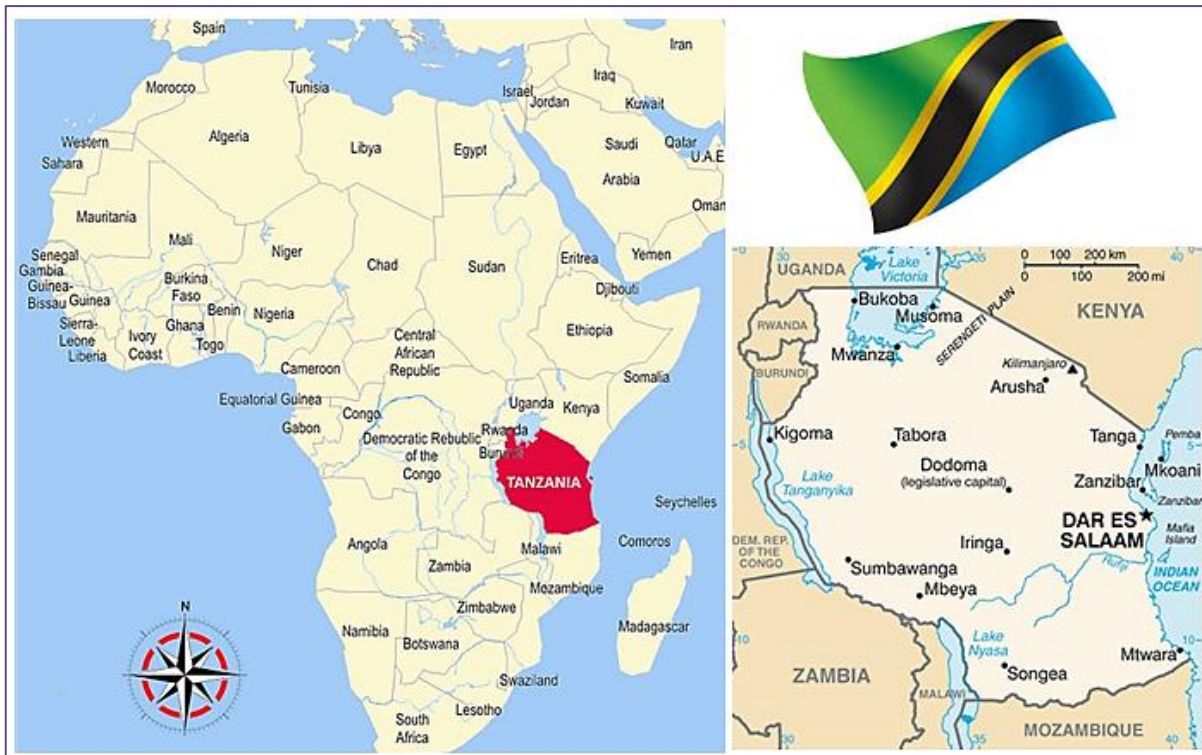


TANZANIA

INSURANCE MARKET OVERVIEW

BY HUSSEIN ELSAYED
Misir Insurance Company



Official Name: The United Republic of Tanzania

Surface Area: 947,300 km²

Location: The country is bounded by Uganda, Lake Victoria and Kenya to the north, the Indian Ocean to the east,

Mozambique to the south, Lake Malawi, Malawi and Zambia to the south-west and by Lake Tanganyika and the Democratic Republic of Congo, Burundi and Rwanda to the west.

Capital: Dodoma

Population: 58 mn (2020)

Currency: Tanzania Shilling (TZS)

Religion: Approximately 35% of the population follows Islam, which is also the dominant religion in Zanzibar (99%). Other religions include Christianity (30%), mostly Roman Catholic, although there are also communities of Anglicans and Lutherans. Some 35% of the population follow traditional beliefs.

