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NATIONAL BANK OF ETHIOPIA

LICENSING AND SUPERVISION OF MICROINSURANCE BUSINESS

DIRECTIVE NO. SMIB/4/2026

LICENSING AND SUPERVISION OF MICROINSURANCE AGENTS

Whereas, one of the greatest challenges for microinsurance is getting market-demanded products efficiently and effectively to the clients, and providing good quality service for those products;

Whereas, in order to further promote the development of the microinsurance sector in Ethiopia, the absence of distribution networks with commercial incentives to distribute microinsurance products was identified as a major obstacle. And hence appropriate regulations for licensing, regulating and supervising persons acting as distribution channels for microinsurance business must be established;

“Now, therefore, in accordance with Article 5(10) and 64(2) of the Insurance Business Proclamation No.746/2012 (as amended by Insurance Business Proclamation No. 1163/2019), the National Bank of Ethiopia has issued this Directive.”

1. Short Title

This Directive may be cited as **“Licensing and Supervision of Microinsurance Agents Directive No. SMIB/4/2026.”**

2. Definitions

In this Directive, unless the context otherwise requires:

- 2.1. **“corporate microinsurance agent”** means a legal entity licensed by the National Bank as a microinsurance agent who, acts for and on behalf of one or more microinsurance providers, and engages in intermediary services as specified in this Directive;
- 2.2. **“company”** means a share company as defined under the Commercial Code, the capital of which is owned fully by Ethiopian nationals or foreign nationals of Ethiopian origin, or jointly owned by Ethiopian nationals and foreign nationals of Ethiopian origin, or organizational owned fully by Ethiopian nationals or foreign nationals of Ethiopian origin, or jointly owned by Ethiopian nationals and foreign





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nationals of Ethiopian origin and registered under the laws of , and having its head office in, Ethiopia.

- 2.3. “individual microinsurance agent”** means a natural person licensed by the National Bank as a microinsurance agent who, acts for and on behalf of one or more Microinsurance providers, and engages in intermediary services as specified in this Directive;
- 2.4 “Intermediary services”** means any act relating to:
- a. initiating microinsurance business, including any act involving work preparatory for the sale of microinsurance products, sales or solicitation of microinsurance products;
 - b. activities relating to the maintenance, servicing, renewal, continuance or revival of microinsurance policies;
 - c. providing administration services on behalf of the microinsurance provider for microinsurance products.
 - d. accepting premium payments on behalf of the microinsurance Provider for microinsurance products and providing payment receipts as evidence of coverage, in the case of a Corporate microinsurance Agent; and
 - e. receiving, submitting or processing claims with respect to microinsurance business;
- 2.5** “licensing categories for microinsurance products” means life or general microinsurance products.
- 2.6 “microinsurance agent”** means a person licensed by the National Bank as a microinsurance agent who acts for and on behalf of one or more microinsurance providers, and engages in intermediary services;
- 2.7 “microinsurance ”** means any form of protection against risks that is designed for and accessed by low-income people, provided by different categories of carriers but operating on basic principles of insurance and funded by premium and whereby the products meet the requirements of sub articles 6.2 and 6.3 of Directive No. SMIB/3/2020;
- 2.8 “microinsurance business”** means an insurance business whereby the products and services meet the definition of microinsurance as specified under sub article 2.6 of this Directive;
- 2.9 “microinsurance policy”** means a document evidencing a contract of insurance with respect to a microinsurance product whereby microinsurance provider undertakes, against payment of premiums, to pay indemnity or the benefit specified in the policy to the insured where conditions specified in the policy are fulfilled or the risk materializes, and includes a certificate, interim receipt, renewal receipt, or any other document evidencing a contract of insurance;





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- 2.10 “**microinsurance policyholder**” means a person who owns a microinsurance policy or any other person who has a legal right to claim the benefits under that policy;
- 2.11 “**microinsurance provider**” means insurance companies, including those dedicated to deal only in microinsurance business and microfinance institutions;
- 2.12 “**National Bank**” means the National Bank of Ethiopia;
- 2.13 “**person**” means any natural or juridical person;
- 2.14 “**responsible person of the corporate microinsurance agent**” means the senior manager of the corporate microinsurance agent who is designated to maintain the relationship with the microinsurance provider and reports to the National Bank;
- 2.15 “**responsible person of the microinsurance provider**” means the senior manager of the microinsurance provider who is designated to maintain the relationship with the corporate microinsurance agent and reports to the National Bank;
- 2.16 “**specified person**” means an employee of a microinsurance provider or corporate microinsurance agent or an insurance broker who is responsible for conducting intermediary services, but excludes employees involved solely in the distribution of promotional material;
- 2.17 “**standardized microinsurance product**” means a microinsurance product approved by the National Bank as a standardized microinsurance product.

