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NATIONAL BANK OF ETHIOPIA
ADDIS ABABA

Licensing and Supervision of Insurance Business
Manner of Reporting Quarterly and Annual Returns
Directives No. SIB/ 38 /2014

Whereas, it is essential to clearly define the classes of insurance for which insurers should request approval to deal in;

Whereas, it is essential for the National Bank of Ethiopia to receive information, financial and non-financial, to conduct effective off-site surveillance that enable it to assess the financial soundness, managerial effectiveness and stability of each insurer and the sector on on-going basis;

Whereas, there is a need to standardize the return formats for gathering complete and comprehensive information from insurers;

Now, therefore, in accordance with Articles 5(4), 24(2), 26(3), 27(2), 31(1), 32(2) 33(1)(a), and Article 58(2) of Proclamation No. 746/2012, the National Bank of Ethiopia hereby issues these directives.

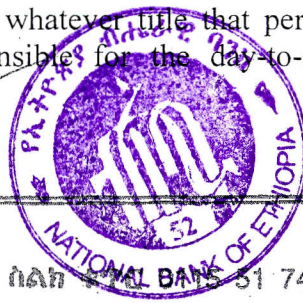
1. Short Title

These directives may be cited as “**Manner of Reporting Quarterly and Annual Returns Directives No. SIB/38/2014**”.

2. Definitions

For the purpose of these directives unless the context provides otherwise:

- 2.1. “**actuary**” means a person who provides advice on financial questions and contingencies involving insurance in general and life insurance and pension schemes in particular;
- 2.2. “**actuarial valuation**” means an investigation carried out on the long-term insurance business, by a qualified actuary, annually during the first five years after commencement of operation and at least once in two years thereafter;
- 2.3. “**actuarial provision**” means a life insurance liability equal to the net present value of the future expected cash flows of a contingent event;
- 2.4. “**cession**” means the portion of insurance premium transferred to a reinsurer by the direct insurer;
- 2.5. “**chief executive officer**” means a person, by whatever title that person may be referred to, who is primarily responsible for the day-to-day management of the affairs of an insurer;



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- 2.6. **“claim under litigation or dispute”** means a claim which has not been agreed between the insured and the insurer which consequently referred to arbitration or court of law;
- 2.7. **“direct costing method”** means a method applied to allocate costs directly associated with revenue generation;
- 2.8. **“financial returns”** means statement of revenue account, comprehensive income, financial position, changes in equity, cash flow and other accompanying notes and accounts as set out in the formats forming part of these directives;
- 2.9. **“financial year”** means the financial year of an insurer running from July first to June thirty of the following year;
- 2.10. **“general insurance business”** means all classes of insurance business other than long term insurance business;
- 2.11. **“incurred but not reported (IBNR) claims”** means claims that have already occurred but were not reported to the insurer as of the end of every quarter and financial year;
- 2.12. **“insurance auxiliary”** means an insurance agent, an insurance broker, loss assessor or insurance surveyor;
- 2.13. **“insurer”** means a person that issues or agrees to issue an insurance policy or undertakes, or agrees to undertake the obligations of an insurance policy;
- 2.14. **“inward reinsurance”** means exposure accepted by a domestic insurer from the foreign insurers or reinsurers;
- 2.15. **“long term insurance business”** means insurance business of:
- a) life insurance;
 - b) annuity;
 - c) pension;
 - d) permanent health insurance;
 - e) personal accident or sickness insurance underwritten by the insurer as incidental to any of the businesses referred to in paragraph (a) to (d) of this Sub-Article; or
 - f) any other class of insurance business as may be approved by the National Bank;



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- 2.16. **“long term policies”** means general insurance policies written to cover a period greater than a year;
- 2.17. **“management expenses”** means all costs and expenses directly or otherwise to be charged to underwriting and claims operations;
- 2.18. **“National Bank”** means the National Bank of Ethiopia;
- 2.19. **“net premium”** means the difference between the gross written premium and premium ceded to reinsurers;
- 2.20. **“non-financial returns”** means returns for any information which is not financial in nature as set out in the formats forming part of these directives;
- 2.21. **“other technical or actuarial provisions”** means provisions maintained with respect to premium and claims to support future potential liabilities and/or augment deficiencies in the minimum provisions determined by the method specifically stipulated for;
- 2.22. **“outstanding claims”** means claims that have been reported to the insurer but not yet settled;
- 2.23. **“risk sharing scheme”** means an offer by an insurer for placement of exposure(s), that exceeded the automatic treaty capacity or not covered under the reinsurance treaty, to insurer(s) and reinsurers operating in Ethiopia with the view to fully exhaust the national risk acceptance capacity efficiently prior to ceding it facultatively to international reinsurers;
- 2.24. **“senior executive officer”** means any officer of an insurer by whatever title he/she may be referred to, who is deputy to the chief executive officer, or who is directly accountable to the board of directors;
- 2.25. **“short term policies”** means general insurance policies written to cover a period less than a year;
- 2.26. **“unearned premium provision”** means part of the premium that has not yet been earned as the corresponding insurance period has not yet come to an end.

3. Scope of Application

These directives apply to all insurers.



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4. General Requirements

4.1. Separation of Accounts and Funds

An insurer shall keep separate accounts and funds in respect of long term insurance business and general insurance business and report on each as per the formats prescribed and forming part of these directives.

4.2. Submission of Reports and Maintenance of Schedules

An insurer shall submit to the National Bank,

- 4.2.1. duly completed and separate quarterly financial returns and non-financial information in respect of general insurance business, long-term insurance business, risk sharing scheme and inward reinsurance, if any, in soft copy of plain text and pdf format and hard copy within 30 days after the end of each quarter in the manner prescribed in the return formats attached herewith which shall form part hereof; and
- 4.2.2. annual audited financial statements together with revenue accounts and other supporting schedules and actuarial valuation reports within 90 days from the close of the financial year.
- 4.3. For items marked “specify” in the return formats attached herewith these directives, an insurer shall disclose the details as foot notes;
- 4.4. For the purpose of calculating unearned premium provision(UPP), an insurer shall maintain separate schedule for all long-term policies that at a minimum contains policy number, cover start and end date, premium and sum insured;
- 4.5. For all facultative reinsurance placements an insurer shall at a minimum compile and maintain a schedule containing reinsurers involved, sum insured, premium ceded, period of cover and reinsurance commission;
- 4.6. Insurers shall prepare annual and quarterly financial and non-financial returns in accordance with the formats prescribed in these directives;
- 4.7. All annexes and attachments shall form part of these directives;

5. Formats for Publication of Financial Statements

An insurer shall strictly follow the formats prescribed in these directives when publishing annual audited financial statements in a widely circulating newspaper.

6. Technical Provisions

For the purpose of reporting quarterly and annual returns:



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6.1. gross premiums shall be shown net of discounts and refunds.

6.2. Technical Provisions – General Insurance Business

6.2.1. Unearned Premium Provision (UPP) on

a) gross premium of all

- i. annual policies and short term policies shall be calculated using 1/24th method;
- ii. long term policies shall be calculated using 1/24th method on the prorated premium,

b) cession

- i. shall be calculated as per the agreement set out in the reinsurance treaty. If the reinsurance treaty does not provide for such specification, the insurer shall use the method stipulated under Sub-Article 6.2.1(a) of these directives, and
- ii. for all non-proportional treaties (excess of loss and stop loss) shall not be applicable unless special agreement has been concluded with the reinsurer.

c) net premium

shall be the difference between Sub-Articles 6.2.1(a) and 6.2.1(b) of this Article.

6.2.2. Outstanding Claims

- a) Upon receiving notification of a claim incident, the value of the claim shall be assessed and the provision shall be adequately maintained to cover all costs related to the incident. The assessment summary sheet, duly signed, shall be kept in the claim file for review and follow-up;
- b) Outstanding claims shall be reassessed, case by case, at least once in every quarter and be reported to the National Bank as specified in the return formats. Subsequent to the reassessment, changes in the value of the provision shall be documented in the respective claim files together with the reasons for the change;
- c) Provision for outstanding claims altogether reported at the beginning of the financial year shall be compared against the total of the actual payments against these claims and all



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claims that are still outstanding at the end of the year. If the latter exceed the former by more than 5% (error margin), outstanding claim or capital or retained earning at the date of the report shall be adjusted by taking the total variance;

- d) Provision for claim under litigation or dispute, at the date of report, shall be maintained at 100%, which in any case shall not exceed the sum insured or limit of liability, and shall be reported together with outstanding claims. Besides, insurers shall maintain a separate schedule for such claims.

6.2.3. Incurred But Not Reported (IBNR) Claims

Provision for incurred but not reported (IBNR) claims shall be the higher of 10% (ten percent) of net earned premium or the result obtained under the claims triangulation returns specified under GIDB-C form.

6.2.4. Other Technical Provision on

a) premium

- i. other than that considered in accordance with Sub-Article 6.2.1 (a), (b) and (c) may be set aside by supporting it through adequate justification and explanation,
- ii. shall not be mixed up with unearned premium provision(UPP) and be reported separately and independently as required in the return formats forming part of these directives, and
- iii. shall be compiled in a separate schedule and delivered to the National Bank upon request.

b) claims

- i. other than that determined in accordance with Sub-Articles 6.2.2 and 6.2.3 of these Directives may be set aside against adequate and justifiable explanation;
- ii. shall not be mixed up with outstanding claims and be reported separately and independently as specified in the return formats forming part of these directives; and
- iii. shall be compiled in a separate schedule and delivered to the National Bank upon request;



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6.3. Technical Provision - Long Term Insurance Business

6.3.1. Actuarial Provision

Actuarial provision shall be determined either by the actuary or by applying the method formulated by the actuary in accordance with the formats stipulated in these directives.

6.3.2. Outstanding Claims

Outstanding claims shall be determined as stipulated under Sub-Article 6.2.2 of these directives as far as applicable and to the full sum assured in case of death or maturity claims.

6.3.3. Provision for Incurred But Not Reported (IBNR) Claims

Provision for incurred but not reported (IBNR) claims shall be determined in accordance with the method specified under Sub-Article 6.2.3 of these directives.

6.3.4. Other Actuarial Provision

Actuarial provisions other than that set aside in accordance with Sub-Article 6.3.1 of this article may be provided by supporting it through adequate justification and explanation.

