



Distr.
LIMITED

CS/YCRCTG/TMC/XXXVI/11
April, 2014

Original: English

**COMMON MARKET FOR EASTERN
AND SOUTHERN AFRICA**

Thirty Sixth Meeting of the Technical Management
Committee (TMC) on the Yellow Card
Reinsurance Pool

Kampala, Uganda
24- 25 April 2014

**REPORT OF THE THIRTY SIXTH MEETING OF THE TECHNICAL
MANAGEMENT COMMITTEE ON THE YELLOW CARD REINSURANCE POOL**

A. INTRODUCTION

1. The Thirty Sixth Meeting of the Technical Management Committee (TMC) of the Yellow Card Reinsurance Pool was held in Kampala, Uganda from the 24th to 25th of April 2014, at the Imperial Royale Hotel.

B. ATTENDANCE, OPENING OF THE MEETING, ADOPTION OF THE AGENDA AND ORGANISATION OF WORK

Attendance

2. Members of the Technical Management Committee (TMC) from Burundi, Djibouti, Kenya, Uganda, and Zimbabwe attended the meeting. DR Congo attended as an observer. The Pool Manager: PTA Reinsurance Company (ZEP-Re) and the COMESA Secretariat also attended the meeting as ex-officio members. The list of participants is attached to this report as Annex I.

Opening of the Meeting (*Agenda Item 1*)

3. The meeting was officially opened by Mr. George Steven Okotha, the Director of Operations of Insurance Regulatory Authority of Uganda (IRA) representing the CEO. In his opening remarks, he welcomed delegates to Uganda and specifically Kampala and urged them to find time and visit the sceneries in Kampala.

4. Mr. Okotha emphasised the importance that the Yellow Card plays in enhancing facilitation of trade and transport for the promotion of economic development among Member States in the region and reiterated Uganda's goodwill and commitment to COMESA Programmes and the Yellow Card Scheme in particular. He further applauded the efforts made by the COMESA Secretariat and Member Bureaux in ensuring the success of the Yellow Card Scheme. However, he emphasised on the need to find lasting solutions to address the challenges the Scheme was facing among others, issuance of forged Yellow Cards, delays in reimbursement of claims, low limits of third party compensation and fraudulent claims.

5. Finally, the Guest of Honour thanked the COMESA Secretariat for organizing the 36th TMC Meeting and thanked the NIC, National Bureaux of Uganda for hosting the Meeting and wished the delegates fruitful deliberations.

6. Earlier, Mr. Debebe Tamene, Senior Insurance Expert of the Yellow Card Scheme at the COMESA Secretariat also made a statement on behalf of the Secretary General of COMESA. He welcomed the Committee members to the Thirty Sixth Meeting of the Technical Management Committee (TMC) of the Yellow Card Reinsurance Pool. The Senior Insurance Expert also thanked the Guest of Honour for having found time in his busy schedule to come and open the meeting. He also thanked NIC, the National Bureau of Uganda, for hosting the TMC meeting.

7. The Secretariat informed the Meeting that the current Chairperson of the Council of Bureaux who also chairs the TMC Meetings had not attended the Meeting. In view of this, the delegates were requested to elect the Chairperson for the 36th TMC Meeting in accordance with the Rules of Procedure on TMC Meetings and accordingly, Uganda as a host was elected to chair the Meeting.

Adoption of the Agenda and Organisation of Work (Agenda Item 2)

8. The meeting adopted the following agenda without any amendments:
1. Opening of the Meeting.
 2. Adoption of the Agenda and Organization of Work.
 3. Progress Report on the implementation of the Decisions of the Council of Bureaux and Recommendations of the Technical Management Committee.
 4. Draft report on the study of low limits of third party liability and other issues affecting the implementation of the Yellow Card Scheme.
 5. Progress Report of the Pool Managers on the Operations of the Yellow Card Reinsurance Pool.
 6. Pool Managers' Report and Financial Statement, year ended 31st December 2013.
 7. Reinsurance Pool Financial Highlights as at 31st March 2014.
 8. Progress report on the implementation of the Yellow Card Management Information System (YC-MIS).
 9. Progress Report on the implementation of the new security enhanced Yellow Card books.
 10. Request for Supplementary Budget for the recruitment of the YC-MIS IT Expert and short term Administrative Assistant.
 11. Date and Venue of the next TMC Meeting.
 12. Any other Business.
 13. Adoption of the Report and Closure of the Meeting.
9. The Committee adopted the following working hours:

Thursday **24th April 2014**

Morning : 09:00 – 13:00 hours
Afternoon : 14:00 – 18:00 hours

Friday **25th April 2014**

Morning : Report preparation and free morning for the delegates
Afternoon : 16:30-17:00 Adoption of the Report and Closure of the Meeting

ACCOUNT OF PROCEEDINGS

Progress Report on the implementation of the Decisions of the Council of Bureaux and Recommendations of the Technical Management Committee (Agenda Item 3)

10. The Secretariat presented document No. CS/YCRCTG/TMC/XXXVI/3: Progress Report on the Implementation of the Decisions of the Council of Bureaux and Recommendations of the Technical Management Committee. In doing so, the Secretariat provided details on the progress made since the last TMC meeting. The highlights of the report were as follows:

Capacity Subscription

11. The TMC was informed that pursuant to the decision of the Council of Bureaux that the National Bureaux of Malawi and Sudan to promptly settle their capacity subscription to the Pool, the Secretariat during its Yellow Card and RCTG mission to Malawi in November 2013 engaged the National Bureau of Malawi on issues among others the payment of Capacity Subscription and outstanding financial obligations to the Yellow Card Scheme. The TMC was further informed that after the consultative meeting, the National Bureau of Malawi assured the Secretariat that it would engage its membership and report back to the Secretariat with a proposal on the way forward.

