



TANZANIA INSURANCE REGULATORY AUTHORITY

MAMLAKA YA USIMAMIZI WA BIMA TANZANIA

**GUIDELINES ON RISK BASED CAPITAL ADEQUACY
FOR INSURERS**

**MIONGOZO YA UTOSHELEVU WA MITAJI
UNAOZINGATIA VIHATARISHI KWA KAMPUNI ZA
BIMA**

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| 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 imetolewa kwa mujibu wa Kifungu cha 6 (2) (e) na 11 (b) cha Sheria ya Bima Sura Na. 394 ambacho kinaiagiza Mamlaka kuweka vigezo vya uendeshaji wa shughuli za bima ambavyo vitatakiwa kuzingatiwa na watoa huduma za bima. |
| 1.2 Citation | These Guideline may be cited as “ <i>Guidelines on Risk Based Capital Adequacy for Insurers, 2025.</i> ” | 1.2 Nukuu | Miongozo hii itafahamika kama “ <i>Miongozo ya Utoshelevu wa Mitaji Unaozingatia Vihatarishi kwa Kampuni za Bima, 2025</i> ” |
| 1.3 Background and Rationale | 1.3.1 As Tanzania's insurance sector expands, so do the inherent risks tied to insurance operations. Without adequate safeguards, these risks could jeopardize insurer stability and harm policyholders. | 1.3 Usuli na Mantiki | 1.3.1 Kadiri Sekta ya Bima ya Tanzania inavyopanuka, ndivyo vihatarishi vya asili vinavyohusishwa na shughuli za bima navyo vinaongezeka. Hivyo, bila kuwepo kwa usimamizi wa kutosha, vihatarishi hivi vinaweza kuhatarisha usalama wa Kampuni ya Bima pamoja na wateja wa huduma za bima. |

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| <p>1.3.2 The evolving global standards for capital adequacy call for tailored guidelines specific to Tanzania. This approach takes into account the unique risk profiles of each insurer, promoting a more resilient financial system by:</p> <ul style="list-style-type: none"> i. Enhanced Risk Management: Encouraging insurers to proactively identify, measure, and manage their risks; ii. Capital Efficiency: Allowing insurers to hold capital in line with their individual risk profiles, thereby optimizing capital utilization; | <p>1.3.2 Kubadilika kwa mahitaji ya viwango vya kimataifa vya utoshelevu wa mitaji vinaifanya Tanzania kutoa miongozo mahususi katika suala hilo.. Njia hii inazingatia maelezo ya vihatarishi vya kipekee kwa kila Kampuni ya Bima , kuimarisha mfumo wa Madhubuti wa kifedha kwa:</p> <ul style="list-style-type: none"> i. Kuimarisha Usimamizi wa vihatarishi kwa : kuhimiza Kampuni ya Bima kutambua, kupima, na kusimamia vihatarishi vyao kwa umakini; ii. Ufanisi wa Mitaji: Kuruhusu Kampuni ya Bima kuwa na mitaji kulingana na aina ya vihatarishi vya kipekee, na kuboresha matumizi sahihi ya mitaji; |

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| | <p>iii. Market Discipline: Promoting transparency and accountability, which enhances confidence among stakeholders; and</p> <p>iv. Regulatory Compliance: Aligning with global regulatory standards to facilitate regional integration and competitiveness.</p> <p>1.3.3 In essence, the issuance of risk-based capital adequacy guidelines is vital to ensuring the stability, efficiency, and competitiveness of Tanzania's insurance industry.</p> | | <p>iii. Nidhamu ya Soko: Kuhamasisha uwazi na uwajibikaji, hivyo kuongeza imani kwa wadau wa soko la bima; na</p> <p>iv. Utekelezaji wa matakwa ya Kisheria ya Mamlaka: Hii ni pamoja na kwenda sawia na viwango vya Kimataifa na Kikanda ili kuwezesha ushishindani.</p> <p>1.3.3 Kimsingi, utoaji wa miongozo ya utoshelevu wa mitaji ya vihatarishi ni muhimu katika kuhakikisha kuna utulivu, ufanisi, na ushindani katika Sekta ya Bima Tanzania.</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 | 1.4 Matumizi na Mawanda | Miongozo hii itatumika kwa Kampuni ya Bima zote zilizosajiliwa na kupewa leseni ya kufanya biashara ya Bima na Mamlaka nchini Tanzania. |

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| | Authority to carry on insurance business in Tanzania. | | |
| 1.5 Purpose and Objectives | <p>1.5.1 These Guidelines aims to ensure that insurers at any time maintain adequacy capital level depending on the nature of its risk's profiles.</p> <p>1.5.2 These Guidelines have been developed based on the following principles;</p> <ul style="list-style-type: none"> i. Allowing greater flexibility for an insurer to function at different risk levels in accordance with its business strategies; ii. Precise determination of the prudential buffer level to promote transparency; iii. Providing incentives for insurers to put in place | 1.5 Lengo na Madhumuni | <p>1.5.1 Miongozo hii inalenga kuhakikisha kuwa Kampuni ya Bima zote , wakati wowote zinakuwa na kiwango stahiki mitaji kulingana na hali ya vihatarishi vyake.</p> <p>1.5.2 Miongozo hii imeandaliwa kwa kuzingatia misingi ifuatayo;</p> <ul style="list-style-type: none"> i. Kuruhusu mabadiliko kutokana na Kampuni ya Bima kufanya biashara mazingira yenye viwango tofauti ya vihatarishi kwa kuzingatia mikakati yao ya biashara ii. Uamuzi sahihi wa kiwango cha bafa ili kukuza uwazi; iii. Kutoa motisha kwa Kampuni ya Bima ili kuweka miundombinu |

