

Rwanda

Regulation governing the Accreditation and Other Requirements for Appointed Actuaries for Insurance Business and Pension Schemes Regulation 39 of 2021

Legislation as at 25 October 2021

FRBR URI: /akn/rw/act/reg/2021/39/eng@2021-10-25

There may have been updates since this file was created.

PDF created on 21 February 2024 at 13:15.

[Check for updates](#)



About this collection

The legislation in this collection has been reproduced as it was originally printed in the Government Gazette, with improved formatting and with minor typographical errors corrected. All amendments have been applied directly to the text and annotated. A scan of the original gazette of each piece of legislation (including amendments) is available for reference.

This is a free download from the Laws.Africa Legislation Commons, a collection of African legislation that is digitised by Laws.Africa and made available for free.

www.laws.africa
info@laws.africa

There is no copyright on the legislative content of this document.
This PDF copy is licensed under a Creative Commons Attribution 4.0 License (CC BY 4.0). Share widely and freely.

Regulation governing the Accreditation and Other Requirements for Appointed Actuaries for Insurance Business and Pension Schemes
 Contents

Chapter One – General provisions 1

 Article One – Purpose 1

 Article 2 – Definitions of terms 1

 Article 3 – Scope 1

Chapter II – Accreditation requirements 2

 Article 4 – Appointed actuary 2

 Article 5 – Application for accreditation 2

 Article 6 – Content of application file 2

 Article 7 – Accreditation criteria 2

 Article 8 – Accreditation fee 3

 Article 9 – Validity of the accreditation 3

 Article 10 – Annual fee 3

 Article 11 – Professional indemnity insurance for an appointed actuary 3

Chapter III – Appointment of actuary, its duties and obligations 3

 Article 12 – Obligation to appoint an accredited actuary 3

 Article 13 – Term of service as appointed actuary within one insurer or pension scheme 3

 Article 14 – Valuation methodology 3

 Article 15 – Valuation basis 4

 Article 16 – Actuarial valuation for insurers 4

 Article 17 – Actuarial valuations for defined benefit pension schemes 5

 Article 18 – Actuarial valuations for defined contribution pension scheme and medical insurance scheme 6

 Article 19 – Actuarial opinion 6

 Article 20 – Financial Condition Report (FCR) 6

 Article 21 – Statement by the appointed actuary 7

 Article 22 – Change of an appointed actuary 7

 Article 23 – Obligations and duties of an appointed actuary 7

Chapter IV – Disqualification and disciplinary sanctions 8

 Article 24 – Disciplinary sanction 8

 Article 25 – Revocation of accreditation of an appointed actuary 8

Chapter V – Miscellaneous and final provisions 9

 Article 26 – Duty to provide information to the appointed actuary 9

 Article 27 – Quality assurance monitoring 9

 Article 28 – Incompatibilities with the function of an appointed actuary 9

| | |
|--------------------------------------------------------------------------------------------------------|----|
| Article 29 – Provisions of non-actuarial services by an appointed actuary | 9 |
| Article 30 – Communication between the Supervisory Authority and appointed actuary | 10 |
| Article 31 – Annual review of the requirements and other conditions for accreditation of actuary | 10 |
| Article 32 – Repealing provision | 10 |
| Article 33 – Transition provisions | 10 |
| Article 34 – Drafting, consideration and approval of this Regulation | 10 |
| Article 35 – Entry into force | 11 |
| Appendix 3 | 11 |

Rwanda

Regulation governing the Accreditation and Other Requirements for Appointed Actuaries for Insurance Business and Pension Schemes

Regulation 39 of 2021

Published in Official Gazette 40bis on 25 October 2021

Assented to on 7 October 2021

Commenced on 25 October 2021

[This is the version of this document from 25 October 2021.]

