

Tanzania
Insurance Act

Tanzania National Reinsurance Corporation (Establishment) Order, 2001 Government Notice 35 of 2001

Legislation as at 31 July 2002

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Tanzania National Reinsurance Corporation (Establishment) Order, 2001 (Government Notice 35 of 2001)

Contents

- Part I – Preliminary provisions (sections 1-2) 1
 - 1. Citation 1
 - 2. Interpretation 1
- Part II – The Tanzania National Reinsurance Corporation (TANRE) (sections 3-8) 2
 - 3. Establishment 2
 - 4. Functions of the Company 2
 - 5. Exemptions 2
 - 6. Authorized capital 2
 - 7. Share capital and allotment 2
 - 8. Shares 3
- Part III – Administration of the company (sections 9-11) 3
 - 9. Annual General Meeting 3
 - 10. Board of Directors 3
 - 11. Dividends 4
- Part IV – Reinsurance (sections 12-15) 4
 - 12. Compulsory reinsurance 4
 - 13. Power to decline business 4
 - 14. Payment 4
 - 15. Returns and information 4
- Part V – Miscellaneous provisions (sections 16-18) 5
 - 16. Capitalisation 5
 - 17. Accounts and audit 5
 - 18. Winding up 5

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Tanzania National Reinsurance Corporation (Establishment) Order, 2001

Government Notice 35 of 2001

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[This is the version of this document as it was at 31 July 2002 to 5 January 2023.]

[Note: This legislation was revised and consolidated as at 31 July 2002 and 30 November 2019 by the Attorney General's Office, in compliance with the Laws Revision Act No. 7 of 1994, the Revised Laws and Annual Revision Act (Chapter 356 (R.L.)), and the Interpretation of Laws and General Clauses Act No. 30 of 1972. All subsequent amendments have been researched and applied by Laws.Africa for TANZLII.]

[Section 70; G.N. No. 35 of 2001]

Part I – Preliminary provisions (sections 1-2)

1. Citation

This Order may be cited as the Tanzania National Reinsurance Corporation (Establishment) Order.

2. Interpretation

(1) In this Order, unless the context requires otherwise—

"**Act**" means the Insurance Act¹;

"**Board**" means the Board of Directors of the Company;

"**Company**" means the Tanzania National Reinsurance Corporation established pursuant to paragraph 3;

"**Commissioner**" means the Commissioner of Insurance;

"**Director**" means the Chairman and any other director appointed in accordance with the Articles of Association.

(2) In this order, terms relating to insurance or insurance business shall bear the meaning assigned to them in the Act.

Part II – The Tanzania National Reinsurance Corporation (TANRE) (sections 3-8)

3. Establishment

- (1) The Minister shall not later than the 31st day of January, 2001, and subject to this Order, cause to be incorporated under the Companies Act², a company to be known as the Tanzania National Reinsurance Corporation Limited or by the acronym TANRE.
- (2) The Company shall be a body corporate and shall—
 - (a) have perpetual succession and a common seal;
 - (b) in its corporate name, be capable of suing and being sued;
 - (c) be capable of purchasing and otherwise acquiring or alienating any movable or immovable property;
 - (d) have power, from time to time, to execute and perform such other powers and functions as are conferred by or under this order or any other written law.

4. Functions of the Company

The functions of the Company shall be to undertake, carry on and transact in any manner, whether in the United Republic or elsewhere the business of insurance and reinsurance of all kinds, classes, nature and description.

5. Exemptions

The Minister may, by order published in the *Gazette*, exempt the Company from paying any tax, duty, fee, levy, cess or other impost.

6. Authorized capital

- (1) The initial authorized capital of the Company to be registered shall be twenty billion shillings.
- (2) The Company shall have power in general meeting to increase the level of the authorized capital subject to the prior approval of the Minister.

7. Share capital and allotment

- (1) The Company shall issue such shares as shall be decided by the Company in a general meeting and with the consent of the Minister, which shares shall be equal to the working Capital required to sustain the operations of the company.
- (2) The issued capital as determined under subparagraph (1), shall be allotted to shareholders in the relevant proportions as follows, namely—
 - (a) 10% of capital to individual persons;
 - (b) 20% of capital to Tanzania bodies corporate;
 - (e) 10% of capital to registered insurance companies;

[please note: numbering as in original]

 - (d) 5% of capital to registered insurance brokers, loss assessors and loss adjusters;

- (e) 40% of capital to Government institution;
 - (f) 15% of capital to foreign participants.
- (3) Subject to subparagraph (2), the issued capital may be allotted to other shareholders at such times and in such manner as shall be determined by the Minister upon recommendations by the Company.
 - (4) The total foreign investment in the Company shall not at any time exceed fifteen percent of the total shareholding in the Company or such other percentage as the Minister may from time to time determine, after consultation with the shareholders.
 - (5) Shares required to be issued pursuant to this section shall be issued or allotted as fully paid and treated for the purposes of the Companies Act³ as paid up by virtue of payment to the Company of their nominal value.