12. Regarding payment of capacity subscription by the National Bureau of Sudan, the TMC was informed that the Secretariat had engaged the Managing Director of Shiekan Insurance & Reinsurance Company (the National Bureau of Sudan) during the 3rd Zep-Re Extra Ordinary General Assembly held in Nairobi, Kenya in March 2014 who had assured to look into the matter.

13. In the discussions that ensued, the delegate of the National Bureau of Zimbabwe expressed concern on lack of progress in the settlement of Capacity Subscription by the National Bureaux of Malawi and Sudan.

Recommendations

14. Taking into account limited progress, the TMC recommended that the Secretariat should:

- a) Continue to engage the National Bureau of Malawi at a higher level and obtain their proposal on the settlement of their Capacity Subscription;
- b) Explore the possibility of the National Bureau of Sudan to effect payment of their outstanding Capacity Subscription in Euro currency; and
- c) Provide a comprehensive report on the progress made on the settlement of Capacity Subscription to the 37th TMC Meeting.

Claims Issues

15. Regarding Inter-Bureaux claims reimbursements, the TMC was informed that little progress was made as there was still a challenge of obtaining claim supporting documentations from the National Bureau of DR Congo to the following Issuing Bureaux for settlement:

- a) Zambia;
- b) Tanzania; and
- c) Zimbabwe.

16. On Pool claims and premium remittances, between the National Bureaux of Uganda and the Pool Managers, the TMC was informed that the Secretariat in conjunction with the Pool Managers conducted a reconciliation exercise in April 2014 where outstanding amounts were established and that the parties agreed to start making payments on the established outstanding amounts.

17. In the ensuing discussion, the TMC Meeting was informed that:
- a) The National Bureau of DR Congo had submitted the claims supporting documents to the issuing National Bureaux of Zambia and Tanzania during the 35th TMC meeting held in Siavonga, Zambia in August 2013 and requested the Secretariat and the Pool Managers to intervene in the matter;
 - b) The National Bureau of Uganda requested the Pool and Secretariat to assist in the provision of supporting documents on all claims handled on their behalf by other Bureaux (Inter-Bureaux claims) to enable them authorize the Pool's clearing facility and secure reimbursement from member Primary Insurance Companies; and
 - c) The National Bureau of Zimbabwe was also awaiting claim supporting documents from the National Bureau of DR Congo in order to effect reimbursement.

Recommendations

18. Taking into account the progress made, the TMC recommended as follows:
- a) National Bureaux should adhere to the guidelines provided in the Yellow Card Operations Manual regarding claims notifications, confirmation of validity of Yellow Cards before processing and settlement of Yellow Card claims;
 - b) National Bureaux should regularly conduct refresher training for new Coordinators and Yellow Card Administrators on the operations of the Yellow Card Scheme; and
 - c) The National Bureau of DR Congo should re-submit the claims supporting documents to the Secretariat and copy the Secretariat and the Pool Managers for intervention and facilitate prompt claims reimbursements.

National Stakeholders' Sensitization Workshops

19. The TMC was informed that pursuant to the Council of Bureaux directive, the National Bureau of Malawi in conjunction with the Secretariat organized and convened a Stakeholders' Sensitization Workshop in November 2013 to among other things, sensitize the members on the introduction of the new security enhanced Yellow Card books and hold consultative meetings on the challenges of the National Bureau in the administration and operation of the Scheme and meeting its obligations.

20. In the discussions that ensued, the TMC was informed as follows:
- a) The National Bureau of Zimbabwe had held a Workshop which was attended by Government representatives from the Ministry of Transport, transport operators and the Traffic Police ;
 - b) The National Bureau of Uganda in conjunction with Uganda Insurers Association (UIA) held Sensitization Workshops for Traffic Police Officers and Primary Insurance Companies and also conducted border visits to branches of Primary Insurance Companies at Busia and Malaba. The National Bureau was planning for another border

visit at Katuna and had established good working relationship with the Police Command;

- c) The National Bureau of Kenya held two Workshops in 2013 which was attended among others by the Traffic Police, Transporters and member Insurance Companies and was planning for another workshop in 2014 with funding help from the Government;
- d) The National Bureau of Burundi was finding it difficult to provide clear guidance to its member Insurance Companies during Sensitization Workshops regarding the prohibition of issuance of Yellow Cards to non-resident motorists as the provisions in the Yellow Card Instruments did not explicitly provide clear guidelines. This concern was echoed by other National Bureaux who had similar experiences where their members Insurance Companies were issuing Yellow Cards to motorists from other COMESA member countries.