Official Language: Swahili - English



(I) ECONOMIC DATA

	2015	2016	2017	2018	2019
Population (million)	50.0	51.5	53.1	54.7	56.3
GDP per capita (USD)	925	962	1,000	1,039	-
GDP (USD bn)	46.3	49.6	53.1	56.8	-
Economic Growth (GDP, annual variation in %)	6.2	6.9	6.8	7.0	-
Consumption (annual variation in %)	6.3	1.1	4.8	6.3	-
Investment (annual variation in %)	7.1	16.0	15.8	15.5	-
Unemployment Rate					
Fiscal Balance (% of GDP)	-3.2	-2.1	-1.2	-1.9	-
Public Debt (% of GDP)	37.1	37.0	37.7	38.6	-
Money (annual variation in %)	13.4	5.3	10.4	3.8	11.8
Inflation Rate (CPI, annual variation in %, eop)	6.8	5.0	4.0	3.3	3.8
Inflation Rate (CPI, annual variation in %)	5.6	5.2	5.3	3.5	3.4
Policy Interest Rate (%)	16.00	16.00	9.00	7.00	7.00
Exchange Rate (vs USD)	2,160	2,181	2,240	2,300	2,298
Exchange Rate (vs USD, aop)	2,040	2,186	2,237	2,277	2,307
Current Account (% of GDP)	-9.7	-5.5	-3.4	-3.9	-
Current Account Balance (USD bn)	-4.5	-2.7	-1.8	-2.2	-1.6
Trade Balance (USD billion)	-5.0	-3.6	-3.0	-3.6	-3.4
Exports (USD billion)	4.8	4.9	4.5	4.4	5.6
Imports (USD billion)	9.8	8.5	7.6	8.1	9.0
Exports (annual variation in %)	-7.1	1.0	-7.4	-1.5	25.4
Imports (annual variation in %)	-9.8	-14.0	-10.8	6.8	11.8
International Reserves (USD)	4.1	4.3	5.9	5.0	5.6
External Debt (% of GDP)	33.0	32.7	34.7	32.7	-

SOVEREIGN CREDIT RATINGS

	Rating (Outlook)	Rating Date
Moody's	B1 (Negative)	23/08/2019
Standard & Poor's	Not Rated	N/A
Fitch Ratings	Not Rated	N/A

Sources: Moody's, Standard & Poor's, Fitch Ratings

COMPETITIVENESS AND EFFICIENCY INDICATORS

	World Ranking		
	2018	2019	2020
Ease of Doing Business Index	137/190	144/190	141/190
Ease of Paying Taxes Index	154/190	167/190	165/190
Logistics Performance Index	N/A	N/A	N/A
Corruption Perception Index	99/180	96/180	N/A
IMD World Competitiveness	N/A	N/A	N/A

Sources: World Bank, IMD, Transparency International, Fitch Solutions



COUNTRY RISK



TANZANIA VS GLOBAL AND REGIONAL OPERATIONAL RISK AVERAGES

	Operational Risk	Labour Market Risk	Trade and Investment Risk	Logistics Risk	Crime and Security Risk
Tanzania Score	35.3	42.3	37.2	30.2	31.5
East Africa average	31.9	40.4	32.9	31.1	23.4
East Africa position (out of 11)	4	5	5	6	3
SSA average	34.6	38.8	34.6	32.8	32.1
SSA position (out of 48)	21	12	17	26	24
Global average	49.5	50.2	49.5	49.3	49.2
Global position (out of 201)	160	149	143	163	165

100 = Lowest risk; 0 = Highest risk Source: Fitch Solutions Operational Risk Index

Country/Region	Operational Risk Index	Labour Market Risk Index	Trade and Investment Risk Index	Logistics Risk Index	Crime and Security Risk Index
Rwanda	48.9	49.5	52.8	44.3	49.2
Kenya	43.9	45.6	46.1	49.5	34.4
Uganda	36.8	46.9	39.2	31.1	29.9
Tanzania	35.3	42.3	37.2	30.2	31.5
Ethiopia	33.0	41.4	30.3	39.1	21.0
Djibouti	32.6	32.1	39.2	32.1	27.1
Sudan	28.9	44.3	29.3	28.7	13.2
Burundi	28.2	39.3	27.0	24.1	22.5
Eritrea	23.7	36.5	14.2	24.0	20.1
Somalia	20.8	33.8	23.0	22.6	3.9
South Sudan	19.3	33.0	23.5	16.0	4.8
Regional Averages	31.9	40.4	32.9	31.1	23.4
Emerging Markets Averages	46.8	48.6	47.0	45.8	45.9
Global Markets Averages	49.5	50.2	49.5	49.3	49.2

100 = Lowest risk, 0 = Highest risk

Source: Fitch Solutions Operational Risk Index

Date last reviewed: August 20, 2020

Natural Hazards

Earthquake: There are two areas of high risk and others of medium to slight risk. The two areas of high risk are two branches of the Great Rift Valley. The western branch extends through Rwanda and Burundi down to Lakes Tanganyika and Malawi, the eastern branch runs past Lakes Natron and Manyara before joining the western rift near Lake Malawi. The most important city, Dar es Salaam, is in the low-risk area.