8. Shares

- (1) The authorized share capital of the Company shall be stated in the Memorandum of Association to be of such an amount and of such nominal value as shall be determined by the Company in general meeting after consultation with the Minister, with power for the Company to increase or reduce the said capital and to vary or abrogate the rights attached to any class of shares in the Company to issue any part of its capital, original or increased, with or without any preference, priority or special privilege, or subject to any postponement of right, or to any conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the powers contained in the provision.
- (2) Any share may be issued with such preferred, deferred or otherwise special rights or restrictions, whether in regard to dividend, voting, return on capital or otherwise as the directors may, with the prior approval of the special right shareholders, determine.
- (3) The Company in a general meeting may, with prior approval of the Minister, increase its share capital by the creation of new shares of such an amount as may be deemed expedient, upon any such terms and conditions or with such rights or privileges as the general meeting may determine and attach any special rights to any existing class of shares.

Part III – Administration of the company (sections 9-11)

9. Annual General Meeting

- (1) The Company shall in each year hold an Annual General Meeting in addition to any other meetings in that year, in the manner and within specified times as shall be set out in the Articles of Association.
- (2) The Articles of Association shall provide for the role, the procedure and other matters with respect to Annual General Meeting.

10. Board of Directors

- (1) There shall be a Board of Directors which shall, subject to the provisions of this order, be responsible for the carrying out of the functions and management of the affairs and business of the Company.
- (2) All directors of the Company shall be natural persons and shall be not less than two and not more than such number as shall be determined by the Company in a general meeting.

- (3) The directors shall initially be appointed by the Minister and, after shares are allotted to other shareholders, by the shareholders in such proportion of their respective shareholdings as shall be provided by the Articles of Association of the Company.
- (4) There shall be a Chairman of the Board of Directors who shall initially be appointed by the Minister and, after shares are allotted to other shareholders, by the shareholders in such manner as shall be decided by the Company in a general meeting.

11. Dividends

The Company shall declare dividends after prior approval of the general meeting.

Part IV – Reinsurance (sections 12-15)

12. Compulsory reinsurance

- (1) Every insurer shall, on or after the commencement of this Order, reinsure with the Company and in doing so shall—
 - (a) cede to TANRE 25% of his liabilities for each policy issued by him; and
 - (b) in addition, cede to TANRE 25 % of his treaty reinsurance business.
- (2) Subject to subparagraph (1), the Minister may prescribe the manner in which and the time at which reinsurance shall be effected under this Part and may also prescribe the terms and conditions on which such reinsurance shall be effected.
- (3) A notice under this paragraph may apply to all classes of insurance business or to such classes of insurance business as may be specified therein and may make different provisions for different classes of insurance business.

13. Power to decline business

- (1) The Company may refuse to accept any reinsurance offered pursuant to this Part, and in any such case the Company shall furnish the insurer concerned, the reasons for such refusal.
- (2) Any insurer may, within fourteen days after receiving reasons for the refusal pursuant to subparagraph (1), appeal to the Commissioner against such refusal and further appeal to the Minister or, if there are issues of law involved, to the High Court.
- (3) Where reinsurance is refused under this paragraph, any liability of insurer under this Part in respect of that reinsurance shall cease.

14. Payment

Payment by insurers to the Company in respect of reinsurance effected under this Part, shall be made within such period as the Minister may, by notice published in the *Gazette* prescribe.

15. Returns and information

Every insurer required to effect reinsurance under this Part, shall produce or submit to the Company all returns, statements, books, records, accounts or other documents relating to reinsurance business placed with the Company and shall furnish such all information as may be required of him by the Commissioner or the Company for the purposes of this Part.

Part V – Miscellaneous provisions (sections 16-18)

16. Capitalisation

- (1) The Company in a general meeting and on the recommendation of the directors, may resolve that it is desirable to capitalise any sum for the time being standing to the credit of any reserve account or profit and loss account or otherwise available for distribution to members, and that that sum be applied in any of the ways that the profits of the Company may be properly applied.
- (2) The ways in which any sum may be applied for the benefit of the members under subparagraph (1) are—
 - (a) in paying up any amounts unpaid on shares held by members; or
 - (b) in paying up in full unissued shares or debentures to be issued to members as fully paid.

17. Accounts and audit

- (1) The directors shall ensure that the Company maintains such accounting records as are required to comply with the requirements of the Companies Act⁴ and of this Order.
- (2) The Company in a general meeting shall appoint the Auditor, fix his remuneration and regulate his duties in accordance with the Companies Act⁵.

18. Winding up

If the Company is wound up, the liquidator may divide among the members or class of members any part of the assets of the company according to the value that the liquidator sets for those assets.

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[Cap. 212](#)

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[Cap. 212](#)