7. Management Expenses

Management expenses for both general and long term insurance

- 7.1. shall be reported under a separate heading as stipulated in the return formats;
- 7.2. shall be calculated using direct costing method. The indirect costs associated to it be allocated using a method adopted and consistently applied by the insurer; and
- 7.3. allocation schedule shall be maintained by the insurer and be delivered to the National Bank upon request.

8. Commission

Commission incurred (paid and outstanding) to insurance auxiliary and commission earned (received and outstanding) from reinsurers shall be separately reported under the appropriate headings, as specified in the return formats, and shall not be deducted from premium amounts.

9. Reporting Period

For the purpose of reporting returns, first, second, third and fourth quarter ends on September 30, December 31, March 31, and June 30 of the financial year respectively.



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10. Repeal

10.1. Manner of Reporting Financial Information Directives No. SIB/17/1998 is hereby repealed and replaced by these Directives.

10.2. Article 2.2(d) of NBE Directive No. SIB/26/2004 is hereby repealed.

11. Effective Date

These directives shall enter into force as of 1st day of July 2015.


TEKLEWOLD ATNAFU
GOVERNOR



INSURER:

YEAR:

QUARTER:

GENERAL INSURANCE RETURNS

Date Submitted



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*: Put tick mark (✓) for submitted items		



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Insurer	
Year	
Quarter	

Corporate Data

1 Insurer	
Head Office Address	
Mailing Address	
Telephone	
Fax	
Website	

2 Contact Person*	
Title	
Telephone	
Fax	
Email Address	

* Preferably need to be the risk manager of the Company

3 Branch, Contact office and Agents Network					
No.	Region	Number of Branches	Number of Contact office	Number of Agents	Remark
1	Addis Ababa				
2	Amhara				
3	Tigray				
4	Oromia				
5	SNNPRS				
6	Dire Dawa				
7	Harari				
8	Somali				
9	Benishangul Gumze				
10	Afar				
11	Gambela				
Total					



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Insurer	
Year	
Quarter	

A. SHARES	
1	Par value of the share

2	Shares	Number of shares	Amount
a	Subscribed		
b	Paid up		

B. INFLUENTIAL SHAREHOLDERS*					
No.	Name	Subscribed		Paid up	
		Shares	Amount	Share	Amount
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26	etc.				
Total					
* If need be, please use extra page to list down the influential shareholders					
Note: Only changes from the preceding quarter filing shall be reported					



[Handwritten signature]

Insurer	
Year	
Quarter	

Share Transfer Schedule

No	Transferor					Transferee				Remark
	Name	Date	No. shares held	No. of shares transferred	Balance held	Name	No shares held	No. of shares received	Balance held	
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
etc.										



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* If need be, please use extra page to list down the entire transaction

Insurer	
Year	
Quarter	

DIRECTORS			
	Name	Designation*	Date of appointment
I	Board members:		
1			
2			
3			
4			
5			
6			
7			
8			
9			
10	etc...		

II	Sub Committees:		
A	Risk Management and Compliance Committee:		
1			
2			
3			
4	etc...		

B	Audit Committee		
1			
2			
3			
etc.			

C	Human Resource Affairs Committee		
1			
2			
3			
4	etc...		

D	Other Committees:**		
1			
2			
3			
4	etc...		

** Should be listed independently and separately

* Chair person, Secretary, Member or any other designation



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Insurer	
Year	
Quarter	

CORPORATE ORGANIZATION CHART	



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Insurer	
Year	
Quarter	

OFFICERS, EMPLOYEE, AUDITORS AND ACTUARIES		
A Chief Executive Officer(CEO)		
Name	Telephone	Email

B Senior Executive Officers(SEO)				
No	Name	Position	Telephone	Email
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11	etc.			

C Employee data	Male	Female	Total
1 ACII & Above			
2 Dip CII			
3 LOMA			
4 2nd degree and above			
5 1st degree			
6 Diploma			
7 Below diploma			
8 Contractual			
Total			

Note: Please indicate any double counting such as a person having Dip CII or ACII or LOMA and other qualification in addition to 1st or 2nd degree.

D External Auditor*	
Address:	
Telephone	
Fax	
E-mail of contact person	
Website	
Service years with the Company	

E Actuary*	
Address:	
Telephone	
Fax	
E-mail of contact person	
Website	

*Auditor's and Actuary's Report are required to be filed with the Annual Return.



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Insurer	
Year	
Quarter	

In '000s Birr

A. Top Twenty Exposures (Sum Insured)							
No.	Name of the Insured	Class of Business	Policy Number	Sum Insured	Premium	Retention	
						Premium	Sum insured
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
Total							



Insurer	
Year	
Quarter	

In '000s Birr

B.Top Twenty Claims (Gross Claims)								
No.	Name of the Claimant	Class of Business	Claim				Status	
			Number	Date of Incident	Estimated	Paid	outstanding	Retention
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total								



Insurer	
Year	
Quarter	

OTHER INFORMATION	
1	<p>Have there been any amendments to the Memorandum and Articles of Association since the date of filing the last Quarter Return? <input type="checkbox"/> Y / N</p> <p>If yes, please summarize:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

2	<p>Indicate the name and percentage of ownership in each non-financial institution the insurer holds 10% or more of the voting rights. If necessary, provide details on additional page.</p>			
No.	Name of organization	No. of shares held	%	Remark
1				
2				
3				
4				
5				
6				
7				
8				
etc.				

3	<p>Does the Company hold shares of any financial institution i.e. Bank, Microfinance Institutions etc.? <input type="checkbox"/> Y / N</p> <p>If yes, attach details.</p>			
No.	Name of organization	No. of shares held	%	Remark
1				
2				
3				
4				
5				
6				
7				
etc.				

4	<p>Are the Company's license or product subject to any limitation or condition? <input type="checkbox"/> Y / N</p> <p>If yes, please provide details.</p> <p>_____</p> <p>_____</p> <p>_____</p>			
---	--	--	--	--



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5 Were any of the assets of the insurer pledged as security or lodged as collateral? ☐ Y / N

If yes, give details:

6 Does the insurer have any significant dependencies in any area of its operation? ☐ Y / N

If yes, give details.

7 Has the insurer been involved in any transactions relating to off-balance sheet item such as contingent liability? ☐ Y / N

If yes, attach details.

8 Has the insurer made changes in directors, officers, auditors and actuary? ☐ Y / N

If yes, attach details together with the reason(s).

9 Has the insurer made any significant changes regarding reinsurance arrangements during the Quarter such as portfolio transfer and/or commutation or change in reinsurer(s)? Y / N ☐

If yes, attach details.



A. PREMIUM SCHEDULE-GIDB A1

Page 11

Insurer:						
Year:						
Quarter:						
		In '000 Birr				
ITEM		1	2	3	4	5
		Accident (GPA and PA)	Aviation	Burglary and	Engineering	Employer's liability***
1. PREMIUM						
1.1 Gross written from - public						
- insurers						
- reinsurers						
Total Gross premium						
1.2 Cession						
1.3 Net (1.1-1.2)						
2. UNEARNED PREMIUM PROVISION (BF)						
2.1 Gross						
2.2 Cession						
2.3 Net (2.1-2.2)						
3. UNEARNED PREMIUM PROVISION (CF)						
3.1 Gross						
3.2 Cession						
3.3 Net (3.1-3.2)						
4. OTHER- PREMIUM PROVISIONS(BF)*						
4.1 Gross						
4.2 Cession						
4.3 Net (4.1-4.2)						
5. OTHER- PREMIUM PROVISIONS (CF)*						
5.1 Gross						
5.2 Cession						
5.3 Net (5.1-5.2)						
6. EARNED PREMIUM						
6.1 Gross (1.1+2.1-3.1+4.1-5.1)						
6.2 Cession (1.2+2.2-3.2+4.2-5.2)						
6.3 Net (1.3+2.3-3.3+4.3-5.3)						
7. NUMBER OF POLICIES						
8. SUM INSURED- ALL POLICIES						
9. NUMBER OF LAPSED POLICIES						
10. SUM INSURED- LAPSED POLICIES						
11. NUMBER OF POLICYHOLDERS						

Note: See notes to the statement.

* Specify the type of other premium provisions

** Inward premium from domestic insurers in the case of private insurers and includes inward premium from foreign companies in the case of EIC

*** Customarily called workmen's Compensation



A. PREMIUM SCHEDULE-GIDB A2

Page 12

Insurer:	
Year:	
Quarter:	

In 000' BIRR

ITEM	6	7	8	9	10
	Fire	Goods in	Liability	Marine	Medical
1. PREMIUM					
1.1 Gross written from - public					
- insurers					
- reinsurers					
Total Gross premium					
1.2 Cession					
1.3 Net (1.1-1.2)					
2. UNEARNED PREMIUM PROVISION (BF)					
2.1 Gross					
2.2 Cession					
2.3 Net (2.1-2.2)					
3. UNEARNED PREMIUM PROVISION (CF)					
3.1 Gross					
3.2 Cession					
3.3 Net (3.1-3.2)					
4. OTHER- PREMIUM PROVISIONS(BF)*					
4.1 Gross					
4.2 Cession					
4.3 Net (4.1-4.2)					
5. OTHER- PREMIUM PROVISIONS (CF)*					
5.1 Gross					
5.2 Cession					
5.3 Net (5.1-5.2)					
6. EARNED PREMIUM					
6.1 Gross (1.1+2.1-3.1+4.1-5.1)					
6.2 Cession (1.2+2.2-3.2+4.2-5.2)					
6.3 Net (1.3+2.3-3.3+4.3-5.3)					
7. NUMBER OF POLICIES					
8. EXPOSURE (SUM INSURED)					
9. NUMBER OF LAPSED POLICES					
10.SUM INSURED- LAPSED POLICES					
11. NUMBER OF POLICYHOLDERS					

Note: See notes to the statement.

