



TANZANIA INSURANCE REGULATORY AUTHORITY

MAMLAKA YA USIMAMIZI WA BIMA TANZANIA

**GUIDELINE ON OWN RISK AND SOLVENCY
ASSESSMENT (ORSA)**

**MIONGOZO YA TATHMINI YA VIHATARISHI NA
UHIMILIVU**

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TABLE OF CONTENTS	YALIYOMO
Part One: Introduction	Sehemu ya Kwanza: Utangulizi
Part Two: ORSA Process	Sehemu ya Pili: Mchakato wa ORSA
Part Three: Board Management and Responsibilities of Senior Leaders	Sehemu ya Tatu: Usimamizi wa Bodi na Wajibu wa Viongozi Waandamizi
Part Four: Monitoring and Reporting	Sehemu ya Nne: Ufuatiliaji na Utoaji wa Taarifa
Part Five: Review and Approval	Sehemu ya Tano: Mapitio Na Idhini

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 mandate 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 inatolewa chini ya kifungu cha 6 (2) (e) na 11 (b) cha Sheria ya Bima Sura ya 394 ambayo inaipa mamlaka ya kutunga na kutekeleza viwango katika uendesaji wa biashara ya bima ambayo itazingatiwa na wasajili wa bima.
1.2 Citation	These Guidelines may be cited as <i>“Guidelines on Own Risk and Solvency Assessment (ORSA), 2025.”</i>	1.2 Nukuu	Miongozo hii inaweza kutajwa kama <i>"Miongozo ya Tathmini ya Vihatarishi na Uhimilivu (ORSA), 2025."</i>
1.3 Background and Rationale	1.3.1 The Tanzania insurance industry has recorded significant growth in terms of insurance business written which increases exposure to insurance risk particularly the risk of insolvency To align with global best practices and enhance the financial stability of the industry, there is a need for a robust framework that ensures insurers adequately manage their risks and maintain solvency.	1.3 Usuli na Mantiki	1.3.1 Sekta ya Bima ya Tanzania imeshuhudia ukuaji mkubwa kutokana na ongezeko la biashara ya bima na hivyo kuongeza vihatarishi vya kibima hususan vihatarishi vya kushindwa kuhimili madai ya bima.. Ili kwenda sambamba na uzoefu wa kimataifa na kuimarisha uwezo wa kifedha katika soko la bima kuna haja ya kuwa na mfumo thabiti unaowezesha Watoa Bima kuweza

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
	<p>1.3.2 These guidelines provide insurers with a structured approach to identifying, assessing, and managing their risk profiles. They promote transparency, encourage proactive risk management, and support the strategic decision-making process. Implementing ORSA will not only safeguard policyholders but also contribute to the overall health of the insurance subsector.</p>		<p>kudhibiti vihatarishi na kuhakikisha uhimilivu.</p> <p>1.3.2 Miongozo hii inasaidia Watoa Bima kuwa na mfumo mahususi wa kubaini , kutathmini, na kusimamia aina mbalimbali za vihatarishi. Miongozo hii inaweka uwazi, inahimiza usimamizi wa vihatarishi , na kusaidia mchakato wa kimkakati wa kufanya maamuzi. Utekelezaji wa ORSA sio tu unalinda wateja wa huduma za bima lakini pia kuchangia afya ya jumla ya Sekta ya Bima.</p>
1.4 Application and Scope	These Guidelines shall apply to all insurers and reinsurers (herein referred to as “insurers”) registered and licensed by the Authority to carry on insurance business in Tanzania.	1.4 Matumizi na Mawanda	Miongozo hii itatumika kwa Watoa Bima na Watoa Bima Mtawanyo waliosajiliwa na kupewa leseni na Mamlaka kwa ajili ya kufanya biashara ya bima nchini Tanzania.
1.5 Purpose and Objectives	1.5.1 These guidelines outline the Authority's expectations with respect	1.5 Lengo na Madhumuni	1.5.1 Miongozo hii inaelezea matarajio ya Mamlaka kuhusiana na Watoa Bima

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
	<p>to an insurer's own assessment of its risks, capital needs and solvency position and for setting internal targets for capital based on an insurer's Own Risk and Solvency Assessment (ORSA).</p> <p>1.5.2 The ORSA shall serve as a tool to enhance an insurer's understanding of the interrelationships between its risk profile and capital needs. The ORSA shall consider all reasonably foreseeable and relevant material risks, be forward-looking and be congruent with an insurer's business and strategic planning.</p> <p>1.5.3 As the ORSA is a dynamic forward-looking process, the insurers shall use stress and scenario testing to determine their own capital needs and</p>		<p>kutathmini vihatarishi vyao, mahitaji ya mtaji na hali ya uhimilivu , na kuweka malengo yao ya mtaji, kulingana na Tathmini ya Vihatarishi na Uhimilivu (ORSA).</p> <p>1.5.2 ORSA inapaswa kutumika kama nyenzo ya kuongeza uelewa wa aina za vihatarishi na mahitaji ya mtaji. ORSA inazingatia vihatarishi vyote vinavyotokana na biashara ya bima na mipango mkakati ya biashara ya bima.</p> <p>1.5.3 Kwakuwa ORSA ni mchakato unaozingatia muda ujao , watoa huduma za bima wanatakiwa kutumia upimaji wa mazingira tofauti tofauti katika kutambua mahitaji yao ya mtaji</p>

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
	<p>evaluate the adequacy of their internal targets and operating capital level</p> <p>1.5.4 These guidelines address the scope of ORSA Process, , the role of the Board, Senior Management, and other participants in performing, monitoring, reporting, or reviewing ORSA, and other key elements of the assessment processes.</p>		<p>na kufanya tathmini ya utoshelevu wa malengo yao na kiwango cha mtaji wa uendeshaji wa biashara.</p> <p>1.5.4 Miongozo hii inashughulikia mawanda ya mchakato ORSA, jukumu la Bodi ya Wakurugenzi, Menejimenti na washiriki wengine katika kutekeleza , kufuatilia, kutoa taarifa au kufanya mapitio ya ORSA, na mambo mengine muhimu ya mchakato wa tathmini.</p>
1.6 Interpretation	<p>In these Guidelines, unless the context requires otherwise the following words shall mean;-</p> <p>“Act”- means the Insurance Act Cap 394</p> <p>“Appointed Actuary” – refers to Company Actuary approved by Commissioner in line with Section 89(1) and Section 154 of the Insurance Act, and Guideline 6 of the Guideline to the Insurance Industry on the Actuarial Function.</p>	1.6 Tafsiriya Maneno	<p>Katika Miongozo hii, isipokuwa muktadha unahitaji vinginevyo maneno yafuatayo yatamaanisha;-</p> <p>"Sheria"- maana yake ni Sheria ya Bima Sura ya 394</p> <p>“Mthaminishaji Bima Mteule” – maana yake ni Mthaminishaji Bima wa Kampuni ya Bima(Mtoa Bima) aliyeidhinishwa na Kamishina wa Bima kwa mujibu wa Kifungu Na. 89(1) na Kifungu Na. 154 cha Sheria ya</p>

SECTION ONE: INTRODUCTION	SEHEMU YA KWANZA: UTANGULIZI
<p>“Authority”- means Tanzania Insurance Regulatory Authority as established by Section no. 5 (1) of the Insurance Act, Cap 394</p> <p>“Board” - means the Board of Directors of an insurer.</p> <p>“Business Strategy” - means a plan that outlines how a company will achieve its long-term goals, stay competitive, and gain a sustainable edge in the market. It's a roadmap that guides decision-making, resource allocation, and overall direction, ensuring that all actions align with the company's broader objectives.</p> <p>“Capital Management” – means determination of the overall capital needed to manage the business, given the risk appetite and short and long term risks identified from</p>	<p>Bima, na Muongozo Na. 6 wa Muongozo kwa Sekta ya Bima kuhusu kazi za Kuthaminisha Bima.</p> <p>“Mamlaka”- maana yake ni Mamlaka ya Udhhibiti wa Bima Tanzania kama ilivyoanzishwa na kifungu Na. 5 (1) cha Sheria ya Bima, Sura ya 394</p> <p>“Bodi” - maana yake ni Bodi ya Wakurugenzi wa bima.</p> <p>“Mkakati wa Biashara” – maana yake ni mpango unaoainisha namna kampuni ya bima(mtoa huduma za bima) itakavyo fikia malengo yake ya muda mrefu, kubakia mshindani na uendelevu kwenye soko. Ni ramani inayoongoza kufanya maamuzi, kugawa rasilimali, na mwelekeo wa ujumla kwa kuhakikisha kuwa matendo yanaendana na malengo ya ujumla ya mtoa bima.</p> <p>“Usimamizi wa Mtaji” – maana yake ni kutambua mtaji unaohitajika kuendesha</p>