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| | <p>appropriate risk management infrastructure and adopt prudent practices;</p> <p>iv. Promoting alignment with global standards to improve comparability across jurisdictions and minimize regulatory arbitrage within financial sector ; and</p> <p>v. Providing an early warning signal on the deterioration in the capital adequacy level of an insurer, hence allowing prompt and pre-emptive supervisory actions to be taken.</p> | | <p>inayofaa ya usimamizi wa vihatarishi na kutekeleza vitendo vya kibiashara vinavyofaa;</p> <p>iv. Kukuza usawa na viwango vya kimataifa ili kuboresha uwiano katika mipaka na kupunguza usuluhishi wa usimamizi ndani ya sekta ya fedha; na</p> <p>v. Kutoa ishara ya onyo la mapema kuhusu kuzorota kwa kiwango cha utoshelevu wa mtaji wa Kampuni ya Bima, na hivyo kuruhusu hatua za usimamizi wa haraka na kabla ya hatua kuchukuliwa.</p> |
| 1.6 Interpretation | 1.6.1 In these Guidelines, unless the context requires otherwise the following words shall mean: - | 1.6 Tafsiri | 1.6.1 Katika Miongozo hii, isipokuwa muktadha unahitaji vinginevyo maneno yafuatayo yatamaanisha: - |

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| <p>“Act”- means the Insurance Act Cap 394</p> <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>“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>“Insurance business” – As defined under the Act.</p> <p>“Insurer” - means all insurance and reinsurance companies.</p> | <p>“Sheria”- maana yake ni Sheria ya Bima Sura ya 394</p> <p>“Mamlaka”- maana yake ni Mamlaka ya Usimamizi 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>“Menejimenti” - inamaanisha timu ya watu katika ngazi ya juu ya usimamizi wa kampuni ya bima ambao wana majukumu ya kila siku ya kusimamia biashara ya bima.</p> <p>“Biashara ya bima” – maana yake ni kama ilivyotafsiriwa katika Sheria ya Bima.</p> <p>“Kampuni ya Bima” - inamaanisha kampuni zote za bima na bima.</p> |

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| <p>“Capital Required” - is the amount of capital that an insurer is required to have and is determined by the Authority.</p> <p>“Capital Available” - represent the actual capital available and it consist of paid up shares, share premiums, retained earnings and reserves subject to the admissibility by the Authority from time to time.</p> <p>“Capital Adequacy Ratio”(CAR) - is a measure of capital available as a percentage of the capital required.</p> <p>“Capital Charge”- means amount of capital that an insurer is required to hold as a cushion against potential losses arising from various risks in its operation.</p> | <p>"Mtaji unaohitajika" – maana yake ni kiasi cha mtaji ambacho kampuni ya bima inahitajika kuwa nayo na inaamuliwa na Mamlaka.</p> <p>"Mtaji uliopo" – maana yake ni mtaji halisi uliopo na unajumuisha hisa zilizolipwa, malipo ya ziada ya hisa, mapato yaliyohifadhiwa na akiba kulingana na idhini ya Mamlaka mara kwa mara.</p> <p>"Uwiano wa Utoshelevu wa Mtaji" (CAR) – maana yake ni kipimo cha mtaji uliopo kama asilimia ya mtaji unaohitajika.</p> <p>“Gharama ya Mtaji”- maana yake ni kiasi cha mtaji ambacho Kampuni ya Bima inahitajika kuweka kama akiba dhidi ya hasara inayoweza kutokea kutokana na vihatarishi mbalimbali katika shughuli zake.</p> |

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| <p>2.1 Risk-based capital adequacy</p> | <p>2.1.1 The Capital Adequacy level is assessed using the Capital required and the Capital available.</p> <p>2.1.2 The Capital Adequacy Ratio (CAR) measures the adequacy of Capital available in the insurance and shareholders' funds of an insurer to support the Capital Required. An insurer shall compute the CAR as follows: -</p> $\frac{\text{Capital Available}}{\text{Capital Required}} \times 100\%$ <p>2.1.3 The required Capital Adequacy Ratio must be met at all times.</p> <p>2.1.4 The Capital Adequacy Ratio shall at all times be at least 100% of the Capital Required.</p> | <p>2.1 Utoshelevu wa mtaji unaozingatia vihatarishi</p> | <p>2.1.1 Kiwango cha kutosha cha Mtaji kinapimwa kwa kutumia Mtaji unaohitajika na Mtaji uliopo.</p> <p>2.1.2 Uwiano wa Utoshelevu wa Mtaji (CAR) unapima utoshelevu wa mtaji uliopo katika Kampuni ya Bima na fedha za wanahisa wa bima ili kuwezesha Mtaji Unaohitajika. Kampuni ya Bima itapima CAR kama ifuatavyo: -</p> $\frac{\text{Mtaji Uliopo}}{\text{Mtaji Unaohitajika}} \times 100\%$ <p>2.1.3 Uwiano wa utoshelevu wa mtaji unaohitajika lazima utimizwe wakati wote.</p> <p>2.1.4 Uwiano wa utoshelevu wa mtaji lazima uwe wakati wote angalau 100% ya mtaji unaohitajika.</p> |