* Specify the type of other premium provisions

** Inward premium from domestic insurers in the case of private insurers and includes inward premium from foreign companies in the case of EIC

*** Customarily called workmen's Compensation



A. PREMIUM SCHEDULE-GIDB A3

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Insurer:	
Year:	
Quarter:	

In 000' BIRR

ITEM	11			12	13	14	15
	Motor			Pecuniary	Others*	Total	Remark
	Own D.	Liability	Subtotal				
1. PREMIUM							
1.1 Gross written from - public							
- insurers							
- reinsurers							
Total Gross premium							
1.2 Cession							
1.3 Net (1.1-1.2)							
2. UNEARNED PREMIUM PROVISION (BF)							
2.1 Gross							
2.2 Cession							
2.3 Net (2.1-2.2)							
3. UNEARNED PREMIUM PROVISION (CF)							
3.1 Gross							
3.2 Cession							
3.3 Net (3.1-3.2)							
4. OTHER- PREMIUM PROVISIONS(BF)*							
4.1 Gross							
4.2 Cession							
4.3 Net (4.1-4.2)							
5. OTHER- PREMIUM PROVISIONS (CF)*							
5.1 Gross							
5.2 Cession							
5.3 Net (5.1-5.2)							
6. EARNED PREMIUM							
6.1 Gross (1.1+2.1-3.1+4.1-5.1)							
6.2 Cession (1.2+2.2-3.2+4.2-5.2)							
6.3 Net (1.3+2.3-3.3+4.3-5.3)							
7. NUMBER OF POLICIES							
8. EXPOSURE (SUM INSURED)							
9. NUMBER OF LAPSED POLICIES							
10. SUM INSURED- LAPSED POLICIES							
11. NUMBER OF POLICYHOLDERS							

* Specify the type of other premium provisions

** Inward premium from insurers in the case of private insurers and includes inward premium from foreign companies in the case of EIC

*** Customarily called workmen's Compensation



Insurer:	
Year	
Quarter:	

In 000' BIRR

ITEM	1	2	3	4	5
	Accident	Aviation	Bur. & house breaking	Engineering	Employer's liability
1. PAID					
1.1 Gross					
1.2 Cession					
1.3 Net (1.1-1.2)					
2. OUTSTANDING CLAIMS:BF					
2.1 Gross					
2.2 Cession					
2.3 Net (2.1-2.2)					
3. OUTSTANDING CLAIMS:CF					
3.1 Gross					
3.2 Cession					
3.3 Net (3.1-3.2)					
4. IBNR:BF					
4.1 Gross					
4.2 Cession					
4.3 Net (4.1-4.2)					
5. IBNR:CF					
5.1 Gross					
5.2 Cession					
5.3 Net (5.1-5.2)					
6. OTHER CLAIM PROVISIONS: BF					
6.1 Gross					
6.2 Cession					
6.3 Net (6.1-6.2)					
7. OTHER CLAIM PROVISIONS:CF					
7.1 Gross					
7.2 Cession					
7.3 Net (7.1-7.2)					
8. INCURRED CLAIMS					
8.1 Gross (1.1-2.1+3.1-4.1+5.1-6.1+7.1)					
8.2 Cession (1.2-2.2+3.2-4.2+5.2-6.2+7.2)					
8.3 Net (1.3-2.3+3.3-4.3+5.3-6.3+7.3)					
9. NUMBER OF CLAIMS FILES					
9.1 Fully paid					
9.2 Outstanding					
9.3 Total					
10. EXPOSURE*					

* EXPOSURE refers to sum insured with respect to claims fully paid and still outstanding.



Insurer	
Year	
Quarter	

In 000' BIRR

ITEM	6 Fire	7 Goods in transit	8 Liability	9 Marine	10 Medical Expense
1. PAID					
1.1 Gross					
1.2 Cession					
1.3 Net (1.1-1.2)					
2. OUTSTANDING CLAIMS:BF					
2.1 Gross					
2.2 Cession					
2.3 Net (2.1-2.2)					
3. OUTSTANDING CLAIMS:CF					
3.1 Gross					
3.2 Cession					
3.3 Net (3.1-3.2)					
4. IBNR:BF					
4.1 Gross					
4.2 Cession					
4.3 Net (4.1-4.2)					
5. IBNR:CF					
5.1 Gross					
5.2 Cession					
5.3 Net (5.1-5.2)					
6. OTHER CLAIM PROVISIONS: BF					
6.1 Gross					
6.2 Cession					
6.3 Net (6.1-6.2)					
7. OTHER CLAIM PROVISIONS:CF					
7.1 Gross					
7.2 Cession					
7.3 Net (7.1-7.2)					
8. INCURRED CLAIMS					
8.1 Gross (1.1-2.1+3.1-4.1+5.1-6.1+7.1)					
8.2 Cession (1.2-2.2+3.2-4.2+5.2-6.2+7.2)					
8.3 Net (1.3-2.3+3.3-4.3+5.3-6.3+7.3)					
9. NUMBER OF CLAIMS FILES					
9.1 Fully paid					
9.2 Outstanding					
9.3 Total					
10. EXPOSURE (SUM INSURED)					
* EXPOSURE refers to sum insured with respect to claims fully paid and still outstanding.					



Insurer	
Year	
Quarter	

In 000' BIRR

ITEM	11			12	13	14	15
	Motor			Pecuniary	Others*	Total	Remark
	Own D.	Liability	Sub Total				
1. PAID							
1.1 Gross							
1.2 Cession							
1.3 Net (1.1-1.2)							
2. OUTSTANDING CLAIMS:BF							
2.1 Gross							
2.2 Cession							
2.3 Net (2.1-2.2)							
3. OUTSTANDING CLAIMS:CF							
3.1 Gross							
3.2 Cession							
3.3 Net (3.1-3.2)							
4. IBNR:BF							
4.1 Gross							
4.2 Cession							
4.3 Net (4.1-4.2)							
5. IBNR:CF							
5.1 Gross							
5.2 Cession							
5.3 Net (5.1-5.2)							
6. OTHER CLAIM PROVISIONS: BF							
6.1 Gross							
6.2 Cession							
6.3 Net (6.1-6.2)							
7. OTHER CLAIM PROVISIONS:CF							
7.1 Gross							
7.2 Cession							
7.3 Net (7.1-7.2)							
8. INCURRED CLAIMS							
8.1 Gross (1.1-2.1+3.1-4.1+5.1-6.1+7.1)							
8.2 Cession (1.2-2.2+3.2-4.2+5.2-6.2+7.2)							
8.3 Net (1.3-2.3+3.3-4.3+5.3-6.3+7.3)							
9. NUMBER OF CLAIMS FILES:							
9.1 Fully paid							
9.2 Outstanding							
9.3 Total							
10. EXPOSURE (SUM INSURED)							

* EXPOSURE refers to sum insured with respect to claims fully paid and still outstanding.



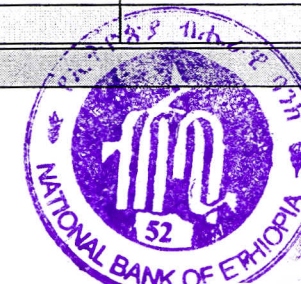
Company	
Year	
Quarter	

One Year Claims Development Factor

in '000 Birr

No.	Class of Business	Provision for o/s claims at the beginning of the year (a)	Total paid from (a) at the end of the accounting year (b)	Still o/s from (a) at the end of the accounting year (c)	Total (d) = (b) + (c)	Variance	
						(e) = (d) - (a)	(e)/(a)
1	Accident						
2	Aviation						
3	Burglary and house breaking						
4	Engineering						
5	Employer's liability						
6	Fire						
7	Goods in transit						
8	Liability						
9	Marine						
10	Medical expense						
11	Motor						
12	Pecuniary						
13	Others						
	Total						

Note: This form shall be returned only at the end of the year together with the forth quarter returns.



C. Claim Triangulation GIDB:C

Page 18

Insurer						
Year						
Quarter						
Claims development	2014 claims	2015 claims	2016 claims	2017 claims	2018 claims	Etc.
Paid in 2014						
Provision at end of 2014						
Paid in 2015						
Provision at end of 2015						
Development						
Paid in 2016						
Provision at end of 2016						
Development						
Paid in 2017						
Provision at end of 2017						
Development						
Paid in 2018						
Provision at end of 2018						
Development						
Etc...						

This form assumes the claims history to extend up to five years. In case the claims history extends beyond 5 years, the triangulation sheet will extend
Claims provision at the end of each shall be reported after adjustment to reflect the current value.



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D. NET REVENUE ACC'T-GIDB: D1

Page 19

Insurer	
Year	
Quarter	

ITEM	1		3	4	5
	Accident GPA/PA	Aviation	Burglary & House breaking	Engineering	Employers Liability
1. NET EARNED PREMIUM					
2. NET CLAIMS INCURRED					
3. MANAGEMENT EXPENSE*					
4. COMMISSION ON:					
4.1 INSURANCE: Incurred					
4.2 RISK SHARING SCHEME:-					
4.2.1 Earned					
4.2.2 Incurred					
4.2.3 Net commission (4.2.1 - 4.2.2)					
4.3 REINSURANCE- Earned :					
4.3.1 Premium					
4.3.2 Profit					
4.3.3 Others					
4.3.4 Sub Total (4.3.1+4.3.2+ 4.3.3)					
4.4 NET COMMISSION [(4.2.3 + 4.3.4) - 4.1]					
5. UNDERWRITING RESULT [1-(2+3+4.4)]					

Note: *Use direct costing method. For all overhead costs use and specify the method that should be consistently applied.



D. NET REVENUE ACC'T-GIDB: D2

Page 20

Insurer	
Year	
Quarter	

ITEM	6	7	8	9	10
	Fire	Goods in transit	Liability	Martine	Medical expanse
1. NET EARNED PREMIUM					
2. NET CLAIMS INCURRED					
3. MANAGEMENT EXPENSE*					
4. COMMISSION ON:					
4.1 INSURANCE: Incurred					
4.2 RISK SHARING SCHEME:-					
4.2.1 Earned					
4.2.2 Incurred					
4.2.3 Net commission (4.2.1 - 4.2.2)					
4.3 REINSURANCE- Earned :					
4.3.1 Premium					
4.3.2 Profit					
4.3.3 Others					
4.3.4 Sub Total (4.3.1+4.3.2+ 4.3.3)					
4.4 NET COMMISSION [(4.2.3 + 4.3.4) - 4.1]					
5. UNDERWRITING RESULT [1-(2+3+4.4)]					

Note: *Use direct costing method. For all overhead costs use and specify the method that should be consistently applied.