3. Scope of application

The provisions of this Directive shall apply to all microinsurance agents and microinsurance providers who wish to engage in microinsurance business. The Directive also applies to licensed insurance brokers and insurance agents in relation to their activities as a micro insurance agent to microinsurance providers.

4. Licensing of Microinsurance Agents

4.1. Requirement for microinsurance agents to be Licensed

4.1.1. A person who intends to act as a microinsurance agent shall apply to the National Bank for licensing in the manner prescribed by this Directive.

4.1.2. Where the National Bank is satisfied that the applicant for a corporate microinsurance agent license has complied with the requirements referred to in sub-article 4.2 and 4.3 of Article 4, the National Bank may





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issue the applicant with a license for the relevant license categories for microinsurance products.

- 4.1.3. Where the National Bank is satisfied that the applicant for an Individual microinsurance agent license has complied with the requirements referred to in sub-articles 4.3 and 4.5 of Article 4, the National Bank may issue the applicant with a license for the relevant license categories for microinsurance products.
- 4.1.4. A license to act as a microinsurance agent is valid for a period of one year from the date of issue.
- 4.1.5. The National Bank may extend the validity period for the microinsurance agent license, to a period specified by the National Bank and subject to any conditions the National Bank may determine.
- 4.1.6. Subject to the provisions of this Directive:
 - 4.1.6.1. no person shall act, in Ethiopia, as a microinsurance agent unless the person is licensed as a microinsurance agent;
 - 4.1.6.2. no microinsurance Provider may permit any person not licensed as a microinsurance agent to act as a microinsurance agent on behalf of the microinsurance Provider; and
 - 4.1.6.3. No microinsurance Provider shall pay any commission or any compensation to any person for intermediary services described in sub-article 2.4(a&b) of Article 2 for microinsurance products unless such person is licensed as an Insurance Broker, Insurance Agent, microinsurance agent .

4.2. Eligibility for Corporate Microinsurance Agents

An application for a corporate microinsurance agent license shall be made by an entity that is:

- 4.2.1. incorporated as a company under the Commercial Code;
- 4.2.2. registered as a cooperative society union or cooperative societies federation or cooperative societies league by the Ethiopian Cooperative Commission;
- 4.2.3. registered as a Non-Governmental Organization by the relevant government authorities.





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- 4.2.4. registered as a funeral association or burial society by the relevant government authorities;
- 4.2.5. registered as an association by the relevant government authorities;
- 4.2.6. registered as a union of associations by the relevant government authorities; or
- 4.2.7. other institution authorized by the National Bank.
- 4.2.8. A corporate microinsurance agent shall:
 - 4.2.8.1. if it is an incorporated entity, be fully owned by Ethiopian nationals or foreign nationals of Ethiopian origin;
 - 4.2.8.2. establish a Responsible Person of the corporate microinsurance agent responsible for maintaining the relationship with the microinsurance provider and reporting to the National Bank, where the Responsible Person of the corporate microinsurance agent shall:
 - a. meet the microinsurance training requirements in the relevant microinsurance product category(ies) provided for under Article 7 of this Directive; and
 - b. not have been convicted by court of law in any country for an offense involving dishonesty; and
 - 4.2.8.3. shall maintain professional indemnity cover subject to a minimum amount of 10% of annual commission earned in the last accounting period or Birr 40 000 (Forty Thousand), whichever is higher, for each license category for microinsurance products for which it is authorized to act as a corporate microinsurance agent.

4.3. Eligibility for Individual Microinsurance Agents

- 4.3.1. An individual microinsurance agent shall:
 - 4.3.1.1. be an Ethiopian national or a foreign national of Ethiopian origin;
 - 4.3.1.2. have completed at least the level of 12th grade of general secondary school education or equivalent;
 - 4.3.1.3. have completed microinsurance training requirements in the relevant microinsurance product category(ies) provided for under Article 7 of this Directive;





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4.3.1.4 not have been convicted by court of law in any country for an offense involving dishonesty; and

4.3.1.5 shall maintain professional indemnity cover of at least Birr 10,000 (Ten Thousand), for each license category for microinsurance products for which it is authorized to act as an individual microinsurance agent.

4.4 Application for Corporate Microinsurance Agent License

4.4.1 An application for a license to act as a corporate microinsurance agent shall be made in accordance with the form and manner prescribed in Schedule II.

