 - a) For life insurers are mortality risks, morbidity risks, persistency and lapse risks, market and liquidity risks, inflation risks, reinsurance held risks, business volume and mix risks, expense risks, government and political issues risks, off balance sheet items risks, related companies' risks; and
 - b) General risks are claims frequency and severity risks, liability for incurred claims risks, inflation risks, reinsurance held risks, business volume and mix risks, expense risks, government and political issues risks, off balance sheet items risks, related companies risks.

14. Conclusions and recommendations

- 14.1. In the FCR the Appointed Actuary's assessment of the financial condition of the insurer must include a discussion of the implications for the insurer of identified risks and issues.
- 14.2. The Appointed Actuary must consider whether any specific actions by the insurer are warranted to address the identified risks and issues and, if so, the Appointed Actuary must make specific recommendations to the Board within the FCR.
- 14.3. The Appointed Actuary must provide reasons to support any recommendations.
- 14.4. The Appointed Actuary must consider whether to consult with management or the Board or both, as appropriate, in relation to any recommendations.
- 14.5. Where recommendations have been made in previous FCRs, the Appointed Actuary must comment on:
 - a) progress by the insurer in addressing those recommendations; and
 - b) the consequences of any lack of progress in addressing those recommendations.

APPENDIX II: CONTENT OF ACTUARIAL VALUATION REPORT

1. Requirements for the Actuarial Valuation Report

1.1. The Actuarial Valuation Report must state:

- c) to whom the Appointed Actuary's report is addressed;
- d) the purpose and scope of the valuation;
- e) the Valuation Date;
- f) the date on which the report was completed;
- g) the name of the Appointed Actuary, his/her relevant professional qualification(s), and the capacity in which he/she has prepared the report;
- h) that the Appointed Actuary's valuation of the Claims has been prepared in accordance with these general accepted actuarial principles, any restrictions or limitations; and
- i) where and why the valuation process falls short of compliance with these guidelines.

2. Content of Actuarial Valuation Report

2.1. The Actuarial Valuation Report must include, to an appropriate level of details, having regard to Materiality:

- a) the sources, nature, accuracy, validity and adequacy of the data;
- b) a description of the types of business and reinsurance arrangements, and any significant changes to these or the operating environment of the insurer since the Previous Valuation;
- c) the valuation methodologies;
- d) the valuation assumptions and their derivations,

- e) the valuation results;
- f) a reconciliation of change in liabilities since the Previous Valuation; and
- g) the uncertainty associated with the valuation results.

3. Information and data

3.1. The Appointed Actuary must document in the Actuarial Valuation Report:

- a) a summary of data and information used for the valuation, and their sources;
- b) a summary of the steps taken to verify the completeness and accuracy of the data and information used for the valuation;
- c) a summary of the results of any reconciliations of the valuation data;
- d) a comment about the adequacy of the data and information including any concerns about the data or information that cannot be resolved with the insurer, together with any consequent qualifications or limitations; and
- e) any reliance on the work of others and limitations arising from such reliance.

4. Valuation methodologies

4.1. The Appointed Actuary must document in the Actuarial Valuation Report:

- a) a description of the valuation methodologies used for each Class of Business;
- b) how any roll forward process, if undertaken, is carried out;
- c) the reasons (and an explanation of the rationale) for selecting the valuation methodologies employed;
- d) the criteria used for selecting between valuation methodologies, or for

weighting the valuation methodologies, with the rationale explained; and

- e) the reasons for any change to the valuation methodologies adopted since the Previous Valuation, by Class of Business, with the rationale for the changes explained.

5. Valuation assumptions

5.1. The Appointed Actuary must document in the Actuarial Valuation Report, by Class of Business:

- a) the key results of the analysis of the actual versus expected experience;
- b) the key assumptions adopted;
- c) the rationale for selection of the key assumptions; and
- d) any changes to the key assumptions since the Previous Valuation.

6. Valuation results

6.1. The results of valuation of Liabilities for Incurred Claims and Liabilities for Remaining Coverage must be documented in the Actuarial Valuation Report. If appropriate and practical, the Appointed Actuary must document the results by Class of Business. The results must separately identify:

- a) Non-Reinsurance Recoveries;
- b) Reinsurance Recoveries;
- c) Indirect Expenses;
- d) discounting for the time value of money;
- e) Risk Margin, including any Diversification Benefit; and
- f) the sum of all the relevant items.

7. Reconciliation of change in liabilities

7.1. The Appointed Actuary must document in the Actuarial Valuation Report the change in the Estimate of liabilities since the Previous Valuation. The reconciliation must separately identify the impact of:

- a) the difference between actual and expected Claims experience;
- b) the difference caused by overall valuation basis change; and
- c) the additional liability associated with any new exposure of the insurer to Claims since the Previous Valuation.

7.2. The Appointed Actuary must document in the Valuation Report a summary of the hindsight review of the reasonableness of the FCL.

8. Uncertainty

8.1 The Appointed Actuary must document in the Actuarial Valuation Report the key sources of uncertainty and their implications for the liabilities estimated.

8.2 Where sensitivity testing and/or scenario testing has been undertaken as part of the valuation process, the Appointed Actuary must document in the Valuation Report a summary of the key results of these tests, making clear that the variations selected do not indicate upper or lower bounds of all possible outcomes.

9. Conclusions and recommendations

9.1 The Appointed Actuary must conclude the Actuarial Valuation Report, highlighting the following:

- a) Summary of Key Findings;
- b) Financial Health Assessment;
- c) Compliance and Regulatory Considerations;
- d) Assumptions and Methods;
- e) Future Considerations;
- f) Limitations of the Valuation