D. NET REVENUE ACC'T-GIDB: D3

Page 21

Insurer	
Year	
Quarter	

ITEM	11			12	13	14	15
	Motor			Pecuniary	Others*	Total	Remark
	Own damage	Liability	Sub total				
1. NET EARNED PREMIUM							
2. NET CLAIMS INCURRED							
3. MANAGEMENT EXPENSE*							
4. COMMISSION ON:							
4.1 INSURANCE: Incurred							
4.2 RISK SHARING SCHEME:-							
4.2.1 Earned							
4.2.2 Incurred							
4.2.3 Net commission (4.2.1 - 4.2.2)							
4.3 REINSURANCE- Earned :							
4.3.1 Premium							
4.3.2 Profit							
4.3.3 Others							
4.3.4 Sub Total (4.3.1+4.3.2+ 4.3.3)							
4.4 NET COMMISSION [(4.2.3 + 4.3.4) - 4.1]							
5. UNDERWRITING RESULT [1-(2+3+4.4)]							

Note: *Use direct costing method. For all overhead costs use and specify the method that should be consistently applied.



E. REINSURANCE ACCOUNT SUMMARY-GIDB: E1	
Insurer	
Year	
Quarter	

Page 22

In 000' BIRR

ITEM	1	2	3	4	5
	Accident	Aviation	Burglary & House Breaking	Engineering	Employer's liability
1. INCOME:					
1.1 Claims Paid(B3-1.2)					
1.2 Outstanding claims BF(B3-3.2)					
1.3 Outstanding claims CF(B3-3.2)					
1.4 IBNR BF (B3 -4.2)					
1.5 IBNR CF (B3-5.2)					
1.6 Other claims provision BF(B3. 5.2)					
1.7 Other claims provision CF(B3 -6.2)					
1.8 Amount earned (1.1+1.3+1.5+1.7-1.2-1.4-1.6)=(B3-8.2)					
2. OUTGO:					
2.1 Premium paid(A1.2)					
2.2 Unearned premium BF(A3 - 2.2)					
2.3 Unearned premium CF (A3 -3.2)					
2.4 Other premium Provision BF(A3 -4.2)					
2.5 Other premium Provision CF(A3-5.2)					
2.6 Amount incurred(1.1+1.2+1.4-1.3-1.5)=(A3 - 6.2)					
3. COMMISSION FROM REINSURERS (D3: 4.2 + 4.4)					
4. NET REINSURANCE ACCOUNT (1.8+3-2.6)					
Note: 1. See notes to the statement. 4=underwriting surplus for cession account 2.6 = Incurred costs to the reinsurers(Outgo) 1.8= Earned income from the reinsurer 2.6/1.8 = Loss ratio for cession account					



E. REINSURANCE ACCOUNT SUMMARY-GIDB:E2

Page 23

Insurer	
Year	
Quarter	

In 000' BIRR

	6	7	8	9	10
ITEM	Fire	Goods in transit	Liability	Marine	Medical Expense
1. INCOME:					
1.1 Claims Paid(B3-1.2)					
1.2 Outstanding claims BF(B3-3.2)					
1.3 Outstanding claims CF(B3-3.2)					
1.4 IBNR BF (B3 -4.2)					
1.5 IBNR CF (B3-5.2)					
1.6 Other claims provision BF(B3. 5.2)					
1.7 Other claims provision CF(B3 -6.2)					
1.8 Amount earned (1.1+1.3+1.5+1.7-1.2-1.4-1.6)=(B3-8.2)					
2. OUTGO:					
2.1 Premium paid(A1.2)					
2.2 Unearned premium BF(A3 - 2.2)					
2.3 Unearned premium CF (A3 -3.2)					
2.4 Other premium Provision BF(A3 -4.2)					
2.5 Other premium Provision CF(A3-5.2)					
2.6 Amount incurred(1.1+1.2+1.4-1.3-1.5)=(A3 - 6.2)					
3. COMMISSION FROM REINSURERS (D3: 4.2 + 4.4)					
4. NET REINSURANCE ACCOUNT (1.8+3-2.6)					

Note: 1. See notes to the statement.

4=underwriting surplus for cession account

2.6 = Incurred costs to the reinsurers(Outgo)

1.8= Earned income from the reinsurer

2.6/1.8 = Loss ratio for cession account



E. REINSURANCE ACCOUNT SUMMARY-GIDB:E3

Page 24

Insurer	
Year	
Quarter	

In 000' BIRR

ITEM	11			12	13	14	15
	Motor			Pecuniary	Others*	Total	Proceeding Quarter
	Own D.	Liability	Sub total				
1. INCOME:							
1.1 Claims Paid(B3-1.2)							
1.2 Outstanding claims BF(B3-3.2)							
1.3 Outstanding claims CF(B3-3.2)							
1.4 IBNR BF (B3 -4.2)							
1.5 IBNR CF (B3-5.2)							
1.6 Other claims provision BF(B3. 5.2)							
1.7 Other claims provision CF(B3 -6.2)							
1.8 Amount earned (1.1+1.3+1.5+1.7-1.2-1.4-1.6)=(B3-8.2)							
2. OUTGO:							
2.1 Premium paid(A1.2)							
2.2 Unearned premium BF(A3 - 2.2)							
2.3 Unearned premium CF (A3 -3.2)							
2.4 Other premium Provision BF(A3 -4.2)							
2.5 Other premium Provision CF(A3-5.2)							
2.6 Amount incurred(1.1+1.2+1.4-1.3-1.5)=(A3 - 6.2)							
3. COMMISSION FROM REINSURERS (D3: 4.2 + 4.4)							
4. NET REINSURANCE ACCOUNT (1.8+3-2.6)							

Note: 1. See notes to the statement.

4=underwriting surplus for cession account

2.6 = Incurred costs to the reinsurers(Outgo)

1.8= Earned income from the reinsurer

2.6/1.8 = Loss ratio for cession account



E. RECEIVABLE FROM REINSURERES-GIDB:E4

Page 25

Quarter

In 000' BIRR

[illegible]

F. STATEMENT OF COMPREHENSIVE INCOME-GIDB:F

Insurer	
Year	
Quarter	

In 000'Birr

No.	ITEM	Current Quarter/year	Preceding Quarter/year	Remark
1	Income:			
	1.1 Underwriting result			
	1.2 Income from Investment:			
	1.2.1 Dividend income*			
	1.2.2 Interest Income			
	1.2.3 Rent Income			
	1.2.4 Others (specify)			
	1.3 Total Investment Income(1.2.1 to 1.2.4)			
	1.4 Other non-investment income			
	1.5 Capital gains or losses(specify)			
	1.6 Total Income(1.1+1.3+1.4+1.5)			
2	Expenses:			
	i) General and administrative:			
	2.1 Salaries and employee benefits (non-management)			
	2.2 Administrative and general (attach schedule)			
	2.3 Office Rent			
	2.4 Ordinary general meeting expense			
	2.5 Interest expense			
	2.6 Other financial charges			
	2.7 Director's Remuneration (fixed)			
	2.8 Founders' remuneration			
	2.8 Depreciation-Fixed Assets			
	2.9 Amortization-Intangible assets & leasehold land			
	2.10 Bad debts written off			
	2.11 Provision for doubtful debt			
	2.12 Audit fee and expenses			
	2.13 Other expenses(specify)			
	ii) Investment Expense:			
	2.14 Investment expenses			
	2.15 Total expenses (2.1:2.14)			
3	Net profit before tax (NPBT)(1.5-2.15)			
4	Provision for profit tax (Attach tax schedule)			
5	Net profit after tax (NPAT)(3-4)			
6	Legal reserve (10%of 5)			
7	Other reserves from net profit (specify)			
8	Net profit after legal and other reserves(5-6-7)			

Note * dividend income shall not be reported as an income unless otherwise it is officially declared and when reported evidence for the declaration should be attached.



G. STATEMENT OF FINANCIAL POSITION- GIDB:G

Insurer				
Year				
Quarter				
		In 000'Birr		
No.	ITEM	Current Quarter/Year	Preceding Quarter	Remark
	Asset:			
1	Current Assets:			
	1.1 Cash and cash items:			
	1.1.1 On hand (including revenue stamp etc.)			
	1.1.2 At Bank:			
	1.1.2.1 Saving Account			
	1.1.2.2 Current account			
	Sub total			
	1.2 Debtors:			
	1.2.1 Trade debtors			
	Less: provision for doubtful accounts			
	1.2.2 Due from reinsures(all accounts)			
	Less: provision for doubtful accounts			
	1.2.3 Due from ceding companies			
	Less: provision for doubtful accounts			
	1.2.4 Sundry (attach details)			
	Less: provision for doubtful accounts			
	Sub total			
	1.3 Accrued interest receivable			
	1.4 Prepayments			
	1.5 Deposits other than deposit at bank			
	1.6 Statutory deposits			
	1.7 Deferred charges (specify)			
	1.8 Short Term Investment			
	1.8.1 Treasury bill			
	1.8.2 Fixed time deposit at bank			
	1.8.3 Others (specify)			
	Sub total			
	Total Current Assets(1.1: 1.8)			
2	Long-term Investment			
	2.1 Fixed Time Deposit			
	2.2 Equity/shares			
	2.3 Real Estate			
	2.4 Others (specify)			
	Sub total			
3	Intangible assets (specify)			
4	Fixed Assets:			
	4.1 Lease hold land			
	Less: accumulated amortization			
	4.2 Building			
	Less: accumulated depreciation			
	4.3 Motor vehicles			
	Less: accumulated depreciation			
	4.4 Furniture and fixtures			
	Less: accumulated depreciation			
	4.5 Office Equipment			
	Less: accumulated depreciation			
	4.6 Computer Hardware			
	Less: accumulated depreciation			
	4.7 Software			
	Less: accumulated amortization			
	4.8 Others (specify)			
	Less: accumulated depreciation			
	Sub total			
5	Total Assets			



LIABILITY:			
6	Current liability:		
	i. Non-technical		
	6.1 Payables/creditors		
	6.2 Bank Loan: short term		
	6.3 Due to reinsurers(All accounts)		
	6.4 Provision for income tax		
	6.5 Dividend payable		
	6.6 Directors remuneration payable		
	6.7 Accrued liability		
	6.8 Employee's liability		
	6.9 Provident fund		
	6.10 Other (Specify)		
	Sub total		
	ii. Technical Provisions:		
	6.11 Outstanding Claims		
	6.12 Unearned Premium (UPP)		
	6.13 Other technical provision		
	6.13.1 premium		
	6.13.2 Claims (IBNR, IBNER, FGB etc.)		
	6.13.3 Other (Specify)		
	Sub total		
	Total Current Liability		
7	Long term liability		
	7.1 Bank Loan: Long term		
	7.2 Others (Specify)		
	Sub total		
8	Total Liability		
CAPITAL AND RESERVES:			
9	Capital:		
	11.1 Paid-up Capital		
	11.2 Share Premium		
	11.3 Legal Reserve		
	11.4 Retained Profit		
	11.5 Other (Specify)		
	Sub total		
10	Total Liability, Provisions and Capital		