4.4.2 An application for a corporate microinsurance agent license shall include:

4.4.2.3 a completed application form accompanied with a license request letter from the microinsurance provider ;

4.4.2.4 certificate of completion of microinsurance training requirements in the relevant microinsurance product category(ies) provided for under Article 7 of this Directive;

4.4.2.5 Propriety Test Questionnaire for Responsible Person for the corporate microinsurance agent;

4.4.2.6 copy of the agency agreement with the microinsurance provider accompanied with a license request letter ;

4.4.2.7 written consent from the relevant body permitting engagement in the microinsurance agency service ;

4.4.2.8 proof of separate Bank account if there is an agreement for collecting premiums and or paying claims on behalf of the microinsurance provider

4.4.2.9 proof of professional indemnity cover;

4.4.2.10 tax clearance certificate as required by the relevant authority ; and

4.4.2.9 investigation and licensing fee as per sub-article 4.9 of this Article 4.



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4.5 Application for Individual Microinsurance agent License

- 4.5.1 An application for an Individual Microinsurance agent license shall include:
- 4.5.1.1 a completed application form.
 - 4.5.1.2 two passport-size recent photographs of the applicant;
 - 4.5.1.3 curriculum Vitae of the applicant;
 - 4.5.1.4 completed Propriety Test Questionnaire;
 - 4.5.1.5 tax Identification Number; and
 - 4.5.1.6 certificate of completion of microinsurance training requirements in the relevant microinsurance product category(ies) provided for under Article 7 of this Directive;
 - 4.5.1.7 proof of professional indemnity cover;
 - 4.5.1.8 copy of the agency agreement with the microinsurance provider accompanied with a licence request letter; and
 - 4.5.1.9 investigation fee and initial license application fee of in accordance with sub-article 4.9 of Article 4 of this Directive;

4.6 Submission of License Application

The applicant shall apply for a license to act as a Microinsurance agent in person or, in the case of persons residing outside Addis Ababa, an application duly signed by the applicant may be mailed, faxed or submitted electronically to the National Bank or submitted by the Microinsurance Provider on behalf of the Microinsurance agent.

4.7 Renewal of License

- 4.7.1 The Microinsurance agent shall submit the renewal application for the Microinsurance agent within one (1) calendar month after the expiry date of the licence.
- 4.7.2 Application to renew a license to act as a Microinsurance agent shall be accompanied by:
- 4.7.2.2 a license renewal fee in accordance with sub-article 4.9;
 - 4.7.2.3 proof of attendance of any supplementary training course, where applicable;



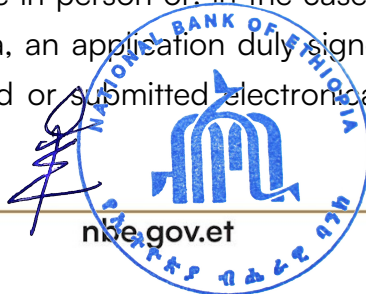


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- 4.7.2.4 tax clearance certificate as required by relevant government authorities; and
- 4.7.2.5 proof of Professional Indemnity cover.
- 4.7.3 Where a Microinsurance agent fails to apply for renewal, the license shall be automatically suspended and the license shall be cancelled if application for renewal is not made within one (1) year of expiry of the license and such micro insurance agent shall only be eligible to apply for a new license after fully satisfying the conditions required for a new license.
- 4.7.4 Renewal of a license to act as a Microinsurance agent shall be made in person or, in the case of persons residing outside Addis Ababa, an application duly signed by the applicant may be mailed, faxed or submitted electronically to the National Bank. In the case of a Microinsurance agent residing outside Addis Ababa, the license renewal application may be made by the Microinsurance Provider on behalf of the Microinsurance agent.

4.8 Applications and Notifications to the National Bank

- 4.8.1 A microinsurance agent shall apply for a modification of the microinsurance agent license to the National Bank if it enters into an agency agreement with more than one microinsurance provider.
- 4.8.2 A microinsurance agent shall apply for a modification of the microinsurance agent license to the National Bank if it intends to alter the license categories for microinsurance products for which the microinsurance agent provides intermediary services.
- 4.8.3 The application for license modification shall include existing microinsurance agent license, the agency agreements and the list of license categories for microinsurance products for which the microinsurance agent provides intermediary services, and proof of training in the relevant license categories for microinsurance products for each microinsurance provider.
- 4.8.4 The applicant shall apply for the modification of a microinsurance agent license in person or, in the case of persons residing outside Addis Ababa, an application duly signed by the applicant may be mailed, faxed or submitted electronically to the National Bank or





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submitted by the microinsurance provider on behalf of the microinsurance agent.

