Issue 19.
Dec - Jan

INSURANCE JOURNAL OF AFRICA

Phoenix Assurance is now MUA

TAKAFUL Insurance For everyone

Its Time for Carbon Offset Projects

Icea Lion's 25 years of Good Service in Tanzania

TIRA Releases Market Performance Report.

TIRA'S Official Source Of Information.

PARTNER

LÖWE INTERNATIONAL

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Ceo's Note

Africa's Economy Needs the Insurance Industry to Grow in Order to Accelerate its Growth.

Most Africa's insurance industry has the potential to become a major contributor to their nation's economy if the government provides more support for its expansion.

The industry can provide direct and indirect employment opportunities, encourage foreign investments, and help to foster social and economic development. The government can play a big part in creating a favorable environment for the insurance industry to grow and compete in the international market.

The Government, together with insurance stakeholders, should also invest in insurance education. The more educated people are about the importance of insurance, the more protected they will be. The Government should also look into reducing the cost of premiums, increasing penetration, and providing incentives for the industry to develop. The insurance industry is an essential factor for any nation's economic growth and can help to push Africa's economy forward.

Africa is still a developing continent, with many economic projects underway. The insurance industry has a big role to play in all these projects. It can help to spread the risk associated with large-scale investments, cover the costs of damage due to natural disasters, and provide financial security for those living in the region. It can also help to create opportunities for those who would otherwise not have access to formal financial services. By providing insurance and financial services, the industry can help to reduce poverty and improve the living standards of the African population.

Insurance can also provide access to capital for entrepreneurs and small businesses, helping to stimulate economic growth. With the right policies and initiatives, the insurance industry can help create a better future for the people of Africa.

African leaders should empower the insurance industry to ensure that projects are adequately insured and incorporate the industry into their national plans.

When we talk about insurance, it is not limited to health insurance, which is the more commonly acknowledged type, but also extends to other forms of insurance that help safeguard both economic and health interests. This includes life and property insurance, which can provide financial protection for individuals and families. Such insurance products can help to mitigate the risks associated with natural disasters, economic downturns, and other adverse events, allowing people to plan for a secure financial future. Additionally, insurance can also help to reduce the cost of healthcare, providing access to otherwise expensive treatments to those who need them most.

It is recommended that each country should make certain insurance policies compulsory in order to safeguard against any potential tragedy that could adversely affect both public funds and individuals.
A good example is the effect of the El Nino rains that people of East Africa are facing. It is estimated over 300 people have lost their lives and over a million have been forced to flee their homes in Somalia, Kenya, Ethiopia, and Tanzania as a result of weeks of torrential rains and flash floods with mudslides that tore across areas of East Africa.

While there are many natural causes of disasters like El Nino that may not be able to be prevented, there are certain precautions we can take, to flee the area whenever the authorities warn us about these disasters. We can also protect all our properties with comprehensive insurance packages.

People need to start realizing that insurance is not just about protecting their properties and lives, but also about taking advantage of all the benefits that come with being a customer of a company.

Enjoy Reading.

CEO
Diana Omolo

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Editor's Note

To our esteemed readers.

I wish you and your loved ones joy and happiness in the new year of 2024.

Despite the many challenges we have faced in 2023, I remain optimistic that the new year of 2024 will offer us a chance for a fresh start and continuing progress. Let us take this time to reflect on all the good that has come our way throughout the year and be thankful. May 2024 bring us all health and prosperity.

Check out the December - January edition for the latest news in the insurance industry. Find out what's new and what you may have missed. We hope this edition will capture your interest and you'll enjoy reading about the industry's developments.

One of the biggest stories of this issue is the launch of an insurance report in Tanzania by TIRA. The report was commissioned by the Tanzanian Insurance Regulatory Authority (TIRA) in order to assess the current state of the insurance sector in the country. The report found that while there is considerable potential for growth, the industry needs to be improved and modernized to allow for more advancement.

We will also look into the advantages and disadvantages of recently legislated insurance for all citizens in East African countries is a worthwhile endeavor. This policy merits thorough consideration to determine its efficacy. Here is another thrilling topic for you to enjoy.

We have observed various substantial modifications in the insurance industry in Africa, and we are confident that taking a closer look at the effects of these changes can provide a great understanding of how to enhance the insurance markets in other African countries. Finally, we will look at an article on the role of technology in the insurance sector and how it has the potential to revolutionize the industry.

We believe that these topics will be an invaluable source of information for our readers and will bring to light the challenges and opportunities faced by the industry today.

Enjoy reading.

Editor
Andreas Wilnock

25 Years of ICEA LION Tanzania

> "We attribute our success to the support we have received from our intermediaries over the past 25 years. Additionally, other insurance companies have been instrumental in our business endeavors.
>
> **J. Awando.**

"With a deep-seated commitment to providing exceptional customer service. A tireless commitment to ensuring that every claim is settled fast, fairly and without delay, and an unwavering dedication to developing innovative insurance solutions. The company's reputation quickly gained traction for its unrivaled integrity and reliability"

Icea Lion General Insurance Company Tanzania Limited was among the pioneering firms to establish a foothold in the Tanzanian insurance sector. Our operations commenced in 1998 under the name Lion of Tanzania Insurance Company Ltd, as a subsidiary of Lion of Kenya. In 2011, a major change occurred in Kenya when Lion of Kenya successfully acquired the General Insurance portfolio from Insurance Company of East Africa Ltd. (ICEA).

The Lion of Kenya has changed its name to ICEA Lion General Insurance Company Ltd. As a result, in 2012, the Lion of Tanzania also changed its name to ICEA Lion General Insurance Company (T) LTD, in alignment with the parent company. The composition and structure of the company's shareholding remained solid and unchanged.

We are the top claim settlers in the market and have a strong and stable balance sheet, ensuring security. Our management team is highly competent and experienced, committed to prudent underwriting. We offer excellent insurance solutions and we prioritize our customers' needs. We are delighted to announce that our company has been selected as the official representative of Mitsui Sumitomo Insurance Group of Japan in East Africa. This prestigious opportunity is a testament to our exceptional work ethic and commitment to excellence.

For over 25 years, our company has been striving to become the top provider of insurance services in Tanzania, meeting the diverse needs of our customers. Our celebration in Tanzania showcased our loyalty, dedication, and high standards of insurance service for our clients.

We have built a reputation for being an honest and credible company, renowned for our supreme brand image. We are competitive and prudent in the market, always striving to ensure our customers are satisfied with our services and have the best possible coverage for their needs. Our company prides itself on providing exceptional customer service, offering expert advice and guidance to ensure optimal results for our clients. In addition, our streamlined claims process, known as BIMAFASTA, guarantees a timely and favorable resolution for our valued customers.

When asked about staff development and the office environment, Mr. Awando stated:

One of the core values at ICEA LION GENERAL Insurance Tanzania is creating an environment for staff development. The company highly values developing local talent and empowering them to reach their full potential and achieve success in their careers. We always encourage and support our staff to strive for greatness and help them grow. Our comprehensive sponsorship program allows any staff member who wishes to pursue further studies to further their own development. It is with great honor that I recognize the exceptional individuals who have passed through our establishment and attained positions as chief executive officers and senior executives at esteemed companies across the nation.

We have a few employees who have been with us since the time of Memorial, with some having been here for more than two decades. They have witnessed the company's growth from a small business to one of the biggest companies in the industry. They have witnessed the evolution and expansion of our company and have been a part of this exciting journey. Their knowledge and experience are invaluable assets to our organization, and they have been a cornerstone of ICEA LION's success. They are the ones who have made our company into what it is today, and for that, we are grateful for their hard work and dedication.

ICEA LION's steadfast stability is exemplified by the fact that, since its inception in Tanzania in 1998, there have been a mere four CEOs. This serves as a testament to the exceptional level of contentment within the company's workplace.

Our Customers:

We hold our customers in high regard. Over the past 25 years, we have had the privilege of serving many clients, starting with our first client, Mr. Johan Abrahamsson. We are honored to say that he remains a loyal customer to this day. We are also proud of our continually growing customer base and look forward to serving them for many more years.

Over the past 25 years, we have been entrusted with numerous government projects, NGO risks, hospitals, and other social and economic development projects. We are fortunate to have a strong track record, and we are constantly striving to deliver our best for every project we undertake. We would like to express our heartfelt gratitude to our esteemed clients for their belief and trust in our services.

Paid Claims:

Over the course of 25 years, ICEA LION Insurance Tanzania has successfully disbursed over 100 billion Tanzanian shillings in compensation to both our esteemed clients and third-party claimants.

Our Branches:

Since the inception of ICEA LION, we have opened seven branches serving different zones. In the Lake Zone, we are situated in Mwanza. In the Northern Zone, we are located in Arusha. Our Mbeya branch serves the Southern Highland Zone, while our Dodoma branch serves the Central Zone. We also have branches in Morogoro, serving the Eastern Zone, and Sukari House City Center, serving Dar Es Salaam. Our Zanzibar Branch serves the Blue Economy.

We have developed new online tools to streamline the insurance purchasing process and policy management for our customers. Furthermore, we are actively seeking partnerships with other companies and intermediaries to broaden our services. Our ultimate goal is to offer our customers the highest quality service and coverage choices available. We are committed to being the most dependable and reputable insurance provider in the market.

Growth:

Thanks to the hard work and dedication of our team, IceaLion has seen a remarkable 30% growth in GWP in the last five years. This exceptional achievement is largely credited to our team's perseverance and dedication.

Social responsibility:

At ICEA LION Insurance Tanzania, we are dedicated to making a positive impact in the communities we serve. Through supporting various charitable initiatives, our focus is to improve access to education and healthcare. We believe in the power of giving back, and we are proud to make a difference in the lives of others.

Our company's employees are actively involved in the local community, dedicating their time and resources to the needs of our residents. We are committed to helping those in need and inspiring others to do the same. Together, we can make a difference and make our community a better place for all.















8 Ways Social Media Can Help Your Business Grow.

Article By: IJA Writer.

Nowadays, social media is a must-have for businesses who want to increase their visibility online. It's a great way for companies to get ahead of their rivals who don't have an established presence on these platforms. Using social media to promote your business is an effective strategy that allows you to quickly and efficiently spread the word about your organization. It provides a platform for easily communicating information, topics, and posts concerning your company. If you don't have much experience with using social media, it may be intimidating. However, it's essential not to delay any longer and to jump right in.