Windstorm: The most exposed area is the southern part of the country but high winds can also occur on the stretch of coast from Tanga to Dar es Salaam and in the western area between Lake Victoria and Shinyanga. These winds rarely reach storm force and are most likely to occur in the March to May monsoon period.

Flood: Flooding is becoming increasingly common in some areas of Tanzania. Flash floods occur regularly in parts of Dar es Salaam when there is heavy rain, due mainly to poor drainage.

Other parts of the country also suffer from occasional flooding.

Lake Babati in north-eastern Tanzania has flooded a number of times over the past 30 years.

(II) INSURANCE MARKET

The structure and characteristics of Tanzania's modern insurance sector owe a lot to its history. Like many markets in Africa, for much of the 20th century the Tanzanian insurance landscape was dominated by foreign firms providing coverage to a small pool of clients through branches and agencies.

This scenario was radically altered in 1967 when the government effectively decreed that local policies could only be provided by the state-owned National Insurance Corporation (NIC). Similarly, in 1969 Zanzibar made a decree restricting underwriting business to the state-owned Zanzibar Insurance Corporation. While the nationalization of the insurance sector brought the underwriting of the nation's biggest economic assets under domestic control, it was to have deleterious effects over time.

During this period of monopoly the market was slow to develop in terms of products and services, quickly falling behind the more diversified and competitive insurance industries of market-driven counterparts elsewhere in the world.

As a result, in 1996 the Ministry of Finance and Economic Affairs, now called the Ministry of Finance and Planning (MoFP) announced that it would reauthorize the participation of private insurers. While this was an important step, the industry's expansion was still hampered by the lack of an independent regulator. The Tanzania Insurance Regulatory Act of 2009 established the Tanzania Insurance Regulatory Authority (TIRA) and introduced a framework outlining the duties of insurers, brokers, agents and loss adjusters.

The opening of the market and the establishment of a dedicated regulator have resulted in a greatly altered arena. In 2017 the market comprised 31 licensed insurers – including one reinsurer – working with 136 brokers and 575 agents to distribute policies to an increasing number of businesses and individuals.



Insurance Law

- The Insurance Act 2009, which applies to both mainland Tanzania and Zanzibar, was made effective in July 2009.



Supervisory Authority

- The supervision of the insurance industry lies **Tanzania Insurance Regulatory Authority (TIRA)** <http://www.tira.go.tz/>
 - *The Insurance Act 2009, which applies to both mainland Tanzania and Zanzibar, was made effective in July 2009. One of the more important issues dealt with by the act was the establishment of the Tanzania Insurance Regulatory Authority (TIRA), an independent regulatory authority funded by levies on the insurance industry and overseen by the National Insurance Board and subject to the general supervision of the minister of finance. TIRA was launched in October 2009. TIRA replaced the Insurance Supervisory Department (ISD), a department of the Ministry of Finance.*
 - *TIRA is responsible for all aspects of insurance supervision including registration, returns, solvency, inspection and the like. TIRA produces a report on the insurance industry on an annual basis.*
 - *The commissioner of insurance is supported in his or her role by the National Insurance Board. The board provides the commissioner with advice and assistance on the regulation and supervision of insurance.*





Types of Insurance Organization

- In terms of the insurance act insurers and reinsurers are required to be corporate bodies registered in terms of the Companies Ordinance (Cap 212). Most insurers operating in the Tanzanian market are privately owned limited companies.
- Many have a foreign shareholding, which varies between two-thirds of the ownership and those with small minority foreign shareholdings. Foreign ownership of insurance companies is currently limited to two-thirds.
- There are restrictions in respect of cross-ownership between insurance brokers and insurance companies.
- Any person or organisation controlling more than 10% of the shareholding of a broker may not own more than 5% of an insurance company's shares. The restriction also applies to insurance company shareholders wishing to invest in an insurance broker.
- In terms of Section 24 (2) (b) of the Banking and Financial Institutions Act 2006 banks may be involved in the underwriting of insurance business although it must be through a separately incorporated subsidiary of the bank.



