



## PRESS RELEASE:

### PROCEEDINGS OF THE THIRD MEETING FOR INSURANCE THEMATIC WORKING GROUP HELD ON 23<sup>RD</sup> MARCH 2023 IN DAR ES SALAAM AND PROGRESS ASSESSMENT OF INSURANCE SUB-SECTOR AS PART OF IMPLEMENTATION OF THE FINANCIAL SECTOR DEVELOPMENT MASTER PLAN (FSDMP 2020/21-2029/30)

#### BACKGROUND INFORMATION

The Tanzania Insurance Regulatory Authority (TIRA) was established in 2009 under Section 5 of the Insurance Act Cap. 394 (hereinafter referred to as “**the Act**”). Subject to the general supervision of the Minister of Finance and Planning, TIRA is charged with the responsibility to **coordinate policy and other matters related to insurance in the United Republic of Tanzania**. The main functions and duties of the Authority are to promote and maintain an efficient, fair, safe, and stable insurance market for the benefit and protection of policyholders. **The specific functions of the Authority fall into four broad areas** namely:

- i. **registration & licensing** of insurance registrants,
- ii. **regulation and supervision** of insurance registrants,
- iii. **protection of consumers and beneficiaries** of insurance products & services; and
- iv. **development of the insurance market** in Tanzania.

#### THE FINANCIAL SECTOR DEVELOPMENT MASTER PLAN (FSDMP) AND INSURANCE THEMATIC WORKING GROUP (TWG-INS)

The Insurance sub-sector is one of five sub-sectors of the financial sector that are responsible for implementing the Financial Sector Development Master Plan (FSDMP). FSDMP is a 10-year Government Plan for development of the financial sector for the period of 2020/21-2029/30. The other sub-sectors implementing FSDMP are the Banking sub-sector; Capital Markets and Securities sub-sector; Social Security sub-sector; and Microfinance sub-sector.

For purposes of implementation coordination, each subsector developed an Action Plan, a tool that helps to translate the FSDMP Action Plan at subsector level, and also to implement the targets of the relevant subsector under FSDMP. Accordingly, the Insurance subsector has established the Insurance Sub-Sector Action Plan (ISAP); and set up the insurance subsector Thematic Working Group (TWG) composed of various stakeholders of the insurance subsector. The TWG meets semi-annually under the chairmanship of the Commissioner of Insurance (Chief Executive Officer of TIRA). The main objective of the TWG is to coordinate and report on the implementation of ISAP, as well as deliberating on other strategic insurance market issues. The

TWG reports to the Financial Sector Development Technical Committee (FSDTC) chaired by the Ministry of Finance and Planning (MoFP).

### **TWG-INSURANCE ACHIEVEMENTS AND SUMMARY OF PROCEEDINGS OF THE THIRD MEETING HELD ON 23<sup>RD</sup> MARCH 2023 IN DAR ES SALAAM**

The Insurance Thematic Working Group held its third meeting at the Julius Nyerere International Convention Centre (JNICC), Dar es salaam on Thursday, 23<sup>rd</sup> March 2023. The Meeting, among other things, noted a number of achievements related to implementation of FSDMP which include the following:

**i. Establishment of Oil and Gas Consortium**

The consortium was established and launched in 22 November 2022 to provide a mechanism for insurers to jointly underwrite large and specialized risks in the oil and gas sector under the Guest of Honor, **Honorable Hamad Hassan Chande** (Deputy **Minister of Finance and Planning**)

**ii. Development and approval of new insurance products**

A total of seventeen (17) new insurance products have been introduced in the market to meet the needs of the low-income population.

**iii. Integration of Insurance Supervisory Systems between TIRA and other relevant Government institutions**

TIRA Management Information System-TIRAMIS is integrated with Land Transport Regulatory Authority (LATRA), Tanzania Revenue Authority (TRA) and Tanzania Police Force (TPF). Going forward, no motor insurance cover will be issued without validation of the vehicle's details by TRA. Further, issuance of LATRA licenses will be subject to proof of an active motor insurance cover. The integration will also facilitate more effective enforcement of road traffic rules by the TPF, curbing the problem of uninsured and underinsured vehicles. This will among others enhance protection of insurance beneficiaries and the general public.

**iv. Issuance of New Insurance Supervisory Guidelines**

For enhancing of insurance market development and supervision, the Authority in collaboration with insurance stakeholders has issued several Guidelines including Sales Force Executives' Guidelines; Insurance Digital Platforms Guidelines; IFRS 17 Guidelines; Guidelines on Takaful Operations; Guidelines on Investment and Solvency Margin Management; Guidelines on Insurance Claims Management; Bancassurance (conduct of business) Guidelines; and Guidelines on Minimum Benefit Structure for Motor Third-party Bodily Injury and Death Claims.

**v. Introduction of new insurance distribution channels**

For the purpose of expansion, distribution and accessibility of insurance services, four (4) new insurance distribution channels have been introduced in the market namely, banc assurance agency, Takaful Insurance, insurance digital platforms, and insurance sales executives.

**vi. Insurance distribution through Mobile Network Operators**

For easy availability of insurance services to the public, three (3) mobile Network Operators (MNOs) offer insurance products and services using mobile insurance technology

**vii. Steady growth of the Insurance Market and insurers**

The insurance market continues to grow at an average annual growth rate of 12.2% in the last five years and insurers including InsurGENCY company, Brokers, Reinsurers, insurance agents et al all have increased by 12.84% percent by December 2022.

**viii. Mandatory Insurance**

As the way of protecting and managing the risks for public benefits, TIRA as insurance administrator has finalizing the mandatory insurance regulations in the following areas;

- (a) Commercial buildings
- (b) Public markets
- (c) Imports goods
- (d) Marine insurance

**THE WAY FORWARD FOR DEVELOPMENT OF INSURANCE SUB-SECTOR**

The insurance subsector under supervision of TIRA will continue to pursue its specified targets under the Financial Sector Development Master Plan (FSDMP 2020/21 – 2029/30). The plans ahead include the following:

- i. Establishment and operationalization of the Tanzania Agriculture Insurance Scheme (TAIS);
- ii. Establishment of the National Insurance Policy (NIP);
- iii. Integration of the Insurance supervisory systems between TIRA and other Government institutions (TASAC, TPA, NIDA, NSSF, NHIF, CHF, and WCF) to facilitate smooth business processes in the insurance subsector and reduce regulatory costs;
- iv. Amendments of the Insurance Act CAP 394 and its Regulations as well as development new Insurance Regulations with the view to realizing a robust and more effective insurance development regulatory environment; and
- v. Establishment of the professional board known as Insurance, Social Protection, and Actuarial Board (ISPAB) which will offer opportunities for recognition of relevant professionals.

As part of implementation of Financial Sector Development Master Plan, TIRA is calling upon the insurance policyholders, insurance beneficiaries and the general public to continue using insurance products and services available and offered by the insurance industry in managing risks inherent on their lives, properties and businesses. The Authority pledges to develop and maintain an inclusive, efficient, fair, safe, and stable insurance market which is clean, competitive, profitable and professionally operated.

The benefit of all these guidelines is to expand the scope of access to insurance services, protect the rights of customers and increase formal and informal jobs in the chain of the insurance industry.

**ISSUED BY THE INSURANCE THEMATIC WORKING GROUP CHAIRMAN**



Dr. Baghayo A. Saqware  
**COMMISSIONER OF INSURANCE**