1. Social Media is Popular.

The majority of your customers, or those who are looking to become your customers, will likely have contact with social media. Many individuals possess and employ it, yet if you don't capitalize on this, you might be missing out on the chance to gain more customers for your company. Encourage your customers to spread the word about your company through social media platforms. It is an effective method of reaching a wide range of people with their thoughts and opinions about your business. Make sure you give them the opportunity to do so.

Maintaining an active profile on social media will prove beneficial to your business over time. This profile will also provide you with quick access to any potential opportunities that arise.

2. It's a Cost-Friendly Option.

The advantage of social media for businesses is that it offers a completely free platform for marketing and advertising. You can post content at any time, without spending money, and even setting up a profile is free of cost. Businesses should consider investing in sponsored advertising to increase their presence on social media, which is a great idea but won't break the bank. Advertising your product and any deals you have going on through social media will always be relatively inexpensive.

3. Social Media Covers Any Age.

When it comes to business, it is necessary to consider the desired target audience. Social media can be extremely useful for connecting with this demographic and beyond.

regardless of age or background can access and use these platforms, meaning that your content can spread further than the people you initially expected. This could open up the possibility of reaching a completely unexpected group of potential customers.

4. It's an Easy Way to Communicate.

As technology becomes increasingly more prevalent in our daily lives, the way that customers prefer to interact with businesses has shifted. You must make sure that your business offers various methods of contact, such as emails, messaging, and social media posts, as opposed to just a phone number, so that customers can reach out to you in the way that they are most comfortable with. Social media provides new opportunities for a two-way dialogue between you and your customers.

By utilizing social media, you can create a platform for others to provide feedback and ask questions, which is critical for a company to develop. This could be as straightforward as making a post on social media, asking people what they think of your product or service and picking up valuable insights from their responses. Additionally, social media provides an effortless and public way to thank your customers, so they don't have to wait for you to contact them.

5. Social Media Never Sleeps.

Rather than waiting days for a response to an email or a returned phone call, social media ensures that the likelihood of your messages being seen is very high. In fact, people check their social media accounts multiple times a day, so any posts or communication you put out there is almost guaranteed to be seen. This is a great way to increase the visibility of your business.

6. Increased Exposure.

Social media is also a great way to get your business more exposure. By creating accounts on different platforms and using different strategies, you can reach a much larger audience than you ever could with traditional methods. This increased exposure can lead to more potential customers, which is great for any business.

7. It Allows You to Share and Update Quickly.

It is unquestionably essential for your business to have a usable website for advertising, yet altering or revising elements on a website, like the addition of a fresh product page, can be a time-consuming task.

Social media offers a fast and easy way to spread the word about something new. You just have to type out a brief statement regarding the product and press the post button. It's not as important to make it look perfect, like you would on a website, which requires careful design and coding. You can just express your ideas quickly and simply.

It enables you to swiftly modify any business details, for instance a different way to get in touch.

8. Social Media is Fantastic for Customer Service.

Customer satisfaction should be the primary goal of any business, and social media makes it much simpler. Consumers appreciate the convenience of messaging companies and organizations through social media, and if you provide an effective query and messaging service, it will result in greater customer satisfaction.

Social media not only provides a platform for customer service, but also makes it visible. When you respond to a query publicly posted by a customer and they are satisfied with your answer, other potential customers can observe how you handled the question and be encouraged to trust you as a business that is capable of delivering great customer service. A personal telephone call does not offer the same advantages.

In Conclusion.

Social media is a great way for any up-and-coming business to get their name out there. It is essential that you commit yourself to making sure your social media accounts are well-managed. Lowe International Ltd Marketing can provide assistance with website design, pay-per-click advertising, search engine optimization, email marketing, and any other queries you might have.

Phoenix Assurance of Tanzania Announces Rebrand to MUA Tanzania.

A New Chapter in Commitment to Excellence

Phoenix Assurance of Tanzania, a leading insurance provider, proudly announces its rebranding to MUA Tanzania, marking a significant milestone in its commitment to serving the people of Tanzania.

The rebranding initiative aligns with the company's regional strategy and its dedication to continuous improvement. With the rebranding to MUA Tanzania comes a renewed focus on providing innovative, reliable, digital and customer-centric insurance solutions, while maintaining the highest standards of quality and professionalism in its service and insurance products.

The rebranding process has been conducted with the utmost care and consideration for all stakeholders. Phoenix Assurance of Tanzania has worked closely with the Tanzania Insurance Regulatory Authority (TIRA), Business Registration and Licensing Agency (BRELA) and Tanzania Revenue Authority (TRA) to ensure a seamless transition and compliance with all regulatory requirements.

"We look forward to working with the regulator and other stakeholders to continue building a strong insurance sector in Tanzania and delivering quality insurance solutions and enhancing the service we deliver to the people of this country." said Jérôme Katz, CEO of MUA Tanzania

MUA Tanzania's new logo and brand identity reflect the company's commitment to progress, stability, and a forward-looking approach. The updated brand encapsulates the essence of trust and reliability that the company has built over 25 years in Tanzania and more than 110 years in East Africa.

While the brand name is changing, MUA Tanzania reassures its valued clients and partners that its core values and business goals remain steadfast. The company remains dedicated to providing comprehensive insurance solutions that meet the evolving needs of individuals and corporate clients in Tanzania.

"Our commitment to excellence, integrity, and customer satisfaction remains unwavering," stated Jérôme Katz, "With the rebrand to MUA Tanzania, we are not just changing our name; we are renewing our commitment to our clients and partners to deliver even better services and insurance solutions."

MUA Tanzania is proud to reaffirm its pledge to contribute positively to the Tanzanian economy and the community it has served since 1999. The company remains deeply committed to social responsibility initiatives and endeavors that benefit the people and society at large. As MUA Tanzania embarks on this new chapter, the company expresses its gratitude to all clients, partners, and stakeholders for their continued trust and support.

About MUA Tanzania:

MUA Tanzania is a leading insurance provider committed to delivering innovative and reliable insurance solutions to individuals and businesses in Tanzania. With a rich history of trust and integrity, MUA Tanzania is dedicated to serving the community and contributing to the nation's progress.

2022 Tira Insurance Report

Article By: IJA Writer.

> In Comparison to 1.68% for the year of 2021, the total Insurance Penetration Rate in the Public and Commercial Sectors was 1.99% for the year of 2022.

Tanzania's insurance industry has demonstrated resilience in 2022, bolstered by the robust performances of both the international and domestic economies.

However, the insurance industry, like many other industries in the country, for the year 2022, has faces several challenges, such as a lack of insurance inclusiveness and expertise, as well as the overall lack of awareness of insurance products in the country. This has caused the industry not to reach its full potential in terms of growth and development, and there is an urgent need for the industry with the government to step in and provide assistance.

Despite external disturbances, the economy of Mainland Tanzania and Zanzibar showed a steady increase of 4.7% and 6.8%, respectively, in 2022. This growth was attributed to the revival of economic activities and ongoing investments from both the public and private sectors.

According to the Financial Stability report of 2022, it was anticipated that the economies of Tanzania Mainland and Zanzibar would experience an expansion of 5.2 and 7.1 percent respectively in 2023 due to better business prospects, greater profitability within the banking sector, increased liquidity to finance both commercial and public investment in infrastructure.

The authority continues to align with the guidance provided by the Ministry of Finance (MoF) and works closely with other authorities to ensure the insurance market is attractive for both local and external investors.

The authority continues to implement its five-year Strategic Plan, which, among other things, aims to increase the number of registrants through enhancing the legal and regulatory framework.

Furthermore, the implementation of the Financial Sector Development Master Plan (FSDMP), the National Financial Inclusion Framework III (NFIF), and other inter-governmental strategic initiatives represents a concerted effort to strengthen and expand the country's financial sector, including the insurance sub-sector.

With the emerging trends in insurance business, the Insurance Act was under technical review during the year 2022 to consider repealing irrelevant parts existing currently and bringing provisions for Agriculture insurance, establishment of consortia, Takaful, and other new emerging risks such as cyber-space risks.

As reported in 2021, some amendments to the Insurance Act, Cap.394 were enacted, such as the introduction of Section 133A to accommodate and widen the scope of compulsory insurance classes to include marine vessels, public markets and commercial buildings.

Another remarkable initiative was the issuance of the Foreign Exchange Regulations, 2022, which was officially launched on May 5, 2022 to provide for a regulatory framework and legal guidance for remittances for insurance or reinsurance services outside the United Republic of Tanzania. This requires a no-objection letter from the Commissioner of Insurance.

In 2022, the insurance industry in Tanzania saw a growth in gross written premiums (GWP) of 26.7%, taking it from TZS 911.5 billion to TZS 1,158 billion.

Gross premiums for general insurance policies saw a remarkable rise from TZS 746 billion in 2021 to TZS 895 billion in 2022, a growth of 19.9 percent.

Gross written premiums for life insurance climbing from TZS 165 billion in 2021 to TZS 242 billion in 2022, which is an impressive increase of 46.7 percent.

Gross written premium recorded by local reinsurers by assuming risks from outside the country was TZS 17.7 billion in 2022.

The Highest GPW was Achieved by:

Sanlam Life - TZS 163,114 Mil
NIC - TZS 139,980 Mil
Strategis - TZS 93,325 Mil

In 2022, the total GROSS PREMIUM WRITTEN amounted to TZS 1,137.2 Bil.

64.5% - TZS 733.7 Bil was Conducted through Intermediaries.

Insurance Brokers - 35.2% - TZS 400.5 Bil
Bancassurance Agents - 18.3% - TZS 208.4 Bil
Insurance Agents - 11.0% (TZS 124.8 Bil
Insurance Companies - 35.5% - TZS 403.5 Bil

Contribution of Insurance to Government Revenue.

Insurance companies contributed **TZS 16.1 Bil** to Government's revenue by way of corporate tax in 2022, showing a **5.9%** increase from TZS 15.3 billion in 2021.

Similarly, the Value Added Tax (VAT) for the period under review was approximately **121.6 Bil** computed from the reported GWP for the year 2022.

The Authority has issued seven (7) Guidelines to establish and reinforce specific operational practices not explicitly covered by the Insurance Act, Insurance Regulations, and Circulars. These Guidelines offer uniform guidance to all market participants and include:

1. Guidelines on Investment and Solvency Margin Management.

2. Guidelines on Insurance Claims Management.

3. Guidelines on Minimum Benefit Structure for Motor Third Party Bodily Injury and Death Claims.

4. Bancassurance (Conduct of Business) Guidelines.

5. Guidelines on Retention and Reinsurance Management.

6. Guidelines for Medical Insurance and Registration of Health Service Providers (HSPs).

7. Guidelines on Accreditation of Automobile Repairers and Maintainers (ARMs).

Top 5 Market Share General Insurance Business for Bancassurance.