Recommendations

21. In view of the above, the TMC recommended that the Secretariat should:

- a) Send reminder letters to National Bureaux advising them to conduct National stakeholders' sensitization Workshops for Traffic Police, Customs Officials, Transporters, Clearing Agents and Insurance Brokers to popularize the operations of the Yellow Card Scheme in accordance with the decision of the Council of Bureaux;
- b) Review the issue of provision of Yellow Card covers to non-resident motorists in consultation with the National Bureaux and come up with a proposal to address the issue; and
- c) Review the provisions in the Yellow Card instruments on issuance of Yellow Card covers to explicitly provide guidelines with regards to issuance to non-resident motorists and/or non-COMESA visiting motorists.

Proposed Template for preparations of the progress report of the Pool Managers on the operations of the YC RI Pool

22. The TMC was informed that in pursuant to the directive of the 27th Meeting of the Council of Bureaux regarding formulation of a standard reporting template for the reports of the Pool Managers, the Secretariat in liaison with the Pool Managers had drafted the reporting template as shown below:

- a) Introduction
- b) Subscription capacity
- c) Premium returns and Remittance
 - i) Premium returns
 - ii) Premium booked
 - iii) Premium collected
- d) Claims
 - i) Small/ Inter-Bureaux claims (Claims less than US\$15,000)
 - ii) Large claims (Claims above US\$15,000)
 - iii) Outstanding claims
 - iv) Claims issues
 - v) Claims recovered from XL
- e) XL Treaty

f) Other issues

23. The TMC was further informed that all items indicated above should show the following:

- a) The figures for the reporting period;
- b) Compared to the figures the same period last year;
- c) Activities carried out during the period on the subject item;
- d) Challenges identified; and
- e) Recommendations to resolve the issues identified.

Recommendation

24. The TMC considered the proposed Template for preparations of the progress report of the Pool Managers on the operations of the Yellow Card Reinsurance Pool and recommended it to the 28th Meeting of the Council of Bureaux for adoption.

Administrative Matters

i) Senior Insurance Expert

25. The TMC was informed that in pursuant to the decision of the 27th Meeting Council of Bureaux, the position of Senior Insurance Expert (P4) has been filled up as Mr. Tamene K. Debebe accepted the offer and that he has since assumed his duties effective 8th February 2014 on an initial three years contract.

ii) Administrative Assistant

26. The TMC was informed that, in view of the prolonged sickness of Mrs. Brenda Chizyuka, the Administrative Assistant for the Yellow Card Office, the Secretary General of COMESA approved the request made by her to work from home until 31st July 2014 to enable her fully recuperate.

27. In the discussion that ensued, the TMC Meeting expressed concern on the prolonged absence off duty by the Administrative Assistant due to the illness and requested to be highlighted on the provisions of the staff rules and regulation of the COMESA Secretariat.

Budget Contributions

28. The TMC was informed that seven (7) National Bureaux namely; Burundi, Tanzania, Uganda, Zambia, Zimbabwe, Ethiopia, Kenya had fully paid their budget contributions while the National Bureau of DR Congo had made a partial payment towards its budget contribution arrears. The TMC was also informed that the National Bureaux of Djibouti, Sudan, Malawi and Rwanda had not made any payment despite sending them several reminders.

29. The TMC was also informed that out of the US\$ 477, 576 budgeted annual income for the Yellow Card Council of Bureaux for the period 2013/2014, US\$315,581 had been collected from the above named eight (8) National Bureaux and a total of US\$645,040 including arrears was still outstanding on account of five National Bureaux, namely; Djibouti, DR Congo, Rwanda, Sudan and Malawi. Details are shown in the table below:

Table 1: Statement for budget contributions as at 15th April, 2014

National Bureau	2013/2014 Budget contribution (US\$)	B/F Budget contribution arrears / over payment (US\$)	Payment as at 15 th April, 2014 (US\$)	Total outstanding budget contributions (US\$)
Burundi	39,798.00	-	39,798.00	-
Djibouti	39,798.00	-	-	39,798.00
DR Congo	39,798.00	50,613.33	36,995.00	53,416.33
Eritrea	Exempt	-	Exempt	-
Ethiopia	39,798.00	-	39,798.00	-
Kenya	39,798.00	-	39,798.00	-
Malawi	39,798.00	241,639.00	-	281,437.00
Rwanda	39,798.00	-	-	39,798.00
Sudan	39,798.00	190,793.00	-	230,591.00
Tanzania	39,798.00	-	39,798.00	-
Uganda	39,798.00	-	39,798.00	-
Zambia	39,798.00	-	39,798.00	-
Zimbabwe	39,798.00	-	39,798.00	-
	477,576.00	482,845.33	315,581.00	645,040.33

30. In the ensuing discussions, the TMC was further informed as follows:

- a) The National Bureau of Rwanda was committed to settle its budget contribution and had promised to settle at the earliest possible time;
- b) The representative of the National Bureau of Djibouti made a commitment to settle the budget contribution as soon as he returns to Djibouti; and
- c) On the accumulated budget arrears by the National Bureau of DR Congo, the TMC was informed that it was due to the fact that payments were made through a bank which was liquidated before the funds were remitted to the Secretariat. The TMC was further informed that the National Bureau of DR Congo was committed to settle the budget contribution arrears as soon as is possible.