F. STATEMENT OF CHANGES IN EQUITY-GIDB:H

Insurer	
Year	
Quarter	

(000 Birr)

	ITEM	Current quarter/year	Prior quarter/year
1	Equity at beginning of the quarter/year		
2	Add:		
	2.1 Paid up capital during the year/quarter		
	2.2 Share premium		
3	Sub Total		
4	Net income (loss) for the quarter/year		
	less:		
	4.1 Dividends declared to shareholders		
	Add:		
	4.2 Retained profit for the quarter/year(4-4.1)		
5	Equity at the end of the Quarter/year (1+3+4.2)		



I. STATEMENT OF CASH FLOWS- GIDB: I

Page 30

Insurer	
Year	
Quarter	

In 000'Birr

No.	ITEM	End of the Current Year	End of the preceding Year	Remark
1	A. Operating activities:			
	1.1 Net profit or(loss) before taxation			
	1.2 Dividend income			
	1.3 Interest income			
	1.4 Gain on disposal of property, plant and equipment			
	1.5 Provision for doubtful debts			
	1.6 Depreciation			
	1.7 Amortization			
	1.8 Others (specify)			
	1.9 Sub total			
	B. Change in Working capital activities:			
	1.10 Increase/decrease in trade debtors			
	1.11 Increase/decrease in other debtors			
	1.12 Increase/decrease in due from reinsurers			
	1.13 Increase/decrease in outstanding claims			
	1.14 Increase/decrease in unearned premium			
	1.15 Increase/decrease in other provisions			
	1.16 Increase/decrease in due to reinsurers			
	1.17 Increase/decrease in payable/creditors			
	1.18 Increase/decrease in others (specify)			
	1.19 Sub total			
	C. Cash generated from operation			
	1.20 Interest paid			
	1.21 Tax paid			
	1.22 Sub total			
	1.23 Net cash provided (used) by operating activities(1.9+1.19+1.22)			
2	Investing Activities			
	2.1 Purchase of fixed assets			
	2.2 Leasehold land			
	2.3 Increase in statutory deposit			
	2.4 Change in time deposit			
	2.5 Investment in shares			
	2.6 Others (specify)			
	2.7 Net cash provided (used) by Financing activities			
3	Financing Activities			
	3.1 Proceeds from sale of ordinary shares			
	3.2 Proceeds from borrowing			
	3.3 Payment for buy-back of shares			
	3.4 Repayment of borrowing			
	3.5 Dividend paid			
	3.6 Others (specify)			
	3.7 Net cash used in financing activities			
4	Change in cash and bank balances during the year(1.23+2.7+3.7)			
5	Cash and bank balances at the beginning of the year			
6	Cash and bank balances at the end of the year(4+5)			

Note: This return is required once in a year, June 30 condition



J. REINSURANCE- TREATY SUMMARY-GIDB:J

Insurer														
Year														
Quarter														
No.	Particulars	Accident	Aviation	Burglary and house breaking	Engineering	Employer's liability***	Fire	Goods in transit	Liability	Marine	Medical	Motor	Pecuniary	Others*
1	Type of treaty													
2	Inception date													
3	Name(s) of reinsurers and their credit rating													
4	Retention													
5	Number of lines or layers													
6	Maximum automatic capacity													
7	Reinsurance commission:													
	- Premium													
	- Profit													
	- Others													
8	Minimum premium deposit													
9	Cash call facility													



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K. REINSURANCE - Placement Summary - GIDB:K

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Insurer	
Year	
Quarter	

In 000'Birr

No.	Class of Business	Insurance		Retention		Treaty placement		Facultative placement		Exposures not reinsured	
		Sum insured	Premium	Sum insured	Premium	Sum insured	Premium	Sum insured	Premium	Sum insured	Premium
1	Accident										
2	Aviation										
3	Burglary and hose breaking										
4	Engineering										
5	Employer's liability										
6	Fire										
7	Goods in transit										
8	Liability										
9	Marine										
10	Medical expense										
11	Motor										
12	Pecuniary										
13	Others										



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LIFE INSURANCE RETURNS



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Insurer	
Year	
Quarter	

In'000 Birr

Item	Whole Life	Endowment	Term	Permanent health	investment linked	Others	Total
1. PREMIUM-direct							
1.1 Gross from - Public							
- Insurers							
- Reinsurers							
Total Gross premium							
1.2 Cession							
1.3 Net (1.1-1.2)							
2. Actuarial provision-BF**							
2.1 Gross							
2.2 Share of reinsurer							
2.3 Net (1.1-1.2)							
3. Actuarial provision-CF**							
3.1 Gross							
3.2 Share of reinsurer							
3.3 Net							
4. Other actuarial provision-BF**							
4.1 Gross							
4.2 Cession							
4.3 Net							
5. Other actuarial provision -CF**							
5.1 gross							
5.2 cession							
5.3 net							
6. Increase (decrease) in life fund[(2+4)-(3+5)]							
6.1 Gross							
6.2 Share of reinsurer							
6.3 Net (1.1-1.2)							
7. Net premium earned (1 + 6)							
7.1 Gross							
7.2 Share of reinsurer							
7.3 Net							
8. NUMBER OF POLICIES							
9. SUM INSURED- ALL POLICIES							
10. NUMBER OF LAPSED/SURRENDERED POLICIES							
11. SUM INSURED- LAPSED/SURRENDERED POLICIES							

Note: See notes to the statement.

* Premium from inward risk acceptance and inward reinsurance as applicable

** Actuarial or mathematical reserve



B. CLAIMS ACCOUNT-LIDB:B1

Page 34

Insurer	
Year	
Quarter	

Item	Whole Life	Endowment	Term	Permanent health	investment linked	Others	Total
1. PAID							
1.1 Gross							
1.2 Cession							
1.3 Net (1.1-1.2)							
2. OUTSTANDING CLAIMS:BF*							
2.1 Gross							
2.2 Cession							
2.3 Net (2.1-2.2)							
3. OUTSTANDING CLAIMS:CF*							
3.1 Gross							
3.2 Cession							
3.3 Net (3.1-3.2)							
4. OTHER CLAIM PROVISIONS: BF							
4.1 Gross							
4.2 Cession							
4.3 Net (4.1-4.2)							
5. OTHER CLAIM PROVISIONS:CF							
5.1 Gross							
5.2 Cession							
5.3 Net (5.1-5.2)							
6. INCURRED CLAIMS							
6.1 Gross (1.1-2.1+3.1-4.1+5.1)							
6.2 Cession (1.2-2.2+3.2-4.2+5.2)							
6.3 Net (1.3-2.3+3.3-4.3+5.3)							
9. NUMBER OF CLAIMS FILES							
9.1 Fully paid							
9.2 Outstanding							
9.3 Total							
10. EXPOSURE***							

*Death, maturity etc.

** policy holders dividend, surrender value

Note: See notes to the statement.

*** EXPOSURE refers to sum insured with respect to claims fully paid and still outstanding



C. One Year Claims Development Factor LIDB:C1

Page 35

Company	
Year	
Quarter	

in '000 Birr

No.	Class of Business	Provision for o/s claims at the beginning of the year (a)	Total paid from (a) at the end of the accounting year (b)	Still o/s from (a) at the end of the accounting year (c)	Total (d)= (b) + (c)	Variance	
						(e)=(d) -(a)	(e)/(a)
1	Whole life						
2	Endowment						
3	Term						
4	Permanente Health						
5	Investment linked						
6	Others						
	Total						

Note: This form shall be returned only at the end of the year together with the forth quarter returns.



C. Claims Triangulation GIDB:C2

Page 36

Insurer						
Year						
Quarter						
Claims development	2014 claims	2015 claims	2016 claims	2017 claims	2018 claims	Etc.
Paid in 2014						
Provision at end of 2014						
Paid in 2015						
Provision at end of 2015						
Development						
Paid in 2016						
Provision at end of 2016						
Development						
Paid in 2017						
Provision at end of 2017						
Development						
Paid in 2018						
Provision at end of 2018						
Development						
Etc...						

This form assumes the claims history to extend up to five years. In case the claims history extends beyond 5 years, the triangulation sheet will extend
 Claims provision at the end of each shall be reported after adjustment to reflect the current value.



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D. NET REVENUE ACC'T-LIDB: D1

Page 37

Insurer	
Year	
Quarter	

In '000 Birr

ITEM	Whole Life	Endowment	Term	Permanent health	investment linked	Others	Total
1. NET EARNED PREMIUM							
2. NET CLAIMS INCURRED							
3. MANAGEMENT EXPENSE*							
4. COMMISSION ON:							
4.1 INSURANCE: Incurred							
4.2 RISK SHARING SCHEME:-							
4.2.1 Earned							
4.2.2 Incurred							
4.2.3 Net commission (4.2.1 - 4.2.2)							
4.3 REINSURANCE- Earned :							
4.3.1 Premium							
4.3.2 Profit							
4.3.3 Others							
4.3.4 Sub Total (4.3.1+4.3.2+ 4.3.3)							
4.4 NET COMMISSION [(4.2.3 + 4.3.4) - 4.1]							
5. UNDERWRITING RESULT [1-(2+3+4.4)]							

Note: *Use direct costing method. For all overhead costs use and specify the method that should be consistently applied.



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E. REINSURANCE ACCOUNT SUMMARY-LIDB: E1

page 38

Insurer	
Year	
Quarter	

ITEM	Whole life	Endowment	Term	Permanent Health	Investment linked	Others	Total
1. INCOME:							
1.1 Claims received(B1.2)							
1.2 Outstanding claims BF(B3.2)							
1.3 Outstanding claims CF(B3.2)							
1.4 Other claims provision BF(B4.2)							
1.5 Other claims provision CF(B5.2)							
1.6 Amount earned (2.1+2.3+2.5-2.2-2.4)							
2. OUTGO:							
2.1 Premium paid (A1.2)							
2.2 Actuarial provision - BF(A2.2)							
2.3 Actuarial provision- CF (A3.2)							
2.4 Other actuarial provision- BF(A4.2)							
2.5 Other actuarial provision- CF(A5.2)							
2.6 Amount incurred (1.1+1.2+1.4-1.3-1.5)=(A6.2)							
3. COMMISSION (D10.2)							
3.1 Premium Commission (D10.2.1)							
3.2 Profit Commission(D10.2.2)							
3.3 Others							
3.4 Total reinsurance commission(3.1-3.3)							
4. NET REINSURANCE ACCOUNT (1.6+3.4-2.6)							
Note: 1. See notes to the statement.							