1. CRDB BANK PLC 28.7%
2. NMB BANK PLC 24.2%
3. EXIM BANK TANZANIA LTD 9.5%
4. NBC BANK 5.6%
5. STANBIC BANK TANZANIA LTD 4.9%

Top 5 Market Share Life Assurance Business for Bancassurance.

1. CRDB BANK PLC 47.4%
2. NMB BANK PLC 21.3%
3. NBC BANK 12.1%
4. EQUITY BANK TANZANIA LTD 3.2%
5. TANZANIA COMMERCIAL BANK T LTD 2.4%

We Value our Intermediaries.

Assemble
INSURANCE

The value of insurance in current economies is incontestable and has been accepted for centuries. Insurance is an integral component of business and a safeguard of a large portion of a nation's possessions. In addition, it serves a greater societal purpose beyond its role in commercial affairs. It enables the diffusion of personal hardship among many. The sharing of community misfortune by other communities; this makes major catastrophes less severe, and manageable.

It is widely acknowledged that insurance plays an indispensable role in the maintenance of advanced global economies in the present day. In the face of natural disasters, insurance provides the necessary resources for recovery. It is a critical element in preserving public infrastructure, while also providing financial protection for those affected.

Moreover, insurance encourages the flow of capital investments, as businesses and individuals are more likely to invest in risky projects if they are insured. This allows for greater economic growth and development, while also protecting investors from potential losses. Insurance also provides security and stability to nations by protecting them from the financial repercussions of large-scale disasters.

We at Assemble Insurance understand that insurance enables businesses to operate in a cost-effective manner by providing risk transfer mechanisms whereby risks associated with business activities are assumed by third parties. It allows businesses to take on credit that otherwise would be unavailable from banks and other credit providers fearful of losing their capital without such protection, and it provides protection against the business risks of expanding into unfamiliar territory – new locations, products or services – which is critical for encouraging risk-taking and creating and ensuring economic growth.

Aside from the business setting, insurance is pivotal for individuals. If coverage were to be absent, people and their families would be left exposed to the risks of life. Life, medical, assets and other policies are fundamental for the financial security, contentment and mental health of the average person. We can all sympathize; we are all aware of the anguish that the bereavement of a loved one has caused certain families in our society, particularly the primary breadwinner. Insurance cannot replace the lost of our loved ones, yet it can help to cushion the fiscal blow of being left alone.

People purchase motor insurance to safeguard both their vehicles and anybody who may be harmed in collisions. So do home and renters who acquire insurance plans to safeguard their possessions and defend themselves from accountability. Individuals procure life and health insurance to secure themselves and their families from monetary misfortune in the event of sickness or passing.

Sometimes governments make it mandatory for companies to buy insurance. These are termed as financial responsibility requirements, which are designed to make sure that people who are harmed will receive compensation. Moreover, it is not only governments that can require the purchase of insurance. For example, a retail store may oblige its providers to have product liability insurance. Hospitals might oblige doctors to have medical malpractice insurance, and loan organizations often require their customers to insure the possessions they use to back up their loan.

Like many businesses, insurance has been prevail in Tanzania because of its partnership with its intermediaries and other partners in the market. For the past several years, Assemble Insurance has been working in conjunction with various partners and intermediaries to distribute insurance products via insurance intermediaries.

The collaboration between Assemble Insurance and intermediaries has facilitated the company to access more clients and offer them insurance products tailored to their requirements. Moreover, Assemble Insurance, through the intermediaries, has been making sure that all clients, regardless of their geographic location, are given the attention they require for their claims and difficulties and has put in place multiple strategies to guarantee that they get the most excellent customer service.

We value all our partners who serve as the critical link between our company and our customers. As a result of this collaboration, Assemble Insurance has been able to extend its reach to all cities in Tanzania. Furthermore, Assemble Insurance has been actively involved in developing and implementing education programs for our intermediaries and partners. This has been done to ensure that they are well-informed about the insurance products and the services that we offer to our clients.

Antony Baltazary
Hod-Non Medical
Assemble Insurance Company.

Through these programs, they have been able to gain the necessary knowledge and skills to provide the best service for our customers. Assemble Insurance is also committed to providing our intermediaries and partners with the latest technology, tools, and resources to help them succeed in serving our customers. With the help of our partners, we are able to provide our customers with the highest quality products and services.

As insurance players with both broad knowledge of the insurance marketplace, including products, prices and providers, and an acute sense of the needs of insurance purchasers, intermediaries have a unique role – indeed many roles – to play in the insurance markets in particular and more generally, in the functioning of national and international economies.

Intermediary activity benefits the overall economy at both the entity and individual level. At the individual level, intermediaries can help customers shop around for the best policies, helping to make sure they get the best deal for their needs. They also provide an invaluable point of contact for customers, allowing them to discuss their needs and purchase decisions with a knowledgeable professional. Intermediaries at an entity level serve as an important connection between insurers and policy holders, making sure that the financial hazards of daily life are managed properly and that the risks related to major catastrophes are allocated fairly and effectively.

Verily, insurance intermediaries do play a noteworthy part in the greater economy, for they act as agents in enabling the general accessibility of insurance and other risk management services, thusly causing increased risk-taking and investment activities and furthering basic social needs, as well as fomenting economic growth in the country.

Building strong relationships between Assemble Insurance and intermediaries has been instrumental to our progress over the past few years. We understand that for many customers, the services of an intermediary are essential for them to make the right insurance decisions. We, therefore, treat them with respect and provide them with the best possible services, including training, support, and incentives.

In this ever-evolving world, it is essential to have a go-between that can comprehend clients' insurance requirements and guide them through life's unexpected obstacles. We are fortunate to have agents at Assemble insurance who have been instrumental in our journey and have changed the lives of our policyholders.

Understanding the Risks:

Protect Your Business with Proper Care of Roof-Mounted Photovoltaic (PV) Systems.

Solar panel systems on a building are also a way of demonstrating commitment to sustainability and energy independence. Roof-mounted PV systems offer numerous benefits, including reduced energy costs and a reduced carbon footprint.

Article By: Lesiba Sethoga
Marketing and Communications
Allianz Global Corporate & Specialty (AGCS)

As energy costs rise, and as political winds push for cleaner energy sources, solar power continues to be one of the fastest-growing energy sources. Rooftops on industrial and commercial buildings can turn out to be an excellent location to convert sunlight into electricity since you do not have to occupy valuable green space, writes Allianz Commercial Senior Risk Engineer Daniel Schroeder.

PV Demonstrates a Commitment to Sustainability.

However, companies do not only want to use their buildings for photovoltaic (PV) power generation or rent their roofs to investors for economic reasons. Solar panel systems on a building are also a way of demonstrating commitment to sustainability and energy independence. Roof-mounted PV systems offer numerous benefits, including reduced energy costs and a reduced carbon footprint. However, businesses and installers must be aware of the potential risks associated with these systems. As the popularity of solar panels continues to soar, understanding and mitigating these risks is paramount.

The Risk of Fire.

PV panels can introduce an obvious ignition source to roof level, and therefore, increase the risk of fire. Several high-profile fires have occurred in commercial and industrial buildings with rooftop solar PV systems. PV panels installed over a combustible roof system is discouraged as it will certainly increase the severity of a fire.

The rooftop placement of PV panels means that any fire will be beyond the building's fixed fire protection and detection systems. This can result in delayed detection of the fire and consequently, delayed manual firefighting by the fire department.

However, the plastic in PV panels is generally limited and the vulnerability often lies in the frames, mounting systems, cables, and junction boxes. It should be noted that even though PV panels may not be the ignition source of a fire, there is a chance they could inhibit the fire suppression and fire-fighting activities by means of presenting a shock hazard and preventing wetting of the roof system below.

PV Panels Produce Electricity even when Isolated.

When firefighters arrive at a burning building, one of their first tasks is to isolate the power supply to the building using a fireman's switch.

Safely disconnecting a PV system in a fire situation should ideally result in DC currents and voltages being reduced to levels that are no longer hazardous to firefighters.

However, this requires isolation of each module with a micro-inverter or by using DC switches to control a limited number of modules in a string. Currently, there is no economically feasible solution for such an isolation tool. If the sun is out, the panels will continue to produce electricity.

PV Panels Add Significant Weight to the Structure.

The installation of PV panels on rooftops can add significant weight to the structure. Over time, this extra load can lead to stress on the roof, potentially causing leaks, sagging, or even collapse in extreme cases. It is vital to have a professional structural assessment performed before the installation to ensure the roof can support the added weight.

Installation and Maintenance.

A significant risk to PV installations is that there is no code of practice for wiring PV installations. Thus, you need to ensure you use a reputable installer. PV systems should only be installed and commissioned by qualified contractors. PV systems should be inspected regularly by qualified professionals to look for potential damage from rodents and other pests, which could compromise the wiring or insulation. Infrared thermographic inspections should be conducted at least annually to look for "hot spots."

Water Damage.

Improper installation or damaged PV panels can create entry points for water, leading to roof leaks. Regular maintenance and quality installations are key to preventing leaks. Roof penetrations, if not sealed correctly, can also become vulnerable points for leaks.

Weather-Related Risks.

Extreme weather conditions, such as hail, intense winds, or heavy snow, can damage solar panels. Adequate installation and mounting techniques can help minimize these risks, but it is essential to be prepared for adverse weather events.

Insurance and Liability.

Adding solar panels to a roof may impact insurance coverage and liability in case of damage or accidents. It is essential to consult with your insurance provider to ensure that your policy adequately covers your PV system and potential liabilities.

President William Ruto

puts his signature on the UHC bills related to the Kenyan healthcare system.

Article By: IJA Writer.

Kenya President
William Ruto

As of the moment, Kenyan citizens are required to pay a monthly fee to the National Health Insurance Fund, which ranges from 150 Kenyan shillings to a maximum of 1,700 shillings.

President William Ruto of Kenya has given the green light to a bill that will bring about the most far-reaching changes to the healthcare system in over two decades.