Recommendations

31. In view of the above, the TMC recommended that:

- a) The National Bureaux of Djibouti and Rwanda should promptly settle their 2013/2014 budget contributions at the earliest possible time and before 30th June 2014;
- b) The National Bureau of DR Congo should settle its 2013/2014 budget contribution and arrears before 30th June 2014;
- c) Secretariat should provide a comprehensive report on the progress made on the settlement of budget contribution by the national Bureau of Malawi to the 37th TMC Meeting; and
- d) The Secretariat should explore the possibility for the National Bureau of Sudan to settle their budget contributions in Euro currency.

Draft report on the study of low limits of third party liability and other issues affecting the operation of the Yellow Card Scheme (Agenda Item 4)

32. A representative of the Secretariat informed the TMC that a study had been conducted on low limits of third party liability and other issues affecting the operations of the Yellow Card Scheme. He also informed the TMC that the Consultants having considered the comments, views and observations provided to them by the Secretariat after thorough review of their earlier first draft, had submitted their report for consideration by the TMC.

33. The Secretariat then invited the TMC members to go through the revised draft report and provide their comments and observations to the Secretariat within two weeks from the date of the TMC meeting for consolidation before submitting to the Consultants for consideration.

Recommendation

34. In view of the above, the TMC recommended that the Committee members should submit comments and observations to the Secretariat within two weeks from the date of the TMC meeting for consolidation before submitting them to the Consultants for consideration.

Progress report of the Pool Managers on the operations of the Yellow Card Reinsurance Pool (Agenda Item 5)

35. A representative of the Pool Managers presented document number CS/YCRCTG/TMC/XXXVI/5: Progress Report on the operations of the Yellow Card Reinsurance Pool as at 31st March 2014 and the highlights of the presentation were as follows:

a) Premium returns

36. On the premium returns, the TMC was informed that the premium booked by the Pool for the period under review on the Pool Manager's 30% share was US\$ 805,568 compared to US\$ 493,793 recorded during the same period in 2013. The TMC was further informed that the figure was not fully representative as many returns from members were still outstanding despite several follow ups made by the Pool. The summary of written premiums and returns submitted by each National Bureau is as shown in table 1 below:

Table 2: Returns & Premium booked as at 31st March 2014

Bureau	100%	30% SHARE	5%	NET	Number of Cards	Date of Submission of Returns
	(USD)	(USD)	COMM.	TO POOL		
Kenya	1,022,683	306,805	15,340	291,465	9,481	Various 13 - Feb 14
Uganda	428,110	128,433	6,422	122,011	4,784	Jun - Nov 13
Zimbabwe	332,243	99,673	4,984	94,689	4,721	Sep - Dec 13
Tanzania	323,623	97,087	4,854	92,233	4,137	Aug -Dec 13
Burundi	223,440	67,032	3,352	63,680	13,910	May 13-Feb 14
Zambia	172,500	51,750	2,588	49,163	5,438	Dec 13 -Feb 14
Ethiopia	95,033	28,510	1,426	27,085	9,205	Nov. 13
Djibouti	55,683	16,705	835	15,870	277	July - Sep 13

Rwanda	31,910	9,573	479	9,094	1,914	Oct - Dec 13
DRC	-	-	-	-	-	0
Malawi	-	-	-	-	-	None
Sudan	-	-	-	-	-	None
Eritrea	-	-	-	-	-	None
Totals	2,685,227	805,568	42,048	763,520	53,867	

b) Premium Remittances

37. The TMC was informed that there were still outstanding balances of remittances from the National Bureaux despite the Pool having sent out a circular. The TMC was further informed that the National Bureaux of DR Congo and Ethiopia submitted their returns after compilation of the report by the Pool Managers. The TMC urged the National Bureaux and member Primary Insurance Companies to comply with the requirement to submit returns and remit premiums to the Reinsurance Pool without delay.

c) Claims

38. The TMC noted the status of claims as follows :

i) Settled Claims below US\$10,000

39. The TMC was informed that the amount owed to the Pool as at 31st March 2014 amounted to US\$ 242,997 compared to the outstanding as at 31st December 2013 which was US\$230,728. The table below shows the settled claims below US\$10,000.

Table 3: Settled Claims below US\$10,000

ISSUING BUREAU	HANDLING BUREAU	March 2014	December 2013
N.B. Ethiopia	N.B. Djibouti	361,299	276,301
N.B. Djibouti	N.B. Ethiopia	6,814	6,814
N.B. Kenya	N.B.Rwanda	7,872	7,872
N.B. Kenya	N.B. Uganda	107,204	107,204
N.B.Rwanda	N.B. Burundi	7,513	7,513
N.B.Rwanda	N.B. Tanzania	40	40
N.B.Rwanda	N.B. Uganda	18,690	64,515
N.B. Uganda	N.B. Burundi	15,707	15,707
N.B. Uganda	N.B. Kenya	6,534	6,534
N.B. Zambia	N.B.Kenya	7,292	7,292
N.B. Tanzania	N.B. Burundi	16,168	16,168
N.B. Tanzania	N.B. Uganda	2,677	2,677
N.B. Burundi	N.B. Uganda	16,391	16,391
Sub-Total		574,201	535,028
Provision for bad debts		(331,204)	(331,204)
TOTAL		242,997	230,728

ii) Overall Inter-Bureaux Claims Paid from inception to date

40. The TMC was informed that the Pool had handled Inter-Bureaux claims since inception amounting to over US\$1,200,000 on behalf of issuing Bureaux out of which US\$574,201 was outstanding reimbursement to the Pool.