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| <p>2.2 Capital Requirements</p> | <p>2.2.1 These guidelines set two levels of capital requirements:</p> <ul style="list-style-type: none"> i. Statutory Capital Requirement (SCR): The threshold below which the Authority will take decisive regulatory action; and ii. Prudential Capital Requirement (PCR): The threshold above which no supervisory intervention is required on capital adequacy grounds. <p>2.2.2 The SCR shall be determined as provided for by these Guidelines, while PCR shall set at 125% of the SCR for the financial year ending 2026, 150% for year 2027, 175% for year 2028 and for the year 2029, at a level to be determined by the</p> | <p>2.2 Mahitaji ya mtaji</p> | <p>2.2.1 Miongozo hii imeweka viwango viwili vya mahitaji ya mtaji:</p> <ul style="list-style-type: none"> i. Mahitaji ya Mtaji wa kisheria (SCR): kiwango cha chini ambacho Mamlaka itachukua hatua za udhibiti; na ii. Mahitaji ya Mtaji wa Prudential (PCR): kiwango cha chini ambacho hakuna uingiliaji wa usimamizi unahitajika kwa misingi ya utoshelevu wa mtaji. <p>2.2.2 SCR itaamuliwa kama ilivyoielezwa na Miongozo hii, wakati PCR itawekwa kuwa asilimia 125 ya SCR kwa mwaka wa fedha unaoishia 2026, asilimia 150 kwa mwaka 2027, asilimia 175 kwa mwaka 2028, na kwa mwaka 2029, katika kiwango kitakachoamuliwa na Mamlaka</p> |

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| | Authority within the range of 175% - 200%. | | ndani ya wigo wa asilimia 175 – 200 ya SCR |
| 2.3 Capital available | <p>2.3.1 Capital Available of an insurer shall be the aggregate of Tier 1 and Tier 2 capital of the insurer less the deductions described in 2.3.6 below.</p> <p>2.3.2 The total amount of Tier 2 capital of an insurer shall not always exceed the amount of Tier 1 capital.</p> <p>2.3.3 The classification into Tier 1 or Tier 2 is based on;</p> <p>i. availability: the extent to which the capital element is fully paid in and available to absorb losses;</p> | 2.3 Mtaji uliopo | <p>2.3.1 Mtaji uliopo wa Kampuni ya Bima unatakiwa kuwa jumla ya Safu ya kwanza na Safu ya pili ya mtaji wa Kampuni ya Bima chini ya makato yaliyoelezwa katika 2.3.6 hapa chini.</p> <p>2.3.2 Jumla ya mtaji wa Safu ya Pili wa Kampuni ya Bima hautakuwa zaidi ya kiasi cha mtaji wa Safu ya kwanza.</p> <p>2.3.3 Uainishaji katika Safu ya kwanza au Safu ya pili unategemea;</p> <p>i. upatikanaji: kiwango ambacho kipengele cha mtaji kimelipwa kikamilifu na kinapatikana kwa ajili ya kufidia hasara;</p> |

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| | <ul style="list-style-type: none"> ii. permanence: the period for, and extent to which, the capital element is available; iii. absence of encumbrances and mandatory servicing costs: the extent to which the capital element is free from mandatory payments or encumbrances; and iv. subordination: the extent to which and the circumstances under which the capital element is subordinated to the rights of policyholders and creditors of the insurer in an insolvency or winding-up. <p>2.3.4 Tier 1 capital of an insurer shall include the aggregate of any of the following:</p> | | <ul style="list-style-type: none"> ii. kudumu: kipindi cha, na kiwango ambacho, kipengele cha mtaji kinapatikana; iii. kutokuwepo kwa gharama za lazima za huduma: kiwango ambacho kipengele cha mtaji hakina malipo ya lazima; na iv. Uwekaji chini ya Utawala: kiwango ambacho na hali ambayo kipengele cha mtaji kinasimamiwa na haki za wateja wa bima na wadeni wa kampuni ya bima katika ufilisi. <p>2.3.4 Mtaji wa safu ya kwanza wa kampuni ya bima utajumuisha jumla ya yafuatayo:</p> |

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| | <ul style="list-style-type: none"> i. issued and fully paid-up ordinary shares; ii. share premiums; iii. capital reserves; iv. retained earnings; v. contractual service margin (CSM); vi. 60% of future bonuses. <p>2.3.5 Tier 2 capital of an insurer shall include the aggregate of any of the following:</p> <ul style="list-style-type: none"> i. preference shares; ii. revaluation reserves; iii. accumulated other comprehensive income; iv. contingency reserve; v. other reserves; and | | <ul style="list-style-type: none"> i. hisa za kawaida zilizotolewa na kulipiwa kikamilifu; ii. malipo ya ziada ya hisa; iii. hifadhi ya mtaji; iv. mapato yaliyohifadhiwa; v. faida ya huduma za mkataba wa bima (CSM); vi. 60% ya bonasi ya baadaye. <p>2.3.5 Mtaji wa safu ya pili wa Kampuni ya Bima utajumuisha jumla ya yafuatayo:</p> <ul style="list-style-type: none"> i. Hisa za upendeleo; ii. Hifadhi ya tathmini mpya; iii. Makusanyo ya mapato mengine ya jumla; iv. Hifadhi ya dharura; v. Hifadhi nyinginezo; na |