Pursuant to Law N° 48/2017 of 23/09/ 2017 governing the National Bank of Rwanda as modified to date, especially articles 6, 8, 9, 10 and 15;

Law N° 05/2015 of 30/03/2015 governing the organization of pension schemes, article 77;

Pursuant to Law N° 030/2021 of 30/06/2021 governing the organization of insurance business, especially in its articles 43, 44 et 45;

Having reviewed the Regulation N° 05/2009 of 29/07/2009 on licensing requirements and other requirements for carrying out insurance business, article 15 and 16;

In order to streamline the actuarial services in the insurance and pension sector and given the importance of those services in ensuring financial soundness and stability of insurance and pension sector in Rwanda, the National Bank of Rwanda herein after referred to as "the Supervisory Authority", issues this Regulation:

Chapter One

General provisions

Article One – Purpose

This Regulation aims at establishing requirements for granting accreditation and other conditions for carrying out actuarial services to insurers and pension schemes.

Article 2 – Definitions of terms

In this Regulation, unless the context requires otherwise, the following words and expressions shall mean:

- 1° **insurer:** a licensed or authorised legal entity which carries out insurance business;
- 2° **appointed actuary:** firm or a company accredited by the Supervisory Authority to provide actuarial services to an insurer or pension schemes;
- 3° **recognized actuarial society:** any association recognized by the International Actuarial Association;
- 4° **incumbent actuary:** actuaries that have been granted no objection by the Supervisory Authority to carry out actuarial services in insurers prior to the publication of this regulation in the *Official Gazette* of the Republic of Rwanda.

Article 3 – Scope

This Regulation applies to an actuary seeking to act as an appointed actuary of insurer or pension scheme.

Chapter II Accreditation requirements

Article 4 – Appointed actuary

No person shall carry out any activity in insurance or pension sectors in Rwanda as an appointed actuary or hold him/herself out as such unless that person is a registered firm/company whose at least one partner is a fully qualified actuary and active member of a recognized actuarial society, or such other person recognized by the Supervisory Authority.

Article 5 – Application for accreditation

In order to be registered on the list of appointed actuaries, the applicant shall submit to the Supervisory Authority a duly filled application form as set out in Appendix 1 of this Regulation.

Article 6 – Content of application file

An applicant seeking accreditation as appointed actuary shall include the following in their application:

- 1° an application letter addressed to the Supervisory Authority;
- 2° a proof of payment of a non-refundable application fee of two hundred thousand Rwandan francs (FRW 200,000);
- 3° a copy of certificate of active membership with a recognized actuarial society;
- 4° a valid tax clearance certificate issued by the country in which the firm/company is registered (for partners and managers of the firm of actuaries);
- 5° detailed CVs of the partners, criminal records of the firm of actuaries;
- 6° for companies, CVs of shareholders, directors, senior managers and engagement team to work in the capacity of appointed actuary;
- 7° a copy of certificate of incorporation;
- 8° details of actuary's experience including a list of major actuarial assignments in insurance or pension over the past three years (3) for partners;
- 9° details about existing business relationships between the actuary and insurer or pension scheme, if any;
- 10° general description of the quality assurance preservation policies and procedures adopted by the actuary; and
- 11° any other information as may be required by the Supervisory Authority, or the applicant believes may help the Supervisory Authority in assessment of the application.

Article 7 – Accreditation criteria

No actuary shall be accredited by the Supervisory Authority unless that actuary:

- 1° does not hold positions within or outside the insurer or the pension scheme that may create conflicts of interest or compromise his or her independence;
- 2° is fit and proper as required by the Regulation on corporate governance for insurers or the Regulation governing registration of pension schemes;
- 3° has adequate actuarial experience;

- 4° is a registered and active member of a recognised actuarial society;
- 5° demonstrates effective quality assurance process to ensure that internal and any externally imposed standards are complied with.

Article 8 – Accreditation fee

Every actuary shall pay accreditation fee of five hundred thousand Rwandan francs (FRW 500, 000) immediately after being notified by the Supervisory Authority, that application for accreditation, as an appointed actuary has been successful.

Article 9 – Validity of the accreditation

An accreditation of an actuary remains valid unless it is revoked or suspended by the Supervisory Authority.