iii) Claims intimations above US\$10,000-Large claims

41. The TMC was informed that the total claims reported to date accrued to US\$10,825,827.26 out of which US\$3,322,443.63 would be retained for the Pool's net account. The TMC was further informed that the amount recoverable from the Reinsurers was US\$7,487,785.85. The details of large claims reported to the Pool since inception to date is shown in the table below:

Table 4: Large claims intimations since inception to date

Bureau	OS-100%	Retained	Ceded	
Ethiopia	3,235,371.30	1,616,900.66	1,618,470.64	29.89%
Kenya	2,880,208.51	726,455.00	2,153,753.51	26.60%
Rwanda	2,839,185.28	308,214.21	2,530,971.07	26.23%
Tanzania	502,164.91	90,000.00	412,164.91	4.64%
Uganda	491,716.92	224,448.23	267,268.69	4.54%
Burundi	417,726.31	145,929.22	271,797.09	3.86%
Djibouti	198,097.51	110,000.00	88,097.51	1.83%
Zambia	178,413.32	40,000.00	138,413.32	1.65%
Zimbabwe	42,439.89	20,000.00	6,842.11	0.39%
DR Congo	40,503.31	40,496.31	7.00	0.37%
	10,825,827.26	3,322,443.63	7,487,785.85	100%

d) Collection of Excess of Loss premium

42. The TMC was informed that there was improvement with regards to settlement of Excess of Loss premiums by the National Bureau of Uganda which had since paid US\$78,360, whereas other National Bureaux with outstanding Excess of Loss premiums had not responded despite the Pool having sent out several reminders. The breakdown of the outstanding premiums on the Excess of Loss cover is shown in the table below:

Table 5: Statement of outstanding premiums on the Excess of Loss cover

NATIONAL BUREAU	Balance at December 2012	Increase in 2013	SETTLED	Cumulative
	US\$	US\$	US\$	US\$
Burundi	19,325	-	-	18,686
Djibouti	26,221	-	-	25,570
D.R. Congo	22,566	-	-	18,947
Eritrea	22	-	-	21
Ethiopia	216,863	-	-	212,306
Kenya	397,393	-	-	391,796
Malawi	3,861	-	-	3,606
Rwanda	55,270	-	-	54,896
Sudan	1,082	-	-	1,082
Tanzania	94,695	-	-	94,695

Uganda	134,987	-	(78,360)	56,627
Zambia	80,993	-	-	80,993
Zimbabwe	93,573	-	-	93,573
Sub-Total	1,146,851	-	(78,360)	1,068,491
Provision for bad & doubtful debts	(1,122,005)	(24,846)	78,360	(1,068,491)
TOTAL	24,846	(24,846)	-	-

43. In the discussions that followed, the following was observed:

- a) Regarding Premium booked, the National Bureau of Kenya had an increased premium booked in the first quarter 2014 as a result of having stopped selling Yellow Card books to members who were not implementing the YC-MIS and fail to submit their returns;
- b) On outstanding Excess of Loss Premiums, the National Bureau of Zimbabwe had not yet received their invoices on their share of the Excess of Loss Premium payable to the Pool on their account;
- c) Regarding Indexation of bodily injury claims, the National Bureau of Uganda was finding it difficulties to obtain required information from the National Central Statistical Office for use in the indexation and as such requested for guidance from the Pool Managers; and
- d) On Claim reimbursement, the Pool Managers informed the meeting that the National Bureau of Ethiopia was processing a partial reimbursement on agreed claims amounting to US\$ 25,000 for onward remittance to the Pool.

44. Further in the ensuing discussion, the delegate of the National Bureau of Zimbabwe expressed concern on outstanding amounts on the Inter-Bureaux claims reimbursement and recalled the decision of the 27th Meeting of the Council of Bureaux on the task team to look into such issues and requested secretariat to implement the Council decision at the earliest possible time.

SANGE-UVIRA Claim recoveries

45. The TMC noted with appreciation the progress made by the Pool Managers in the recovery of US\$249,513.75 from its Reinsurers out of the US\$462,062.49 paid in the settlement of the Sange/Uvira claim.

Challenges faced during the period

46. The TMC noted with displeasure the continued difficulties the Pool Managers were made to go through in the implementation of the Reinsurance Pool related activities among others the following:

- a) Premium returns and settlement were still not being submitted to the Pool promptly despite continued reminders via email messages, telephone calls and both TMC and Council of Bureaux Meetings.

- b) The Pool Managers were finding it difficult in getting reimbursements from Issuing National Bureaux on claims settled on their behalf;
- c) The Pool Managers had on several occasions received claims advices from National Bureaux with inadequate information and this has hindered the Managers' ability to effect reimbursements; and
- d) Collection of Excess of Loss Premiums has been slow despite concerted efforts by the Pool Manager and previous TMC Meetings.