The bill, which is part of the Universal Health Coverage Initiative, will expand access to healthcare for millions of Kenyans. It will also make healthcare more affordable by introducing price caps on medicines and allowing for payments through mobile money. President Ruto signed the bill last year, which is the final step to making it law. With this, the people of Kenya can look forward to a more accessible and affordable healthcare system.

President Ruto's strategy for advancing comprehensive healthcare involves having employees contribute 2.75% of their wages into a new health fund.

This fund will then be used to subsidize medical costs for Kenyans, ensuring that the most vulnerable in society have access to the medical care they need. Additionally, the government has committed to investing in medical infrastructure and training healthcare workers to help ensure that everyone has access to quality healthcare.

With this investment, Kenya is well on its way to achieving its Universal Health Coverage Initiative.

Many Kenyans view the new policy as an additional tax, which has not been well-received. However, President Ruto claims that this is a necessary step to ensure everyone has access to quality healthcare. He believes that, even with some initial pushback, the policy will benefit all Kenyans in the long run. He is confident that, with this policy in place, Kenya will be able to make great strides towards achieving the goal of universal healthcare.

Despite some apprehensions from Kenyans that the new Health Fund could create opportunities for corruption as well as putting a strain on the finances of citizens, the Parliament has still endorsed President Ruto, giving the Social Health Insurance Bill, and three other health bills, the green light. This marks the beginning of a new era for Kenya, with the Health Fund being seen as the key to unlocking the potential of the Universal Health Coverage Initiative in the country. By increasing access to quality healthcare, citizens will be in a better position to manage their health and wellbeing.

With this initiative in place, the government hopes to bridge the gap between those who have access to quality healthcare and those who don't.

As of the moment, Kenyan citizens are required to pay a monthly fee to the National Health Insurance Fund, which ranges from 150 Kenyan shillings to a maximum of 1,700 shillings.

A new fund is taking the place of the old one, with the least amount of input doubled and a greater part of most employees earning a salary putting in their wages.

Under the new legislation, all Kenyans are obligated to become members of the Social Health Insurance Fund that has taken the place of the former NHIF. This means that all Kenyan citizens who are employed in Kenya, regardless of income level, are required to contribute a portion of their income to the Social Health Insurance Fund.

Kenya's Health Minister Susan Nakhumicha declared the new plan to be superior, noting that it will "give Kenyans of all socio-economic backgrounds the opportunity to pitch in based on their financial means."

She stated that, according to recent facts, people with lower incomes are currently giving a bigger portion of their earnings to charity than those who are wealthier.

Employers have argued against taking 2.75% of their employees' contributions, claiming it is too steep. It has been suggested that it will cause harm to businesses and worsen the cost of living situation, a problem that inspired a series of demonstrations throughout Kenya in the early part of this year. However, the Health Minister brushed aside these criticisms, saying that the contributions are a necessary step to ensure the fund's longevity.

She also asserted that people of all economic levels should be willing to contribute to the fund, as it will benefit them in the long run.

President Ruto signed the Finance Act in June, a much-maligned piece of legislation that mandated both employers and employees to pay a 1.5% housing levy to help the government in their mission of making housing affordable in a market where prices are too expensive for many Kenyans in cities to purchase homes.

Like other African countries, Kenya is also dealing with increasing living costs. The price of fuel has risen, which has been seen as a heavy burden, prompting numerous groups to speak out against the health plan. The 2.75% cut has been argued to not be fair.

In September, the Kenya Faith-Based Health Services Consortium declared that this rate extracts a much larger amount of money from salaried individuals who are in financial difficulty, whose earnings provide for a large number of members of their families and services.

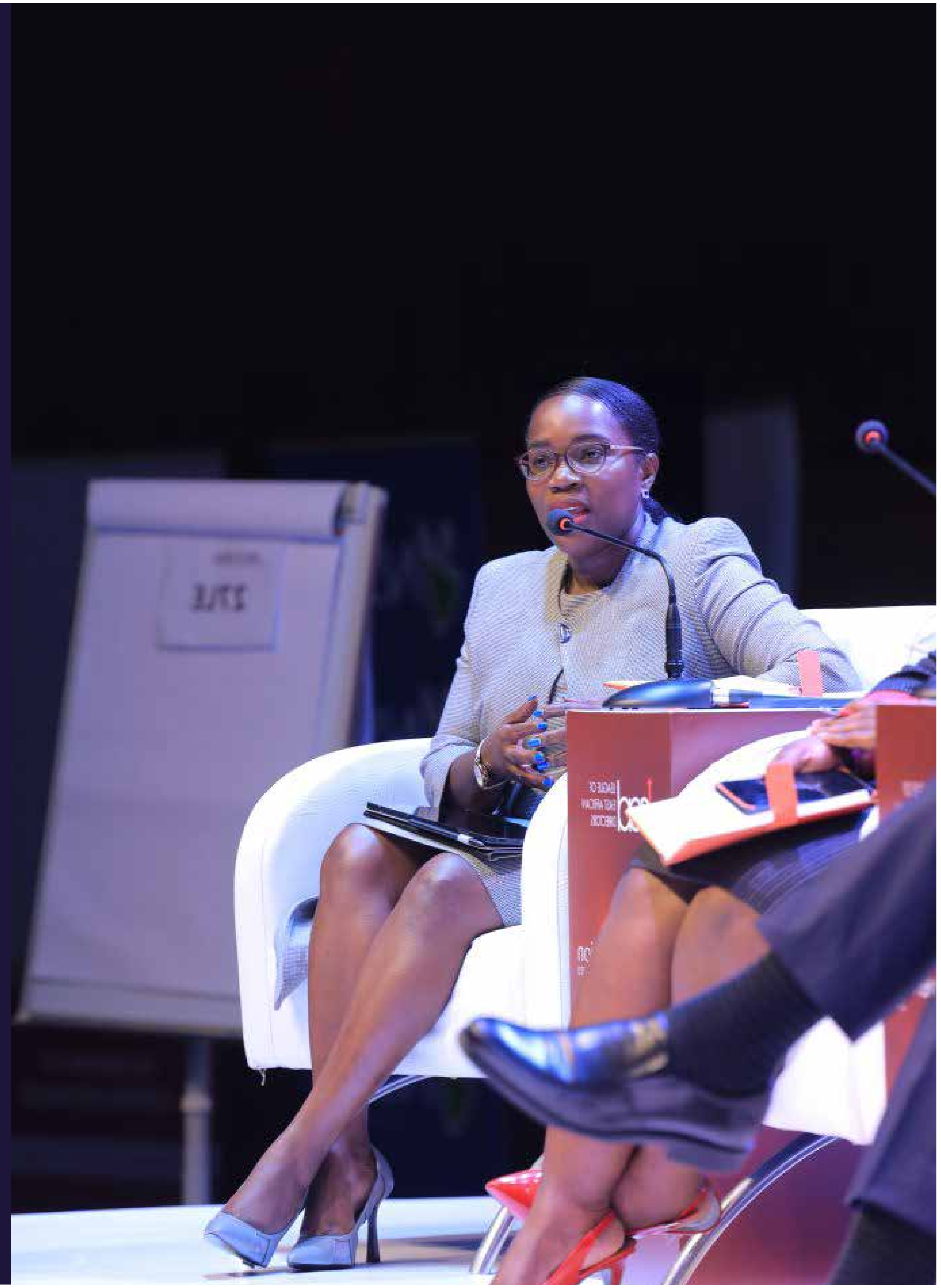
The government is also planning to provide an additional 25 billion Kenyan shillings to the Fund, to give a boost and support for the Health Fund to work. The existing NHIF, which has squandered billions of taxpayer-funded resources due to corruption, depriving numerous Kenyans who make payments of healthcare access, will be swapped with a new fund.

The Health Fund has taken on two issues: people are concerned that the fund is still the same as the previous NHIF with no change. Meanwhile, the government wants to implement the new health fund to make sure each and every Kenyan has and can access the best health care with no problem.

Strong Governance Practices

Fundamental in Building Resilient Institutions.

Article By: IJA Writer.



Mrs. Francesca N. Kakooza
Director Legal at IRA Uganda.

With companies navigating an unprecedented mix of challenges, Boards of Directors have been urged to ensure strong governance practices to build more resilient institutions.

The call was made by the Insurance Regulatory Authority of Uganda (IRA) Director Legal Services/ Secretary to the Authority, Mrs. Francesca N. Kakooza, during the 2023 League of East African Directors (LEAD) 2023 convention held in Kampala recently.

Mrs. Kakooza said that the Covid-19 pandemic, escalating cybersecurity threats, and climate change risks require a dynamic regulatory environment to create resilience.

She noted that resilience – the ability to anticipate, prepare for, respond to, and adapt to a changing environment – is necessary in an increasingly complex business environment.

The convention was organized under the theme of "Governance & Business Resilience in a Dynamic Regulatory Landscape." It discussed challenges and opportunities that arise amid a constantly evolving regulatory environment. Mrs. Kakooza urged players to stay informed and engaged with their respective sector regulators to keep themselves abreast with the ever-evolving regulatory environment.

Sam Ntulume, Chairperson of the Organizing Committee, challenged the audience to steer their organizations, irrespective of the changing regulatory landscape, disruptive technology, heightened risk, and the need to comply with environmental, social and governance principles.

Governance Key.

In a speech read by Mr. Phillip Andrew Wabulya, the Executive Director Petroleum Investment Fund of the Bank of Uganda (BOU), the Deputy BOU Governor, Mr. Michael Atingi-Ego, said that governance is a critical element of building resilience in a dynamic world.

He suggested that a resilient organization is one that has the right structures and processes to help it anticipate and prepare for disruptions, respond to them, and adapt to them.

The Bank of Uganda therefore takes a keen interest in governance practices of the supervisory financial institutions, be it during business as usual, or during periods of crisis. He urged directors to build capacity to navigate the challenges of working through unprecedented times against complex, volatile, and uncertain economic and geopolitical backdrops.

Organizations should have a good mix of directors in terms of demographics, experience, and professional background. Increasingly, directors must have a sound knowledge of information technology and cybersecurity.

The LEAD chairperson, Mrs. Gertrude Wamala Karugaba, also alluded to the critical role of directors in today's dynamic regulatory landscape.

In today's rapidly changing world, characterized by a dynamic regulatory landscape, the role of directors and leaders has become more critical than ever.

Our ability to adapt, evolve, and embrace these changes will determine our success as organizations and as a collective in driving growth and prosperity," she said.