4.9 Investigation and License fees

4.9.1 The investigation fee for microinsurance agents shall be:

4.9.1.2 Birr 500 (Five hundred) for an individual microinsurance agent; and

4.9.1.3 Birr 1,000 (One thousand) for a corporate microinsurance agent.

4.9.2 The initial licensing and renewal fee for microinsurance agents shall be:

4.9.2.1 Birr 1000 (One thousand) for an individual microinsurance agent; and

4.9.2.2 Birr 2,000 (Two thousand) for a corporate microinsurance agent.

4.10 Delegation of License Approval and Registration

4.10.1 Authority for approval of license applications for microinsurance agents, or suspension and cancellation of licenses, rests with the National Bank.

4.10.2 Notwithstanding sub-article 4.10.1 herein above, the National Bank may delegate certain activities in the application and approval process to approved entities, subject to such conditions as specified by the National Bank.

5 Suspension or Cancellation of Licenses by the National Bank

5.1 The National Bank may suspend or cancel the license of a microinsurance agent, in the event of:

5.1.1 breach of this Directive,;

5.1.2 misrepresentation or misconduct by the microinsurance agent; or

5.1.3 cancellation of the agency agreement.

5.2 Suspension of a microinsurance agent license by the National Bank shall remain effective for the period set out in the notice of suspension by the



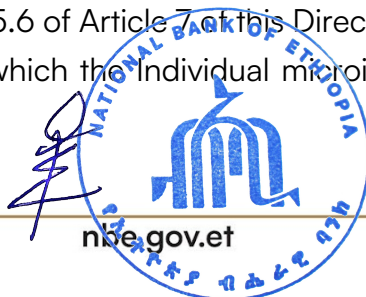


6 Restriction on Activities of Microinsurance Agents

- 6.1** A microinsurance agent may only provide intermediary services:
- 6.1.1 for license categories for microinsurance products stipulated in the microinsurance agent licence; and
 - 6.1.2 within the terms and conditions of the agency agreement, under Article 8 of this Directive.
- 6.2** A microinsurance agent may only act on behalf of a single microinsurance provider in respect of each distinct license category for microinsurance products.
- 6.3** A microinsurance agent shall disclose to each microinsurance provider that it is not acting as exclusively on behalf of the microinsurance provider, if that is the case.
- 6.4** The National Bank may on prior written application by the microinsurance agent in writing exempt the microinsurance agent from sub-article 6.2 of Article 6 of this Directive, subject to such conditions as it may determine.
- 6.5** A microfinance institution conducting microinsurance business may be licensed to act as a microinsurance agent for another microinsurance provider, but only to sell and service microinsurance products in the classes of microinsurance products which it does not itself underwrite as an insurance risk carrier.

7 Training

- 7.1** The Responsible Persons of a corporate microinsurance agent and the Responsible Person of the microinsurance provider shall complete a mandatory training course of at least sixteen (16) hours covering items under sub-article 7.5.1 to 7.5.3 of Article 7 of this Directive and at least sixteen (16) hours covering items under sub-articles 7.5.4 to 7.5.6 of Article 7 of this Directive for each microinsurance product category for which the corporate microinsurance agent will provide intermediary services.
- 7.2** Individual microinsurance agents shall complete a mandatory training course of at least twelve (12) hours covering items under sub-articles 7.5.1 to 7.5.2 of Article 7 of this Directive and at least sixteen (16) hours covering items under sub-articles 7.5.4 to 7.5.6 of Article 7 of this Directive for each microinsurance product category for which the individual microinsurance agent will provide intermediary services.





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- 7.3** Specified Persons shall complete a mandatory training course of at least six (6) hours covering items under sub-article 7.5.1 of Article 7 of this Directive and at least sixteen (16) hours covering items under sub-articles 7.5.4 to 7.5.6 of Article 7 of this Directive for each license category for microinsurance products for which the Specified Person will provide intermediary services.
- 7.4** Microinsurance agents and Specified Persons shall complete a mandatory training course of at least sixteen (16) hours covering items under sub-articles 7.5.4 to 7.5.6 of Article 7 of this Directive for each standardized microinsurance product for which the microinsurance agent or Specified Person will provide intermediary services.
- 7.5** The mandatory training course referred to in 7.1 shall cover at least the following topics:
- 7.5.1 Basic principles of microinsurance;
 - 7.5.2 Overview of this Directive, a microinsurance Fair Treatment of Consumers and Code of Conduct for microinsurance business;
 - 7.5.3 Explanation of business practices and processes, including policy administration, premium collection, claims processes and record keeping, amongst others;
 - 7.5.4 Basic product types and features, standard policy provisions and policy summaries for the relevant product category;
 - 7.5.5 Special coverage and riders and policy documentations for relevant product category; and
 - 7.5.6 Explanation of policy inception processes, policy servicing, policy alterations, policy renewals and claims processes.
- 7.6** A licensed individual microinsurance agent, the Responsible Person of a licensed corporate microinsurance agent and Specified Persons shall attend supplementary training:
- 7.6.1 on new products and business processes when they are introduced; and
 - 7.6.2 at least sixteen (16) hours of refreshment training every five year.
- 7.7** Training sessions may be provided by the microinsurance provider for whom the applicant intends to provide microinsurance agent services, or other institutions or organizations acceptable to the National Bank.
- 7.8** Training sessions shall be conducted by competent facilitators who are knowledgeable about the topic.