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| | <p>vi. other capital instruments as determined by the Authority from time to time.</p> <p>2.3.6 To calculate the Capital Available, insurers must deduct the following from the sum of Tier 1 and Tier 2 capital:</p> <p>i. receivables not covered by collateral assets for insurance acquisition cash flows</p> <p>ii. assets held for sale</p> <p>iii. accrued investment income (except when cash flows are due within six months)</p> | | <p>vi. Aina nyingine za mitaji kama itakavyoamuliwa na Mamlaka mara kwa mara.</p> <p>2.3.6 Ili kukokotoa mtaji uliopo, Kampuni ya Bima lazima itatakiwa kupunguza yafuatayo kutoka kwa jumla ya mtaji wa Safu ya 1 na Safu ya 2:</p> <p>i. malipo yasiyofunikwa na mali za dhamana kwa ajili ya mtiririko wa fedha wa upatikanaji wa bima</p> <p>ii. mali zilizoshikiliwa kwa ajili ya kuuzwa</p> <p>iii. mapato ya uwekezaji yaliyokusanywa lakini hayajapokelewa (isipokuwa pale mtiririko wa fedha unapotarajiwa</p> |

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| | <ul style="list-style-type: none"> iv. goodwill and intangible assets v. current and deferred tax assets vi. pledged assets vii. investments in own instruments (treasury stock) viii. credit facilities secured by the insurer's shares ix. assets over their concentration limits x. other assets as determined by the Authority from time to time | | <ul style="list-style-type: none"> kulipwa ndani ya miezi sita); iv. mali kauli na mali zisizoonekana v. mali ya kodi ya sasa na iliyocheleweshwa vi. mali zilizoahidiwa vii. Uwekezaji katika Vyombo vya msiriki binafsi (hisa za hazina) viii. Fedha za mkopo zilizowekwa dhamana na hisa za kampuni ya bima ix. mali kuhusu mipaka yao ya mkusanyiko x. mali nyinginezo kama itakavyoamuliwa na Mamlaka mara kwa mara |
| | 2.3.7 An insurer that plans to issue any new capital instruments is required | | 2.3.7 Kampuni ya Bima inayopanga kutoa aina yoyote mpya ya mtaji |

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| | <p>to seek the Authority’s prior written approval on the classification of the instruments under above.</p> <p>2.3.8 An insurer shall, for the purposes of calculating the capital adequacy apply the following concentration limit factors:</p> <ul style="list-style-type: none"> i) Investments in Government securities issued by the Government of the United Republic of Tanzania, including Treasury Bills and Treasury Bonds, shall not be subject to any counterparty concentration limits; ii) Deposits in any one financial institution shall not exceed 15% of Total assets; | | <p>inatakiwa kupata idhini ya maandishi ya Mamlaka kuhusu uainishaji wa aina hizo kama ilivyoelezwa huko juu.</p> <p>2.3.8 Kampuni ya bima, kwa madhumuni ya kukokotoa utoshelevu wa mtaji, itazingatia vigezo vifuatavyo vya ukomo wa mkusanyiko wa uwekezaji:</p> <ul style="list-style-type: none"> i) Uwekezaji katika dhamana za Serikali zilizotolewa na Serikali ya Jamhuri ya Muungano wa Tanzania, ikiwemo Hati za Muda Mfupi za Serikali na Hati Fungani za Serikali, hautakuwa na ukomo wa mkusanyiko; ii) Amana katika taasisi moja ya kifedha haitakiwi kuzidi 15% ya thamani ya mali zote za kampuni; |

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| | <ul style="list-style-type: none"> iii) Real Estate for counterparty shall not exceed 10% of total Assets; iv) Investment in related parties shall not exceed 5% of Total assets; and v) All other investments shall not exceed 10% of total assets per counterparty. | | <ul style="list-style-type: none"> iii) Mali isiyohamishika haitakiwi kuzidi 10% ya thamani ya mali zote za kampuni; iv) Uwekezaji katika kampuni tanzu usizidi 5% ya thamani ya mali zote za kampuni; na v) Uwekezaji mwingine wote haupaswi kuzidi asilimia 10 ya mali zote kwa kila mshirika mmoja. |
| 2.4 Capital Required | The Capital Required of an insurer shall be determined as the aggregate of the capital requirements for insurance risk, market risk, credit risk and operational risk, net of the diversification benefit, and divided by a calibration factor of 1.5, as prescribed by the Authority. | 2.4 Mtaji unaohitajika | Mtaji unaohitajika wa kampuni ya bima utakua ni jumla ya mahitaji ya mtaji kwa vihatarishi vya bima, vihatarishi vya soko, vihatarishi vya mikopo, na vihatarishi vya uendeshaji, baada ya kutoa faida ya usambazaji, kisha kugawanywa kwa kipengele cha urekebishaji cha 1.5, kama itakavyoainishwa na Mamlaka.. |
| 2.5 Diversification Benefit | 2.5.1 Because losses arising across some risk categories are not perfectly | 2.5 Faida za usambazaji | 2.5.1 Kwa sababu hasara zinazotokea katika baadhi ya makundi ya |