SECTION ONE: INTRODUCTION	SEHEMU YA KWANZA: UTANGULIZI
<p>the business strategy. The adequate levels of capital will depend on the Statutory Capital Requirement(SCR), and Prudential Capital Requirement(PCR).</p> <p>“Culture” – means to the state of mind and tone at the top within the insurer consistent with the adopted corporate risk culture by the insurer.</p> <p>“Director” - shall have the meaning ascribed to it in Section No. 2 of the Companies Act.</p> <p>“Forward Looking” - reflects the necessity for an (re)insurer to look beyond one year horizon in the assessment of how Strategic Planning(SP) influences the overall solvency needs over 3-5 years period.</p> <p>“Governance” – encompasses all involved in the process and the creation and approval</p>	<p>biashara kwa kiwango cha vihatarishi kinachokubalika na mtoa bima, na vihatarishi vya muda mfupi na muda mrefu vitokanavyo na mkakati wa biashara. Utoshelevu wa mtaji utategeme Mahitaji ya Mtaji wa Kisheria(SCR), na Mahitaji ya Mtaji Unaozingatia Mabadiliko(PCR)</p> <p>“Utamaduni” – maana yake ni hali ya fikra na mawasiliano kutoka unongozi wa juu wa Mtoa huduma za Bima unaoendana na utamaduni wa vihatarishi unaotumika.</p> <p>“Mkurugenzi” - atakuwa na maana iliyoelezwa katika kifungu Na. 2 cha Sheria ya Makampuni.</p> <p>“Kuona Mbele” – maana yake ni kuzingatia umuhimu wa mtoa bima kuona mbele zaidi ya mwaka mmoja katika kutathmini namna Mpango Mkakati unvyochochea uhimilivu kwa kipindi cha miaka 3-5.</p>

SECTION ONE: INTRODUCTION	SEHEMU YA KWANZA: UTANGULIZI
<p>of the ORSA Internal Report consistent with the Three Lines-of-Defense Model for Risk Governance.</p> <p>"Independent auditor" refers to an auditor appointed under Section 36(1) of the Insurance Act.</p> <p>"Insurer" - means all insurance and reinsurance companies</p> <p>"Insurance business" – As defined under the Act.</p> <p>"Management Actions" – means actions required to restore the capital adequacy within adequate timelines when unexpectedly adverse circumstances occur</p> <p>"Risk Appetite Framework" – establishes the risks that the (re)insurer wishes to acquire, avoid, retain and/or remove, given its strategy and related objectives.</p>	<p>"Utawala" – inajumuisha vyote vinavyohusu mchakato Pamoja na kuandaa na kupitisha Repoti ya Ndani ya Tathmini ya Vihatarishi na Uhimilivu (ORSA) kwa kuzingatia Modeli ya Mistari Mitatu ya Ulinzi kwenye muundo wa utawala kusimamia vihatarishi.</p> <p>"Mkaguzi wa Kujitegemea" - maana yake ni mkaguzi aliyeteuliwa chini ya kifungu cha 36 (1) cha Sheria ya Bima.</p> <p>"Mtoa bima" – inajumuisha bima ya moja kwa moja na bima mtawanyo.</p> <p>"Biashara ya bima" - Kama ilivyoielezwa chini ya Sheria.</p> <p>"Maamuzi ya Uongozi" – maana yake ni maamuzi yanayohitajika kurejesha utoshelevu wa mtaji kwenye kiwango kinachotakiwa wakati ikitokea hali isiyotarajiwa.</p> <p>"Mfumo wa Viwango vya Vihatarishi Vinavyokubalika" – maana yake ni</p>

SECTION ONE: INTRODUCTION	SEHEMU YA KWANZA: UTANGULIZI
<p>“Risk Profile” – means summarized output of risk assessment (risk identification, and risk analysis) which comprises risk description in terms of uncertain future event and associated impact, risk measurement in terms of likelihood and impact, Key Risk Indicators and their Thresholds as presented in the Risk Register.</p> <p>“Senior Management”- means a team of individuals at the highest level of the insurer’s management who have the day-to-day responsibilities of managing the insurance business.</p> <p>“Significant Risk” - means risk that has the potential to materially impact the objectives,</p>	<p>kuainisha viwango vya vihatarishi ambayo mtoa bima anakubali kuvichukua, kuvikwepa, kuvibakisha, au kuviondoa kwa kuzingatia mkakati na malengo ya biashara.</p> <p>“Vihatarishi kwa Muhtasari” – maana yake ni muhtasari wa matokeo ya tathmini ya vihatarishi (kutambua vihatarishi, na kuchambua vihatarishi) unaojumuisha malezo ya vihatarishi juu ya uyamkini wa jambo kutokea baadae na madhara yatokanayo na jambo hilo, upimaji wa vihatarishi kwa maana ya uyamkini na madhara, viashiria vya vihatarishi pamoja na viwango vyao kama vitavyo wasilishwa kwenye Regista ya Vihatarishi.</p> <p>“Menejimenti” - inamaanisha timu ya watu binafsi katika ngazi ya juu ya usimamizi wa bima ambao wana majukumu ya kila siku ya kusimamia biashara ya bima.</p>

SECTION ONE: INTRODUCTION		SEHEMU YA KWANZA: UTANGULIZI	
	operations or financial conditions of an insurers.		" Kihatarishi kikubwa" - inamaanisha hatari ambayo ina uwezo wa kuathiri malengo, shughuli au hali ya kifedha ya bima.

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
2.1 ORSA Process	<p>2.1.1 ORSA process is an integral part of risk management that involves capital management (solvency needs) taking into account specific risk profile and business strategy of the insurer proportionate to the insurer's nature, size and complexity.</p> <p>2.1.2 An insurer, in conducting its ORSA, must determine its own capital requirements by establish internal</p>	<p>2.1 Tathmini ya Mtaji kwa kuzingatia kiwango cha vihatarishi (ORSA)</p>	<p>2.1.1 Mchakato wa ORSA ni sehemu muhimu ya Usimamizi wa Vihatarishi unaojumuisha usimamizi wa mtaji kwakuzingatia kiwango cha vihatarishi na mkakati wa kibiashara wa mtoa huduma za bima unaoendana na hali ya uasilia, ukubwa, na ugumu.</p> <p>2.1.2 Mtoa bima , katika kutekeleza mchakato wa ORSA , atalazimika kubaini mahitaji yake ya mtaji kwa kujiwekea malengo yake kwa</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	targets based on its specific risk profile and business strategy..		kuzingatia kiwango chake cha vihatarishi Pamoja na mkakati wa biashara.
2.2 Key Elements of ORSA Process	<p>The ORSA Process should include at minimum the following key elements:</p> <ul style="list-style-type: none"> i. ORSA Governance ii. Risk Culture iii. Risk Appetite Framework iv. Risk Profile v. Business Strategy vi. Forward Looking vii. Capital Management viii. Management Action ix. ORSA Reporting 	2.2 Vipengele Muhimu vya Mchakato wa ORSA	<p>Mchakato wa ORSA unapaswa kujumuisha kwa uchache mambo muhimu yafuatayo:</p> <ul style="list-style-type: none"> i. Utawala katika ORSA ii. Utamaduni wa Vihatarishi iii. Mfumo wa Viwango vya Vihatarishi Vinavyokubalika iv. Vihatarishi kwa Muhtasari v. Mkakati wa Biashara vi. Kuona Mbele vii. Usimamizi wa Mtaji viii. Maamuzi ya Uongozi ix. Kuripoti ORSA
2.3 ORSA Governance	2.3.1 Each insurer should adopt ORSA Governance consistent with the Three Lines-of-Defense model for risk governance:	2.3 Utawala katika ORSA	2.3.1 Kila mtoa bima ahakikishe anaweka utaratibu wa utekelezaji wa ORSA unozingatia Mistari Mitatu ya Ulinzi