Recommendation

47. In view of the above, the TMC recommended as follows:

- a) National Bureaux should adhere to the guidelines and directive given in the operational manual and pay booked premiums monthly as provided for in the operational manual;
- b) Yellow Card instruments need to be reviewed to include sanctions on member Bureaux who fail to completely adhere to the operational guidelines provided by the operational manuals; and
- c) The established task team by the 27th Meeting of the Council of Bureaux should immediately start its work and urgently look into the issues of long outstanding claims reimbursement between issuing Bureaux and the Pool Managers which has resulted in provisions for bad debt in the Pool's financials.

Pool Managers' Report and Financial Statement, Year ended 31st December 2013 (Agenda Item 6)

48. The representative of the Pool Managers presented to the TMC document number CS/YCRCTG/TMC/XXXVI/7: COMESA Yellow Card Reinsurance Pool Manager's Report and Financial Statement as 31st December 2013. He informed the TMC that the Annual Report was a draft for members' comment and that the Annual Report and Accounts for the period would be submitted to the External Auditors. In presenting the report, he pointed out that:

- a) The Pool recorded a Gross Premium Income of US\$ 2,181,034 during the period ended 31st December 2013, which shows an increase of 7.7% over the corresponding figure of US\$ 2,024,920 generated in 2012;
- b) Uganda and Kenya generated the highest Premium Income, 18.81% and 17.44% respectively;
- c) Provision for outstanding claims including IBNR was \$ 396,898 in 2013 compared to \$ 54,393 in 2012;
- d) The volume of investment increased to \$6,916,098 in 2013 from \$5,760,569 in 2012; and the income realized from Investment during 2013 was \$269,576;
- e) The cost of the excess of loss cover for the year 2013 is US\$ 245,700 compared to US\$ 222,333 incurred in 2012. The increase was owing to the increase in projected premium income for 2013 and high reinsurance rates due to the Pool's claims experience;
- f) Premium for Excess of loss cover owing from member reduced from \$1,146,851 in December 2012 to \$1,068,491 in December 2013 ; and

g) The Pool Management fee incurred for the fiscal period was \$218,103.

49. The TMC noted the financial highlights as shown below:

Table 7: Financial Highlights as at 31st December 2013

	December 2013 (US\$)	December 2012 (US\$)
Gross Premium Income	2,181,034	2,024,920
Reserve Fund	5,178,151	4,743,344
Total Assets	8,712,747	7,904,791
Capacity Subscription	275,000	350,000
Short-term investments	6,916,098	5,760,569

50. The TMC made the following observations:

- a) The provision of bad debts for National Bureaux owing the Pool for claims settlement through the Clearing house increased to \$331,204 in 2013 from 209,808 in 2012;
- b) The Excess of loss premiums due from members on the 2nd and 3rd Layers reduced from \$1,146,851 in 2012 to US\$1,068,491 in 2013;
- c) The balance due from National Bureaux in respect of outstanding premiums at the end of the period under review was US\$ 636,081 compared to US\$ 813,742 in December 2012; and
- d) The Pool realized a total of US\$269,576 from investments in 2013 compared to US\$391,229 recorded in the same period of the previous year.

51. In the ensuing discussions, the TMC observed the following:

- a) There was a remarkable increase in the comprehensive income for the year 2013 compared to the same period in 2012;
- b) There was need for the Pool Managers to revisit and explore on the issue of considering paying dividends to the members.

Recommendation

52. In light of the above, the TMC recommended as follows:

- a) The Pool Manager should present detailed and comprehensive report in line with the proposed reporting template to the 37th TMC Meeting; and
- b) Reiterated the earlier recommendation of the TMC Meeting and urged the Pool Managers to revisit and explore the issue of considering paying out dividends to the members.

Reinsurance Pool Financial Highlights as at 31st March 2014 (Agenda Item 7)

53. The Pool Managers presented document number CS/YCRCTG/TMC/XXXVI/6: Reinsurance Pool Financial Highlights as at 31st March 2014. In their presentation, the Managers informed the meeting that for the period under review the Pool had recorded a Gross Premium Income of US\$805,568 representing an increase of 63% over the figure reported for

the 31st March 2013, which was US\$493,743. The highlights of the developments, specifically on the Gross Premium Income, Reserve Fund, Total Assets and Capacity Subscription for the three (3) months period were presented as follows:

Table 6: The financial highlights as at 31st March 2014

	March 2014 (US\$)	March 2013 US\$)
Gross Premium Income	805,568	493,743
Reserve Fund	5,289,551	4,799,278
Total Assets	8,965,145	8,181,908
Capacity Subscription	275,000	350,000

54. In the discussions that followed, the delegate from the National Bureau of DR Congo requested the Pool Managers to send them an official letter on the due refund of US\$25,000 on capacity subscription with a proposal to utilize the funds in offsetting the National Bureau's outstanding financial obligations to the Pool. The TMC however, noted with concern the huge increase on operating expenses, i.e. other expenses in the statement of comprehensive income and requested the Pool Managers to provide explanatory notes in such cases.

Progress report on the implementation of the Yellow Card Management Information System (YC-MIS) (Agenda Item 8)

55. The Secretariat presented document number CS/YCRCTG/TMC/XXXVI/8: Progress Report on the implementation of the Yellow Card Management Information System (YC-MIS). He informed the TMC that pursuant to the Council of Bureaux decisions, implementation preparatory activities were carried out in the Northern and North-South Corridor countries and the system had been rolled out and implemented in Kenya, Uganda, Rwanda, Burundi, Tanzania, Malawi and Zambia.

