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NATIONAL BANK OF ETHIOPIA
አዲስ አበባ / ADDIS ABABA

**LICENSING AND SUPERVISION OF INSURANCE
BUSINESS**

Fees on Insurance Companies
Directive No. SIB/58/2022

Whereas, it is essential that the National Bank has to improve its service quality with a view to satisfy its customers;

Whereas, it is found necessary to revise existing fees as well as introduce some new ones on National Bank services provided to insurance companies;

Now, therefore, the National Bank has issued this Directive pursuant to the authority vested in it by articles 4(1b), 5(5), 8, 53(2) and 64(2) of the Insurance Business Proclamation No. 746/2012 as amended by Insurance Business (Amendment) Proclamation No.1163/2019.

1) **Short Title**

This Directive may be cited as “**Fees on Insurance Companies Directive No. SIB/58/2022**”.

2) **Definitions**

For the purpose of this Directive, unless the context provides otherwise:

- 2.1. “**big, medium or small insurance company**” means an insurance company the respective total asset of which is over Birr 2.5 billion, between Birr 1.5 to 2.5 billion, below Birr 1.5 billion;
- 2.2. “**examination fee**” means cost of inspection of the National Bank;
- 2.3. “**fees**” mean investigation, licensing, license renewal, penalty fees for failure to renew timely and examination fees;



- 2.4. **“general insurance business”** means all classes of insurance business other than long term insurance business;
- 2.5. **“insurance company”** means a company licensed by the National Bank to undertake insurance business and an insurance company owned by the Government;
- 2.6. **“long term insurance business”** means life insurance, annuity, pension, permanent health insurance and personal accident or sickness insurance underwritten by an insurance company as incidental to any of the former classes of businesses and any other class of insurance business as may be determined by the National Bank directive;
- 2.7. **“National Bank”** means the National Bank of Ethiopia;

3) Scope of the Directive

The provisions of this Directive shall be applicable to those who desire to obtain insurance business license and all insurance companies operating in Ethiopia.

4) Investigation and Licensing Fees

4.1 An insurance company applying to obtain new insurance business license shall pay:

4.1.1 investigation fee of:

- a) Birr 37,500.- (thirty seven thousand five hundred Birr) for general insurance business license or
- b) Birr 12,500.- (twelve thousand five hundred Birr) for long-term insurance business license; or
- c) Birr 50,000 (fifty thousand Birr) to undertake both.

4.1.2 licensing fee of:

- a) Birr 75,000.- (seventy five thousand Birr) for general insurance business license or
- b) Birr 25,000.- (twenty five thousand Birr) long-term insurance business license or
- c) Birr 100,000.- (one hundred thousand Birr) to undertake both.



5) License Renewal and Penalty Fees for Failure to Renew Timely

5.1 An insurance company (engaged in general insurance business or long-term insurance business or both) applying for the renewal of its business license shall pay license renewal fee of Birr 100,000.- (one hundred thousand Birr).

5.2 An insurance company that fails to renew its license with in one month after the expiry date of the license shall be subject to a penalty fee of Birr 10,000.- (ten thousand Birr).

6) Examination Fee

An insurance company shall pay examination fee of:

- a) Birr 500,000.- (five hundred thousand Birr) if it is big insurance company or;
- b) Birr 350,000.- (three hundred fifty thousand Birr) if it is medium insurance company or;
- c) Birr 250,000.- (two hundred fifty thousand Birr) if it is small insurance company.

7) Repealed Provisions of Directives

5.1 Article 3(1) of article 3 of Directive No. SIB/19/1998 is hereby repealed.

5.2 Article 9 of Directive No. SIB/33/2013 is hereby repealed.

8) Effective Date

This Directive shall enter into force as of 3rd day of October 2022.



Yinager Dessie (PhD)
Governor