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7.9 The microinsurance Provider shall keep records of all Responsible Persons of corporate microinsurance agents, Individual microinsurance agents and Specified Persons who complete the required training.

8 Agency Agreement

8.1 A microinsurance agent shall have a written agency agreement for each microinsurance provider on whose behalf the microinsurance agent provides intermediary services.

8.2 No microinsurance provider shall engage the services of a micro insurance agent outside of the agency agreement.

8.3 No microinsurance agent shall be engaged in intermediary services outside of the agency agreement;

8.4 The agency agreement shall at least:

8.4.1 include a sufficient description and clarification of the respective roles and responsibilities of the microinsurance agent and the microinsurance provider;

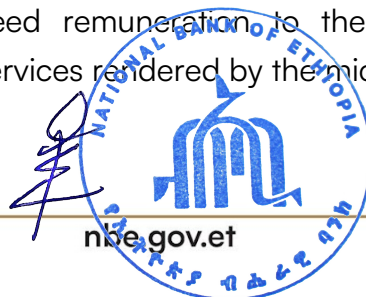
8.4.2 stipulate the license categories of microinsurance products for which the microinsurance agent is permitted to perform intermediary services;

8.4.3 stipulate the functions that the microinsurance agent is permitted to perform on behalf of the microinsurance provider;

8.4.4 stipulate if the corporate microinsurance agent is entitled to collect premiums on behalf of the microinsurance provider, describe the responsibilities of the corporate microinsurance agent in this regard, including the time period in which premiums shall be remitted to the microinsurance provider;

8.4.5 if the corporate microinsurance agent is entitled to settle claims up to a certain limit on behalf of the microinsurance provider, describe the responsibilities of the corporate microinsurance agent in this regard, including the documents to be submitted to the microinsurance provider for claims verification and the time period in which claims shall be paid;

8.4.6 state the agreed remuneration to the microinsurance agent for intermediary services rendered by the microinsurance agent;





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- 8.4.7 include rules regarding any liability that may be assumed by either party, and any penalties that may be imposed by either party in the event of breach of the agency agreement; and
- 8.4.8 stipulate conditions of termination of the agency agreement and responsibilities of each party in the event of termination of the agency agreement.
- 8.5** In the event of a significant breach of the agency agreement or where a serious dispute arises, microinsurance providers are required to notify the National Bank within thirty (30) days of the dispute arising.
- 8.6** Where the agency agreement is terminated for any reason whatsoever:
 - 8.6.1 the microinsurance provider is required to notify the National Bank within thirty (30) days of termination of agency agreement and the reasons for the termination.
- 8.7** The microinsurance agency agreement shall be terminated, with immediate effect, in the event of:
 - 8.7.1 the license of microinsurance agent being suspended or cancelled by the National Bank under article 5; or
 - 8.7.2 any serious misconduct committed or significant breach of the microinsurance Directives by the microinsurance agent.

9 Allowable Activities

- 9.1** Subject to the agency agreement with the microinsurance provider, a licensed microinsurance agent may be permitted to perform the following activities on behalf of a microinsurance provider:
 - 9.1.1 Distribution of advertising and marketing material;
 - 9.1.2 Other activities stipulated in the agency agreement.





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10 Premium Collection by Corporate Microinsurance Agents

- 10.1** The corporate microinsurance agent may be authorised, in the agency agreement, to receive, hold or deal in any other manner, with premiums payable under a microinsurance policy entered into with a microinsurance provider.
- 10.2** The corporate microinsurance agent shall open and maintain a separate account with a licensed bank for the keeping of premiums received on behalf of the microinsurance provider and such account shall be separate from any account which the corporate microinsurance agent may open and maintain for the keeping of its own funds.
- 10.3** The corporate microinsurance agent shall maintain adequate processes and procedures for the separation and remittance of premiums for microinsurance products to microinsurance providers.
- 10.4** The corporate microinsurance agent shall remit the premiums received to the microinsurance Provider within thirty (30) calendar days of the end of the month in which the premium was received by the corporate microinsurance agent.
- 10.5** Where a corporate microinsurance agent receives premiums on behalf of the microinsurance provider under the agency agreement, the receipt of premiums by the corporate microinsurance agent shall be deemed to be receipt of premiums by the microinsurance provider. The onus of proving that the premium was received by a person not authorised to receive the premium shall lie on the microinsurance provider.