Article 10 – Annual fee

Every appointed actuary shall pay annual fee equivalent to five hundred thousand (FRW 500,000) payable not later than the last business date of April of every year.

Article 11 – Professional indemnity insurance for an appointed actuary

Every appointed actuary shall have an adequate professional indemnity insurance during the accreditation period. The proof of cover shall be presented to the Supervisory Authority within 5 working days after notification that application for accreditation has been successful.

Chapter III

Appointment of actuary, its duties and obligations

Article 12 – Obligation to appoint an accredited actuary

An insurer or a pension scheme shall appoint an appointed actuary unless provided otherwise.

The Supervisory Authority publishes on its website, on yearly basis, an updated list of accredited actuaries.

In case an insurer or a pension scheme fails to appoint an actuary as required by applicable laws, the Supervisory Authority may appoint an actuary at the expenses of that insurer or pension scheme that failed to do so.

Article 13 – Term of service as appointed actuary within one insurer or pension scheme

To avoid familiarity threats that may arise between an appointed actuary and an insurer or a pension scheme, an appointed actuary shall not work more than five (5) consecutive years within the same insurer or pension scheme nor shall it be re-appointed as an appointed actuary of the same institution before three (3) years after its exit.

Article 14 – Valuation methodology

An appointed actuary shall indicate the summary of the valuation methodology used while performing its duties. Details also shall be disclosed if assets held to match unit linked liabilities are less than the nominal value of the units in anticipation of future charges.

The appointed actuary shall also disclose the treatment of derivative assets in the valuation and, if applicable, any credit taken for negative reserves.

Article 15 – Valuation basis

An appointed actuary shall disclose and clearly explain how the following factors among others, influenced the outcome of his/her valuation:

- 1° for an insurer:
 - i. per policy expenses;
 - ii. technical provisions;
 - iii. interest rate assumptions for insurance categories;
 - iv. unit growth rate;
 - v. discount rate;
 - vi. inflation assumptions and
 - vii. mortality/morbidity rates.
- 2° for the pension scheme with defined benefits status:
 - i. interest rate/rate of return assumptions;
 - ii. discount rate;
 - iii. inflation assumptions;
 - iv. mortality/morbidity rates;
 - v. labour market assumptions;
 - vi. earning assumptions;
 - vii. contribution rate assumptions;
 - viii. benefits assumptions.

Article 16 – Actuarial valuation for insurers

An appointed actuary shall carry out on annual basis an actuarial valuation for each accounting period of the insurer.

The valuation stated on Paragraph One of this article shall consist of the following:

- 1° valuing the liabilities of the insurer with respect to the categories of insurance business and its related insurance policies;
- 2° details of policies types issued by the company and still in force at the valuation date which indicates:
 - i. details of all explicit policy charges;
 - ii. minimum and maximum premium conditions;
 - iii. any options or guarantees available.
 - iv. details of assets which should indicate assets matching both the policyholder liabilities for non-linked business and the shareholder funds which shall at least indicate the types of asset and in the case of bonds or deposits, the name of the counterparty;
- 3° summary of assets;
- 4° details of how the solvency margin requirement is met;

- 5° details of the calculation of surplus and their distribution to shareholders;
- 6° an actuarial opinion on the adequacy of past estimates of insurance technical liabilities;
- 7° comment on any material implications for the adequacy of technical provisions;
- 8° recommendations intended to make estimate of technical liabilities for the coming financial year;
- 9° comment on the extent to which the insurer has addressed recommendations provided in the previous actuarial report; and
- 10° such other investigation of its liabilities as the Supervisory Authority may specify in a direction to the insurer.

For the purposes of Paragraph one of this article, the appointed actuary shall verify, for each inward and outward reinsurance arrangement that the insurer has entered into, whether the arrangement involves significant insurance risk transfer.

The actuary shall submit to the board of directors of the insurer all reports on and all relevant documents relating to the investigation and shall, when required by the board of directors, explain that report or those documents.

An insurer shall submit a report to the Supervisory Authority within three (3) months after the end of its accounting period.