Types of Licence

- Under the Insurance Act 2009, there is a requirement that life and non-life insurance is dealt with by separate companies; a transitional period of three years applied to existing composite insurance companies. An extension to the transitional period was, in certain instances, granted by TIRA. When this report was in preparation, National Insurance Corporation (NIC) was the only remaining composite company. The company was in the process of undertaking a project to separate the life and non-life divisions of the business.
- In terms of the insurance act personal accident business is included in the definition of non-life business.
- Although not specifically mentioned in the insurance act health insurers are allocated a non-life licence that specifies health and accident insurance.
- Reinsurance companies require a separate licence. A separate licence is not required for insurers writing inwards reinsurance.



Capital Requirements

MINIMUM CAPITAL IN LOCAL CURRENCY:

Reinsurer:

TZS 7.56 billion;

Insurer:

- (Non-Life /Non-Marine) = TZS 1.87 billion;

- Life: TZS 1.87 billion;

- Non-Life: TZS 1.87 billion;

- Both Life & Non-life: TZS 2.62 billion.





Compulsory Insurances

The main obligatory classes of insurance include:

- Liability insurance for aircraft operating in Tanzanian airspace (believed to be required).
- Motor third party bodily injury.
- Workers' compensation.
- Shipowners' liability for Tanzanian vessels.
- Liability for loss or damage to cargo.
- Third party liability for foreign-owned ships.
- Shipowners' liability for marine oil pollution (a financial guarantee or insurance).
- Professional indemnity insurance for insurance brokers and insurance agents.
- Fidelity guarantee policy for insurance brokers.
- Clinical trials liability, including PI for investigators and liability insurance for clinical trials host institutions.
- Professional indemnity insurance for loss adjusters, loss surveyors, loss assessors, claims-settling agents, actuaries, risk managers and insurance private investigators.



Foreign Ownership

- Licensing of foreign companies: Yes
- Maximum foreign ownership: 66.6%.



Solvency Margins

- In terms of the Insurance Act 2009, which applies to both mainland Tanzania and Zanzibar, the current solvency margin applicable to non-life insurers requires that the admitted assets of the general insurer exceed the liabilities by the greater of 20% of net premium written or a minimum amount of TZS 850mn (USD 531,250) for the year ending 31 December 2013. Each subsequent year thereafter the minimum amount of the prior year applies multiplied by 1.1, or the consumer price index current year divided by the consumer price index prior year, whichever is lower.
- The current solvency margin applicable to reinsurance companies requires that the admitted assets of the reinsurer exceed the liabilities by the greater of 33% of its non-life net premium written plus 10% of its life business liabilities, or a minimum amount of TZS 5bn (USD 3.55mn) for the year ending 31 December 2010. Each subsequent year thereafter the minimum amount of the prior year applies multiplied by 1.1 or the consumer price index for the current year divided by the consumer price index for the prior year, whichever is lower.



Intermediaries

- Intermediaries (ie brokers or agents) have to be authorized to do insurance business.
- In terms of Section 134 of the Insurance Act, No 10, 2009 the use of a local broker is mandatory in respect of non-admitted placements.
- TIRA Circular Letter No 029/2015 lists the maximum commission rates payable by insurers.
- Intermediaries involved in non-admitted placements have to be registered with TIRA.



- Under the circular, the commission rates in respect of Tan-Re mandatory policy cessions are 2.5% over the maximum payable commissions on direct insurance business by insurers.



Reinsurance

It is compulsory for the Tanzanian insurance market to cede both policy and treaty cessions to Tan Re, the national reinsurance company. A policy cession of 10% and a treaty cession of 20%, for both the non-life and life classes applies until 2025.

Local insurers are also obliged to make reinsurance cessions to Africa Re and PTA Re (ZEP Re).



In December 2017, TIRA issued Circular Letter No 055/2017 with the aim to reduce the volume of reinsurance business that is placed overseas. The main provisions of the new regulation, which came into force on 1 January 2018, are listed below.