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| | <p>correlated with each other, a company is not likely to incur the maximum possible loss at a given level of confidence from each type of risk simultaneously.</p> <p>2.5.2 Consequently, an explicit benefit for diversification is permitted between the sum of capital required for credit and market risk, and the capital required for insurance risk so that the total capital required for these risks is lower than the sum of the individual requirements for these risks.</p> <p>2.5.3 The diversification benefit is calculated using the following formula:</p> $\text{Diversification benefit} = A + I - \sqrt{A^2 + I^2 + 2 \times R \times A \times I},$ | | <p>vihatarishi hazihusiani kikamilifu na nyingine, Kampuni ya Bima haiwezi kupata hasara kubwa kwa kiwango fulani cha ujasiri kutoka kwa kila aina ya kihatarishi kwa wakati mmoja.</p> <p>2.5.2 Kwa hiyo, faida ya wazi ya usambazaji inaruhusiwa kati ya jumla ya mtaji unaohitajika kwa ajili ya vihatarishi vya mikopo na vihatarishi vya soko, na mtaji unaohitajika kwa vihatarishi vya bima ili mtaji wa jumla unaohitajika kwa vihatarishi hivi uwe chini kuliko jumla ya mtaji unaohitajika kwa kila moja ya vihatarishi hivi.</p> <p>2.5.3 Faida ya usambazaji inapimwa kwa kutumia fomula ifuatayo:</p> $\text{Faida ya usambazaji} = A + I - \sqrt{A^2 + I^2 + 2 \times R \times A \times I},$ |

| SECTION TWO: CAPITAL ADEQUACY | | SEHEMU YA PILI: UTOSHELEVU WA MTAJI | |
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| | <p>where:</p> <p>A is the capital required for credit risk and market risk.</p> <p>I is the capital required for insurance risk</p> <p>R is the correlation factor between <i>A</i> and <i>I</i>, equal to 30%.</p> | | <p>ambapo:</p> <p>A ni mtaji unaohitajika kwa vihatarishi vya mkopo na vihatarishi vya soko.</p> <p>I ni mtaji unaohitajika kwa vihatarishi vya bima</p> <p>R ni kiwango cha uhusiano kati ya <i>A</i> na <i>I</i>, sawa na asilimia 30</p> |

| SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED | | SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA | |
|---|--|---|--|
| 3.1 Capital Required for Market Risk | <p>3.1.1 Capital required for market risk refers to the amount of capital that the insurer is required to cushion the fluctuations in the market values of assets allocated to cover policyholder liabilities.</p> <p>3.1.2 The insurer shall be required to determine capital for Equity Risk, Property Risk, Interest Rate Risk and Currency Risk.</p> <p>3.1.3 For the calculation of the capital required for market risk, an insurer must apply a capital charge to the value of assets on its balance sheet.</p> | 3.1 Mtaji unaohitajika kwa Hatari ya Soko | <p>3.1.1 Mtaji unaohitajika kwa vihatarishi vya soko inamaanisha kiasi cha mtaji ambacho Kampuni ya Bima inahitajika ili kupunguza kushuka kwa thamani ya soko la mali zilizotengwa ili kufidia madeni ya wateja wa bima .</p> <p>3.1.2 Kampuni ya Bima inapaswa kuamua mtaji kwa vihatarishi vya hisa, vihatarishi vya Mali, vihatarishi vya Kiwango cha riba na Vihatarishi vya fedha za kigeni.</p> <p>3.1.3 Ili kukokotoa mtaji unaohitajika kwa vihatarishi vya soko, Kampuni ya Bima inapaswa kutumia gharama ya mtaji kwenye thamani ya mali iliyopo katika taarifa za hali ya kifedha.</p> |

| SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED | | SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA | |
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| | <p>3.1.4 The market risk capital charges aim to mitigate an insurer's risks of financial losses arising from:</p> <ul style="list-style-type: none"> i. Fluctuations in interest rates ii. Volatility in equity prices iii. Changes in foreign exchange rates iv. Changes in prices of properties <p>3.1.5 The capital charges for market risk to be applied are as defined in Appendix 1</p> | | <p>3.1.4 Gharama za vihatarishi vya soko zinalenga kupunguza hatari za Kampuni ya Bima za upotezaji wa kifedha unaotokana na:</p> <ul style="list-style-type: none"> i. Mabadiliko katika viwango vya riba ii. Kubadilika katika bei ya hisa iii. Mabadiliko ya viwango vya ubadilishaji wa fedha za kigeni iv. Mabadiliko katika bei ya mali <p>3.1.5 Gharama za mtaji katika vihatarishi vya soko inapaswa kutumika kama ilivyoielezwa katika Kiambatisho Na. 1</p> |
| 3.2 Capital Required for Credit Risk | <p>3.2.1 Capital required for credit risk refers to the amount of capital that the insurer is required to safeguard against potential losses resulting from counterparty default.</p> | 3.2 Mtaji unahitajika kwa vihatarishi vya mkopo | <p>3.2.1 Mtaji unaohitajika kwa vihatarishi vya mkopo unahusiana na kiasi cha mtaji ambacho Kampuni ya Bima inahitaji ili kujilinda dhidi ya hasara zinazoweza kutokea kutokana na upande wa pili kutokulipa.</p> |

| <p style="text-align: center;">SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED</p> | <p style="text-align: center;">SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA</p> |
|---|---|
| <p>3.2.2 For the calculation of the capital required for credit risk, an insurer must apply a capital charge to the value of assets on its balance sheet.</p> <p>3.2.3 The credit risk capital charges aim to mitigate an insurer's risks of losses arising from:</p> <ul style="list-style-type: none"> i) Asset defaults; ii) Related losses of income; and iii) Inability or unwillingness of a counterparty to fully meet its contractual financial obligations. | <p>3.2.2 Ili kupima mtaji unaohitajika kwa vihatarishi vya mkopo, kampuni ya bima italazimika kutumia gharama ya mtaji kwa kuangalia thamani ya mali kwenye taarifa za hali ya kifedha.</p> <p>3.2.3 Gharama za mtaji wa vihatarishi vya mkopo zinalenga kupunguza hatari za kampuni za bima kwa kuangalia hasara zitokanazo na:</p> <ul style="list-style-type: none"> i) Kushindwa kulipa deni la mali inayomilikiwa; ii) Hasara zitokanazo na mapato; na iii) Kutokuwa na uwezo au kutokuwa tayari kwa upande wa pili kutimiza majukumu yake ya kifedha ya mkataba. |

| SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED | | SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA | |
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| | <p>3.2.4 Reinsurance contract held assets shall attract capital charges based on the reinsurer's credit rating as follows: A and above (1.6%), below A (5.0%), and unrated (10.0%); where multiple ratings exist, the lowest rating shall apply.</p> <p>3.2.5 The capital charges for credit risk to be applied are as defined in Appendix 2.</p> | | <p>3.2.4 Mali za bima mtawanyo zitatozwa gharama ya mtaji kulingana na kiwango cha ubora wa kifedha cha kampuni husika kama ifuatavyo: A na kuendelea (1.6%), chini ya A (5.0%), na zisizo na kiwango (10.0%); pale ambapo kuna viwango tofauti, kiwango cha chini kitatumika.</p> <p>3.2.5 Gharama za mtaji katika vihatarishi vya mkopo inapaswa kutumika kama ilivyoelezwa katika Kiambatisho na. 2.</p> |
| 3.3 Capital Required for Insurance Risk | <p>3.3.1 Capital Required for Insurance Risk refers to the capital that an insurer must maintain to counter the risk arising from potential for claims or payouts to be made to policyholders or beneficiaries.</p> | 3.3 Mtaji unaohitajika kwa vihatarishi vya bima | <p>3.3.1 Mtaji unaohitajika kwa vihatarishi vya Bima ni mtaji ambao Kampuni ya Bima lazima ihifadhi ili kukabiliana na vihatarishi vinayotokana na uwezekano wa madai au malipo kufanywa kwa wateja wa bima au wanufaika wa bima.</p> |

| <p style="text-align: center;">SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED</p> | <p style="text-align: center;">SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA</p> |
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| <p>3.3.2 General insurers shall be required to determine capital for:</p> <ul style="list-style-type: none"> i. Liability for Incurred Claims; and ii. Liability for Remaining Coverage. <p>3.3.3 Life insurers shall be required to determine capital for the following risk categories:</p> <ul style="list-style-type: none"> i) Mortality risks; ii) Longevity risks; iii) Morbidity risks; iv) Disability risks; v) Expenses risks; vi) Lapses risks; and vii) Catastrophe risks. | <p>3.3.2 Kampuni ya Bima za kawaida zitahitajika kuamua mtaji kwa:</p> <ul style="list-style-type: none"> i. Dhima ya madai yaliyokubaliwa; na ii. Dhima ya huduma iliyosalia. <p>3.3.3 Kampuni ya Bima za maisha itatakiwa kukokotoa mahitaji ya mtaji kwa kuzingatia vihatarishi vifuatavyo:</p> <ul style="list-style-type: none"> i) Vihatarishi vya kifo; ii) Vihatarishi vya urefu wa maisha; iii) Vihatarishi vya ugonjwa; iv) Vihatarishi vya ulemavu; v) Vihatarishi vya gharama; vi) Vihatarishi vya kukoma kwa Bima; na vii) Vihatarishi vya maafa. |



| SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED | | SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA | |
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| | <p>3.3.4 Capital required for general insurance risk shall be computed as a sum of;</p> <ul style="list-style-type: none"> i) The capital required for Liability for Incurred Claims is the sum product of Risk factor and Net Liability for Incurred Claims for each class of business; and ii) Capital required for liability for Remaining coverage is the sum product of Risk factor and the greater of Net Liability for Remaining Coverage and 30% of Net Premiums received in the past twelve months for each class of business. | | <p>3.3.4 Mtaji unaohitajika kwa vihatarishi vya bima kwa Kampuni ya Bima za kawaida utapimwa kwa jumla ya;</p> <ul style="list-style-type: none"> i) Mtaji unaohitajika kwa Dhima ya madai yaliyokubaliwa ni matokeo ya jumla ya kiwango cha vihatarishi na dhima ya madai yaliyokubaliwa kwa kila aina ya biashara; na ii) Mtaji unaohitajika kwa Dhima ya huduma iliyosalia ni matokeo ya jumla ya kiwango cha vihatarishi na dhima ya huduma iliyosalia na asilimia 30 ya malipo halisi ya ada za bima yaliyopokelewa katika miezi kumi na mbili iliyopita kwa kila aina ya biashara. |

| SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED | | SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA | |
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| | <p>3.3.5 Capital required for life insurance risk shall be the difference between the present value of shocked cashflows and the present value of best estimate cashflows. The risk components shall be treated as independent, and the total capital requirement shall be determined by aggregating the individual capital requirements.</p> <p>3.3.6 The capital charges for general insurance risk and stress risk factors for life insurance risk to be applied are as defined in Appendix 3.</p> | | <p>3.3.5 Kwa kampuni ya bima ya maisha, mtaji unaohitajika utakuwa ni tofauti kati ya thamani ya sasa ya mtiririko wa fedha uliokokotolewa kwa kutumia makadirio yaliyorekebishwa na thamani ya sasa ya makadirio bora ya mtiririko wa fedha. Mahitaji ya mtaji kwa kila kihatarishi yatakokotolewa kando na kisha kujumlishwa ili kupata jumla ya mahitaji ya mtaji.</p> <p>3.3.6 Gharama ya mtaji kwa vihatarishi vya bima kwa Kampuni ya Bima za kawaida na viwango vya msukumo wa vihatarishi kwa vihatarishi vya Kampuni ya Bima za maisha zitakazotumika ni kama ilivyoelezwa katika Kiambatisho Na. 3.</p> |