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>i). The First Line is the Business Unit, with accountability and responsibility for performance, operations and daily risk management, including management control and first line monitoring activities.</p> <p>ii). The Second Line consists of Support Units who are responsible for encouraging and challenging sound risk management throughout the Company, providing guidelines, methods and techniques, and supporting the first line in making proper risk-return trade-offs</p>		<p>kwenye muundo wa utawala wa kusimamia vihatarishi:</p> <p>i). Mstari wa Kwanza ni Kitengo cha Kazi chenye wajibu na majukumu ya kiutendaji, uendeshaji na usimamizi wa vihatarishi wa kila siku ikiwemo usimamizi wa udhibit (mifumo, sera, na taratibu) na mstari wa kwanza wa ufuatiliaji wa kazi mbalimbali za kampuni.</p> <p>ii). Mstari wa Pili unajumuisha Vitengo Saidizi vyenye majukumu ya kuhakikisha uwepo wa mfumo bora wa usimamizi wa vihatarishi ndani ya kampuni kwa kutoa miongozo, mbinu na kusaidia msitari wa kwanza katika kusimamia vihatarishi kwa kuzingatia faida na hasara.</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>iii). Internal Audit are the Third Line and responsible for providing additional assurance by independently monitoring the effectiveness of control measures as well as monitoring the effectiveness of financial, and operational risk management, as well as compliance</p>		<p>iii). Mstari wa Tatu ni Ukaguzi wa Ndani wenye majukumu ya kutoa uhakika wa ziada kupitia ufuatiliaji huru wa ufanisi wa hatua za udhibiti pamoja na ufuatiliaji wa ufanisi katika usimamimizi wa vihatarishi vya kifendha na kiuendeshaji pamoja na matekelezo.</p>
2.4 Risk Culture	<p>2.4.1 Each insurer should adopt an appropriate mechanism to inculcate risk culture to ensure that every one within the company becomes Risk Aware to help infuse Vigilance.</p> <p>2.4.2 Each insurer shall establish mechanisms to build and strengthen its corporate risk culture through</p>	2.4 Utamaduni wa Vihatarishi	<p>2.4.1 Kila mtoa huduma za bima anapaswa kuweka utaratibu unaofaa kusesitiza utamaduni wa vihatarishi ili kuhakikisha kuwa kila mmoja kwenye kampuni anakuwa na ufahamu wa vihatarishi na kusaidia kupenyeza umakini.</p> <p>2.4.2 Kila mtoa huduma za bima anatakiwa kuhakikisha kuwa anaweka utaratibu wa kujenga na</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>Structure and Governance, and Knowledge and Behaviour.</p> <p>2.4.3 Senior Management should consider ORSA as an important element in doing business. By acting this way, it will also become important for other management and staff within the company.</p> <p>2.4.4 Senior Management should acquire a good understanding of Solvency regime and need to be educated and trained.</p> <p>2.4.5 Senior management should embed the activities of the ORSA in their business planning process as a “normal” part.</p>		<p>kuimarisha utamadini wa vihatarishi wa kitaasisi kupitia Muundo na Utawala, pamoja na Maarifa ana Tabia</p> <p>2.4.3 Viongozi wandamizi wanatakiwa kuhakikisha wanazingatia ORSA kama kipengele muhimu katika kuendesha biashara. Kwa kuzingatia hivyo, itakua muhimu kwa viongozi wengine na wafanyakazi ndani ya kampuni.</p> <p>2.4.4 Viongozi waandamizi wanapaswa kuwa na uelewa wa upimaji wa uhimilivu na wanahitaji kuelimishwa na kupatiwa mafunzo.</p> <p>2.4.5 Viongozi waandamizi wanapaswa kufungamanisha kazi za ORSA katika mchakato wa mipango ya biashara kama majukumu ya kawaida.</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
2.5 Risk Appetite Framework	<p>2.5.1 A Risk Appetite Framework establishes the risks that the (re)insurer wishes to acquire, avoid, retain and/or remove, given its strategy and related objectives. A framework should ideally encompass:</p> <ul style="list-style-type: none"> i). Preferences: qualitative statements that guide the (re)insurer in the selection of risks; ii). Tolerances: quantitative statements that guide the (re)insurer in the selection of risks ; and iii). Limits: quantitative boundary (accumulation) that serves to constrain specific risk taking activities at the operational level within the business 	2.5 Mfumo wa Viwango vya Vihatarishi Vinavyokubalika	<p>2.5.1 Mfumo wa viwango vya vihatarishi vinavyokubalika unaweka vihatarishi ambavyo mtoa bima anataka kuwa navyo, kuviepuka, au kuviondoa kutoka na mkakati wake wa biashara na malengo yake. Mfumo unatakiwa kujumuisha:</p> <ul style="list-style-type: none"> i). Mapendeleo: maelezo ya kauli zinazomuongoza mtoa bima katika kuchagua vihatarishi; ii). Tolerances: vipimo vya kauli zinzomuongoza mtoa bima katika kuchagua vihatarishi; na iii). Limits: ukomo wa vipimo vinavyosaidia kuwekea vikwazo kazi/biashara zinazobeba vihatarishi kwenye ngazi ya kiuendesha kwenye biashara.

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>2.5.2 The risk appetite framework should be aligned with business strategy (business objectives), capital (absorbing unexpected losses) and have the safeguarding of policyholders' rights in mind.</p> <p>2.5.3 As each risk type (business, financial or non financial) has a different impact on strategic and related objectives, specific frameworks can be set up for different risk types.</p>		<p>2.5.2 Mfumo wa viwango vya vihatarishi vinavyokubalika unapaswa kuoanishwa na mkakati wa biashara (malengo ya biashara), mtaji, na kuzingatia haki za wenye bima.</p> <p>2.5.3 Kwakuwa kila aina ya vihatarishi vya kibiashara, kifedha, au kiuendeshaji vina madhara tofauti kwenye mkakati wa kibiashara na malengo yake, mfumo mahsusi unaweza kuwekwa kwa kila aina ya vihatarishi.</p>
2.6 Risk Profile	<p>2.6.1 The summarized output of risk identification and risk analysis (attributing to each identified risk probabilities and impacts if risks materialize) processes.</p> <p>2.6.2 The risk profile is presented in risk register, or heat map.</p>	2.6 Vihatarishi kwa Muhtatsari	<p>2.6.1 Ni matokeo ya mchakato wa utambuzi na uchambuzi wa vihatarishi.</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>2.6.3 The risk profiles also shows developments: risks becoming worse and risks becoming mitigated. The balance must be checked with the risk limits.</p> <p>2.6.4 A risk profile includes the following information:</p> <ul style="list-style-type: none"> i). A description of risks in enough detail for each risk to be understood in isolation; ii). The cause(s) or underlying conditions to a risk actually occurring or crystallizing; iii). The consequence(s) of the risk (financial and non-financial) ; iv). Likelihood/frequency of risk occurrence and impact of the risk (both inherent and residual); 		<p>2.6.2 Vihatarishi kwa muhtasari unawasilishwa kwenye daftari la vihatarishi au chati joto.</p> <p>2.6.3 Vihatarishi kwa muhtasari pia unaonyesha mandeleo: vihatarishi vinavyokua na athari mbaya na vinavyodhibitiwa. Uwiano lazima uangaliwe kwenye ukomo wa vihatarishi.</p> <p>2.6.4 Vihatarishi kwa muhtasari unawasilishwa kwa kujumuisha taarifa zifuatazo:</p> <ul style="list-style-type: none"> i). Maelezo ya vihatarishi kwa kina kwa kila kihatarishi ili kieleweke chenyewe; ii). Sababu zinazopelekea kihatarishi kutokea; iii). Madhara yatokanayo na kihatarishi;

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>v). Key Risk Indicators and associated thresholds</p> <p>vi). A description of the action(s) related to Take, Treat, Transfer, or Terminate; and</p> <p>vii). An assessment of the operational effectiveness of key controls and/or risk mitigation strategies.</p>		<p>iv). Uwezekano wa kihatarishi kutokea(kabla na baada ya kuhukua hatua za udhibiti);</p> <p>v). Viashiria vya vihatarishi na ukomo wao;</p> <p>vi). Maelezo ya hatua za udhibiti (kuchukua, kudhibiti, kuhamisha, au kusitisha kihatarishi); na</p> <p>vii). Tathmini ya ufanisi wa udhibiti na mikakati ya kudhibiti vihatarishi.</p>
2.7 Business Strategy	2.7.1 As ORSA aims at bringing together business strategy, risk management, and capital management, the first step in ORSA should be to analyze the current situation:	2.7 Mkakati wa Biashara	2.7.1 Kwa kuwa ORSA inalenga kuleta kwa Pamoja mkakati wa kibiashara, usimamizi wa vihatarishi, na usimamizi wa mtaji, hatua ya kwanza ni kwamba ORSA inapaswa kuchambua hali iliyopo:

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>i). What material changes have been made in the business strategy and target setting?</p> <p>ii). What changes in the risk appetite have been made?</p> <p>iii). What material risks are identified? Has the risk profile changed?</p> <p>iv). A qualitative assessment on the continual appropriateness of the methodology used for representing the risk profile.</p> <p>v). Consider internal and external developments.</p> <p>vi). Analyse the capital position and the quality of capital.</p> <p>2.7.2 All relevant data must be collected, amongst others; the most recent (investment) portfolio positions, the</p>		<p>i). Ni mabadiliko gani yamefanyika kwenye mkakati wa kibiashara na malengo yake?</p> <p>ii). Ni mabadiliko gani yamefanyika kwenye viwango vya vihatarishi vinavyokubalika</p> <p>iii). Ni vihatarishi gani vimetabiliwa? na je kuna mabadiliko kwenye viwango vya vihatarishi?</p> <p>iv). Maelezo ya tathimini yak ama mbinu zilizotumika kuwasilisha muhtasari wa vihatarishi unafaa</p> <p>v). Kuzingatia maendeleo ya ndani nan je ya kampuni</p> <p>vi). Kuchambua kiwango cha mtaji na ubora wa mtaji</p> <p>2.7.2 Taarifa zote lazima zikusanywe ikiwemo; uwekezaji, makadirio ya</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>latest cash flow projections, and other parameters.</p> <p>2.7.3 Together, this forms the basis for the risk assessment in terms of likelihood/probability, input for calculations and, if necessary, for an adjusted 3-5 year projection.</p>		<p>mtiririko wa kifedha, na vigezo vinginevyo</p> <p>2.7.3 Kwa pamoja hii inajenga msingi wa kutathmini vihatarishi kwa kuzingatia uwezekano wa kutokea na kutumika kurekebisha makadirio ya miaka 3-5</p>
2.8 Forward Looking	<p>2.8.1 The forward looking perspective is one of the key elements of ORSA.</p> <p>2.8.2 The goal of the forward looking perspective is to demonstrate that the (re)insurer remains a going concern and has sufficient funds for the planned business scenario as well as in adverse scenarios.</p> <p>2.8.3 The time horizon of the ORSA must be at least identical to the time</p>	2.8 Kuona Mbele	<p>2.8.1 Mtazamo wa kuona mbele ni moja ya vipengele muhimu kwenye mchakato wa ORSA</p> <p>2.8.2 Dhumuni la mtazamo wa kuona mbele ni kuonyesha kuwa mtoa bima anabakia na muendelezo wa biashara kwa muda ujao bila kufilisika na anakuwa na fedha za kutosheleza mipango ya biashara pamoja na mzingira mabaya.</p> <p>2.8.3 Upeo wa muda wa ORSA lazima angalau uwe sawa upeo wa muda</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>horizon used in the Strategic Planning(SP) process.</p> <p>2.8.4 In general the expected scope of the forward looking perspective is between 3 to 5 years.</p> <p>2.8.5 As part of the regular planning and control cycle, the SP process culminates into a “Base Case SP”, with a forecasted (accounting) P&L and Balance Sheet for the next 3-5 years.</p> <p>2.8.6 Forward looking solvency projections in ORSA should make use of the:</p> <p>i). Best estimate (accounting) projections from SP process; and</p>		<p>uliotumika kwenye mpango mkakati.</p> <p>2.8.4 Kwa ujumla inatarajiwa kuwa wigo wa mtazamo wa kuona mbele ni kati ya miaka 3-5</p> <p>2.8.5 Kama sehemu ya mipango ya mara kwa mara na udhibiti, mchakato wa mpango mkakati unahitishwa na “mpango mkakati katika hali tarajiwa” na makisio ya (uhasibu) taarifa ya faida na hasara , na mizania kwa kipindi cha miaka 3-5 ijayo</p> <p>2.8.6 Makadirio ya uhimilivu kwa kuona mbele kwenye ORSA lazima yatumie:</p> <p>i). Makadirio ya (uhasibu) yanayokaribia uhalisia kutoka kwenye mchakato wa mpango mkakati; na</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>ii). Market Value Balance Sheet (MVBS) and SCR (using the SP assumptions and parameters).</p> <p>2.8.7 The SCR can then be projected. The final result is the “Base Case” solvency projections and hence insight into the expected capital needs/surpluses.</p> <p>2.8.8 Besides this best estimate, the (re)insurer should also analyse the effects of adverse developments on its solvency position. This can be done with the help of scenario analysis, including stress testing.</p> <p>i). Scenario analysis refers to as assessing the impact of a combination of factors; and</p>		<p>ii). Mizania ya thamani ya soko(MVBS) na mahitaji ya mtaji wa kisheria(SCR) kwa kutumia mawazo ya mpango mkakati</p> <p>2.8.7 Mahitaji ya mtaji wa kisheria yanaweza kukadiriwa. Matokeo ya mwisho ni “hali tarajiwa” ya makadirio ya uhimilivu na hivyo kutoa taswira ya mahitaji ya mtaji/au ziada ya mtaji.</p> <p>2.8.8 Mbali na makadirio ya uhimilivu katika hali tarajiwa, mtoa bima atalazimika kufanya uchambuzi wa hali mbaya ya uhimilivu. Hii inaweza kufanyika kwa usaidizi wa uchambuzi wa mazingira ikiwemo kufanya majaribio ya uthabiti na utegemezi:</p> <p>i). Uchambuzi wa mazingira unahusiana na kutathmini</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>ii). Stress testing is an extreme form of scenario analysis.</p>		<p>madhara kwenye uhimilivu kutokana na sababu tofauti tofauti; na</p> <p>ii). Majaribio ya uthabiti na utegemezi ni uchambuzi wa mazingira unaozingatia hali mbaya zaidi kuweza kutokea</p>
2.9 Capital Management	<p>2.9.1 Each (re)insurer shall determine the overall capital needed to manage the business, given the risk appetite and short and long term risks identified from the business strategy.</p> <p>2.9.2 Criteria to determine adequate levels of capital originate from:</p> <p>i). Internal/Economic capital requirement targets</p> <p>ii). Statutory capital requirements targets</p>	2.9 Usimamizi wa Mtaji	<p>2.9.1 Kila mtoa bima anapaswa kutambua kiwango cha mtaji kinachohitajika kufanya biashara kwa kuzingatia viwango vya vihatarishi vinavyokubalika na vihatarishi vya mfupi na muda mrefu vilivyotambuliwa kutokana na mkakati wa biashara.</p> <p>2.9.2 Vigezo vya kutambua viwango vya mtaji vinavyotosheleza vinatokana na:</p> <p>i). Malengo ya mtaji ya ndani</p> <p>ii). Malengo ya mtaji ya kisheria</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>iii). Rating agencies capital targets (if the company is rated)</p> <p>2.9.3 Capital Management primary tasks are:</p> <p>i). Aligning internal capital supply and internal capital demand.</p> <p>ii). Yearly evaluation of the risk appetite framework in relation to the capital position and business strategy, together with risk management, and propose of changes to the business strategy or the risk appetite framework.</p>		<p>iii). Malengo ya mtaji yaw akala wa uthaminishaji uwezo wa kukopa(kama kampuni imethaminishwa)</p> <p>2.9.3 Kazi za msingi za usimamizi wa mtaji ni:</p> <p>i). Kupangilia upatikanaji wa mtaji wa ndani na mahitaji ya mtaji ya ndani</p> <p>ii). Tathmini ya kila mwaka ya mfumo wa viwango vya vihatarishi vinavyokubalika kulingana na hali ya mtaji na mkakati wa kibiashara pamoja na usimamizi wa vihatarishi, na dhumuni la mabadiliko kwenye mkakati wa kibiashara au mfumo wa viwango vya vihatarishi vinavyokubalika.</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>iii). Start the strategic business planning with a capital adequacy assessment of the most recent period, which should provide input for determination of the necessary overall capital. The assessment should include both regulatory (and rating targets if the company is rated) and internal capital.</p> <p>iv). Monitoring capital position / adequacy from three angles:</p> <p>a) An assessment of Regulatory capital requirements, taking into account the metrics / ratios and requirements of regulator;</p> <p>b) Rating agencies capital targets, taking into account Financial Leverage ratio,</p>		<p>iii). Kuanza mipango ya mkakati wa kibiashara kwa tutathmini utoshelevu wa mtaji kwa kipindi cha karibuni ambacho kitachangia kutambua mtaji unaohitajika. Tahmini inapaswa kujumuisha malango ya mtaji ya kisheria (na ya wakala wa kuthaminisha uwezo wa kukopa kama kampuni imethaminishwa)</p> <p>iv). Ufuatiliaji wa hali ya mtaji/utoshelevu kutoka pande tatu:</p> <p>a) Tathmini ya mahitaji ya mtaji ya kisheria kwa kuzingatia vipimo na matakwa ya Mamlaka</p> <p>b) Malengo ya mtaji kwa mawakala wa uthaminishaji uwezo wa kukopa kwa</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>Adjusted Equity, within the target rating level (if company is rated); and</p> <p>c) Internal capital needs taking into account Risk Based Capital (RBC) model and Market Value Balance Sheet approach.</p>		<p>kuzingatia uwiano wa matumizi ya mikopo katika kukuza mtaji, na umiliki wa kampuni uliorekebishwa vikiwa ndani ya viwango hitajika (kama kampuni imethamnishwa); na</p> <p>c) Mahitaji ya mkopo ya ndani ya mtaji kwa kutumia utaratibu wa mtaji kulingana na vihatarishi Pamoja na mizania ya thamani ya soko.</p>
2.10 Management Actions	2.10.1 Based on the results of ORSA, Management has to consider its responses, both risk response and capital response. Management need to have in depth knowledge of the effect of possible management actions to restore the capital	2.10 Maamuzi ya Uongozi	2.10.1 Kufuatia matokeo ya ORSA, uongozi unapaswa kupata majibu ya vihatarishi na mtaji. Uongozi unatakiwa kuwa na uelewa wa kina wa madhara ya maamuzi ya uongozi kurejesha utoshelevu wa mtaji ndani muda stahili endapo

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>adequacy within adequate timelines when unexpectedly adverse circumstances occur.</p> <p>2.10.2 The outcomes of the ORSA report could result in the conclusion that the risk appetite is not sustainable and that the Management and Board should make adjustments to either the objectives and/or the risk it is willing to take to achieve them. In itself, this results in a change of the risk profile and again should trigger an ORSA process, based upon the adjusted objectives and/or risk appetite.</p> <p>2.10.3 Based on the results of the ORSA report, Management can take the following actions:</p>		<p>madhara yasiyotarajiwa yametokea.</p> <p>2.10.2 Matokeo ya Ripoti ya ORSA inaweza kutoahitimisho kwamba viwango vya vihatarishi vinavyokubalika sio himilivu na uongozi Pamoja na Bodi wanapaswa kufanya marekebisho aidha kwenye malengo pamoja na/au vihatarishi walivyoridhia kuwa nanvyo kufikia malengo. Matokey ya mabadiliko ya vihatarishi yanapaswa kuanzissha mchakato wa ORSA kwa kuzingatia marekebisho ya malengo na/au viwango vya vihatarishi vinavyokubalika.</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>i). Take the risks - The results are still within the preset limits. Although a (risk appetite) parameter is nearly hit, the management body decides not to take action. Note that this action is not permitted if the available equity is below the SCR.</p> <p>ii). Treat - mitigating the risks - This will be the most common action management will undertake. Management can decide for (qualitative) measures, possibly including (temporary) additional capital as long as risks are still</p>		<p>2.10.3 Kwa kuzingatia matokeo ya Ripoti ya ORSA, uongozi unaweza kuamua yafuatayo:</p> <p>i). Kuchukua vihatarishi – matokeo yapo ndani ya ukomo. Ingawaje ukomo wa viwango vya vihatarishi vinavyokubalika unakaribia kufikiwa, uongozi unaamua kutokuchukua hatua. Zingatia kwamba hatua hii hairuhusiwi kama thamani ya umiliki ni chini ya kiwango cha mtaji wa kisheria.</p> <p>ii). Kudhibiti – dhibiti vihatarishi. Hatua hii ni uamuzi wa kawaida uongozi utakaochukua. Uongozi unaweza kuamua kuongeza mtaji ikiwa vihatarishi bado viko kwenye viwango vya juu ili kutenegeza ziada ya dharura.</p>