56. The TMC was further informed that despite the system having been rolled out and implemented in the Northern and North – South Corridor countries, some Member States were still not using the YC-MIS in their day to day issuance of Yellow Card covers to their travelling motorists.

57. The TMC meeting noted with appreciation the efforts and progress shown by some National Bureaux of Kenya, Uganda, Rwanda and Zambia in the implementation of the YC-MIS where over 400 users were accessing and utilizing the system on a daily basis.

58. The TMC was informed of the challenges that were faced in the implementation of the system and the progress thereto made in addressing them. The challenges faced, among others were the following:

- a) Misalignment in printing of Yellow Card pads;
- b) Slowness in the processing speed of the system; and
- c) Loss of data.

59. The TMC meeting was further informed that preparations for the rollout and implementation of the YC-MIS in Zimbabwe, Djibouti, Eritrea, Ethiopia and Sudan were planned for May- July 2014.

60. In the ensuing discussions, the following observations were made:
- a) The French version of the YC-MIS should be made accessible to all Francophone Yellow Card member countries;
 - b) There was need to retrain the users in the DR Congo on the operation of the YC-MIS before its implementation as users might have forgotten on its operations due to lack of practice and requested the Secretariat to reactivate the user accounts for the nominated users and send them to DR Congo; and
 - c) The YC-MIS user manual should be fully developed and circulated to all member National Bureaux and Primary Insurance companies.

Recommendations

61. The TMC having considered the progress made in the implementation of YC-MIS in the Northern and North – South Corridor countries recommended that:
- a) National Bureaux in liaison with the Secretariat should conduct monthly audit / evaluations on the usage of the system on all registered member companies supplied with Yellow Card books and take those not issuing Yellow Card covers using the YC-MIS to task; and
 - b) The Secretariat should conduct preparatory roll out and implementation activities of the YC-MIS in the Ethiopia, Djibouti, Eritrea, Sudan and Zimbabwe in May -July 2014 and ensure full implementation of the system in all Member States party to the Scheme.

Progress Report on the implementation of the new security enhanced Yellow Card books (Agenda Item 9)

62. A representative of the Secretariat presented Document No. CS/YCRCTG/TMC/XXXVI/9: Progress report on the implementation of the new security enhanced Yellow Card books. In his presentation, he informed the TMC that pursuant to the Council of Bureaux decisions, stakeholders' sensitization activities on the introduction of the new security enhanced Yellow Card books were conducted by National Bureaux and that the Secretariat had engaged the Printers, Taws Security Printers to fast track the printing and delivery of the new security enhanced Yellow Card books. Accordingly, the Yellow Card books were printed and delivered to respective National Bureaux.

63. The TMC was further informed that the National Bureaux of Ethiopia, Djibouti, DR Congo, Kenya, Malawi, Rwanda, Burundi and Tanzania managed to commence the implementation of the new security enhanced Yellow Card books by December 2013, while, the National Bureaux of Zimbabwe, Uganda and Sudan commenced implementation between January / February 2014.

64. The TMC was also informed that the delays in implementation by some member Countries were due to delays by Customs Authorities in releasing the consignments and that some National Bureaux, namely Sudan and Eritrea had not paid for their printing and delivery cost to the Printer.

65. In the discussion that followed, the TMC was informed that some member Insurance companies were not surrendering unused old Yellow Card books to the National Bureaux for destruction as they had paid for them.

Recommendations

66. The TMC having considered the progress made on the implementation of new security enhanced Yellow Card books recommended as follows:

- a) National Bureaux should strictly adhere to the Council of Bureaux decisions and should compile lists of unused old Yellow Card books for destruction;
- b) The National Bureau of Sudan should urgently remit to the Printer the printing and delivery cost for their consignment of new Yellow Card books delivered; and
- c) National Bureaux who do not pay the cost of printing and delivery on time to the printer, would be required to pay in advance the cost of printing and delivery for any future orders.

Request for Supplementary Budget for the recruitment of the YC-MIS IT Expert and short term Administrative Assistant (*Agenda Item 10*)

67. A representative of the Secretariat presented document number CS/YCRTG/TMC/XXXVI/10: Supplementary Budget for the recruitment of an IT Expert for the YC-MIS and Administrative Assistant. He recalled that the Reinsurance Pool of the Yellow Card Scheme had been funding the YC-MIS project and pointed out that the system was operational in the Northern, Central and partly in the North-South Corridor Countries, namely: Kenya, Uganda, Rwanda, Burundi, Tanzania, Malawi, and Zambia. He further pointed out that the preparations for the roll-out in Zimbabwe, Djibouti, Eritrea Ethiopia and Sudan were planned for May – July 2014 and the system would be fully implemented in all the Member States that are party to the scheme.