F. STATEMENT OF COMPREHENSIVE INCOME-LIDB:F

Insurer

Year

Quarter

In 000'Birr

No.	ITEM	Current Quarter	Preceding Quarter	Remark
1	Income:			
1.1	Underwriting result			
1.2	Income from Investment:			
1.2.1	Dividend income*			
1.2.2	Interest Income			
1.2.3	Rent Income			
1.2.4	Others (specify)			
1.3	Total Investment Income(1.2.1 to 1.2.4)			
1.4	Other non-investment income			
1.5	Capital gains or losses(specify)			
1.6	Total Income(1.1+1.3+1.4+1.5)			
2	Expenses:			
i)	General and administrative:			
2.1	Salaries and employee benefits (non-management)			
2.2	Administrative and general (attach schedule)			
2.3	Office Rent			
2.4	Ordinary general meeting expense			
2.5	Interest expense			
2.6	Other financial charges			
2.7	Director's Remuneration (fixed)			
2.8	Founders' remuneration			
2.8	Depreciation-Fixed Assets			
2.9	Amortization-Intangible assets & leasehold land			
2.10	Bad debts written off			
2.11	Provision for doubtful debt			
2.12	Audit fee and expenses			
2.13	Other expenses(specify)			
ii)	Investment expense:			
2.14	Investment expenses			
2.15	Total expenses (2.1:2.14)			
3	Net profit before tax (NPBT)(1.5-2.15)			
4	Provision for profit tax (Attach tax schedule)			
5	Net profit after tax (NPAT)(3-4)			
6	Legal reserve (10%of 5)			
7	Other reserves from net profit (specify)			
8	Net profit after legal and other reserves(5-6-7)			

Note * dividend income shall not be reported as an income unless otherwise it is officially declared. When reported evidence for the declaration should be attached.



G. STATEMENT OF FINANCIAL POSITION- LIDB:G

Insurer				
Year				
Quarter				
		In 000'Birr		
No.	ITEM	Current Quarter	Preceding Quarter	Remark
	Asset:			
1	Current Assets:			
	1.1 Cash and cash items:			
	1.1.1 On hand (including revenue stamp etc.)			
	1.1.2 At Bank:			
	1.1.2.1 Saving Account			
	1.1.2.2 Current account			
	Sub total			
	1.2 Debtors:			
	1.2.1 Trade debtors			
	Less: provision for doubtful accounts			
	1.2.2 Due from reinsures(all accounts)			
	Less: provision for doubtful accounts			
	1.2.3 Due from ceding companies			
	Less: provision for doubtful accounts			
	1.2.4 Sundry (attach details)			
	Less: provision for doubtful accounts			
	Sub total			
	1.3 Accrued interest receivable			
	1.4 Prepayments			
	1.5 Deposits other than deposit at bank			
	1.6 Statutory deposits:			
	1.6.1 In Government security			
	1.6.2 in Cash			
	1.7 Deferred charges (specify)			
	1.8 Short term investment			
	1.8.1 Treasury bill			
	1.8.2 Fixed time deposit at bank			
	1.8.3 Others (specify)			
	Sub total			
	Total Current Assets(1.1: 1.8)			
2	Long-term Investment			
	2.1 Fixed Time Deposit			
	2.2 Equity/shares			
	2.3 Real Estate			
	2.4 Others (specify)			
	Sub total			
3	Intangible assets (specify)			
4	Fixed Assets:			
	4.1 Lease hold land			
	Less: accumulated amortization			
	4.2 Building			
	Less: accumulated depreciation			
	4.3 Motor vehicles			
	Less: accumulated depreciation			
	4.4 Furniture and fixtures			
	Less: accumulated depreciation			
	4.5 Office Equipment			
	Less: accumulated depreciation			
	4.6 Computer Hardware			
	Less: accumulated depreciation			
	4.7 Software			
	Less: accumulated amortization			
	4.8 Others (specify)			
	Less: accumulated depreciation			
	Sub total			
5	Total Assets			



LIABILITY:			
6	Current liability:		
	i. Non-technical		
	6.1 Payables/creditors		
	6.2 Bank Loan: short term		
	6.3 Due to reinsurers(All accounts)		
	6.4 Provision for income tax		
	6.5 Dividend payable		
	6.6 Directors remuneration payable		
	6.7 Accrued liability		
	6.8 Employee's liability		
	6.9 Provident fund		
	6.10 Other (Specify)		
	Sub total		
	ii. Technical Provisions:		
	6.11 Outstanding Claims		
	6.12 Life fund ending		
	6.13 Other technical provision		
	6.13.1 premium		
	6.13.2 Claims		
	6.13.3 Other (Specify)		
	Sub total		
	Total Current Liability		
7	Long term liability		
	7.1 Bank Loan: Long term		
	7.2 Others (Specify)		
	Sub total		
8	Total Liability		
CAPITAL AND RESERVES:			
9	Capital:		
	11.1 Paid-up Capital		
	11.2 Share Premium		
	11.3 Legal Reserve		
	11.4 Retained Profit		
	11.5 Other (Specify)		
	Sub total		
10	Total Liability, Provisions and Capital		



H. STATEMENT OF CHANGES IN EQUITY-LIDB:H

Insurer	
Year	
Quarter	

(000 Birr)

No.	ITEM	Current quarter/year	Preceding quarter/year
1	Equity at beginning of the quarter/year		
2	Add:		
2.1	Paid up capital during the year/quarter		
2.2	Share premium		
3	Sub Total		
4	Net income (loss) for the quarter/year		
	less:		
4.1	Dividends declared to shareholders		
	Add:		
4.2	Retained profit for the quarter/year(4-4.1)		
5	Equity at the end of the Quarter/year (1+3+4.2)		



I. STATEMENT OF CASH FLOWS- LIDB: I

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Insurer	
Year	
Quarter	

In 000'Birr

No.	ITEM	End of the Current Year	End of the preceding Year	Remark
1	A. Operating activities:			
1.1	Net profit or(loss) before taxation			
1.2	Dividend income			
1.3	Interest income			
1.4	Gain on disposal of property, plant and equipment			
1.5	Provision for doubtful debts			
1.6	Depreciation			
1.7	Amortization			
1.8	Others (specify)			
	1.9 Sub total			
	B. Change in Working capital activities:			
1.10	Increase/decrease in trade debtors			
1.11	Increase/decrease in other debtors			
1.12	Increase/decrease in due from reinsurers			
1.13	Increase/decrease in outstanding claims			
1.14	Increase/decrease in unearned premium			
1.15	Increase/decrease in other provisions			
1.16	Increase/decrease in due to reinsurers			
1.17	Increase/decrease in payable/creditors			
1.18	Increase/decrease in others (specify)			
	1.19 Sub total			
	C. Cash generated from operation			
1.20	Interest paid			
1.21	Tax paid			
	1.22 Sub total			
	1.23 Net cash provided (used) by operating activities(1.9+1.19+1.22)			
2	Investing Activities			
2.1	Purchase of fixed assets			
2.2	Leasehold land			
2.3	Increase in statutory deposit			
2.4	Change in time deposit			
2.5	Investment in shares			
2.6	Others (specify)			
	2.7 Net cash provided (used) by Financing activities			
3	Financing Activities			
3.1	Proceeds from sale of ordinary shares			
3.2	Proceeds from borrowing			
3.3	Payment for buy-back of shares			
3.4	Repayment of borrowing			
3.5	Dividend paid			
3.6	Others (specify)			
	3.7 Net cash used in financing activities			
4	Change in cash and bank balances during the year(1.23+2.7+3.7)			
5	Cash and bank balances at the beginning of the year			
6	Cash and bank balances at the end of the year(4+5)			

Note: This return is required once in a year, June 30 condition



Insurer	
Year	
Quarter	

No.	Particulars	Whole Life	Endowment	Term	Permanent health	Investment linked	Others	Total	Remark
1	Type of treaty								
2	Inception date								
3	Name(s) of reinsurers and their credit rating								
4	Retention								
5	Maximum automatic capacity								
6	Reinsurance commission: - Premium - Profit - Others								
7	Minimum premium deposit								
8	Cash call facility								



K. REINSURANCE - Placement Summary LIDB:K

Page 46

Insurer	
Year	
Quarter	

In 000'Birr

No.	Class of Business	Insurance		Retention		Treaty		Facultative *		Exposures not reinsured	
		Sum insured	Premium	Sum insured	Premium	Sum insured	Premium	Sum insured	Premium	Sum insured	Premium
1	Whole life										
2	Endowment										
3	Term										
4	Permanent Health										
5	investment liked										
6	Others										
7	etc.										
8											
9											
10											
11											
12											
13											

Note: * All insurers shall compile and maintain a schedule containing all the details of the facultative reinsurance placements and provide it when requested by the National Bank



RISK SHARING SCHEME



A. RISK SHARING SCHEME - SCHEDUAL

Page 47

Insurer	
Year	
Quarter	

Class of insurance	Sum insured transferred	Premium	Commission	Remark
Accident				
Aviation				
Burglary and house breaking and theft				
Engineering				
Employer's liability				
Fire				
Goods in transit				
Liability				
Marine				
Medical expense				
Motor				
Pecuniary				
Life insurance				
Others				

Insurers shall fill this from for all risks transferred in response to risk sharing scheme



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INWARD REINSURANCE SCHEDULE

Note: This schedule is filled by EIC only



9

A. INWARD REINSURANCE - PREMIUM ACCOUNT

IRB: A1

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Insurer										
Year										
Quarter										
	Class of Business Including Life Insurance Business									
1. PREMIUM										
1.1 Gross										
1.2 Retrocession										
1.3 Net (1.1-1.2)										
2. UNEARNED PREMIUM PROVISION (BF)										
2.1 Gross										
2.2 Retrocession										
2.3 Net (2.1-2.2)										
3. UNEARNED PREMIUM PROVISION (CF)										
3.1 Gross										
3.2 Cession										
3.3 Net (3.1-3.2)										
4. OTHER- PREMIUM PROVSIONS(BF)*										
4.1 Gross										
4.2 Retrocession										
4.3 Net (4.1-4.2)										
5. OTHER- PREMIUM PROVISIONS (CF)*										
5.1 Gross										
5.2 Retrocession										
5.3 Net (5.1-5.2)										
6. EARNED PREMIUM										
6.1 Gross (1.1+2.1-3.1+4.1-5.1)										
6.2 Retrocession (1.2+2.2-3.2+4.2-5.2)										
6.3 Net (1.3+2.3-3.3+4.3-5.3)										
7. NUMBER OF POLICIES**										
8. SUM INSURED- ALL POLICIES**										

Note: See notes to the statement.