SECTION TWO: ORSA PROCESS		SEHEMU YA PILI: MCHAKATO WA ORSA	
	<p>too high in order to create a (temporary) extra buffer.</p> <p>iii). Transfer the risks - The risk profile can be changed by transferring or sharing (part of) the risks. This could be achieved by for instance extending reinsurance contracts or the merger of legal entities to a new entity (within groups), or less encroaching: engage in co-insurance.</p> <p>iv). Terminate the risk generating activity - Last possible management action is to terminate certain activities. The risk profile will change, with the result (if the right activities are terminated) a reduction in restricted assets.</p>		<p>iii). Kuhamisha – kiwango cha vihatarishi kinaweza kubadilishwa kwa kuhamisha au kugawana sehemu ya vihatarishi. Hii inaweza kufikiwa mathalani kwa kuongeza mikataba ya bima mtawanyo au kuunganisha makampuni na kuunda kampuni mpya au kuingia kwenye utoaji bima wa Pamoja.</p> <p>iv). Kuachana na kazi/biashara zinazozalisha vihatarishi. Hatua ya mwisho kwa uongozi ni kuachana na baadhi ya kazi/biashara. Viwango vya vihatarishi vitabadilika kwa matokeo(kama kazi sahihi zitasitishwa) ya kupungua kwa mali zilizozuiliwa.</p>

SECTION THREE: BOARD OVERSIGHT AND SENIOR MANAGEMENT RESPONSIBILITY		SEHEMU YA TATU: USIMAMIZI WA BODI NA WAJIBU WA USIMAMIZI WA JUU	
3.1 Responsibilities of the Board	3.1.1 The Board shall oversee the ORSA and review the reasonableness and appropriateness of the results in the context of the Board-approved Business Strategy, Risk Appetite Framework, and Capital Policy.	3.1 Majukumu ya Bodi	3.1.1 Bodi itasimamia utekelezaji wa ORSA na kufanya mapitio kwa kuzingatia matokeo katika muktadha wa Mkakati wa Kibiashara, Mfumo wa Viwango vywa Vihatarishi Vinavyokubalika, na Sera ya Mtaji iliyoidhinishwa na Bodi
	3.1.2 The Board shall review the approved Business Strategy, Risk Appetite Framework, and Capital Policy based on internal controls (policies, procedures, and systems) to improve the quality and effectiveness of ORSA.		3.1.2 Bodi itafanya mapitio Mkakati wa Kibiashara, Mfumo wa Viwango vya Vihatarishi Vinavyokubalika, Pamoja na Sera ya Mtaji vilivoidhinishwa na Bodi kwa kuzingatia mfumo wa udhibiti wa ndani((Sera, Taratibu, na Mifumo) ili kuongeza ubora na ufanisi katika kutekeleza ORSA
3.2 Responsibilities of the Senior Management	3.2.1 Senior Management shall review the appropriateness of the methods used to implement ORSA Process..	3.2 Majukumu ya Menejimenti	3.2.1 Viongozi waandamizi watafanya mapitio ya usahihi wa njia

SECTION THREE: BOARD OVERSIGHT AND SENIOR MANAGEMENT RESPONSIBILITY		SEHEMU YA TATU: USIMAMIZI WA BODI NA WAJIBU WA USIMAMIZI WA JUU	
	3.2.2 Senior managers shall use ORSA as integral part of their risk management system.		<p>zinazotumiwa kutekeleza mchakato wa ORSA.</p> <p>3.2.2 Viongozi waandamizi watatumia mchakato wa ORSA katika sehemu muhimu ya mfumo wao wa usimamizi wa vihatarishi.</p>

SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
4.1 Reporting	<p>4.1.1 The ORSA must be conducted annually to ensure it provides relevant information for proper management of an insurer's solvency position and report to the Board as appropriate.</p> <p>4.1.2 Each (re)insurer shall produce more stable ORSA documentation and an annual ORSA Internal</p>	4.1 Utoaji wa Taarifa za ORSA	<p>4.1.1 ORSA lazima ifanyike kila mwaka ili kuhakikisha usimamizi sahihi wa uhimilivu wa mtoa bima na kuiarifu Bodi ipasavyo.</p> <p>4.1.2 Kila mtoa bima atapaswa kuandaa nyaraka madhubuti za ORSA pamoja na Ripoti ya ndani ya ORSA kama</p>

SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
	<p>Report as a deliverable of its Annual Planning process.</p> <p>4.1.3 The ORSA Internal Report, as a documentation of the ORSA process during the Annual Planning process, can be clustered around three main topics:</p> <ul style="list-style-type: none"> i). Business strategy (risk-return trade-off): description of business scenarios, (update of) risk strategy and risk appetite, forward looking risk profile and considerations. Given the aforementioned, leading to the approved business strategy; ii). Capital Management: outcome of the (qualitative) assessment of the appropriateness of the models, description of the MVBS and SCR projections techniques, 		<p>sehemu ya matokeo ya mchakato wa mpango kazi wa mwaka.</p> <p>4.1.3 Ripoti ya ndani ya ORSA kama sehemu ya mchakato wa mpango kazi wa mwaka itajumuisha maeneo makuu matatu:</p> <ul style="list-style-type: none"> i). Mkakati wa biashara unaoelezea mazingira ya biashara, mkakati wa kudhibiti vihatarishi, viwango vya vihatarishi vinavyokubalika, na vihatarishi vinavyoweza kutokea mbeleni. Yakizingatiwa haya, mkakati wa biashara utaidhinishwa; ii). Usimamizi wa mtaji: matokeo ya tathmini ya uwezo wa kanuni za kukokotoa mtaji, maelezo ya Mizania ya thamani ya soko na makadirio ya mtaji wa kisheria, majaribio ya uthabiti na

SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
	<p>(reverse) stress scenarios and resulting capital projections; and</p> <p>iii). (Future) management actions to deal with potential difficulties pro-actively.</p> <p>4.1.4 The ORSA Internal Report may be discussed at different levels:</p> <p>i). Where the governance system of a (re)insurer provides for this, the ORSA Internal Report is pre-discussed and approved in a committee that is responsible for discussing the risks. This can be the Risk & Capital Committee, Risk Committee or a committee with similar tasks, but named differently.</p>		<p>utegemezi katika mazingira hatarishi, na matokeo ya makadirio ya mtaji; na</p> <p>iii). Hatua zitakazochukuliwa na unongozi kupambana na hali ngumu ikiwa itatokea.</p> <p>4.1.4 Riporti ya ndani ya ORSA inaweza kujadiliwa katika ngazi mbalimbali ndani ya Kampuni:</p> <p>i). Kulingana na muundo wa utawala wa ORSA, Ripoti ya ndani ya ORSA itajadiliwa na kuidhinishwa na kamati inayohusiana na vihatarishi. Inaweza kuwa kamati ya Vihatarishi na Mtaji, Kamati ya Vihatarishi au kamati yoyote yenye majukuma kama haya.</p>



SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
	<p>ii). The resulting ORSA Internal Report is in any case discussed and approved by the Management / Board or similar committee.</p> <p>iii). The signed off ORSA Internal Report will, when required be filed to the Authority</p>		<p>ii). Ripoti itaidhinishwa na Uongozi au Bodi au kamati zake</p> <p>iii). Ripoti iliyosainiwa itawasilishwa kwa Mamlaka.</p>
4.2 Internal Controls	<p>4.2.1 The Board shall ensure adequacy of the internal controls by adopting policies, procedures, and systems to facilitate effective implementation of ORSA process.</p> <p>4.2.2 Each insurer should develop and adopt ORSA Policy which should include at least the description of:</p> <p>i). the ORSA governance structure consistent with the three lines of defence model;</p>	4.2 Udhhibiti wa ndani na mapitio yenye tija	<p>4.2.1 Bodi itahakikisha utoshelevu wa udhibiti wa ndani kwa kuweka sera, taratibu, na mifumo itayoweza ufanisi katika kutekeleza mchakato wa ORSA.</p> <p>4.2.2 Kila mtoa bima anapswa kuwa na Sera ya ORSA ambayo kwa uchahe inapswa kueleza mbo yafuatayo:</p> <p>i). Muundo wa utawala wa ORSA unaoendana na modeli ya mistari mitatu ya ulinzi;</p>

SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
	<ul style="list-style-type: none"> ii). the processes and procedures in place to conduct the ORSA; iii). the link between the risk profile, the approved risk tolerance limits and the overall solvency needs; and iv). the methods and methodologies including information on: <ul style="list-style-type: none"> a) how and how often stress tests, sensitivity analyses, reverse stress tests or other relevant analyses are to be performed; b) data quality standards; c) the frequency of the assessment itself and the justification of its adequacy particularly taking into account the company's risk profile and 		<ul style="list-style-type: none"> ii). Utaratibu wa namna ya kuendesha mchakato wa ORSA; iii). Mahusiano baina ya vihatarishi, viwango vya vihatarishi vinavyokubalika, na mahitaji ya uhimilivu; na iv). Kanuni na tarataibu ikiwemo taarifa ya: <ul style="list-style-type: none"> a) Namna na wakati wa kufanya majaribio ya uthabiti na utegemezi katika mazingira hatarishi, au thamini nyinginezo b) Sifa za ubora wa taarifa za kufanyia tathmini c) Muda wa kufanya thamini na uthibitisho wa utoshelevu wake kwa kuzingatia vihatarishi vya kampuni pamoja na utete wa mahitaji

SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
	<p>the volatility of its overall solvency needs relative to its capital position;</p> <p>d) the timing for the performance of the ORSA and the circumstances which would trigger the need for an ORSA outside of the regular time-scales.</p>		<p>ya uhimilivu kwa kuzingatia hali ya mtaji iliyopo;</p> <p>d) Muda wa ufanisi wa ORSA na mazingiria yatakayopelekea kuanzisha mchakato wa ORSA nje ya muda wa kawaida.</p>
4.3 Supervisory Review	<p>4.3.1 The Authority shall assess capital adequacy at multiple levels to ensure insurers have sufficient capital to meet regulatory requirements and support their risk profiles.</p> <p>4.3.2 The Authority shall review the ORSA and its supporting documentations on its assessment to ensure consistent with the Authority's guides and</p>	4.3 Mapitio ya Usimamizi	<p>4.3.1 Mamlaka itafanya tathmini ya utoshelevu wa mtaji katika ngazi tofauti ili kuhakikisha kuwa Kampuni ya bima zina mtaji unaokidhi takwa la Mamlaka na kumudu aina mbalimbali za vihatarishi.</p> <p>4.3.2 Mamlaka itafanya mapitio ya utekelezaji wa ORSA na nyaraka wakati wa kufanya tathmini ili kuhakikisha kuwa Kampuni ya Bima inatekeleza kulingana na miongozo</p>

SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
	<p>alignment with insurer's risk appetite and risk profile.</p> <p>4.3.3 The Authority shall review the insurer's ORSA on annual basis following submission of the relevant documents by the insurers.</p> <p>4.3.4 The Authority considers both quantitative and qualitative aspects of ORSA equally essential for effective risk and capital assessment.</p>		<p>iliyotolewa na Mamlaka sambamba na hali ya uwezo wa mtoa bima katika kuhimili vihatarishi na aina aina ya vihatarishi. .</p> <p>4.3.3 Mamlaka itafanya mapitio ya ORSA ya Kampuni ya Bima kila mwaka baada ya kupokea nyaraka husika kutoka kwa Kampuni ya Bima</p> <p>4.3.4 Mamlaka itazingatia umuhimu wa vipengele vyote vya kiasi na ubora wa ORSA kwa usawa wakati wa kufanya tathmini ya vihatarishi na mtaji.</p>
4.4 Sample ORSA report formats	<p>4.4.1 Insurers are required to utilize the recommended ORSA format provided in Appendix 2 to ensure that all relevant items are included in the reports.</p>	4.4 Mfano wa Taarifa ya ORSA	<p>4.4.1 Kampuni za Bima zinapaswa kutumia mfano wa Taarifa zinazotakiwa katika ORSA kama ilivyoanishwa katika Kiambatisho Na 2 ili kuhakikisha kuwa mambo yote muhimu yanapatikana katika</p>

SECTION FOUR: MONITORING AND REPORTING		SEHEMU YA NNE: UFUATILIAJI NA TAARIFA	
			Taarifa ya ORSA kama inavyotarajiwa.

SECTION FIVE: REVIEW AND APPROVAL		SEHEMU YA TANO: MAPITIO NA IDHINI	
5.1 Review of the Guidelines	These Guidelines shall be reviewed once in every three (3) years for improvement.	5.1 Mapitio ya Mwongozo	Miongozo hii itapitiwa kila baada ya miaka mitatu (3) kwa ajili ya maboresho.
5.2 Effective date	These Guidelines shall come into force on the 1 st January 2026.	5.2 Tarehe Rasmi ya Kuanza Kutumika	Miongozo hii itaanza kutumika rasmi tarehe 1 Januari, 2026.
5.3 Approval	<p>Approved by:</p>  <p>.....</p> <p>Dr. Baghayo A. Saqware Commissioner of Insurance</p>	5.3 Idhini	<p>Imeidhinishwa na:</p>  <p>.....</p> <p>Dkt. Baghayo A. Saqware Kamishna wa Bima</p>

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Appendix 1 – Supplementary Risk Considerations

The risk considerations contained within this appendix do not constitute an exhaustive list of exposures and factors that insurers should consider for purposes of the ORSA and for establishing internal targets. Rather, they provide some examples that may be relevant for a particular insurer and that may be used when exploring and assessing risks in the context of the ORSA.

Comprehensive Identification and Assessment of Risks

Emerging/Evolving risks

Certain risks may be identified based on possible new developments or emerging trends in the internal or external environment. While some may have been reviewed and found to be non-material, others may not have yet been defined or evaluated. Also, risks that were once considered immaterial may become material as the insurer's environment changes.

The ORSA should consider how risks may evolve and what measurement and management techniques are required for monitoring purposes.

Risk transfer/Mitigation activities

Insurers should be cognizant of any risks that may exist within certain risk transfer or risk mitigation activities (such as reinsurance, hedging or securitization transactions), and how these would behave under stress conditions. Resulting new or additional risks such as credit/counterparty and operational risk should be taken into consideration.

Relating Risk to Capital (*Determining Own Capital Needs*)

This guideline does not provide a list of available approaches, methodologies or tools. As a result ORSA practices across insurers are likely to vary. For example, some insurers may:

- consider that the assessment of a material complex risk or set of risks would be best performed through the use of sophisticated internal models;
- determine that developing complex internal models for a material complex risk, although desirable, is not feasible and, as a result, select somewhat simpler, less refined approaches and compensate with more prudent assumptions that nonetheless yield reasonable estimates of own capital needs;
- expend considerable effort to develop an advanced methodology to assess a specific complex risk which they believe will give them a competitive advantage in the market and allow for improved capital allocation;
- choose to rely heavily on qualitative considerations, including expert judgement, for risks that are difficult to quantify and for which measurement results vary significantly depending on the approach and method used;

- develop complex methodologies to aggregate results and estimate the capital needs for concentrations, dependencies and risk interactions along with prudent benefits of diversification;
- choose a simple aggregation approach producing cruder results that achieve little or no diversification benefits.

Aggregation/Diversification Adjustment

Where risk aggregation/diversification adjustment benefits are applied in an insurer's ORSA, they should be validated and calibrated by the insurer on a regular basis. Insurers should be prudent in their assessment of aggregation/diversification benefits and should consider whether such benefits exist in periods of stress. When giving consideration to the benefits of diversification, equal consideration should be given to the potential concentrations, dependencies and interactions of risks that may cause the total impact to be greater than the sum of the impact of the risks considered individually.

Concentrations, Dependencies and Interactions of Risks

Situations in which risk concentrations, dependencies and interactions can arise include, among others, exposures to:

- one or many severe or extremely severe events/scenarios and their knock-on effects;
- a series of many small events/scenarios or individual claims and their knock-on effects;
- a common cause across many underwriting years (e.g. asbestos, pollution, etc.);
- one or very few reinsurers or other counterparties, or connections between counterparties;
- one or very few products/lines of business or sources of business/assets;
- geographical regions.

Risk concentrations, dependencies and interactions can arise through a combination of exposures across these and other broad categories. An insurer should have an understanding of its insurance, market, credit and other risk concentrations, dependencies and interactions resulting from exposures within and across its different business lines.

Appendix 2 – Sample ORSA report contents

Tanzanian Insurance Regulatory Agency

Own Risk and Solvency Assessment Report
General Insurance

Table of Contents

1.	Introduction	45
1.1	Purpose of the ORSA Report	45
1.2	Who must submit an ORSA report, and when?	45
2.	Management, Governance and Controls	45
3.	Financial Soundness	46
4.	Risk Management	47
4.2	Market and Liquidity Risk	Error! Bookmark not defined.
4.3	Credit risk	Error! Bookmark not defined.
4.4	Operational risk	Error! Bookmark not defined.
4.6	Group Risk	Error! Bookmark not defined.
5.	Customers, Markets and Products	47
6.	Supplementary Documents	48

1. Introduction

This document sets out the requirements of the Authority for the submission of an Own Risk and Solvency Assessment (ORSA) from the Boards of Insurers.

This is a confidential report to the Authority and the details received will not be disclosed to any other parties.

1.1 Purpose of the ORSA report

- a. The ORSA Report provides an outline of the key risks and solvency matters affecting the insurer.
- b. Enabling the insurer's Board of Directors to provide assurance to the Authority that the Insurer has adequate capital support in place to minimize the risk of possible financial failure.

1.2 Who must submit an ORSA report, and when?

- a. All registered insurers must submit an ORSA Report.
- b. The report must be completed on an individual insurer level and not at a group level.
- c. The report must be submitted to the Authority on an annual basis within four (4) months after the end of each year.
- d. The Authority may at any time require an insurer to compile and submit an ORSA report within a reasonable period of time. Depending on the insurer's financial position, this report may be requested on an ad hoc basis over and above the annual submission requirement.
- e. The ORSA report must be signed off by the chairperson of the Board of Directors and the Chief Executive Officer of the insurer.
- f. In the event an insurer was assisted by an external resource in compiling any part of the report, the report must state the name and level of assistance provided by this resource.