- Insurers must obtain the approval of TIRA for all their reinsurance arrangements and therefore must submit their reinsurance treaties for approval by 30 September every year.
- Insurers must use a varied portfolio of reinsurers and these must have a minimum rating of B+ or equivalent from a reputable rating agency.
- Overseas reinsurers and reinsurance brokers wishing to do business with Tanzanian insurers must be accredited by TIRA and pay the annual accreditation levy (USD 5,000 for brokers and USD 10,000 for reinsurers).
- 100% fronting of risks is prohibited except in special circumstances, in which case this must be done via a local reinsurer.
- An insurer must have a minimum retention of 5% of its shareholders' fund for every risk it reinsures overseas.
- An insurer must approach local market players, and demonstrate to TIRA that it has done so using the necessary forms, before seeking to reinsure a risk overseas.

On 31 December 2018, TIRA issued a revised version of the circular which largely retains the provisions of the previous version. Included in the revisions is a new requirement for local insurers to submit quarterly treaty reinsurance statements to TIRA. Also, local insurers that are invited to participate on risks must respond to the invitation within two working days (from five working days) or face sanctions as specified in the Insurance Act.

The Finance Act, 2017 amended Section 69 of the Insurance Act No 10, 2009 clarifying that withholding income tax also applies to reinsurance premiums paid to a non-resident person/company.

Reinsurance companies require a separate licence. A separate licence is not required for insurers writing inwards reinsurance. There is some discussion within the East African Community that insurance sector companies will, in the near future, only require a single regional licence in order to operate within EAC markets.



Fronting

- Fronting commissions are usually in the region of 5%. TIRA has pegged fronting fees at 7.5% for any business fronted out of Tanzania.
- Most non-life insurers are comfortable with offering fronting facilities.

Insurance Market Performance and Statistics



NUMBER OF LICENSED COMPANIES OPERATING IN THE COUNTRY:

Insurers: 30

Reinsurers: 1

Insurance/Reinsurance Brokers: 136

Other support services: 627

TURNOVER PER COMPANY (2017-2018)

Figures in thousands

Company	2018 turnover		2017 turnover		2017-2018 evolution ⁽¹⁾	2018 market share
	In TZS	In USD	In TZS	In USD		
Jubilee	90681000	38992.83	80870000	35582.80	12.10%	13.10%
Alliance	63032000	27103.76	57185000	25161.40	10.20%	9.10%
NIC	45124000	19403.32	43513000	19145.72	3.70%	6.50%
AAR	43522000	18714.46	46149000	20305.56	-5.70%	6.30%
Heritage	43041000	18507.63	35780000	15743.20	20.30%	6.20%
Strategis	42554000	18298.22	38992000	17156.48	9.10%	6.20%
Phoenix	25739000	11067.77	21508000	9463.52	19.70%	3.70%
Britam	24105000	10365.15	22548000	9921.12	6.90%	3.50%
UAP	21741000	9348.63	27930000	12289.20	-22.20%	3.10%
ZIC	21188000	9110.84	19778000	8702.32	7.10%	3.10%
Reliance	19914000	8563.02	18920000	8324.80	5.30%	2.90%
Mayfair	19434000	8356.62	14303000	6293.32	35.90%	2.80%
Sanlam General	17910000	7701.30	20213000	8893.72	-11.40%	2.60%
Bumaco	14025000	6030.75	11359000	4997.96	23.50%	2.00%
Resolution	13411000	5766.73	13079000	5754.76	2.50%	1.90%
Metropolitan	13263000	5703.09	7817000	3439.48	69.70%	1.90%
Tanzindia	12651000	5439.93	14307000	6295.08	-11.60%	1.80%
Maxinsure	10605000	4560.15	12089000	5319.16	-12.30%	1.50%
IGT	10280000	4420.40	12439000	5473.16	-17.40%	1.50%
MO	7978000	3430.54	5962000	2623.28	33.80%	1.20%
ICEA Lion	7408000	3185.44	7521000	3309.24	-1.50%	1.10%
Mgen	5863000	2521.09	9063000	3987.72	-35.30%	0.90%
GA	5296000	2277.28	6036000	2655.84	-12.30%	0.80%
First	5080000	2184.40	4356000	1916.64	16.60%	0.70%
Milembe	2277000	979.11	2388000	1050.72	-4.60%	0.30%
Star General	1509000	648.87	2193000	964.92	-31.20%	0.20%
Total non life	587631000	252681.33	556298000	244771.12	5.60%	84.90%
Sanlam Life	70802000	30444.86	48413000	21301.72	46.20%	10.20%
Alliance Life	12176000	5235.68	9715000	4274.60	25.30%	1.80%
NIC	11276000	4848.68	15505000	6822.20	-27.30%	1.60%
Jubilee Life	7434000	3196.62	6194000	2725.36	20.00%	1.10%
Metropolitan Life	2584000	1111.12	1016000	447.04	154.30%	0.40%
Total life	104272000	44836.96	80843000	35570.92	29.00%	15.10%
Grand total	691903000	297518.29	637141000	280342.04	8.60%	100%