Article 17 – Actuarial valuations for defined benefit pension schemes

A defined benefit pension scheme shall at all times have an appointed actuary who shall prepare on annual basis an actuarial valuation report and shall submit it to the Supervisory Authority within three (3) months after the end of the reference financial year.

The actuarial report shall include among other things:

- 1° valuation of pension liabilities and assets;
- 2° details of the contributions received at the valuation date;
- 3° details on the funding ratio;
- 4° actuarial assumptions used;
- 5° an independent actuarial opinion on the adequacy of assets and liabilities;
- 6° recommendations intended to make estimate of pension liabilities for the futur period;
- 7° comment on any other material implications for the adequacy of the pension liabilities.

Without prejudice to Paragraph One of this Article, appointed actuary shall make assumptions regarding, but not limited to:

- 1° the discount rate;
- 2° employee contribution rates;
- 3° wage growth rates;
- 4° inflation rates;
- 5° mortality rates;
- 6° service retirement ages;
- 7° disabled retirement ages;
- 8° investment growth rates; and

9° interest on member accounts.

The certificates in Appendices 2 and 3 shall accompany the actuarial valuation report.

Article 18 – Actuarial valuations for defined contribution pension scheme and medical insurance scheme

A defined contribution pension scheme or medical insurer may conduct actuarial valuation to ascertain the assets and liabilities matching.

Without prejudice to the provisions of Paragraph One of this article, the Supervisory Authority may, when the scheme's conditions so require, instruct a voluntary pension scheme or medical insurer to conduct actuarial valuation and thereafter submit reports to the Supervisory Authority at the expense of that scheme.

Article 19 – Actuarial opinion

An actuarial opinion shall fall in any of the following:

- 1° reasonable: the technical provisions are within the appointed actuary's range of reasonable reserve estimates;
- 2° deficient or inadequate: the technical provisions are less than the minimum that the appointed actuary believes is reasonable;
- 3° redundant or excessive: the technical provisions are greater than the maximum that the appointed actuary believes is reasonable;
- 4° qualified opinion: the technical provisions for a certain item or items cannot be reasonably estimated;
- 5° no opinion: cannot reach a conclusion due to deficiencies or limitations in the data, analysis, assumptions, or related information.

Article 20 – Financial Condition Report (FCR)

The appointed actuary of long-term insurance shall produce a Financial Condition Report (FCR) of the insurance company every five years unless provided otherwise by the Law.

The financial condition report shall discuss and comment on the following:

- 1° the nature of the business, separation of insurance funds, categories and classes of business and products and performance by growth and market share;
- 2° the reinsurance program including details and suitability;
- 3° data quality and reports needed, including steps to verify their consistency, completeness and accuracy;
- 4° general background information about the corporate structure, system of governance and operations of the insurance company;
- 5° insured event;
- 6° adequacy of premium rates;
- 7° experience of all insurance risks (including lapses and surrenders), investment earnings and costs, acquisition expenses (including commissions), and administrative expenses;
- 8° investment policy and its implementation;
- 9° details on assets and liability matching;
- 10° valuation of liabilities, including methods, assumptions, and changes from the previous year;

- 11° risk management policies and control procedures and processes;
- 12° profit or surplus, including analysis by source, movements and observed trends, dividends and capital gains retained;
- 13° material discrepancies that cannot be resolved with an insurer itself;
- 14° details on how solvency and capital adequacy requirements are met; and
- 15° conclusions and recommendations that shall:
 - i. demonstrate implications of material risks and issues identified during the assessment of the financial condition of the insurance company;
 - ii. material risks with adverse implications for the insurance company overall financial condition, address identified risks;
 - iii. address identified risks;
 - iv. extent to which the insurer has addressed recommendations provided in the previous financial condition report.

The Supervisory Authority may, at any time, by notice in writing and at the cost of the insurer, direct an insurer to bring an actuary to investigate further such aspects of its financial condition as the Supervisory Authority may specify in the notice. The investigation report shall be submitted to the Supervisory Authority and the concerned insurer.