2. Management, Governance and Controls

2.1 Insurers Background

- a. Outline and describe the intrinsic nature of the business and the external environment within which an insurer operates.
- b. Provide details of:
 - i. the corporate structure;
 - ii. the ultimate beneficial shareholder, by including an organigram that highlights major shareholders or groups of shareholders, of the insurer as well as the financial condition of the holding company.

2.2 Risk Management Strategy

- a. Outline your risk management strategy, including the major risk areas identified.
- b. Disclose the systems and procedures in place to identify, assess, mitigate and monitor the risk.
- c. Provide details on the following matters relating to risk management strategy:
 - i. the risk governance roles and responsibilities falling on the Board and Senior management;
 - ii. the processes for identifying and assessing risks;
 - iii. the process for establishing mitigation and control mechanisms for individual risks;
 - iv. the process for monitoring and reporting risk issues including communication and escalation mechanisms;
 - v. those persons in the insurer with managerial responsibility for the risk management framework, their positions, roles and responsibilities, and whether there were positional changes during the year;
 - vi. the process by which the risk management framework is reviewed;
 - vii. the processes and controls in place ensuring that all business written complies with classes of business registered and registration conditions imposed; and
 - viii. the mechanisms in place for monitoring and ensuring continual compliance with the Capital Adequacy Ratio (CAR);
 - ix. the processes and controls in place for ensuring compliance with all other prudential requirements.

3. Financial Soundness

Outline the insurer's strategy for setting and monitoring capital resources over time, including the process for the establishment of internal capital targets and the processes and controls in place to monitor and ensure current and prospective levels of capital remain about Authorities' capital requirements.

- a. Comment on the following regarding capital strategy:
 - i. targets and trigger ratios included in the strategy;
 - ii. any issues arising from the use of the strategy, and
 - iii. future capital needs to support the business plan and specifics about the anticipated sources of capital.
- b. If the level of capital has fallen below Authority capital adequacy targets during the past year the following information must be provided:
 - i. the extent to which capital has fallen short;
 - ii. reasons for this occurrence;

- iii. actions that were taken to rectify the situation whether the situation has currently been rectified; and
 - iv. actions that were taken to prevent reoccurrence.
- c. Comment on the Insurer's capacity to continue to meet capital targets over the next three years, including quantitative and qualitative stress and scenario testing.

4. Risk Management

An insurers shall provide assessment of the risk with respect to:-

4.1 Underwriting Risk

- a. Underwriting Performance Analysis: Analyzing recent underwriting performance in regarding to the trends and deviations from expected outcomes.
- b. Corrective actions: Describing steps taken to address the deviations ensuring corrective measures are promptly implemented.
- c. Premium allocation: Prescribes procedures and assumptions for setting risk premiums and loadings.

4.2 Market Risk

- a. Asset and Liability Management: Describe approaches implemented in Assets and Liability Management for the liquidity of the company.
- b. Investment Strategy: Describe investment strategy formulated and implemented in assessing risk profile of the company.
- c. Cash Flow Management and Liquidity: Outline the strategies for managing and monitoring cashflow for each line of business in order to ensure that liquid assets are sufficient to meet insurer's obligations.

4.3 Credit Risk

- a. Credit Risk Management: Detailing processes for managing and monitoring credit risk exposures.
- b. Identification of Credit Risks: Outlining criterias used for identification and classification of credit risks exposures.
- c. Mitigation of credit risks: Describes mitigation strategies and controls for credit risks in alignment with the insurer risk appetite level.
- d. Credit risks exposures limit: Establishing credit exposure limits and approval processes for risks beyond the exposure limit ensures prudent credit risk management practices

4.4 Operational Risk

- a. Identification of operation risks: Insurers shall identify potential threats with regards to failure of peoples, processes, systems or due to external events.
- b. Risk mitigation processes: Insurers shall clearly prescribe the measures and controls for operational risks with regard to the company's risk tolerance.

4.5 Reinsurance Management

- a. Strategy Alignment: Providing an overview of the reinsurance arrangements with respect to the risk appetite of the company.
- b. Analysis of the reinsurance arrangement: Analyzing the performance of the reinsurance arrangements and establish the effective strategies for the risk transfer mechanism.
- c. Capital Requirements: Assessing the impact of reinsurance strategies on overall capital requirements.
- d. Changes Over Reporting Period: Documenting changes to reinsurance strategies and treaties over the reporting period ensures transparency in risk transfer decisions.

4.6 Group Risk

For group companies, disclosure of significant developments within affiliated companies and group risk management enhances understanding of group-wide risks.

5. Customers, Markets and Products

An insurer shall provide detailed information with respect to:

- a. List of the products offered by the company for the period under review;
- b. Performance of the products for the period under review;
- c. Effectiveness of the market strategies of the insurer;
- d. Complaints handling procedures and resolutions;

6. Supplementary Documents

The following documents must be provided with the ORSA report:

- a. Risk management strategy signed by the Board
- b. Investment Policy
- c. Reinsurance strategy document signed by the Board
- d. Regulatory Compliance matrix

Tanzanian Insurance Regulatory Authority

Own Risk and Solvency Assessment Report
Life Insurance

2023

Table of Contents

1.	Introduction	51
1.1.	Purpose of the ORSA Report	51
1.2.	Who must submit an ORSA Report, and when?	51
2.	Management, Governance and Controls	51
2.1.	Insurer's Background	52
2.2.	Risk Management Strategy	52
3.	Financial Soundness	52
4.	Risk Management	52
4.1	Underwriting Risk	53
4.2.	Market and Liquidity Risk	54
4.3.	Credit risk	55
4.4.	Operational risk	55
4.5.	Reinsurance Management Strategy	56
4.6.	Group Risk	57
5.	Customers, Markets and Products	57
6.	Supplementary Documents	58

1. Introduction

This document sets out the requirements of TIRA for the submission of a Own Risk and Solvency Assessment (ORSA) Report from the Boards of insurance companies. This is a confidential report to TIRA and the details received will not be disclosed to any other parties.

1.1. Purpose of the ORSA Report

- a. The ORSA Report provides an outline of the key risks and matters impacting on the risks faced by the insurer. This includes identifying the implications of issues identified and, where these implications are adverse, proposing recommendations designed to address the issues. It augments, but does not replace, statutory returns.
- b. The Board of directors of the long-term insurer should assure themselves and demonstrate within this report that adequate capital support is in place to minimize the risk of possible financial failure of the insurer.
- c. The report should focus on principles. For example, smaller insurers may need to report less than larger insurers.
- d. The principles of disclosure that should be adhered to are described in this section. Therefore no standard template is given at this stage.

1.2. Who must submit an ORSA Report, and when?

- a. All registered long-term insurers including registered long-term insurers in run-off must submit an ORSA Report.
- b. The report must be completed on an individual long-term insurer level and not at a group level.
- c. The report must be submitted to TIRA on an annual basis accompanying the annual statutory return within four months of the financial year end of the insurer. It should not be viewed as an annexure to the statutory return or the published annual financial statements. Neither should any cross-reference be made between the report and the statutory return or the published annual financial statements.
- d. TIRA may at any time require, with valid reasons, a long-term insurer to compile and submit, within a reasonable period of time, an ORSA Report. We may also request this on an ad hoc basis over and above the annual submission requirement depending on the nature of the long-term insurer's financial position.
- e. The ORSA Report must be signed off by the chairperson of the Board of Directors and the Chief Executive Officer of the long-term insurer, and must state the name of the actuary.

2. Management, Governance and Controls

2.1. Insurer's Background

- a. Outline and describe the intrinsic nature of the business and the external environment within which your company operates.
- b. Provide details of:
 - i. The corporate structure;
 - ii. The ultimate beneficial shareholder, by including an organogram that highlights major shareholders or groups of shareholders, of the insurer as well as the financial condition of the holding company.

2.2. Risk Management Strategy

- a. Outline your risk management strategy, including the major risk areas identified.
- b. Discuss the systems and procedures in place to identify, assess, mitigate and monitor the risk with which your company is faced.
- c. Provide details on the following matters relating to your risk management strategy:
 - i. The risk governance roles and responsibilities falling on the Board, Board committees and senior management;
 - ii. The processes for identifying and assessing risks;
 - iii. The process for establishing mitigation and control mechanisms for individual risks;
 - iv. The process for monitoring and reporting risk issues (including communication and escalation mechanisms);
 - v. Those persons in the insurer with managerial responsibility for the risk management framework, their positions, roles and responsibilities, and whether there were positional changes during the year;
 - vi. The process by which the risk management framework is reviewed;
 - vii. The processes and controls in place ensuring that all business written complies with classes of business registered and registration conditions imposed;
 - viii. The mechanisms in place for monitoring and ensuring continual compliance with the Capital Adequacy Ratio(CAR); and
 - ix. The processes and controls in place for ensuring compliance with all other prudential requirements.

3. Financial Soundness

- a. Outline your company's strategy for setting and monitoring capital resources over time, including the process for the establishment internal capital target and the processes and controls in place to monitor and ensure current and prospective levels of capital remain about TIRA's capital industry-wide adequacy targets.