⁽¹⁾ Growth rate in local currency

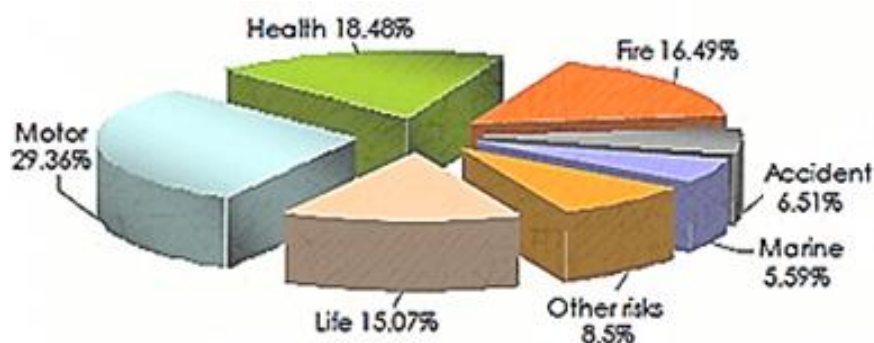
TURNOVER 2018 PER CLASS OF BUSINESS AND PER NON LIFE INSURANCE COMPANY

Figures in thousands of USD

Company	Motor	Health	Fire	Accident	Marine ⁽¹⁾	Other risks ⁽²⁾	Total non life
Jubilee	10182.83	13196.27	8800.38	4105.21	1736.77	971.37	38992.83
Alliance	12832.92	716.81	4175.30	155.66	2282.01	6941.06	27103.76
NIC	7023.19	-	3994.70	886.66	3964.60	3534.17	19403.32
AAR	-	18700.70	-	-	-	13.76	18714.46
Heritage	2703.41	716.81	8590.54	3716.49	1102.52	1677.86	18507.63
Strategis	180.17	17610.65	350.45	43.86	6.02	107.07	18298.22
Phoenix	4288.39	-	3552.23	976.10	2033.47	217.58	11067.77
Britam	4778.59	43.43	2493.57	1825.35	341.85	882.36	10365.15
UAP	5201.28	-	1673.56	120.40	263.59	2089.80	9348.63
ZIC	7993.27	-	453.65	129.43	534.49	-	9110.84
Reliance	3299.39	-	2532.70	88.58	778.30	1864.05	8563.02
Mayfair	3628.34	-	2436.81	114.38	693.59	1483.50	8356.62
Sanlam General	2673.74	-	1673.56	3166.95	25.80	161.25	7701.30
Bumaco	5670.84	-	152.22	2.58	-	205.11	6030.75
Resolution	1782.35	3515.68	207.26	54.18	27.09	180.17	5766.73
Metropolitan	2002.94	-	870.75	1532.52	408.93	887.95	5703.09
Tanzindia	1434.05	-	1968.97	86.00	802.81	1148.10	5439.93
Maxinsure	2065.72	285.09	831.62	319.06	584.37	474.29	4560.15
IGT	3873.87	-	323.36	127.71	-5.16	100.62	4420.40
MO	725.84	-	1280.54	859.57	351.31	213.28	3430.54
ICEA Lion	1035.87	-	595.55	512.13	248.54	793.35	3185.44
Mgen	1622.82	-	678.54	101.48	53.32	64.93	2521.09
GA	504.39	190.06	668.22	338.84	203.39	372.38	2277.28
First	703.48	-	553.41	82.56	207.69	637.26	2184.40
Milembe	724.12	-	117.82	12.47	-	124.70	979.11
Star General	423.12	-	85.40	-	-	140.61	648.87
Total non life	87354.93	54975.50	49060.85	19358.17	16645.30	25286.58	252681.33
2018 Share %	29.36%	18.48%	16.49%	6.51%	5.59%	8.50%	84.90%