| SECTION THREE: DETERMINATION OF THE CAPITAL REQUIRED | | SEHEMU YA TATU: UAMUZI WA MTAJI UNAOHITAJIKA | |
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| 3.4 Capital Requires for Operational Risk | <p>3.4.1 Capital required for operational risk refers to the amount of capital that the insurer is required to cushion against the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.</p> <p>3.4.2 Capital required for operational risk shall be computed as a higher of:</p> <ul style="list-style-type: none"> i. 30% of the square root of sum of squares of the capital required for insurance risk, market risk and credit risk; and ii. 1% of the Insurers Total Assets | 3.4 Mtaji unahitajika kwa ajili ya vihatarishi vitokanavyo na uendeshaji | <p>3.4.1 Mtaji unaohitajika kwa vihatarishi vya uendeshaji unahusu kiasi cha mtaji ambacho Kampuni ya Bima inahitajika kuhifadhi dhidi ya hatari ya hasara inayotokana na mchakato duni au kushindwa kwa michakato ya ndani, watu na mifumo au kutokana na matukio ya nje.</p> <p>3.4.2 Mtaji unaohitajika kwa vihatarishi vya uendeshaji utapimwa kama kiwango kikubwa zaidi kati ya:</p> <ul style="list-style-type: none"> i. Asilimia 30 ya mzizi mraba ya jumla ya mizizi mraba ya mtaji unaohitajika kwa vihatarishi vya bima, soko, na mkopo. ii. Asililia 1ya jumla ya mali ya Kampuni ya Bima |

| SECTION FOUR: MONITORING AND REPORTING | | SEHEMU YA NNE: UFUATILIAJI NA UTOAJI WA TAARIFA | |
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| <p>4.1 Reporting requirements</p> | <p>4.1.1 Insurance Registrant shall submit to the Authority its Capital Adequacy Ratio (CAR) computations on a quarterly basis within one month after the end of each quarter and annually within three months after the end of its financial year, using the reporting forms specified by the Authority.</p> <p>4.1.2 The annual CAR submission shall be audited and certified by the external auditor and chief executive officer, while quarterly and semi-annual submissions shall be unaudited but approved by chief executive officer.</p> | <p>4.1 Utoaji wa Taarifa</p> | <p>4.1.1 Kampuni ya bima inatakiwa kuwasilisha kwa Mamlaka hesabu za uwiano wa mtaji wake (CAR) kila robo mwaka ndani ya mwezi mmoja baada ya robo husika kuisha, na pia kila mwaka ndani ya miezi mitatu baada ya mwaka wa fedha kuisha, kwa kutumia fomu za taarifa zitakazoainishwa na Mamlaka.</p> <p>4.1.2 Taarifa ya CAR ya mwaka lazima ikaguliwe na kuthibitishwa na mkaguzi wa nje pamoja na Afisa Mtendaji Mkuu. Kwa upande wa taarifa za robo mwaka na nusu mwaka, hazitakaguliwa, lakini lazima ziidhinishwe na Mtendaji Mkuu.</p> |
| <p>4.2 Supervisory Intervention</p> | <p>4.2.1 Where the Authority determines that an insurer has not met the requirements of these guidelines, the Authority may impose any or all of the</p> | <p>4.2 Uingiliaji wa kiusimamizi</p> | <p>4.2.1 Endapo Mamlaka itabaini kuwa Kampuni ya Bima haijatumia mahitaji ya miongozo hii, Mamlaka inaweza kutekeleza hatua za</p> |

| SECTION FOUR: MONITORING AND REPORTING | | SEHEMU YA NNE: UFUATILIAJI NA UTOAJI WA TAARIFA | |
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| | <p>remedial measures to correct the situation in accordance with the provisions of the Insurance Act.</p> <p>4.2.2 The Board and Senior Management shall, within 30 days, inform the Authority where the capital requirements prescribed under these Guidelines have been breached or are likely to be breached.</p> <p>4.2.3 The level and nature of supervisory intervention shall be determined by the extent of non-compliance, as assessed by the Authority, taking into account the Capital Adequacy Ratio and any other relevant supervisory considerations.</p> | | <p>kurekebisha hali kulingana na vifungu vya Sheria ya Bima.</p> <p>4.2.2 Bodi na Menejimenti, ndani ya siku 30, watapaswa kuitaarifu Mamlaka pale ambapo mahitaji ya mtaji yaliyoainishwa chini ya Miongozo hii yamekiukwa au yanatarajiwa kukiukwa.</p> <p>4.2.3 Kiwango na aina ya hatua za usimamizi zitabainishwa kwa kuzingatia kiwango cha kutokuzingatia mahitaji hayo, kama kitakavyotathminiwa na Mamlaka, kwa kuzingatia Uwiano wa Utoshelevu wa Mtaji pamoja na mambo mengine yoyote ya kiusimamizi yanayohusika.</p> |

| 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 Miongozo | 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 January, 2026. | 5.2 Tarehe Rasmi ya Kuanza Kutumika | Miongozo hii utanza kutumika rasmi tarehe 1 Januari, 2026. |
| 5.3 Approval | <p>Approved by:</p>  <p>Dr. Baghayo A. Saqware <u>Commissioner of Insurance</u></p> | 5.3 Idhini | <p>Imeidhinishwa na:</p>  <p>Dkt. Baghayo A. Saqware <u>Kamishna wa Bima</u></p> |