The appointed actuary shall submit the report to the Supervisory Authority within (4) four months from the end of the reference year.

Article 21 – Statement by the appointed actuary

The appointed actuary must sign financial condition report (FCR) and actuarial valuation report.

An appointed actuary shall also make an actuarial statement indicating that he/she has complied with the international actuarial standards, professional ethics and other applicable regulations while conducting their actuarial engagement.

Article 22 – Change of an appointed actuary

If an appointed actuary resigns or is replaced, the insurer or the pension scheme must inform the Supervisory Authority and indicate the reasons for the resignation or replacement. Within 7 days from the date of that resignation or replacement.

Article 23 – Obligations and duties of an appointed actuary

To achieve the duties and meet responsibilities provided for herein, an appointed actuary shall ensure full compliance with the following obligations and duties:

- 1° strictly abide with the ethical rules governing profession;
- 2° providing independent and unbiased advice on issues that are material to operations, financial condition, capital base, prescribed capital amount and policy liabilities;
- 3° prepare the reports required under this Regulation in accordance with accepted actuarial practices;
- 4° disclose violations of laws and regulations to the Supervisory Authority as committed within the insurance company or pension scheme;

- 5° disclose to the Supervisory Authority any information or occurrence relating to the affairs of the institution that, in actuary's opinion, may jeopardize the interest of policyholders or insurer and pension scheme or its members;
- 6° disclose to the Supervisory Authority any crime that has been or is being committed by the institution or in connection with the institution's business;
- 7° participation to the growth of local actuaries by closely working with actuarial functions of local insurer or pension schemes;
- 8° reporting to the Supervisory Authority transactions leading to suspicion of money laundering and financing terrorism;
- 9° rendering actuarial advice to the management of the insurer, in particular in the areas of product design and pricing, insurance contract wording, investments and reinsurance.

Chapter IV

Disqualification and disciplinary sanctions

Article 24 – Disciplinary sanction

Without prejudice to any other disciplinary sanctions or criminal penalties, the Supervisory Authority may apply the following sanctions to an appointed actuary who fails to comply with the Law concerning the organization of insurance business, Law governing organization of pension schemes or their implementing Regulations:

- 1° warning;
- 2° prohibition from carrying any actuarial or any other activity in financial sector;
- 3° temporary suspension;
- 4° revocation;

Where an appointed actuary has been involved in any misconduct, the Supervisory Authority shall communicate it to the professional body or any other body that regulate actuaries.

Article 25 – Revocation of accreditation of an appointed actuary

The Supervisory Authority revokes appointed actuary 's accreditation if an appointed actuary:

- 1° fails to comply with any duty imposed by the Supervisory Authority laws or regulation;
- 2° is, for any reason, no longer fit and proper to be an appointed actuary;
- 3° fails to meet his/her obligations in accordance with relevant laws and regulations;
- 4° has been involved in any misconduct, Money Laundering and financing terrorism and
- 5° has been suspended by professional actuarial body for not complying with professional or ethical requirements and other members' duties.

When the Supervisory Authority revokes an appointed actuary, it informs such a decision in writing to the relevant insurer or pension scheme and shall publish on its website a note of such revocation.

Chapter V

Miscellaneous and final provisions

Article 26 – Duty to provide information to the appointed actuary

An insurer or a pension scheme shall provide accurate and complete data or information and the necessary conditions to an appointed actuary to effectively perform his/her duties. Applicable sanctions may be applied for an insurer or pension scheme that fails to provide required data/information to the appointed actuary.

An appointed actuary shall make a signed statement accepting that the information he/she received from insurer or pension scheme to perform his/her responsibilities are accurate and complete.

Article 27 – Quality assurance monitoring

The Supervisory Authority shall continuously monitor the quality of actuarial duties performed by an appointed actuary.

The Supervisory Authority may investigate failures or weaknesses of an appointed actuary in the performance of actuary duties of an appointed actuary for insurer or a pension scheme.