She tasked all the members with leveraging the Convention to seize every opportunity to learn, network, and forge lasting connections. Together, we have the power to shape a resilient and prosperous future for our organizations, communities, and nation.

Ms. Pheona Nabasa, the Wall LEAD Chief Executive Officer, underscored the need for all directors to work together and explore innovative ways to navigate the dynamic regulatory landscape.

She encouraged board leaders to embrace a clear vision and lead with wisdom to navigate the ever-changing regulatory challenges that lay ahead. Together, as a united community of directors, we can learn from one another, support each other, and thrive in this dynamic business landscape. She added: "Let us embrace the challenges with determination, the changes with resilience, and the future with unwavering optimism."

The LEAD Convention is an annual event that brings together prominent business leaders from the region. It plays a crucial role in fostering collaboration, sharing insights, and promoting knowledge exchange among directors, executives, and key decision-makers from various industries.

Key risk trends

For Directors and Officers in 2024: Allianz.

Board members and company executives can be held liable for an increasing number of scenarios. Inadequate responses to economic pressures, geopolitical issues, implementing innovative technologies such as GenAI, or environmental, social, and governance (ESG) challenges are among the main factors driving the possibility that a company and its Directors and Officers (D&Os) may be sued in 2024, according to Allianz Commercial's D&O insurance report.

"Buyers of D&O insurance from public and private companies have benefited from favorable pricing and broader coverage through 2023, helped by factors such as new market entrants and the stable trend in US securities class action filings," explains Vanessa Maxwell, Global Head of Financial Lines at Allianz Commercial. "However, there is still a lot of risk facing D&Os and their insurers. Inflation continues to bite, influencing future claims through larger settlement values – at a 10-year high – and greater defense costs.

The higher cost of refinancing debt is proving a shock. Insolvencies are rising, geopolitical uncertainty is considerable, cyber risk is elevated, and ESG claims are here to stay and proving challenging. D&Os need to be prepared for these headwinds and have a strategy that can adapt when presented with a block to the business. Diversity in the boardroom allows companies to have varied approaches to such problems."

Gloomy Outlook Prevails.

Since the world eased out of a lockdown from the Covid-19 pandemic, a new normal has not made daily challenges for companies any easier. Economic growth across the globe remains disappointing. Business insolvencies are expected to rise by +10% in 2024, according to Allianz's analysis. Inflationary pressures remain, and refinancing existing debt after years of low interest rates is a new test for many. D&Os are seeing fresh pressure on cash generation, and decisions around how companies finance capital expenditure and manage their debt profiles are under more scrutiny from stakeholders, the report notes.

In addition, businesses and their supply chains face considerable geopolitical risks with war in Ukraine, conflict in the Middle East, and ongoing tensions around the world. Political risk in 2023 was at a five-year high, with some 100 countries considered at high or extreme risk of civil unrest, according to analyst Verisk Maplecroft, meaning there is greater pressure and scrutiny on directors to ensure their company is adequately prepared to withstand the impact of business interruption in higher-risk territories, in addition to ensuring the safety of its employees.

Everyone is talking about GenAI.

GenAI (generative artificial intelligence) describes algorithms that are utilized to create complex content, mimicking human activity. Discussion around its utilization has been building as the expanse in its capabilities is now impacting how corporations think about their business processes. A third of organizations are using it regularly in at least one business function, according to a McKinsey global survey.

"AI's potential to create competitive advantages is exciting but there are also challenges with its adoption that companies should consider, such as threats to cyber security, increased regulatory risk, unrealistic investor expectations about its capabilities, as well as managing misinformation," explains Hannah Tindal, a Regional Head of Commercial D&O at Allianz Commercial.

Litigation recently filed against AI companies has already highlighted privacy risks and copyright law violations. These cases, as well as the challenges noted above, have the potential to bring securities claims,

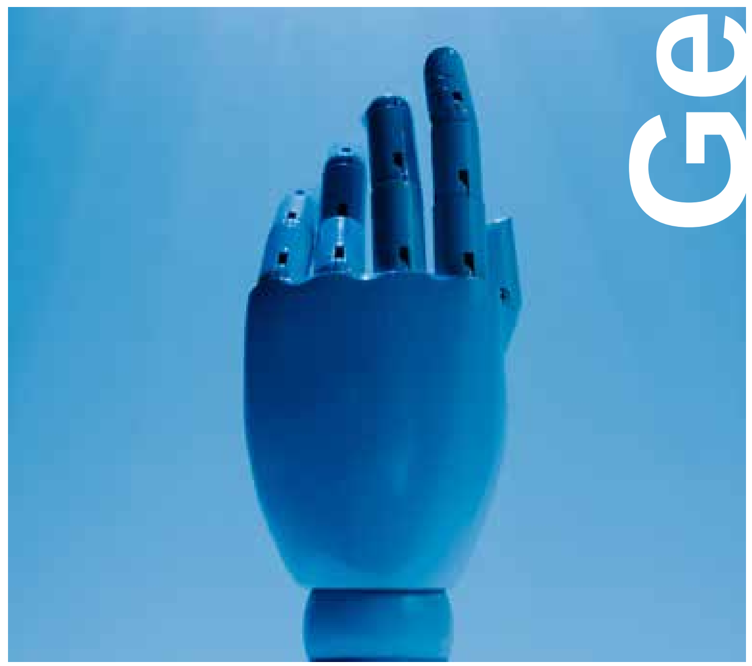
•Allianz's Commercial report identifies trends for risk managers and brokers in the Directors and Officers (D&O) insurance space

•Ongoing inflation, refinancing and insolvency pressures, and geopolitical and ESG issues are some of the headwinds D&Os need to be prepared for

•GenAI-related risks could bring claims from several different areas

•D&O insurance market still competitive, but the impact of class actions, higher defense costs, regulatory scrutiny, an active plaintiff's bar, and litigation funders means loss potential remains high.

Article By: Lesiba Sethoga
Marketing and Communications
Allianz Global Corporate & Specialty (AGCS)



intellectual property claims, breach of fiduciary duty claims, misrepresentation claims and shareholder and derivative lawsuits.

"Organizations can mitigate the risks associated with GenAI technologies by setting up best practices and deploying agile methods to keep governance, compliance protocols and legal frameworks current and able to adapt to the technology as it evolves," says Tindal. "Close monitoring of AI's evolution should be a high priority on the boardroom agenda."

ESG Claims from Both Sides.

Regulatory action or litigation risks due to ESG-related issues are another major concern for boards, driven by increasing reporting and disclosure requirements around such topics, which could trigger claims in the case of an inadequate response or non-compliance.

The number of countries introducing ESG-reporting mandates has grown considerably in recent years, exposing directors to costs of responding to investigations, enforcement actions, and potential fines and penalties for suspected non-disclosure or misrepresentation. Such requirements also expose directors to claims by private litigants, not only for alleged misrepresentation but also due to dissatisfaction with what the required disclosures reveal about a company's commitments to ESG issues. Recent examples of claims have included allegations of failure to manage climate risk to alleged breach of duties by investing in underperforming funds that actively pursued ESG strategies.

"Not every stakeholder holds the same view on an issue or the same view as to what actions directors should take," says David Ackerman, Head of Global Financial Lines Claims, Allianz Commercial. "In a world that is becoming increasingly polarized, politically and socially, the very need for directors to evaluate and address the impact of various ESG factors on corporate value creates risk that claims will be made, by activist shareholders or other motivated stakeholders, on either or both sides of any given issue."

Fallout from the US Banking Crisis.

The report also looks at the fallout from the March 2023 banking crisis in the US. Poor practices and rising interest rates resulted in several banks being dissolved or taken over. Securities fraud claims followed. An interesting aspect of this crisis was the role of social media. The depositors of one of the failed banks, Silicon Valley, were largely tech and healthcare startups, invested in by venture capitalists.

When depositors started to withdraw funds, some venture capitalists advised their clients to start spreading their assets to other banks. This advice hit social media, leading to a run on the bank, which closed shortly after. The power of social media to get large numbers of people to act in the same way at the same time means that bank runs can now happen too quickly to stop. It is also a reminder for D&Os of how rapidly social media can exacerbate a crisis, the report notes.

Why NHIS Should Be Mandatory For All.

Article By: IJA Writer.

According to the World Health Organization's Global Health Expenditure database, out-of-pocket expenditure in Uganda was estimated to be 37.45% in 2020, which is higher than the global average of 18%. In Kenya, out-of-pocket expenditure is estimated to be 24.06%; Tanzania, 23.10% and Rwanda, 11.7%.

Reference is made to an article titled "Exclude the poor from health insurance contributions – experts," which was published in the media on August 15, 2023. The writer quotes Dr. Githinji Gitahi, the Chief Executive Officer of Amref Health Africa, saying that the government should consider excluding the poor from contributing towards the proposed National Health Insurance Scheme (NHIS) to achieve universal health coverage.

He goes on to say that village health teams and local administration should work with the government to identify people who cannot afford the proposed annual contribution of Shs15,000 towards the scheme and have them excluded from contributing.

I would, however, like to throw some light on a few things. But before doing so, we all need to first commend the government for this initiative (NHIS). This will provide access to quality and affordable health services for all residents of Uganda, based on their health needs.

While I agree with Dr. Gitahi that indeed there are people in the country who are impoverished, I also know that this category of Ugandans needs medical attention more than any other.

We must appreciate that the major aim of the NHIS is to protect Ugandans from unexpected and high medical out-of-pocket costs by giving them an opportunity to pay very affordable premiums and get treatment based on a basic cover, with the maximum limit for inpatient services being Shs5 million while the outpatient limit is Shs1 million. Similarly, the dental services limit is Shs300,000, while for maternity (C-section) the limit is Shs1.5 million and for a normal delivery it is Shs900,000.

We all know that access to quality health care remains a big challenge for many residents of Uganda, especially those in rural areas and the urban poor. The majority are struggling with high out-of-pocket health expenditures, which have deprived many of accessing quality health care services. Some even consider selling their assets to raise funds for treatment.

According to the World Health Organization's Global Health Expenditure database, out-of-pocket expenditure in Uganda was estimated to be 37.45% in 2020, which is higher than the global average of 18%. In Kenya, out-of-pocket expenditure is estimated to be 24.06%; Tanzania, 23.10% and Rwanda, 11.7%.

These figures indicate a worrying trend in Uganda, where the burden of healthcare costs is disproportionately higher than in other countries in the region.