(1) Including maritime transport and aviation

(2) Including engineering, energy and miscellaneous accident



TURNOVER 2018 PER CLASS OF BUSINESS AND PER LIFE INSURANCE COMPANY

Figures in thousands of USD

Company	Individual life insurance	Group life insurance	Others	Total life
Sanlam Life	3 659.73	26 696.12	89.01	30 444.86
Alliance Life	171.57	5 064.11	-	5 235.68
NIC	3 709.18	1 074.57	64.93	4 848.68
Jubilee Life	715.52	2 481.10	-	3 196.62
Metropolitan Life	707.35	403.77	-	1 111.12
Total life	8 963.35	35 719.67	153.94	44 836.96
2018 Share %				15.10%

COMBINED RATIO 2018 PER CLASS OF BUSINESS

	Net loss ratio	Net management expenses ratio	Net combined ratio
Motor	45.99%	50.33%	96.32%
Health	85.45%	34.90%	120.35%
Fire	19.86%	89.47%	109.33%
Accident	37.11%	72.13%	109.24%
Marine ⁽¹⁾	41.82%	94.59%	136.41%
Other risks ⁽²⁾	28.34%	73.86%	102.20%
Total non life	52.43%	52.89%	105.32%

⁽¹⁾ Including maritime transport and aviation

⁽²⁾ Including engineering, energy and miscellaneous accident

FINANCIAL SOUNDNESS INDICATORS OF THE INSURANCE SECTOR (GENERAL AND LIFE)

Indicator	Statutory Requirement	Dec-2018		Dec-2019	
		General	Life	General	Life
1. Capital Ratios					
Solvency Ratio	General ≥ 25 ; Life ≥ 8	48.80%	28.10%	51.30%	24.40%
Change in Capital and Reserves				15.80%	-0.50%
2. Asset Quality Ratios					
Rate of Return on Investment		6.8%	4.6%	6.7%	3.6%
Investment Mix:					
Investment in government securities		22.4%	21.2%	23.0%	21.4%
Investment in bank deposits	Min 30	47.1%	30.6%	53.4%	23.1%
Investment in real estate		6.5%	24.1%	6.2%	27.1%
3. Reinsurance Ratios					
Retention Ratio	General $30 < RR < 70$; Life $50 < RR < 90$	54.1%	85.1%	52.6%	85.5%
4. Actuarial Liabilities (General)					
Actuarial Provisions to Capital Ratio	Max 250	54.8%		45.7%	
5. Earnings Ratios (General)					
Return on Equity		1.30%		20.3%	
6. Liquidity Ratios					
Liquidity Ratio	General ≥ 95 ; Life ≥ 50	97.3%	58.3%	105.0%	59.1%
Total Receivables as % of Capital & Reserves	Max 100	61.7%	48.6%	64.9%	48.9%
7. Loss Ratio		52.5%		43.8%	-
8. Expense Ratio		56.1%		48.6%	

Source: TANZANIA FINANCIAL STABILITY REPORT – by Directorate of Financial Sector Supervision - Bank of Tanzania, December 2019

Tanzania Reinsurance Company (TAN-RE):
2018 & 2019 summary of performance



	2018		2019	
	in TZS '000	In US\$	in TZS '000	In US\$
Gross Premium	111,521,892	51,870,647	141,394,263	65,764,773
Retrocession	43,331,685	20,154,272	51,867,002	24,124,187
Earned Premium	67,252,020	31,280,009	87,015,993	40,472,555
Claims Incurred	41,820,181	19,451,247	51,175,315	23,802,472
Commission	8,051,742	3,744,996	15,823,575	7,359,802
Management Expenses	11,304,532	5,257,922	11,674,637	5,430,064
Underwriting Profit	7,116,634	3,310,062	9,296,385	4,323,900
Profit before Tax	6,667,919	3,101,358	8,856,554	4,119,327

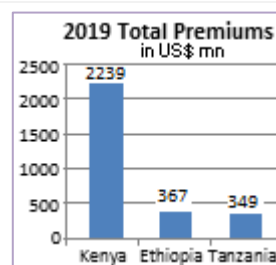
1 USD = TZS 2,150

Source: TAN-RE | <https://www.tan-re.co.tz/financial-information/summary-of-results>