* Specify the type of other premium provisions

** Sources could be underwriting bordereau



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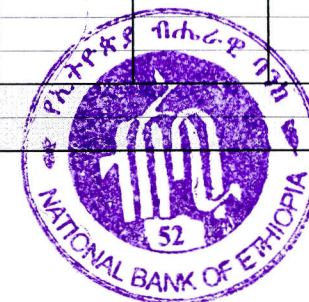
Insurer	
Year	
Quarter	

In 000' BIRR

Item	Class of Business							
1. PAID								
1.1 Gross								
1.2 Retrocession								
1.3 Net (1.1-1.2)								
2. OUTSTANDING CLAIMS:BF								
2.1 Gross								
2.2 Retrocession								
2.3 Net (2.1-2.2)								
3. OUTSTANDING CLAIMS:CF								
3.1 Gross								
3.2 Retrocession								
3.3 Net (3.1-3.2)								
4. OTHER CLAIM PROVISIONS: BF								
4.1 Gross								
4.2 Retrocession								
4.3 Net (4.1-4.2)								
5. OTHER CLAIM PROVISIONS:CF								
5.1 Gross								
5.2 Retrocession								
5.3 Net (5.1-5.2)								
6. INCURRED CLAIMS								
6.1 Gross (1.1-2.1+3.1-4.1+5.1)								
6.2 Retrocession (1.2-2.2+3.2-4.2+5.2)								
6.3 Net (1.3-2.3+3.3-4.3+5.3)								
9. NUMBER OF CLAIMS FILES								
9.1 Fully paid								
9.2 Outstanding								
9.3 Total								
10. EXPOSURE (SUM INSURED)								

* EXPOSURE refers to sum insured with respect to claims fully paid and still outstanding.

Note: See notes to the statement.



C. INWARD REINSURANCE -NET REVENUE ACC'T IRB:C1

Page 50

Insurer	
Year	
Quarter	

In 000' BIRR

ITEM	Class of Business								
1. NET EARNED PREMIUM									
2. NET CLAIMS INCURRED									
3. MANAGEMENT EXPENSE*									
4. COMMISSION INCURRED									
4.1 Premium									
4.2 Profit									
4.3 Total(4.1 + 4.2)									
5. UNDERWRITING RESULT [1-(2+3+4.3)]									
Note: *Use direct costing method. For all overhead costs, specify the method of allocation and apply consistently.									



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D. INWARD REINSURANCE -ACCOUNT SUMMARY IRB:D1

Page 51

Insurer	
Year	
Quarter	

In 000' BIRR

	Class of Business								
1. INCOME:									
1.1 Premium paid(A1.2)									
1.2 Unearned premium BF(A2.2)									
1.3 Unearned premium CF (A4.2)									
1.4 Other premium Provision BF(A4.2)									
1.5 Other premium Provision CF(A5.2)									
1.6 Amount earned(1.1+1.2+1.4-1.3-1.5)=(A6.2)									
2. OUTGO:									
2.1 Claims paid(B1.2)									
2.2 Outstanding claims BF(B3.2)									
2.3 Outstanding claims CF(B3.2)									
2.4 Other claims provision BF(B4.2)									
2.5 Other claims provision CF(B5.2)									
2.6 Amount incurred(2.1+2.3+2.5-2.2-2.4)									
3. REINSURANCE COMMISSION (D10.2)									
3.1 Premium Commission (D10.2.1)									
3.2 Profit Commission(D10.2.2)									
3.3 Total Reinsurance Commission(3.1+3.2)									
4. NET REINSURANCE ACCOUNT [1.6 - (2.6+3.3)]									

Note: 1. See notes to the statement.

2. Use separate but same format to summarize the reinsurance transaction facultative concluded with domestic insurance companies.



Insurer			Page 52
Year			
Quarter			

AFFIDAVIT VERIFYING RETURN

That the foregoing quarterly return, together with the related exhibits, schedules and explanations filed or to be filed as part thereof, is a full and correct report of all assets, liabilities, income, expenditure and of the condition and affairs of the insurer in respect of its business of insurance, as of the..... day of 20, and for the quarter/year ended on that day.

That all the assets reported in the return and schedules were, as of the.....day of 20, the absolute property of the insurer free and clear from any liens and claims except as therein stated.

That we have satisfied ourselves, based on the information currently available, that the provision for unpaid claims and adjustment expenses, as shown in the quarterly return is adequate to cover all costs of ultimate settlement, including internal and external adjustment expenses and claims that have been incurred but not reported.

That the insurer is in compliance with the applicable laws of the Federal Democratic Republic of Ethiopia and the provisions of the directives issued by the National Bank.

Checked by SEO, Finance	
Name	
Status	
Signature	
Date	

Approved by CEO or Board Member:	
Name	
Status	
Signature	
Date	

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Annex and Attachments



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ANNEX - I

Definition of Classes of Insurance Business

1. General Insurance Business

For the purpose of these directives, classes of general insurance shall include:

1.1. Accident Insurance

Group or personal accident contracts of insurance that provide fixed pecuniary benefit to a person who sustains injury or death as a result of accident and for whose benefit the contract is made

1.2. Aircraft Insurance

Provides coverage for the loss, or damage to an aircraft, and liability for passengers and third parties, freight transport by air, and any other covers customarily provided under this class of insurance.

1.3. Burglary and House Breaking and Theft Insurance

Insurance against loss of or damage to property caused by theft, burglary, housebreaking or robbery.

1.4. Engineering Insurance

Insurance of various perils arising out of explosion or collapse of boiler & pressure plant; breakdown of electrical or mechanical plant, lifts and cranes; and machinery break down (MBD) and resultant damage to the insured's surrounding property and liability to third parties arising therefrom. It shall also include contracts of insurance in respect of Contractors' All Risks (CAR), Electronic Equipment Insurance (EEI), Erection All Risks (EAR), and damage to property on site and third party liability arising therefrom, Loss of Profits following Machinery Breakdown Insurance (LOP), Deterioration of Stock in Cold Storage Insurance Policy (DOS) as well as any other insurance customarily included under this class of insurance.

1.5. Employer's Liability Insurance

Insurance against liability arising out of occupational disease or bodily injury to, or the disability or death of, an employee of the insured occurring as a result of or in the course of employment.

1.6. Fire Insurance

Insurance against loss of or damage to the property insured caused by fire, lightning, smoke or explosion due to ignition, and includes sprinkler leakage insurance and extension of cover such as storm, flood, earthquake etc. as well as any other insurance customarily included under this class of insurance.



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Directives No. SIB/38/2014

1.7. Goods in Transit Insurance

Insurance, other than marine insurance, against loss of or damage to property while in transit or during delay incidental to transit.

1.8. Liability Insurance

Includes directors' and officers' insurance, product liability insurance, public liability insurance, professional indemnity insurance and any other liability insurance not specified in other classes as defined herein.

1.9. Marine Insurance

Insurance against ship hull, liability arising out of bodily injury to, or the death of, a person or the loss of or damage to property during a voyage or marine adventure at sea or on an inland waterway, or during incidental delay or during transit, otherwise than by water, incidental to such a voyage or marine adventure.

1.10. Medical Expense Insurance

Insurance that provides coverage for medicine, visits to the doctor or emergency room, hospital stays and other medical expenses and such other incidental costs.

1.11. Motor Insurance

Provides protection against loss of or damage to the motor vehicle and the loss of use of it; and/or against liability arising out of bodily injury to or the death of a person, or loss of or damage to property caused by the motor vehicle or the use or operation of it.

1.12. Pecuniary Insurance

Includes:

- a) **Credit Insurance:** insurance against loss caused by the insolvency, default or death of a person to whom credit is given, not being insurance included in or incidental to any other class of insurance;
- b) **Fidelity Insurance :** insurance against loss caused by the unfaithful performance of duties by a person in a position of trust or insurance whereby an insurer undertakes to guarantee the proper fulfillment of the duties of an office;
- c) **Surety Insurance:** insurance whereby an insurer undertakes to guarantee the due performance of any contract or undertaking, or the payment of indemnity for any default;



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- d) **Money Insurance:** insurance against loss or damage to cash in safe and/or cash in transit; and
- e) other similar insurances customarily falling under this class of insurance.

1.13. Others

Includes other classes of general insurance not mentioned herein above.

2. Long Term Insurance Business

For the purpose of these directives, classes of long term insurance business shall include:

2.1. Term Life Assurance

Term life assurance covers the insured person for a specific period of time, the “term” that is mentioned in the policy. It pays an amount of money to a designated beneficiary only when the insured person dies within that specific period.

2.2. Whole Life Assurance

A type of life insurance policy that stays in force for the insured's entire life, as long as the premiums are paid.

2.3. Endowment Assurance

A form of life assurance that provides for the payment of a specific sum directly to a policy holder at the designated date or to his beneficiary should he dies before this date.

2.4. Permanente Health Insurance

A type of insurance coverage that pays for medical and surgical expenses that are incurred by the insured.

2.5. Investment linked insurance

An insurance policy issued by an insurer engaged in long term insurance business of which the amount of the insurer's liability depends on the value of returns from applying the premium in selected investments, but which provide guaranteed benefits on maturity or death of the insured;

2.6. Other

Includes other classes of long term insurances not mentioned herein above



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ATTACHMENT

Guiding Notes to the Financial Returns

1. Class of Insurance
 In defining the classes of insurance, alphabetical order is followed. In this classification, due care has been taken to distinguish between a “**policy**” and a “**cover**” under a policy. For example, liability policies refer to Product Liability Policy, Public Liability Policy, Employers Liability Policy (Workmen’s Compensation Policy) etc. Liability as a **Cover**, for example, specifically identified under motor policies and separately represented in the formats.