11 Remuneration, Commission and Fees

- 11.1** A microinsurance provider may pay a microinsurance agent wages or a salary, initial and renewal commission, as well as remuneration fees for the services rendered as outlined in the agency agreement.
- 11.2** Any remuneration for services rendered shall be reasonable and commensurate with actual cost of services rendered. The microinsurance agent shall not be remunerated twice for the same or similar service.
- 11.3** microinsurance agents shall be prohibited from charging microinsurance policyholders or their beneficiaries any amounts for services provided in





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respect of microinsurance policies, outside of those specified in the agency agreement.

12 Cessation of Microinsurance Agent Activities

12.1 Where the microinsurance agent license is suspended or cancelled, or the agency agreement is terminated for any reason whatsoever:

12.1.1 no future commission or other remuneration, other than outstanding commission or fees for services provided when the license was valid, shall be payable to the microinsurance agent; and

12.1.2 the microinsurance Provider shall make alternative arrangements for the servicing of existing policies of the microinsurance agent.

13 Specified Persons

13.1 Microinsurance providers and corporate microinsurance agents shall employ Specified Persons responsible for initiating and servicing microinsurance products.

13.2 No Specified Person shall act for more than one microinsurance provider or corporate microinsurance agent.

13.3 No person other than a natural person shall act as a Specified Person.

13.4 A Specified Person may be remunerated in the form of wages or a salary.

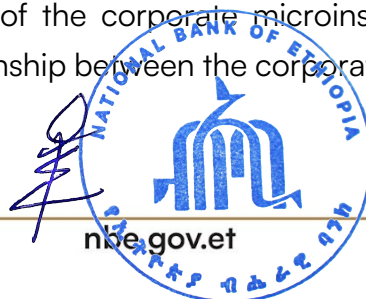
13.5 All Specified Persons shall undergo training in the relevant product category(ies) as provided for in Article 7 of this Directive.

13.6 The microinsurance provider or corporate microinsurance agent shall keep a register of all Specified Persons.

13.7 The microinsurance provider or corporate microinsurance agent shall assume full responsibility for ensuring the compliance with this Directive and the conduct and services provided by the Specified Person, acting on behalf of the microinsurance provider or corporate microinsurance agent.

14 Duties of Responsible Person of the Corporate Microinsurance Agent

14.1 The corporate microinsurance agent shall assign a senior manager as the Responsible Person of the corporate microinsurance agent, in charge of managing the relationship between the corporate microinsurance agent and





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microinsurance provider and the services provided by corporate microinsurance agents, under the agency agreement.

14.2 The corporate microinsurance agent shall establish and maintain procedures to:

14.2.1 manage the relationship between the corporate microinsurance agent and the microinsurance provider;

14.2.2 keep an open channel of regular communication between the corporate microinsurance agent and microinsurance provider;

14.2.3 ensure that the licenses and training of the corporate microinsurance agent are up to date;

14.2.4 ensure that the training of the Specified Persons is up to date;

14.2.5 monitor the conduct and compliance of the corporate microinsurance agent and Specified Persons with this Directive;

14.2.6 implement corrective measures following any misconduct, non-compliance of this Directive or breach of agency agreement;

14.2.7 notify the microinsurance provider of any instances of misconduct, non-compliance of this Directive or breach of agency agreement; and

14.2.8 allow the National Bank full and unrestricted access to the corporate microinsurance agent's premises as well as to all information, data and documents related to the services provided by the corporate microinsurance agent as part of the agency agreement.

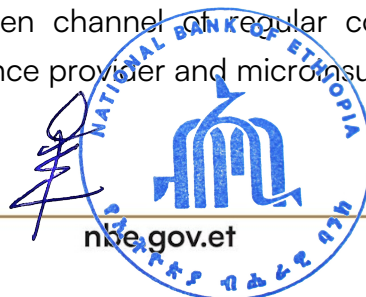
15 Responsibilities of Microinsurance Provider

15.1 The microinsurance provider shall assign a senior manager as the Responsible Person of the microinsurance provider, in charge of managing the relationship between the microinsurance provider and microinsurance agent and the services provided by microinsurance agents, under the agency agreement.