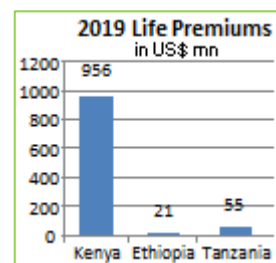


Tanzanian Insurance at Regional and Global Level

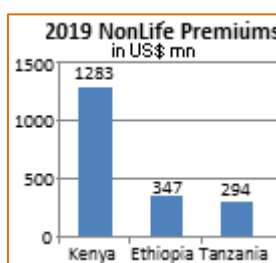
TOTAL PREMIUMS	2018	2019
Real Premium Growth (%) inflation-adjusted	4.9%	11.7%
Penetration (% of GDP)	0.6%	0.6%
Density (per capita in US\$)	5	6
Share of Africa Total Premiums (%)	0.441%	0.512%
Share of World Total Premiums (%)	0.005%	0.006%



LIFE PREMIUMS	2018	2019
Real Premium Growth (%) inflation-adjusted	0%	16.9%
Life Penetration (% of GDP)	0.1%	0.1%
Life Density (per capita in US\$)	1	1
Share of Africa Life Premiums (%)	0.098%	0.119%
Share of World Life Premiums (%)	0.002%	0.002%



NON-LIFE PREMIUMS *	2018	2019
Real Premium Growth (%) inflation-adjusted	2.1%	10.8%
Non-Life Penetration (% of GDP)	0.5%	0.5%
Non-Life Density (per capita in US\$)	5	5
Share of Africa Non-Life Premiums (%)	1.169%	0.636%
Share of World Non-Life Premiums (%)	0.008%	0.009%



* Include PA&H Insurance

Source: Swissre Sigma Explorer

Tanzanian Insurance Market total premium Penetration and density basis expressed in US\$ for the year 2019; Comparisons are made with Ethiopia and Kenya.

	Tanzania	Ethiopia	Kenya
2019 Penetration	0.6%	0.4%	2.3%
2019 Density	6	3	43

FITCH SOLUTIONS KEY VIEW

Business Monitor Online - March 30, 2020



Both life and non-life sectors are small, with combined premiums of USD282mn forecast for 2019, almost 90% of which will be written in non-life. Growth will be rapid, particularly in the life sector, albeit from a low base.

We predict that life premiums will rise by 8.4% in nominal local currency terms to TZS122.8bn (USD52,2mn) in 2020, while growth to 2024 should average 8.7% per annum in this category. In 2024, life premiums should amount to TZS171.1bn (USD65.8mn), The larger non-life market is set to see gross premiums expand by 6.5% in 2020, reaching TZS663bn (USD282.1mn). Over the period ending 2024, we predict average growth of 7.7% per annum in local currency terms with premiums amounting to TZS892.7bn (USD343.2mn). Micro-insurance products are a key driver of strong market momentum, which will pick up renewed pace amid a strengthening of real GDP growth from 2020. In March 2020, the Tanzania Insurance Regulatory Authority (TIRA) in conjunction with other stakeholders announced the establishment of the Financial Services Registry (FSR). The registry is meant to map out financial services access points as well as highlight areas with no access to financial services.

SWOT ANALYSIS

Strengths	Premiums are rising rapidly in both US dollar and shilling terms. The array of non-life insurers drives product innovation and price competitiveness across the sector. Despite its small scale, the non-life sector displays moderate diversification in product lines, beyond basic motor and property cover. Sector growth, while from a very low base, should continue at high levels in percentage terms.
Weaknesses	Even by regional standards, the life sector is small. Life insurance is dominated by African Life (part of the Sanlam Group), and state-owned National Insurance Corporation. There is a lack of options for low-income rural workers and communities. A lack of understanding and product knowledge pertaining to life insurance persists. A small middle class means that disposable income for discretionary insurance spending is low.
Opportunities	Property insurance is set for particularly rapid growth. New competitors in the life segment, such as Metropolitan, could invigorate the sector and drive product innovation. Micro-insurance products in health and life cover offer opportunities for insurers to reach a far larger customer base. Consolidation at the top of the non-life sector could reap huge benefits for insurers. Government is seeking to make health insurance mandatory. Economic growth should rise over the coming years. Significant government investment in transport infrastructure should support property and transport insurance premiums.
Threats	The levels of competition in non-life business may hinder the scope for profitability in some lines. Poor access to healthcare and low life expectancy continue to constrain demand for most life products. The government is showing worrying signs of protectionism, which could hinder regional market integration.