In general, the class of insurance and the covers under each classes of insurance are revisited and sorted out to take the following patterns.

Table 1: Definition of Class of Insurance

No.	Class of insurance	Covers	Remark
A	General Insurance		
1	Accidents	Group personal Accident (GPA) and Personal Accident (PA)	
2	Aircraft	Hull, Cargo, and Liability	
3	Burglary and Housebreaking And/or Theft	Forceful intrusion and theft	
4	Engineering	All covers customarily falling under this class of insurance including, but not limited to, CAR, EAR, CPM, Boiler, Liability etc.	
5	Employer’s Liability	Work related accidental injury and death and disease	Commonly called Workmen’s Compensation
6	Fire	Standard cover and all allied perils (extension) cover	
7	Goods in transit	Goods in transit	
8	Liability	Product liability, Public liability, Professional Indemnity, etc	
9	Marine	Hull, Cargo and Liability	
10	Medical expense	Medical treatment, illness, accident, any medical condition	
11	Motor	Own damage and liability	
12	Pecuniary	Fidelity Guarantee, Money, all Bonds (excluding Financial Guarantee and Unconditional Bonds)*	<i>Directive No.SIB/24/2004 bars FGB and all unconditional Bonds</i>
13	Others	All other covers not specified herein	



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B	Long term insurance		
1	Term	Group term, individual term and mortgage term (protection only)	
2	Endowment	Protection and saving	
3	Whole life	Protection and saving	
4	Permanent health	Health protection	
5	Investment linked insurance	Minimum benefit is guaranteed and part of the premium linked to certain investments which would provide benefit depending on the result of that linkage	
6	Others	All other covers not specified herein	

2. Return Formats

2.1. Objectives

The formats are designed to enable the National Bank to:

- ✓ collate both financial and non-financial information periodically from insurers, which is vitally essential to conduct comprehensive analysis on the financial soundness and the corporate governance of the insurer, and
- ✓ eventually ensure the stability of individual insurers and the insurance sector on on-going basis;

2.2. Compilation of the Returns

The returns are required to be compiled separately for general insurance, long-term insurance, risk sharing scheme and inward reinsurance business as specified in the Directives. Some formats may not be filled quarterly as changes in particulars may not occur in that specific period. However, all formats will be completely filled and delivered to the National Bank of Ethiopia at the beginning of every year.

2.3. Non-financial (qualitative) Information

The qualitative information to be gathered either quarterly and/or yearly are defined in the prescribed formats. The purpose is to monitor the corporate governance issues of the insurers periodically and to monitor the risk management practices exercised by an insurer ongoing basis.

2.4. Financial (Quantitative) Information

The financial return formats, with respect to each class of insurance, have been designed. The order of compilation follows the natural flow of the information and accounts. It starts with the detail information of the **Premium** accounts followed by **Claims** accounts. Subsequently, summary of the **Net Revenue** accounts and the **cession or the reinsurance trade balance at the balance sheet date** have been formulated. Formats for **statement of comprehensive income, financial position, changes in equity** and **cash flows** have been presented. The details of reinsurance



arrangements for each class of insurance would be reported in a separate form. Risk sharing scheme and inward reinsurance arrangements has also been made part of the return formats, which again need to be reported separately and independently.

3. Definition and Explanation for Some Technical Accounts

For ease of referencing, to create common and shared understanding on the formats, to ensure smooth flow of information from the insurers to the National Bank, the following notes on the financial return formats are compiled.

The new formats are identified by a combination of letters, **GIDB and LIDB**, which stands for **General Insurance Direct Business and Long-term Insurance Direct Business respectively**, as differentiating code from the Inward Reinsurance Business and risk sharing scheme. Some of the financial return formats have been given alphabetical reference suffixed to GIDB. For example, GIDB-A summarizes the premium details and GIDB-B summarizes the details on claims. Furthermore, each page under a given account, for example, **premium**, can be sub-classified and extended by adding a suffix A1, A2 and A3 to **GIDB**. This sub classification would give flexibility to the formats where a new separate class of business is added on, the format can easily be extended by inserting new page or columns as the case may be. The method has also been applied to long-term insurance business as well.

a) **GIDB-A: Premium Account Details**

GIDB-A summarizes premium account details, from direct business, that ultimately shows the earned premium of an insurer in a given quarter/year.

- i. **Classes of Insurance**
Takes the definition given in the annex.
- ii. **Gross Premium**
Comprises gross written premium from the public, insurers in the case of risk sharing scheme and reinsurers in case of inward reinsurance transaction.
- iii. **Cession Account**
Cession amounts should be determined in accordance with treaty agreements.
- iv. **Unearned Premium Provision (UPP) for**
Follows the method set forth in the directive under sub-article 6.2.1)¹ of these Directives.

¹For the purpose of calculating UPP, the preceding 12 months premium production in terms of Gross, Cession and Net Premium should be attached. To ease the calculation and maintain consistency in the application of the method throughout the sector, **EXCEL based (soft copy) calculation method** is developed by ISD and will be made available to each insurer upon request.



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v. **Other Technical Provisions-Premium**

This account is set to provide flexibility for additional provision with respect to premium that may be held by the insurer in addition to the minimum provision they are expected to set aside under these directives.

- vi. Earned premium should be calculated separately for Gross, Cession and Net accounts, as stipulated in the format.

b) GIDB-B: Claims Account Detail

GIDB-B summarizes the claims accounts of an insurer and helps to arrive at incurred claims in a given quarter/year.

i. Outstanding Claims

The outstanding claims provision and the method together with the expert's (claims expert, loss assessor, loss adjustor, actuary etc) views should be retained in the claim files for the purpose of ease of reference and supervisory review (see also Sub Article 6.2.2 of These Directives). Moreover, it is required to be reported separately and independently.

ii. Technical Provision for Claims Include

✓ **Outstanding Claims**

Outstanding claims would be calculated as per sub-article 6.2.2 of these Directives.

✓ **IBNR**

Incurred But Not Reported Claims (IBNR) would be calculated as per sub-article 6.2.3 of these Directives.

✓ **Other Provisions such as**

Justifiable provision for claims which have not been determined in accordance with specific provisions for outstanding claims, IBNR, or others

c) GIDB-C: Claims Triangulation

This form exclusively summarizes the claims outstanding by year of claims incurred. It illustrates the development of the outstanding claims over the years. The format assumes the maximum duration of a claims in a given year to run up to 5 years. In case the claims still outstanding at the end of the 5th year, the triangulation will extend to gauge the progress of the claims development until the outstanding balance paid out altogether.

d) GIDB-D: Net Accounts (Gross less Cession)

This form summarizes the net results of the underwriting operation of the insurer with an eventual result of Net Underwriting Surplus or Loss.

i. Management Expenses

Management expenses theoretically refer to costs directly charged to underwriting and claims or costs that are directly associated with the



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revenue generation of the insurer. However, due to the absence of the practice to apply the concept of “cost centers”, management expenses are rather mixed up and accumulated together with other indirect costs and finally certain percentage of this total expenses be allocated or charged to management expenses. Then, the reallocation practices of these expenses has no clear pattern and an insurer follows and applies its own methodology, which would make the comparison of statements of two insurers not only difficult but also impossible. Furthermore, such practice restricts analysis of the financial performances of insurers on the basis of clearly constructed accounts and financial statements.

To overcome the problem, in the practice of the treatment of management expenses of insurers, the best practice is,

- a) first to identify all direct costs and charge them directly to the revenue account, and
- b) secondly, to allocate all other indirect costs, which definitely depends on the cost experience of each insurer, using some reasonable allocation methods, which again need to be applied consistently.

ii. Net Commission

This is the difference between the commission received from reinsurers in the form of premium, profit and other commissions and that of the commissions paid to agents and brokers.

iii. Underwriting Result

Underwriting result (surplus or loss) is defined as, $\text{Earned Premium} - (\text{Incurred Claims} + \text{Management Expense} + \text{or} - \text{Net Commission})$.

e) GIDB-E: Reinsurance Accounts Summary

This form ultimately summarizes the total outgo and income, earned and incurred basis, under the reinsurance transaction and then report the net account (reinsurance trade balance) from the reinsurance transaction in the quarter/year.

f) GIDB-F: Statement of Comprehensive Income

This form summarizes the total income and the total expenses to arrive at either net income or net loss of the period under review.

g) GIDB-G Statement of Financial Position

This form summarizes the total asset, liability and net worth of the company on the date of the balance sheet.



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h) GIDB-H: Statement of Changes in Equity

This statement summarizes the level of retained earnings, the movement of paid up capital, share premium, legal reserves with the view to gauge the level of changes in the equity position of a company at least once in a quarter.

i) GIDB-I: Statement of Cash Flows

Due to the importance given to the current liquidity position of an insurer, statement of cash flows is among the essential statements that an insurance company is required to prepare and deliver it to the National Bank. This statement summarizes all payments and all receipts in cash and reports the cash balance as surplus or deficit at the reporting date.

j) GIDB-J: Summary of Reinsurance Program

This form summarizes the type of reinsurance program arranged by an insurer during the period. The need to report the reinsurance program every quarter uncovers any change in the reinsurance program that may occur during the reporting quarter.

k) GIDB-K: Reinsurers Arrangement Summary

This form summarizes placement of exposures under the treaty and facultatively as well. Ultimately, it indicates exposures that have not yet been reinsured.

4. Long-term Insurance Direct Business-LIDB

Compilation of the long term insurance formats and explanation for accounts follow the same pattern and analogy of the general insurance business.

5. Risk Sharing Scheme

This is a format that enables the National Bank to collate information on risk sharing schemes of insurers. The scheme enables insurers to fully utilize the domestic capacity for risk placement within before seeking reinsurance protection from international reinsurers.

6. Inward Reinsurance Business-IRB

Currently, as there is no reinsurance company in Ethiopia, this form is filled by the Ethiopian Insurance Corporation only as it has received business from abroad in the form of reinsurance.

The return follows the same pattern and analogy that apply to the direct business, with the exception of receiving premium from reinsurers or direct insurers from abroad and cession account will be labeled as “retrocession”.

7. Affidavit Verifying Returns

The return has to be verified and approved by appropriate persons in the hierarchy of the insurer. The latter has to be done either by the CEO or the Board Chairman or any person chairing the board sub-committee.