| FOR APPLICATION AND ENQUIRIES PLEASE WRITE TO: | KWA MAOMBI AU MAULIZO, ANDIKA KWA: |
|---|--|
| <p>HEADQUARTERS OFFICE TIRA BIMA HOUSE, TIRA street, Njedengwa, P. O. Box 2987, DODOMA - TANZANIA. 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 TIRA BIMA HOUSE, Mtaa wa TIRA, Njedengwa, S.L.P 2987, DODOMA -TANZANIA 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 The Authority HOUSE, Block 33, Plot No. 85/2115, Mtendeni Street, P. O. Box 9892, DAR ES SALAAM - TANZANIA Tel:+255(022)2132537/2116120/2116131 Fax: +255(022)2132539 Email: coi@tira.go.tz Website: www.tira.go.tz</p> | <p>OFISI YA DAR ES SALAAM Jengo la The Authority, Kitalu Na. 85/2115, Mtaa wa Mtendeni, S.L.P 9892, DAR ES SALAAM – TANZANIA Simu:+255(022)2132537/2116120/2116131 Nukushi: +255(022)2132539 Baruapepe: coi@tira.go.tz Mtandao: www.tira.go.tz</p> |
| <p>ZANZIBAR OFFICE The Authority House, Kilimani Street, P. O. Box 133, ZANZIBAR. Tel: +255 (024) 223 7271 Fax: +255 (024) 223 7272 Email: dcoi@tira.go.tz Website: www.tira.go.tz</p> | <p>OFISI YA ZANZIBAR Nyumba ya Kilimani, Mtaa wa Kilimani, S.L.P 133, ZANZIBAR. Simu: +255 (024) 223 7271 Nukushi: +255 (024) 223 7272 Paruapepe: dcoi@tira.go.tz Mtandao: www.tira.go.tz</p> |

APPENDIX 1: MARKET RISK CAPITAL CHARGES

| ASSETS | CAPITAL CHARGE |
|---|----------------|
| Real Estate for own use | 40% |
| Motor Vehicles | 75% |
| Computers, vehicles and office equipment - Aged less than one year | 25% |
| Computers, vehicles and office equipment - Aged one to two years | 75% |
| Computers, vehicles and office equipment - Aged more than two years | 100% |
| Tanzania Government Securities | 0% |
| Corporate Bonds | 15% |
| Shares in Listed Companies | 20% |
| Shares in Unlisted Companies | 30% |
| Investments in Subsidiaries, Associates and Affiliates | 30% |
| Investment in Government Investment Pools / Government Collective Investment Schemes | 5% |
| Investment in Investment Pools, Mutual Funds, Unit Trusts (Non-Government / Private / Mixed Pools) | 20% |
| Real Estate | 40% |
| Other Bond and Debentures | 30% |
| Deposits in Financial Institutions | 0% |
| Cash Equivalents | 0% |
| Cash Balances and Cash in Hand | 0% |

APPENDIX 2: CREDIT RISK – INSURER AND REINSURER CAPITAL CHARGES

| ASSETS | CAPITAL CHARGE |
|-----------------|----------------|
| Loans | |
| i. Policy Loans | 0.00% |

| ASSETS | CAPITAL CHARGE |
|--|--|
| ii. Other loans | 22.63% |
| Insurance Contract Assets | 5.00% |
| Tanzanian Government Securities | 0.00% |
| Receivables | 5.00% |
| Asset for Insurance Acquisition Cash Flows | 5.00% |
| Deferred tax assets | 5.00% |
| Other Assets | 5.00% |
| Mortgage Loans | 20.00% |
| Reinsurance Contract Held Assets | Rated (A and above) =1.6%; Rated (below A) = 5.0%; Unrated =10.0%. |
| Deposit in Financial Institution | 2.69% |
| Bank Balances and Cash in Hand | 2.69% |

APPENDIX 3: INSURANCE RISK CHARGES

LIFE INSURANCE

| PARAMETER | STRESS RISK FACTOR |
|----------------------|---|
| Mortality | 10% increase of base mortality rates |
| Longevity | 10% decrease of base mortality rates |
| Morbidity/Disability | 10% increase of base morbidity/disability rates |
| Expenses | 10% increase in best estimate assumption for expenses |
| Catastrophe | An absolute increase in the rate of policyholders dying over 3 months of 1.5 per mille. |
| Lapses | ±15% increase in lapse rates for new business and a ±5% increase in lapse rates for in force business |

OTHER INSURANCE CLASSES

| Class of insurance/ Line of Business | Capital Charge for Liability for Incurred Claims | Capital Charge for Liability for remaining Coverage |
|---|---|--|
| Fire Insurance | 20% | 30% |
| Agricultural Insurance | 15% | 20% |
| Bond Insurance | 20% | 30% |
| Theft Insurance | 20% | 25% |
| Engineering Insurance | 25% | 38% |
| Motor Insurance | 25% | 38% |
| Accident Insurance | 20% | 30% |
| Marine Insurance | 30% | 45% |
| Aviation Insurance | 30% | 45% |
| Health Insurance | 25% | 38% |
| Energy Insurance | 20% | 30% |
| Liability Insurance | 25% | 45% |
| Goods in Transit | 25% | 38% |
| Travel | 22% | 30% |
| Miscellaneous Insurance | 20% | 30% |

| Line of Business | Capital Charge |
|-------------------------|-----------------------|
| Superannuation Fund | 1.0% |