- b. Comment on the following regarding capital strategy,
 - i. targets and trigger ratios included in the strategy;
 - ii. any issues arising from the use of the strategy, and
 - iii. future capital needs to support your business plan and specifics about the anticipated sources of capital.
- c. If the level of capital has fallen below TIRA's capital adequacy targets during the past year the following information must be provided:
 - i. the extent to which capital has fallen short;
 - ii. reasons for this occurrence;
 - iii. actions that were taken to rectify the situation and whether the situation has currently been rectified; and
 - iv. actions that were taken to prevent reoccurrence.
- d. Comment on your company's capacity to continue to meet capital targets over the next three years; including quantitative and qualitative stress and scenario testing.

4. Risk Management

4.1 Underwriting Risk

- a. Identify and comment upon significant features or trends in your company's recent experience, providing details of:
 - i. The impact of external factors
 - ii. Deviations in actual experience from expected experience;
 - iii. Reasons for these deviations, and
 - iv. Whether any of the above gave rise or will result in a change of your underwriting policy and to what extent.
- a. Comment on any steps taken, or proposed to be taken, by the Board and senior management of the insurer to address areas of deviation and adverse experience.
- b. Outline your approach to setting premiums and policyholder bonus policy, if with profits business is being written, providing details of the areas below, including responses regarding unbundled policies, such as equity linked or similar products. You need not disclose rates or levels, but rather the processes and management structures used to set or allow for each item, and to verify and review them.
 - i. Product design
 - ii. Mortality and morbidity rates
 - iii. Actual and expected expenses
 - iv. Lapses and surrenders
 - v. All guarantees and options provided for in such business, such as guaranteed insurability options, and premium rate guarantees.
 - vi. The expected net investment return on future investments

- vii. The standards applied in the underwriting of risks
- viii. The arrangements made as regards reinsurance
- ix. The reasonable benefit expectations of policyholders, if relevant
- x. The manner in which experience is incorporated into the pricing process
- c. Describe how the board and/or management ensure that an effective database is in place to analyse and monitor underwriting data.

4.2. Market and Liquidity Risk

- a. Comment on the current approach of your company to asset and liability management in relation to your liability profile and liquidity needs. Distinguish between assets supporting liabilities and regulatory capital, and those assets supporting surplus assets, if relevant.
- b. Outline the process followed to implement an investment strategy, including the following, specifying as far as possible where the board or Valuator was involved:
 - i. Your investment objective(s);
 - ii. How the capital position, the term and currency profile of the expected liabilities, liquidity requirements and the expected returns, volatilities and asset class correlations are incorporated in this objective;
 - iii. Your process for identifying risks, including the different types or causes of risk, and if the assessment has been made over different time horizons;
 - iv. How the financial risk associated with financial options embedded into policy contracts is managed
 - v. The formulation of the investment strategy, discussing strategic asset allocation, assets allocation ranges, risk limits target, currency exposures and ranges;
 - vi. The management of individual asset classes, whether performed internally or outsourced to investment managers;
 - vii. The responsibilities of individuals and committees deciding and implementing the investment strategy;
 - viii. The selection process of the investment managers as well as the monitoring of these investment managers in respect of adherence to their mandates;
 - ix. The process of ensuring the continuing appropriateness of the investment strategy, including audit and review;
 - x. The monitoring of compliance with the investment strategy; and
 - xi. Contingency plans to mitigate the effects of deteriorating conditions.
- c. Outline the strategy for managing and monitoring cash flows for each line of business in order to ensure that liquid assets are sufficient to meet claims and expenses as they fall due.

- d. Provide details of any material liquidity problems over the prior reporting period and the processes and procedures in place to diminish the future occurrence of these problems.
- e. Provide the following information in respect of derivative transactions:
 - i. Objective in using derivatives;
 - ii. Risk tolerance or allowed exposure ;
 - iii. The management framework in respect of derivative transactions;
 - iv. Lines of authority and responsibility for transacting derivatives;
 - v. Worst-case scenarios and sensitivity analyses tests;
 - vi. Systems in place to enable the frequent and effective monitoring of positions and able to cope with the volumes and volatility of transactions undertaken, and
 - vii. Details and reasons for any breaches of exposure limits.

4.3. Credit risk

- a. Outline the processes in place to manage and monitor the credit risk exposure of your company.
- b. Outline those risks which you regard as your main credit risks.
- c. Describe how your company defines acceptable ranges, quality and diversification of credit exposures. This should be related to different categories such as reinsurers, brokers, policyholders, investments and other. Describe the board's involvement in setting the insurer's risk tolerance and involvement in setting allowable hedging strategies to offset credit risks.
- d. Describe the limits set for credit exposures and the maximum exposure at the reporting date to single counterparties, groups of related counterparties, and specific asset classes.
- e. Describe of the process for approving changes in the credit mandate and changes in limit structures.
- f. Describe of the process for reviewing and, if necessary, reducing or cancelling exposures to a particular counterparty where it is known to be experiencing problems.
- g. Mention whether you have contingency plans to deal with worsening credit risk.
- h. State whether your credit risk policies are subject to periodic audit and expert external review and how often.
- i. Provide details of any material third-party defaults over the prior reporting period and the processes and procedures in place to mitigate such defaults from reoccurring in the future.

4.4. Operational risk

- a. Define what you perceive as operational risks in your business context. Operational risks are the risks associated with failure of people, processes, systems or due to external events or parties. Some examples include:
 - i. Processes: business continuity risk;
 - ii. People: the risk of inadequate human resources;
 - iii. People: internal and external fraud;
 - iv. Processes: the risks associated with project management;
 - v. Processes: the risks associated with underwriting and claims;
 - vi. Processes: the risks around the introduction of new products;
 - vii. External parties: the risks associated with outsourcing work;
 - viii. Processes: failure of management information and accounting systems and communication with the board
- b. The report needs to provide detail on the processes incorporated by the insurers to manage and monitor the operational risk exposure.
- c. Describe the process of identifying and defining key areas of operational risks. Explain how your company's activities and internal functions are reassessed to update the definition.
- d. Provide details on the financial losses suffered due to operational losses over the prior reporting period; including:
 - i. A description of the events that caused the loss;
 - ii. The control procedures that were not functioning to prevent the loss; and
 - iii. Mitigating actions taken to prevent these losses in the future.

4.5. Reinsurance Management Strategy

- a. Outline your company's reinsurance management strategy.
- b. Comment on any issues arising from the use of the specified reinsurance strategy and arrangements, including:
 - i. The primary objectives when placing reinsurance;
 - ii. The process for selecting reinsurance partners;
 - iii. The process of establishing the type and level of reinsurance required; and
 - iv. The amount of and the methodology used to calculate the maximum loss per life and per event.
- c. Provide details of the process for:
 - i. Ensuring continuing appropriateness of the reinsurance strategy;
 - ii. Implementation of this strategy; and
 - iii. Monitoring and oversight of this strategy.
- d. Describe the impact of the reinsurance strategy on the overall capital requirements; including details on reinsurance treaties where cancellation of the treaty would lead to a change (after management action) in the CAR of more than 15%.

- e. Discuss the factors taken into account in determining the net retention per life and the retention on the company quota share programmes.
- f. Provide details on the following:
 - i. The maximum unprotected net retention per life;
 - ii. The systems used to track multiple policies on the same life to ensure that the maximum sum assured per life is not inadvertently exceeded; and
 - iii. The names of the treaty reinsurers with whom cover beyond the retained maximum is reinsured for group and individual business.
- g. Comment on the use of facultative reinsurance by the insurer with reference to how and why the decision to purchase facultative reinsurance is made.
- h. Provide the following with regard to catastrophe cover:
 - i. the threshold number of lives needed to define a catastrophe;
 - ii. the maximum aggregate cover provided for individual and group cover; and
 - iii. a list of reinsurers providing catastrophe cover to the reinsurer.
- i. The report must highlight changes to the reinsurance strategy over the prior reporting period, with specific reference to:
 - i. The type of reinsurance cover purchased;
 - ii. The net retention levels;
 - iii. The amount of catastrophe cover purchased; and
 - iv. The lead reinsurer on major contracts.
- j. Comment on how total exposure per reinsurer is monitored.
- k. Provide details of financial relief reinsurance arrangements including:
 - i. Financial relief reinsurance
 - ii. Reinsurance with a “clawback”
 - iii. Deposit reinsurance with a guaranteed return
 - iv. Reinsurance contracts with recapture clauses enforceable by the reinsurer
 - v. Reinsurance contracts/treaties or other arrangements where a contingent liability exists.

4.6. Group Risk

Outline significant developments in companies within any broader Group of companies with which you are affiliated, which may impact on your business. This includes but is not limited to related holding companies, investment companies and subsidiaries. How do you identify Group risk, and how do you manage it?

5. Customers, Markets and Products

- a. Provide an outline of the products that you offer, and any significant new products introduced over the last twelve months.
- b. If there are any ‘loss leaders’ mention them and how exposure to these will be limited in future.

- c. Describe your historic and current customer base, and your target market.
- d. Discuss your approach to ensuring that your products are appropriate to your market.
- e. Discuss the effectiveness of your complaints management system and how this is measured.
- f. Describe your philosophy and practice vis-à-vis treating your customers fairly. This includes matters of disclosure, product design and marketing.

6. Supplementary Documents

The following documents must be provided with the ORSA Report:

- a. Risk management strategy signed by the board
- b. Investment policy
- c. Derivative investment policy
- d. Reinsurance strategy document signed by the board