15.2 The microinsurance Provider shall establish and maintain procedures to:

15.2.1 manage the relationship between the microinsurance provider and the microinsurance agent;

15.2.2 keep an open channel of regular communication between the microinsurance provider and microinsurance agent;





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- 15.2.3 monitor that the licenses and training of microinsurance agents are up to date.
 - 15.2.4 monitor the conduct and compliance of microinsurance agents with the microinsurance Directives ;
 - 15.2.5 implement corrective measures following any misconduct, non-compliance of this Directives or breach of agency agreement;
 - 15.2.6 notify the National Bank of any instances of misconduct, non-compliance of this Directives or breach of agency agreement; and
 - 15.2.7 ensure that the National Bank has full and unrestricted access to the microinsurance agent’s premises as well as to all information, data and documents related to the services provided by the microinsurance agent as part of the agency agreement
- 15.3** The microinsurance Provider is liable for the acts, misrepresentations or omissions of the microinsurance agent acting on behalf of the microinsurance provider in terms of the duties of the microinsurance agent, where the act falls under the agency agreement, or might reasonably be implied from it by a person seeking insurance.
- 15.4** Nothing in this article shall be construed to prevent a microinsurance provider from seeking redress against a microinsurance agent as a result of the liability arising under sub-article 15.3 of this Article.

16 Record Keeping and Reporting

- 16.1** Microinsurance Providers are required to maintain records of all agency agreements and a list of all microinsurance agents acting on their behalf.
- 16.2** The microinsurance agent and microinsurance provider shall keep records of all cases of misconduct, non-compliance of this Directives or breach of agency agreement and the corrective measures taken thereon.

17 Insurance Agents and Insurance Brokers

- 17.1** Licensed insurance agents and licensed insurance brokers shall apply in writing for authorization to the National Bank if they intend to engage in intermediary services for microinsurance products.
- 17.2** Licensed insurance agents and insurance brokers shall submit certificate of training and other relevant documents along with the application



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- 17.3** Sub-articles 7.2, 7.4, 7.6 to 7.9 of Article 7, Articles 8, 9, 11, and 12 and sub-article 16.2 of Article 16 of this Directive shall apply to licensed insurance agents in undertaking intermediary services in relation to microinsurance products.
- 17.4** Sub-articles 7.2, 7.4, 7.6 to 7.9 of Article 7, Article 9 and 14 and sub-article 16.2 of Article 16 of this Directive shall apply to licensed insurance brokers in undertaking intermediary services in relation to microinsurance products.
- 17.5** Article 10 of this Directive shall apply to licensed insurance brokers if they are permitted by the microinsurance provider to collect premiums for microinsurance products on behalf of the microinsurance provider.

18 Sanctions

Breach of any provisions in this Directive shall result in sanctions from the National Bank and penalties in line with article 5 of Directive No. SIB/27/2004, where appropriate.

19 Effective Date

This Directive shall enter into force as of **26th day of March 2026**.


Eyob Tekalign (PHD)
Governor



Schedule I

National Bank of Ethiopia

Application Form for Individual Microinsurance Agent



1. Microinsurance Provider Information

Name of MicroInsurance Provider	
Name of Responsible Person	
Tel	
Email address	
Name of other insurers that the applicant represents (if any)	

2. Personal information

Full Name	
Date of birth	
Identification card number/ Passport number	
City	
Sub-city	
Woreda and Kebele	
House Number	



Telephone	
Email address	
Educational qualification	
Microinsurance training	
Previous employer and dates of employment	
State if part-time or full-time agent	
If a part-time agent state principal occupation	

3. License Categories for Microinsurance Products of the Individual Microinsurance agent

General Microinsurance	Life Microinsurance
Loss or damage to property , crop and livestock	Term insurance for insured policyholder or members of the family
Credit linked coverage	Accidental death and/or disability of insured policyholder or family member
Saving linked	Credit life
Weather Index Insurance	Medical expense insurance;
Other category authorised by the National Bank	Other categories of microinsurance authorised by the National Bank

Propriety Test Questionnaire

Please give yes or no answers for the following questions and if your answer is 'yes' please give particulars:



1. Have you been charged or convicted of any criminal offence, particularly an offense relating to dishonesty or fraud, under any law in Ethiopia or elsewhere?

Yes No

If yes, please give particulars_____

2. Have you ever been refused a microinsurance agent or Insurance Agent's License?

Yes No

If yes, please give particulars_____

3. Has any Insurance Agent's or microinsurance agent's License issued to you ever been suspended or cancelled?

Yes No

If yes, please give particulars_____

4. Have you ever been in a dispute with a previous employer concerning fulfillment of a position or compliance with financial services laws and the code of conduct which has led to the imposition of a penalty under financial services laws or ever been dismissed or requested to resign from any office any office of employment or disciplinary measures imposed by trade or professional associations?