This has a direct impact on people's access to healthcare services, as many cannot afford them. In order to address this, Uganda must ensure that key health interventions are affordable and accessible for all citizens. Additionally, the government must prioritize health funding and invest in strengthening the healthcare system. This will enable the country to provide quality healthcare to all, regardless of their income level.

We can examine several options for ensuring that all Ugandans, including the poor, conveniently contribute towards NHIS to ensure that the premiums collected are sufficient to cover the claims that will be generated by universal coverage of all people in Uganda.

So, the best option is to ensure that everyone contributes directly or indirectly. Government and development partners may contribute to the poor and indigents. This would easily scale up health coverage and enable universal and proper health care for all.

It is important to note that excluding the poor from contributing to the scheme would either create a heavy burden on other population groups in terms of higher contributions to subsidize for the poor or would create an unsustainable Scheme in the long run as funds/contributions may not be sufficient.

This is against known insurance principles. Important to note is that NHIS is providing only basic coverage. Specialized medical services will be provided outside of NHIS. Therefore, this scheme is designed for ordinary Ugandans, including the poor. We therefore recommend that either the Government or donor agencies contribute to the poor or indigent population.

As the Insurance Regulatory Authority of Uganda, we are ready to ensure effective sensitization to drive acceptance and ensure effective rollout, implementation, and supervision of the scheme to support it in achieving the intended purpose.

Forestry Carbon Offset Project in Tanzania: More than 22 companies have started the concept development for a forestry-offset project.

Parametric Insurance For the Carbon Offset Projects:

Are the insurance companies prepared to take advantage of the opportunities for de-risking projects in Tanzania?

> “Parametric insurance is already being used to cover carbon offset projects around the world, and it can play a significant role in supporting the growth of the carbon credit market. The parametric insurance therefore sets a carbon index for companies expecting to offset. The indemnity is therefore based on an agreed-upon index and the realized carbon generated.

> Tanzania is endowed with 48.1 million hectares of forest, which is about 55% of the total terrestrial area of the country. While Tanzania has attracted more than 20 companies to invest in carbon offsetting projects, forestry has been a potential area for investment.

On October 28, 2022, the Government of Tanzania enacted the Environmental Management (Control and Management of Carbon Trading) Regulation 2022, which is the first time since it has struggled to make the carbon project a reality in Tanzania. The Regulation sets forth the control and management of carbon credits and establishes requirements for companies wishing to invest in carbon credit projects in Tanzania.

The Carbon are operating, therefore based on the Environmental Management (Control and Management of Carbon Trading) Regulations, 2022 to enable a conducive environment of trading in the United Republic of Tanzania and managed by the National Carbon Monitoring Center (NCM) hosted at Sokoine University of Agriculture (SUA).

The report from the Vice President's Office (VPO) shows that since the government passed the regulation, the number of companies investing in carbon-offsetting projects has attracted more than 20 companies from Canada, Italy, England, and other countries. The report shows that Tanzania will receive a significant investment of over $20 billion for its carbon-offsetting projects. Only last year, $1 billion in investment was attracted to finance carbon offset projects.

What exactly is a Carbon Offset Project? What is Parametric Insurance?

Carbon offset projects are verified activities of environmental conservation, energy efficiency, or renewable energy that reduce, avoid, or remove greenhouse gas emissions from the atmosphere and contribute to the mitigation of climate change.

Therefore, planting forests, building renewable energy infrastructure, and using direct air capture technology to remove carbon dioxide from the atmosphere are all ways to offset the carbon emissions that cause global warming.

Therefore, there are companies investing in these carbon offset projects in which they compensate for communities or individuals engaged in such projects.

For instance, Tanzania is endowed with natural forests which are managed either by villages, districts, wild management associations, Tanzania Forestry Services, and other entities. This forestry attracts companies to finance activities that will reduce human activities threatening the forestry, such as cutting trees for charcoal and other activities.

Therefore, companies buy and sell carbon credits that represent emissions avoidance or reductions from such projects and trade in a voluntary market which has brokers. Reports show that in 2021, the carbon credit market was worth around $2 billion USD and projected that by 2030 companies could be spending up to $40 billion USD every year on carbon credits. Therefore, companies, governments or people use carbon credits or offsets to compensate for the greenhouse gas emissions they generate themselves.

De-risking carbon offset projects – the parametric insurance perspective, and opportunities for Tanzania insurance companies.

Tanzania is endowed with 48.1 million hectares of forest, which is about 55% of the total terrestrial area of the country. While Tanzania has attracted more than 20 companies to invest in carbon offsetting projects, forestry has been a potential area for investment. Despite these opportunities, globally where carbon offsetting projects have been implemented, the observable risk to forestry has been increasing.

Under current carbon accounting mechanisms, all forest carbon offset projects are equivalent provided they sequester more carbon and maintain it in the forest for a pre-determined period of time (permanence) and the risk is that the emission reductions due to weather and other changes will distort the permanence of stored carbon due to disturbance.

Thus, while companies investing in forestry offset projects anticipate gaining permanent carbon sequestration through the forestry, variations in weather and other climate events may affect the potential carbon emission and the participating companies may face a risk in terms of delivering credits to be sold on the carbon market. Therefore, companies that operate carbon offset projects are exposed to reduced emission credit risk. This is because companies buying carbon credits in most situations could purchase coverage against carbon offset projects failing to deliver as much offsetting as they promised (an index). Traditional forestry insurance has been difficult to implement.

This is the way to do Forestry-Parametric Insurance for Carbon Offset Projects.

Parametric insurance is already being used to cover carbon offset projects around the world, and it can play a significant role in supporting the growth of the carbon credit market. The parametric insurance therefore sets a carbon index for companies expecting to offset. The indemnity is therefore based on an agreed-upon index and the realized carbon generated.

This approach is beneficial for both buyers and sellers. For buyers, it eliminates the risk of investing in a project that does not deliver the expected carbon offset. For sellers, it gives them an assurance of payment for the carbon offsets they generate, regardless of the amount of carbon offset provided. Furthermore, it promotes a sustainable and transparent system for carbon offsetting, which is necessary for carbon credits to be effective. The parametric insurance approach can therefore help to encourage companies to invest in carbon offset projects, by providing them with the assurance that their investments will be protected.

This will enable more companies to invest in carbon offset projects, which will in turn reduce the amount of carbon emissions produced. In addition, the parametric insurance approach will help to increase the reliability and credibility of carbon offset projects, as companies will have a better understanding of their risks and returns. Ultimately, this could lead to a more successful and widespread adoption of carbon offset projects, which will benefit the environment.

If the realized carbon offset shortfall of the index is triggered, parametric insurance in Tanzania will not be a new product. Companies and individuals already protect their crops with weather index insurance, area yield index insurance, and soil moisture index insurance is under pilot.

However, an index needs to correlate with insured risk. This requires quality data to create the index, such as historical and correlated yield data, weather and climatic information, and so on.

However, the diversity and technical challenges of developing and indexing carbon offset projects due to companies engaging in forestry is posing new challenges and creating opportunities for Tanzania insurance companies, re-insurance, research and development.

The creation of parametric carbon index insurance requires new technologies such as machinery to capture emissions in new ways. This machinery is needed to monitor the underperformance of a carbon credit because of changing expected tons of carbon per year.

To do this, we need verified and quality data from a third party. The third party could have data and digital tools to monitor, measure, report, and verify carbon from forestry. This improved technology and data source for monitoring carbon will enable parametric insurance for carbon offsets.

The only solution to create this new product is to pilot a carbon offset forestry project in Tanzania to exploit the lucrative and expanding carbon offset market.

The Tanzania Insurance Regulatory Authority (TIRA) could create a conducive and supportive role for insurers and companies seeking to expand and exploit the parametric insurance for carbon offset projects in forestry.

Written by: Godwin Kalokola
Economist, Business Consultant and Researcher. Current is a PhD Student in Economic with focus to Agriculture insurance (Crop-Index -based weather insurance).

The Emergence

Takaful Insurance

in Tanzania:

A Transformative Approach to Risk Management.

Takaful insurance provides a variety of financial services to anyone (both Muslims and Non-Muslims). The insurance is not only for Muslims, but it can be accessed by anyone who is interested in Takaful insurance services.

Tanzania, a country with a rich cultural and economic tapestry, has witnessed a notable shift in its insurance landscape with the emergence of Takaful insurance. Takaful, an Islamic insurance concept, has gained traction globally, and its introduction in Tanzania marks a significant milestone in the evolution of the country's insurance industry. This article explores the key aspects of Takaful insurance, its principles, and the impact it is making on the Tanzanian market.

Understanding Takaful Insurance:

Takaful, derived from the Arabic word "kafalah," meaning mutual guarantee, is a cooperative form of insurance based on Islamic principles. Unlike conventional insurance, Takaful operates on the basis of shared responsibility, solidarity, and mutual cooperation. It aligns with the principles of Sharia, prohibiting the payment or receipt of interest (Riba) and engaging in activities considered morally or ethically questionable (Haram).

Key Principles of Takaful.

1. Mudarabah (Profit and Loss Sharing)
In Takaful, the relationship between the policyholders and the Takaful operator is based on the Mudarabah principle. Policyholders contribute to a fund, and the Takaful operator manages the fund, sharing profits and losses with the participants.

2. Tabarru (Donation)
Participants willingly contribute a portion of their premiums as a donation to help other members facing financial losses. This principle fosters a sense of communal solidarity and support.

3. Sharia Compliance
Takaful operates in strict adherence to Sharia principles, ensuring that investments and business activities comply with Islamic law. This includes avoiding investments in industries such as gambling, alcohol, and other prohibited activities.

Here are the key Differences between Takaful and Conventional Insurance.

1. Principle and Purpose.

a. Conventional Insurance:
Operates on the principle of risk transfer, where the insured pays premiums to transfer the risk to the insurance company. The insurer manages a pool of funds to pay claims.

b. Takaful:
Operates on the principles of Islamic Shariah, emphasizing cooperation, shared responsibility, and mutual assistance. Takaful participants contribute to a fund to support each other in times of need.

2. Risk-Sharing and Ownership.

Conventional Insurance:
The relationship is based on a contract where the insured transfers the risk to the insurance company. The company manages the risk and pays claims from its own funds.

Takaful:
Participants are both the insurers and the insured. They contribute to a common fund and share in the profits and losses of the pool.

3. Interest and Investments.

Conventional Insurance:
May involve interest-based transactions and investments in non-Islamic financial instruments.