The Supervisory Authority may, where it is not satisfied with the report of an appointed actuary, disqualify appointed actuary and require the concerned pension scheme or insurer to appoint another actuary to carry out additional actuarial duties as may be deemed necessary and submit a report on the matter concerned.

Article 28 – Incompatibilities with the function of an appointed actuary

An appointed actuary shall be deemed non independent and, therefore, shall not be hired or kept as an appointed actuary of an institution if:

- 1° has other contractual relationships with an insurer or a pension scheme except insurance policy or is a member of the scheme;
- 2° has outsourcing services with the insurer or the pension scheme concerned;
- 3° is the employee of a holding company of an insurer;
- 4° is a service provider of pension scheme;
- 5° he/she is a shareholder of the institution or any of its subsidiaries, affiliates or controlled institutions;
- 6° his firm provides audit services to the insurer or pension scheme concerned;
- 7° has a business operation with the institution or any of its subsidiaries, affiliates or controlled institution not provided in the normal course of business and under ordinary commercial terms offered to all other customers.

Article 29 – Provisions of non-actuarial services by an appointed actuary

Without prejudice to the provisions of Article 28 of this regulation, if the appointed actuary provides non-actuarial services to an insurer or pension scheme, the audit board committee of an insurer or a pension scheme shall monitor the provision of such services to ensure that such activities do not impair an appointed actuary's objectivity and independence.

While monitoring the provisions of non-actuarial services, the board audit committee of an insurer or the board of trustees of the pension scheme shall take into consideration factors as the skills and experience of the appointed actuary, safeguards in place to mitigate any threat to objectivity and independence, and the nature of and arrangements for non-actuarial service fees.

Annual audited accounts shall include a statement disclosing whether the board audit committee is satisfied that the provision of non-actuarial services is compatible with the independence of appointed actuary.

The non-actuarial services may include:

- 1° internal audit review services;
- 2° IT systems review services;
- 3° temporary staff assignments;
- 4° recruiting senior managers for an insurer; and
- 5° corporate finance and similar activities.

Article 30 – Communication between the Supervisory Authority and appointed actuary

An appointed actuary shall report to the Supervisory Authority any matter, which he/she believes, is or is likely to be of material significance to cause the Supervisory Authority's intervention in order to protect policyholders or pension scheme's members from a significant risk of loss. The reporting of the matters shall be done within 5 days from the time the matter is identified.

The Supervisory Authority may organize a meeting with an appointed actuary to discuss the scope of the work and to exchange information on the insurer or a pension scheme in which an actuary is serving. Where necessary, the Supervisory Authority may invite the concerned insurer or board of trustees of the pension scheme to participate in the meeting.

Article 31 – Annual review of the requirements and other conditions for accreditation of actuary

The accredited actuary shall annually submit to the Supervisory Authority an updated information provided in articles 6 of this regulation for assessment and review.

The Supervisory Authority determines whether the accredited actuary still meets the requirements and conditions for accreditation.

For the purpose of this Article, items 1° and 2° of Article 6 of this regulation are not applicable.

The updated information shall be submitted to the Supervisory Authority not later than 30th of April of every year.

Article 32 – Repealing provision

Provisions about appointment of actuary in Regulation N° 05/2009 of 29/07/2009 on licensing requirements and other requirements for carrying out insurance business and any other prior provisions contrary to this Regulation are hereby repealed.

Article 33 – Transition provisions

Incumbent actuaries are given a period of one year from the publication of this Regulation in the *Official Gazette* of the Republic of Rwanda to conform to the provisions of this Regulation.

Article 34 – Drafting, consideration and approval of this Regulation

This Regulation was prepared, considered and approved in English.

Article 35 – Entry into force

This Regulation shall come into force on the date of its publication on the Official *Gazette* of the Republic of Rwanda.

Appendix 1

Forms

[Editorial note: The forms have not been reproduced.]

Appendix 2

Forms

[Editorial note: The forms have not been reproduced.]

Appendix 3

Forms

[Editorial note: The forms have not been reproduced.]