Yes No

If yes, please give particulars_____

Declaration of Individual Microinsurance Agent

I certify that the information and/ or statements given above are complete and accurate to the best of my knowledge, and no other facts relevant to this application are withheld and of which the National Bank would be aware. I also undertake to inform the National Bank of any changes material to the application.

Name: _____

Signature: _____

Date: _____



Declaration of the Responsible Person of the Microinsurance Provider

I, hereby certify that to the best of my knowledge and belief the above particulars and declaration are true and correct and that the applicant has undergone a period of training in the class or classes of insurance business he will require to transact and that he is competent to explain the conditions of the policies issued by this microinsurance provider.

Name: _____

Signature: _____

Date: _____



Schedule II

National Bank of Ethiopia

Application Form for Corporate Microinsurance Agent

1. Microinsurance Provider Information

Name of Microinsurance Provider	
Name of Responsible Person	
Telephone	
Email address	
Name of other Microinsurance Providers applicant represents (if any)	
Percentage shareholding of the Microinsurance Provider in the Corporate Microinsurance agent (if any)	
Percentage shareholding of the Corporate Microinsurance agent in the Microinsurance Provider (if any)	

2. Applicant Information

Name of Applicant	
City	
Sub-city	
Wereda and Kebele	
House Number	
Telephone	
Email address	
Supervisory body	



Supervisory body email address	
Supervisory body telephone	

3. Responsible Person Information

Full Name	
Date of birth	
Identification card number/ Passport number	
Telephone	
Email address	
Position	

4. Contact Person Information

Full Name	
Telephone	
Email address	
Position	

5. License Categories for Microinsurance Products Classes of the Corporate Microinsurance agent

General Microinsurance	Life Microinsurance
Loss or damage to property , crop and livestock	Term insurance for insured policyholder or members of the family
Credit linked coverage	Accidental death and/or disability of insured policyholder or family member



Saving linked	Credit life
Weather Index Insurance	Medical expense insurance;
Other category authorised by the National Bank	Other categories of microinsurance authorised by the National Bank

Propriety test Questionnaire: Responsible Person

Please give yes or no answers for the following questions and if your answer is 'yes' please give particulars:

1. Have you been charged or convicted of any criminal offence, particularly an offense relating to dishonesty or fraud, under any law in Ethiopia or elsewhere?

Yes No

If yes, please give particulars_____

2. Have you ever been in a dispute with a previous employer concerning fulfillment of a position or compliance with financial services laws and the code of conduct which has led to the imposition of a penalty under financial services laws or ever been dismissed or requested to resign from any office any office of employment or disciplinary measures imposed by trade or professional associations?

Yes No

If yes, please give particulars_____

Propriety test Questionnaire: Corporate Microinsurance agent

Please give yes or no answers for the following questions and if your answer is 'yes' please give particulars:

1. Have you ever been refused a Microinsurance agent or Insurance Agent's License?

Yes No

If yes, please give particulars_____



2. Has any Insurance Agent's or Microinsurance agent's License issued to you ever been suspended or cancelled?

Yes No

If yes, please give particulars _____

Declaration of the Responsible Person of the Corporate Microinsurance agent

I certify that the information and/ or statements given above are complete and accurate to the best of knowledge and that the Specified Persons of the Corporate Microinsurance agent have undergone the required training in the relevant License Categories for Microinsurance Products, and that no other facts relevant to this application are withheld and of which the National National Bank would be aware I also undertake to inform the National National Bank of any changes material to the application.

Name: _____

Signature: _____

Date: _____

Declaration of the CEO or Head of the Microinsurance Provider

I, hereby certify that to the best of my knowledge and belief the above particulars and declaration are true and correct and that the Responsible Person of the applicant has undergone the required training in the relevant License Categories for Microinsurance Products.

Name: _____

Signature: _____

Date: _____



REGISTER OF MICROINSURANCE AGENTS

Name	Physical Address	Tel. No.	Date of Appointment	Categories of Products Registered to Sell	Name of Responsible Person	Physical Address	Tel. No.	Date of Last Training	Agency Agreement Withdrawn (Y/N)	Date Agency Agreement Withdrawn	Reason Agency Agreement Withdrawn

Note that details of all microinsurance agents acting on behalf of the insurer during the calendar year shall be provided in this sheet (including microinsurance agents where the agent's agreement has been withdrawn)

REGISTER OF SPECIFIED PERSONS

ID No.	Specified Person Registration Number	Name	Date of Birth	Tel. No.	Categories of Products Registered to Sell	Date of Appointment

Note that details of all specified persons employed during the calendar year by the Microinsurance (including specified persons who have been suspended during the year)