Takaful:
Operates in compliance with Islamic principles, prohibiting the payment or receipt of interest. Investments are made in Shariah-compliant assets.

4. Surplus Distribution.

Conventional Insurance:
Surpluses generated from the insurance operations belong to the insurance company and its shareholders.

Takaful:
Surpluses, after meeting liabilities and reserves, are distributed among the participants based on a pre-agreed ratio. This reflects the cooperative and mutual aspect of Takaful.

5. Contractual Structure.

Conventional Insurance:
Typically involves contracts with a unilateral nature, where the insured pays premiums, and the insurer promises to compensate for covered losses.

Takaful:
Operates on the principles of Mudarabah (profit and loss sharing) or Wakalah (agency), reflecting a more cooperative and participatory contractual structure.

6. Ethical Considerations:

Conventional Insurance:
Operates based on a profit-driven model without specific ethical considerations.

Takaful:
Adheres to Islamic ethical principles, avoiding transactions involving uncertainty (gharar), speculation (maisir), and interest (riba).

In summary, while conventional insurance is profit-driven and involves a unilateral contract, Takaful operates on the principles of cooperation, mutual assistance, and risk-sharing in compliance with Islamic principles.

Takaful aims to align financial transactions with ethical and Shariah-compliant practices.

Takaful in Tanzania:

The introduction of Takaful in Tanzania has opened up new avenues for individuals and businesses seeking insurance products that align with their religious and ethical values. The Tanzanian insurance market has recognized the potential of Takaful in catering to a diverse population with varying financial and cultural preferences.

1. Financial Inclusion:
Takaful has played a crucial role in promoting financial inclusion by offering insurance solutions to segments of the population that were previously underserved or excluded. This includes individuals and businesses that were hesitant to participate in conventional insurance due to religious considerations.

2. Ethical and Inclusive Practices:
Takaful's ethical and inclusive practices resonate well with the Tanzanian market, fostering a sense of trust and community. The emphasis on mutual assistance and cooperation aligns with the cultural values of many Tanzanians.

3. Diversification of Insurance Offerings.
The emergence of Takaful has led to the diversification of insurance products in Tanzania. Individuals and businesses can now choose from a range of Takaful products, including motor Takaful, health Takaful, and property Takaful, among others.

4. Sharia-Compliant Investments
Takaful operators in Tanzania focus on Sharia-compliant investments, contributing to the development of ethical and sustainable financial practices in the country. This aligns with global trends toward socially responsible investing.

Challenges and Future Outlook:
While Takaful is set to start its growth in Tanzania, it is not without challenges.

- Regulatory frameworks.
- Awareness, and understanding of Takaful's principles among the public remain areas that require attention.
- Competition with conventional insurance models poses challenges that Takaful opera tors need to address.

The future outlook for Takaful in Tanzania appears promising. As awareness grows and regulatory support strengthens, Takaful is expected to play an increasingly vital role in the Tanzanian insurance landscape. The industry's ability to adapt, innovate, and effectively communicate the benefits of Takaful will be key to its sustained success.

Conclusion:
The emergence of Takaful insurance in Tanzania represents a positive development in the country's financial sector. With its emphasis on ethical practices, mutual cooperation, and financial inclusion, Takaful is poised to contribute significantly to the diversification and growth of the Tanzanian insurance market. As Takaful continues to gain momentum, it stands as a testament to the adaptability and resilience of the insurance industry in meeting the diverse needs of the population.

What Are the **Consequences** of Not Having Homeowners Insurance?

Article By: **Elisha Mbela.**

When you don't have homeowners insurance, you're at risk of having to pay the full cost of repairs or replacements out-of-pocket if your home is damaged due to a natural disaster, fire, or theft. Without insurance, you may be held financially responsible for any injuries sustained on your property. This could include medical bills, legal fees, and other related costs.

Furthermore, if you're unable to make repairs or replacements, you risk lowering the value of your home, which could make it harder to sell in the future. You could end up losing your home altogether if you don't have the money to pay for repairs. You may be forced to take out a loan with high interest rates or lose your home in foreclosure.

What Is Homeowners Insurance?
Homeowners insurance safeguards your residence, possessions, and individual effects from destruction. It also protects you from having to foot the bill for medical expenses or replacing costs if you hurt somebody or damage their property.

A Homeowners Insurance Policy can be Categorized into Six Types of Coverage:

Dwelling
This protects the residence and any fixtures installed in it, such as floors, walls, HVAC system, wiring, and plumbing.

Other Structures
This safeguards independent structures on your land, such as fences, outbuildings, and carports.

Personal Property
This will pay for new items if your personal possessions are ruined.

Loss of Use
This policy covers the cost of expenses incurred in the event that you are required to vacate your home while repairs are taking place. For example, the cost of a short-term rental or hotel room.

Liability.
If you cause harm to someone or their property, your insurance coverage will take care of the incurred costs, including legal costs if a lawsuit is launched against you.

Medical Payments to Others.
In the event that someone visiting your site suffers an injury, your policy will cover their medical expenses.

Is Homeowners Insurance Required by Law?
In many countries, having home insurance is not required by law. However, if you have a mortgage on your home, it is likely that the lender will insist that you have home insurance. This is meant to protect their investment in your house, in case of any malicious damage or other kind of loss. Home insurance is also recommended even if you do not have a mortgage on the property, to ensure financial protection in the event of any unforeseen accidents or disasters.

5 Scenarios That Can Be Avoided With Homeowners Insurance
If you don't possess homeowners insurance, these are some potential outcomes that could occur:

1. Your Lender Sends your Loan into Default.
If you decide to terminate your homeowners insurance policy at any point during your loan period, the insurance provider will alert your lender. This goes against the terms of your loan, which may lead the lender to impose a more costly policy, known as lender-placed or force-placed insurance. This will take a heavy toll on your credit score and leave you vulnerable to the potential for foreclosure.

2. You have Trouble Selling your Home.
In some countries, real estate agents generally will not work with you if you are not insured, since if some unfortunate event were to damage your property during the selling process, the agent would lose out on their commission.

Unless you are very knowledgeable about the legalities and regulations that accompany selling a home, it is generally not recommended to try to sell it on your own. This is because you may not be able to attract the necessary amount of buyers.

3. An event Destroys your Home and you can't Afford to Fix it.
If your savings cannot cover the price of rebuilding your house following a calamitous event, a home insurance policy could assist with paying for the reconstruction expenses as well as the expense of replacing all of your possessions that were lost.

4. Your Home is Burglarized and you can't Afford to Replace your Belongings.
If your residence is broken into and you are not insured, it is your responsibility to pay for the replacement of all of your possessions. This can be a large financial burden, depending on the size of your house and the value of your items.

5. Someone gets Injured on Your Property and Sues You.
If your child's friend is injured while jumping on a trampoline in your backyard, the parents of that child may choose to take legal action against you for not properly supervising them. In that case, they could use any of your assets, including your house, car, and business, as leverage in the lawsuit.

How to Find the Best Homeowners Insurance.
When you are considering purchasing homeowner's insurance, take into account the following:

1. Decide on your budget.
Begin by calculating the amount of money you have available for homeowners insurance each month to begin the insurance purchasing process.

If you are looking to save money, you can restrict your choices to companies that offer the amount of coverage you need at the cost you can afford.

If you are having difficulty finding an insurer that works with your budget, investigate whether you can get a reduction in price or increase your deductible to lower your premium.

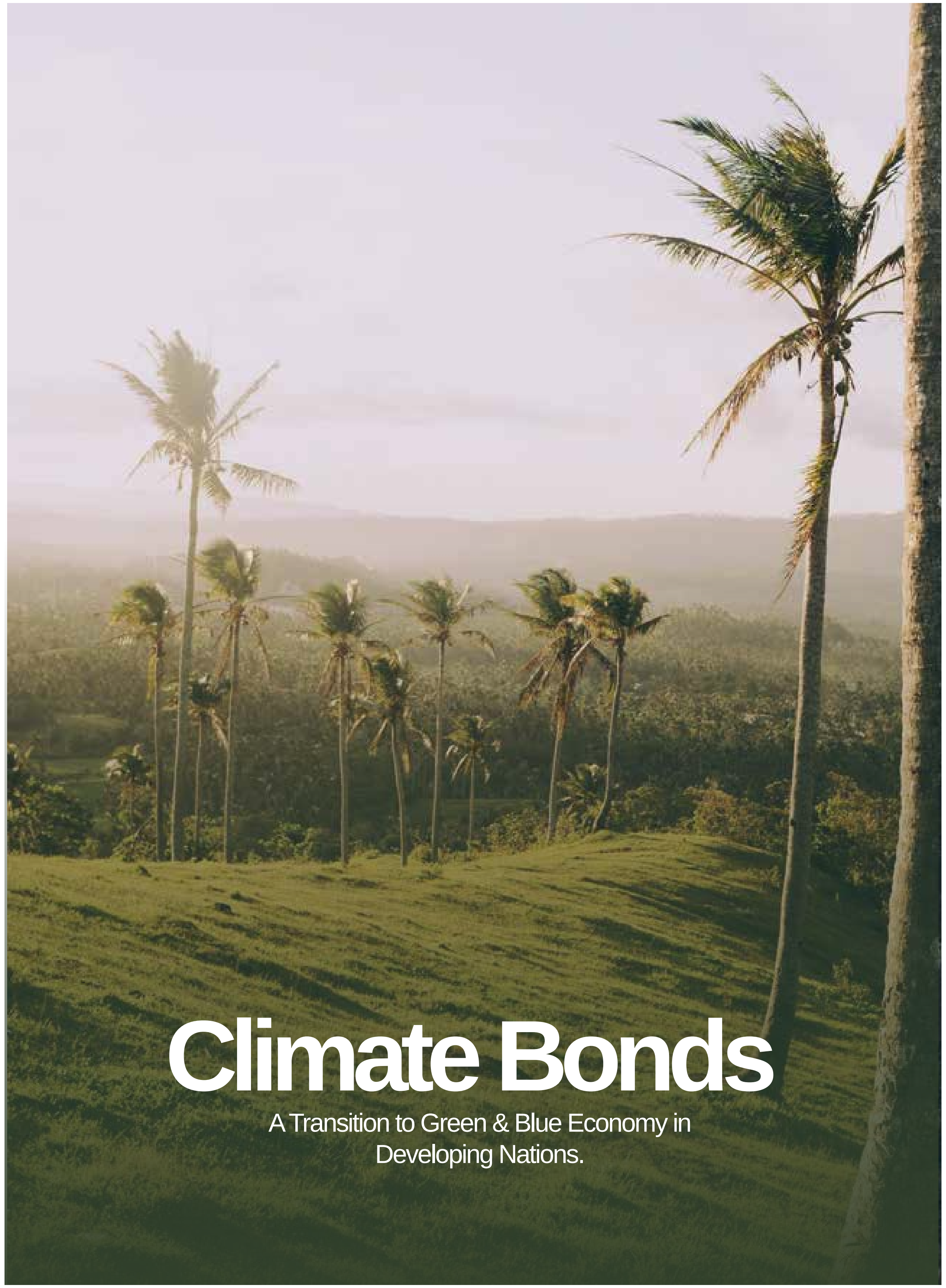
2. Determine How Much Coverage you Need.
The amount of coverage for your residence, outbuildings, personal possessions, and lack of use will be determined based on the reconstruction cost of your house. You can obtain this figure by consulting an appraiser, or using the estimate given by your insurer. The price will differ based on the square foot. When it comes to liability coverage, you should buy enough to cover the value of all your possessions.