68. The TMC was informed that following the roll-out, several Primary Insurance companies proposed improvements and addition of new features. He further informed the meeting that there were some Modules which were under development, and regular and day to day activities which required an engagement of a full time IT Expert as follows:

- a) Major issues have identified during operations were:
 - i) Speed problem. The system is slow due to design issues;
 - ii) Chasing (saving) of information in the process of entering data; and
 - iii) Printing options are limited.
- b) The YC-MIS has seven Modules and two of them; namely: Reporting and Claims Modules were not finalized.
- c) Improvement or adding new features including the following:
 - i) Distributed systems
 - ii) French language
 - iii) Communication Module (for email, chatting and real time help)
- d) Regular day to day activities include, among others, the following:
 - i) Attend to users queries;
 - ii) Configure new entries to the system;

- iii) Populate and update the ID module;
- iv) Train stakeholders (officer in National Bureaux and Primary Insurance companies) in member states
- v) Rollout the system in all corridors
- vi) Improve the system to address issues and concerns of stakeholders
- vii) Maintenance of the MIS
- viii) Review the administrative and user guides for the MIS; and
- ix) Produce and circulate YC Monthly brief to stakeholders

69. The TMC Meeting was further informed that the developing, pilot testing and rolling out of the system has been carried out through a consultancy, with the funding allocated from the Yellow Card Reinsurance Pool and with the supervision support of the COMESA IT Division. The Meeting was also informed that until the regular post of the YC-MIS IT Expert is approved by the Council of Bureaux in its next annual meeting, an IT Expert has to be recruited for a period of one year at a Lump Sum of monthly fee US\$4,000 (US\$4,000 x 12 months: \$48,000). During this period, the IT Expert would be required to visit all National Bureaux to facilitate the rollout and ensure the smooth operations of the system. The required funds for the travel missions to all member states would amount to US\$22,000.

Recruitment of a short Term Administrative Assistant

70. The TMC was informed that Mrs Brenda Chizyuka, the Administrative Assistant has not fully recovered from her sickness and as such has not resumed for work. In light of the above, the TMC was further informed that the Yellow Card office had been operating in the last two years without a fully designated Administrative Assistant. This situation has adversely affected the day to day operations of the Yellow Card office and that there was need to hire a temporary Administrative Assistance for a period of one year at a Lump Sum monthly fee of US\$1,000 (US\$1,000 x 12 months: US\$12,000) until Mrs Chizyuka recover and resume for work.

71. The TMC was also informed that the total funding required for the recruitment of the short term IT Expert and Administrative Assistant would amount to US\$82,000 broken down as follows:

a)	IT Expert for YC-MIS for one year:	US\$70,000
b)	Administrative Assistant for one year:	US\$12,000
	TOTAL	US\$82,000

72. In the ensuing discussion the TMC::

- a) Pointed out the importance of urgently recruiting the YC-MIS IT Expert and the short term Administrative Assistant;
- b) Expressed the concern on the long absence of Mrs. Brenda Chizyuka from office due to long sickness as this has negatively affected the day to day administrative operations of the yellow card office and the long funding of the position;
- c) Emphasized the recruitment of YC-MIS IT Expert and the short term Administrative Assistance be done for one year contract on the condition that the fund being released by the Pool Manager on quarterly basis before the beginning of each quarter to honour the obligation of yearly contract employment.

Recommendations

73. In view of the above, and taking into account difficulties National Bureaux would face in raising additional budget contribution from their members at the middle of the fiscal year and in most case after paying their annual budget contribution for the period, the TMC recommended as follows:

- a) The Yellow Card Reinsurance Pool should continue supporting the activities of the YC-MIS by funding the recruitment of short YC-MIS IT Expert and Administration Assistant and cover the Supplementary budget of US\$82,000 required;
- b) The Secretariat should write to the Pool Managers to transfer the on quarterly basis; and
- c) The Secretariat should carry out the recruitment of the IT Expert for the YC MIS and short term Administrative Assistance in May 2014.

Date and Venue of the next meeting (Agenda Item 11)

74. Regarding the venue of the next meeting of the Technical Management Committee, the Secretariat informed the TMC that it would engage the National Bureau of Kenya to host and advise the members accordingly.

Any Other Business (Agenda item 12)

75. The National Bureau of Uganda informed the meeting that they had conducted a reconciliation exercise with the Pool Managers from 7-11 April 2014 and had agreed on settlement of established outstanding Inter-Bureaux and Pool Claims, Pool Premium remittance and Excess of Loss premium and that a detailed report on the exercise would be presented to the 37th meeting of TMC.

Adoption of the report and closure of the meeting (Agenda item 13)

76. The Meeting considered the draft report paragraph by paragraph and adopted the report after making some amendments.

77. At the close of the meeting, the delegate from the National Bureau of Djibouti, Mr. David Boucher, Sales Manager, GXA Insurances thanked the Government of Uganda, the Insurance Regulatory and Insurance Industry of Uganda and the people of Uganda for the warm hospitality extended to the delegates during their stay in Uganda and also thanked the National Bureau of Uganda, NIC for hosting the meeting and for the excellent facilities offered to the delegates. Mr. Boucher commended the Chairperson for the manner he guided the meeting deliberations, he further thanked the COMESA Secretariat for the good organization of the meeting, the delegates for having found time to attend the meeting and for their valuable contributions made during the deliberations.

78. In closing the meeting, the Chairperson thanked all the delegates for their valuable contributions and wished them a safe journey to their respective Countries.

NNEX I

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LISTE DES PARTICIPANTS**

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