3. Talk to Your Motor Insurance Provider
If you are satisfied with your car insurance provider, it is suggested that you obtain a home insurance rate from them. This way, you will be able to benefit from a discounted cost due to the bundle discount, as well as have the assurance of being covered by the same company.

4. Compare at Least Three Quotes.
A range of insurance firms provide different types of coverage at different costs. To determine which plan is the most suitable for you and your home, you will need to obtain quotations from multiple insurance companies and then evaluate them.

Our Conclusion
It is important to take your time to consider the different options and compare the quotes you have received. Make sure you fully understand the coverage and any additional benefits that may be included in the policy. This will help you make the most informed decisions and make sure you are getting the best value for your money.

> “If you are satisfied with your car insurance provider, it is suggested that you obtain a home insurance rate from them.



Climate Bonds

A Transition to Green & Blue Economy in Developing Nations.

Investment in nature and society has many advantages and should not be regarded as a burden. It can provide long-term benefits to a business, and provide preferential trade opportunities. Capital markets should be inclusive and recognize the value of the natural environment and communities, which can be done through nature bond investment. It is essential that all parties involved are treated fairly and with equity when discussing the use of natural resources and their impact on communities.

Climate bonds are a type of nature bond that allows investors to finance projects that create positive social and environmental benefits while still having a financial return.

Investing in climate bonds is an important way to help transition developing nations to the green and blue economy. By investing in climate bonds, investors can back projects that protect the environment, generate renewable energy, and create sustainable jobs. Climate bonds also have the potential to create better public services and improve communities.

It is essential for both Science-Policy & Legal (SPL) and financing/risk management (e.g. insurance mechanisms) to show their connection through content and context, and to use Policy Operations Tools (POTs) to do so.

In addition, nature bond investments can offer a way to bridge the gap between the public and private sector, as well as address the issues of climate change and sustainable development. Nature bonds can also help to create green infrastructure, which is essential for the long-term sustainability of a business.

We need immediate policy regulations to guide our attention to the operations and sustainability of domestic and international financial markets, in addition to Green Bonds providing pathways for sectors to transition to low-carbon solutions and bolstering trade among countries. Furthermore, the use of SPL and POTs should be encouraged to ensure the proper implementation and enforcement of these regulations.

This is especially important for developing countries, where legal frameworks are often weak or non-existent and compliance with the rules difficult to enforce. Additionally, nature bonds should be employed to incentivize private investment in green infrastructure projects, helping to generate returns that are beneficial to both investors and the environment. By utilizing these tools, SPL, POTs and nature bonds, we can ensure the long-term sustainability of businesses and the environment.

Despite the fact that international trade acknowledges national and/or regional limitations, investments in climate require a different approach because "climate effects are not confined to certain regions or nations", thus necessitating the integration of regional collaborative efforts to create new strategies for the preservation of the global economy in the face of the increasing dangers presented by shifting weather conditions and variability.

In addition to increasing the scope of activities, risk management provides opportunities for market collaborations among different industries and encourages more parties to join the pool.

The emergence of "bonds" is noticeable not just in the financial sector, but also in the field of nature conservation. This sets a new standard for finance and acknowledges the importance of nature as a key factor for socio-economic growth.

An untapped natural environment characterizes the Developing World. Nature Bonds act as a catalyst for business solutions in the Developing World.

Article Nine of the Paris Agreement provides standards of operations that could be advantageous for developing nations. They could also look for challenges in managing things, such as VERRA, to meet those standards.

Engagement of communities in the management of natural resources through bonds and risk management provides mechanisms for resource sustainability. In a nutshell, below, we explore key features of climate bonds ("CBs").

Use of Proceeds:
The funds raised through the issuance of climate bonds are earmarked for specific projects and/or activities that contribute to environmental sustainability. These projects often focus on renewable energy, energy efficiency, sustainable agriculture, clean transportation, and other initiatives aimed at reducing greenhouse gas emissions and/or adapting to the impacts of climate change.

Certification and Standards:
It is obvious that to ensure transparency and credibility, climate bonds often require certain standards and certification processes. For instance, the Climate Bonds Initiative ("CBI"), for example, provides guidelines and criteria for evaluating whether a bond meets the necessary environmental and climate standards.

Story By: Leonard Masai

Investor Demand:
The growing demand for environmentally responsible investment drives the issuance of climate bonds. Investors include institutional investors (e.g., banks), pension funds, and environmentally conscious individuals (i.e., companies) that seek opportunities to align their portfolios with sustainable and climate-friendly initiatives.

Risk Mitigation:
Climate bonds can be seen as a tool for mitigating climate-related risks. Through financing projects that contribute to a low-carbon and resilient economy, these bonds aim to address environmental challenges and create a more sustainable future for all.

Market Growth:
The market for climate bonds has been growing in response to increased awareness of climate change and the need for sustainable investments. Governments, municipalities, and corporations issue these bonds to fund projects that align with their sustainability goals.

Green and Social Bonds:
While climate bonds specifically target environmental projects, the broader category of sustainable bonds includes green bonds, social bonds, and sustainability bonds. Green bonds are invested in projects that are beneficial to the environment, while social bonds target social problems. Sustainability bonds are a combination of both, investing in initiatives that promote both environmental and social progress.

In addition, the process of managing climate bonds requires multiple essential phases, ranging from the first issuance to the handling of money collected for environmental-focused initiatives. These will be further described later.

This paper thus encourages actors to prepare for the forthcoming modifications to the climate bonds/ carbon trading system. It is imperative to reinforce all institutions to protect against potential economic difficulties and to be able to respond to external disruptions.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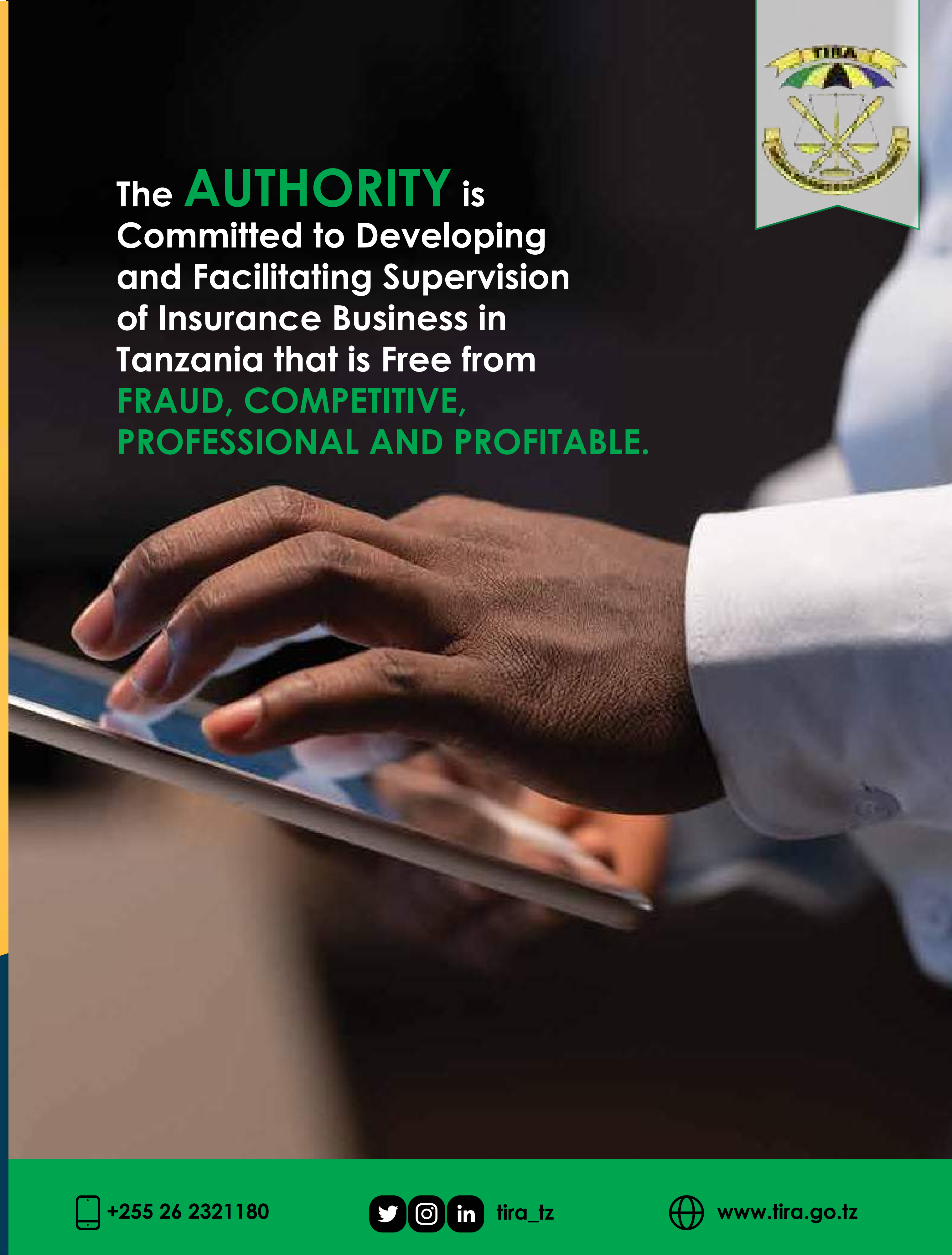
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