

Country: Tunisia



CIA link to demographic/economic data on [Tunisia](#)

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General Information

Legislation:

Based on French civil law system and Shari'a law; some judicial review of legislative acts in the Supreme Court in joint session

The Supervisory Authority is the « Comité Général des Assurances » part of the Ministry of Finance of Tunisia (www.portail.finances.gov.tn/accueil_fr.php)

Major forms of Compulsory Insurance:

1. Motor third party liability
2. Workers' compensation and professional health insurance
3. Health Insurance
4. Fire for certain categories of risk
5. Transport Insurance of Import Goods
6. Decennial insurance for construction risks
7. Professional liability is compulsory for: estate agents, tourist campsites, suppliers of lifts, private hospitals, old age homes, blood dialysis units, liquidators, lawyers and other legal representatives, waste transporters and port operators

Non-Admitted Insurance:

Non-admitted insurance is not permitted

Types of Insurance Restricted to Government Institutions:

Workers' compensation and professional health insurance
Health insurance (First Layer)
Pensions (First Layer)

State Involvement:

Involvement in some insurance companies: majority state owned insurance companies are now down to two, COTUNACE and STAR (being privatised). Tunis Re is a majority state-owned reinsurer Involvement in certain classes such as Motor Insurance where the premium rate (for TPL guarantee) is fixed by Law and for which the State has created the prevention funds for road accidents; involvement also in the Construction field with the creation of the insurance pool offering a 10 years decennial liability insurance; in 1994, the State took from insurers the compensation prejudice scheme ensuing from accident at work and professional health; in 2004, the State has established a health insurance scheme, reserved during years previously to the insurance field.

Insurance Companies:

Only local insurers operate in Tunisia. Foreign insurance companies are not allowed to operate with Tunisian staff; however they may be stockholder with a non-significant share. Some foreign companies reached agreements with local insurers to be their correspondents, especially for the

aim of the management of international programmes. Non-Resident Insurers and Reinsurance Companies are also established.

The Tunisian insurers are members of a professional association of the insurance companies called Fédération Tunisienne des Sociétés d'Assurances (FTUSA, www.ftusanet.org)

Distribution Channels:

Traditionally the non-Life sector has been an agency market with business produced either direct through companies or through an agency network. Brokerage is new and grows more and more mainly to meet the needs of commercial clients. Most life business was sold by the insurers' own staff, and recently by Banks and the Post, both authorised to sell some classes of insurance risks. Most brokers are member of the Chambre Syndicale des Courtiers en Tunisie

Currency Restrictions / Exchange Controls:

Companies are free to remit reinsurance premiums without the need for any prior authorisation. Some special operations need however an authorisation

Policy Wordings & Rates / Tariff Controlled:

Compulsory motor third party liability

Voluntary motor (advisory tariff)

Decennial insurance (advisory tariff provided by a pool). All wordings for every class of risk and also rating must have been approved by the Insurance Authorities (Comité Général des Assurances) prior to commercialisation

Policy Language:

The official policy language is Arabic, but in practice both Arabic and French are used. In some cases, policy can be issued in English for international programmes

Policy Currency:

Tunisian Dinar

However, some policies can be issued in Euros or in U.S. dollars for non-resident companies operating in Tunisia

Policy Period:

Generally annual with automatic renewal, unless for certain classes as Construction or Marine Cargo where the covers are limited to the needed periods.

Policies arranged as part of international programmes are issued with specific periods

Cancellation Provisions:

60 day written notice prior to expiration; otherwise tacit renewal provisions prevail

Premium Taxes and Charges:

A premium tax of 5% applies to marine and agriculture business and 10% for most other classes, with the notable exception of life and export credit risks. In the case of motor third party, a 2% levy is also payable

Brokerage Commissions:

Commissions range from 5% - 23%, with an average of 15% for commercial lines. Servicing fees are not common, except for international programmes

Broker of Record Letters:

It is a recognised practice for industrial / commercial risks when either a broker or insurer is being replaced. The BORL can also be replaced by a brokerage agreement

Reinsurance:

There are three elements to the local reinsurance market: a part state-owned reinsurance company, three registered offshore reinsurers and seven domestic insurers writing inwards reinsurance accounts. All three sectors accept business from other countries as well as from within Tunisia

Pooling Facilities:

For the 10-years decennial construction insurance stated by Law n° 94-9 dated 31st January 1994

Local Natural Hazards:

Northern Tunisia is exposed to earthquake, due to its situation on the Atlas Fault Line. Strong winds in excess of 60 mph (100 kph) are very rare and windstorm is not regarded as a major exposure. Although flash floods may be responsible for loss of life, the risk of flood damage to insured property is low

Other Information:**Non-life (P&C) Insurance Market**

The market is divided among several insurance companies, with business concentrated in the commercial sector. The market has been liberalised further to a reform stated by the government. Most classes are profitable, but both third party compulsory motor and healthcare have been consistently unprofitable

Life Insurance Market

The market share of life insurance remains limited, probably due to the persistence of certain ideas of religious groups. In recent years the government has been raising the awareness of the importance of life insurance as an important vehicle for savings and financing the economy. Since 2002, the authorities have allowed the marketing of life insurance products via the banking system and the post office. They also granted tax measures and incentives for those subscribing to this segment. It is essentially the deduction of premiums in the tax base to attract the maximum subscribers

Healthcare

The state system provides a full range of medical benefits including hospitalisation. Private healthcare offers general and specialised medicine, but not as much preventive care as the public sector. Its standards and efficiency are considered to be higher

Pensions

The state pension is payable from age 60. The pension system in Tunisia, was balanced during its early years before showing signs of a slowdown in recent years due to demographic changes (aging of the population), and economic impacts (unemployment). Different studies show that the pension system will face serious difficulties in the coming decades. Insurance companies are in the throes of preparing to offer alternative terms

Property Insurance

Fire:

Traditional and Standard class. It includes: Fire, Lightning, Explosion, Tenant's Liability, Loss of Rent, Loss of Use, Neighbours' & Third Party Recourse. Aircraft, Earthquake, Flood, Storm / Tempest, Miscellaneous Fees & Losses, Burst Water Pipe, Riot/Civil Commotion, Windstorm / Hurricane, Vehicle Impact, some additional covers as Theft, Materiel Damage to Low Voltage Equipment, etc are available for an additional premium

All Risks:

Available for large accounts and multinational programmes

Coinsurance:

Permitted but not common

Basis of Indemnity:

Buildings, Contents Machinery & Equipment at replacement value; Stocks at production costs

Business Interruption:

Swiss Re form most widely used

Calculation method BI sum insured: gross profit (fixed cost + net profit)

Discount for fire protection equipment / systems:

Part of the premium calculation process

Terrorism

Extended with SRCC clause

Boiler & Machinery / Machinery Breakdown / Engineering

Comprehensive coverage available including Business Interruption and Machinery Breakdown available. Boiler Explosion can be insured as an extension of the Fire (Property) policy.

Construction

CAR, EAR covers are widely available. Based on Munich Re standard clauses

Bonds / Surety

Widely available

General / Public Liability

Widely available with a limit up to \$2 million. Comprehensive General Liability incurred from bodily injury, property damage and consequential loss caused to third party, including legal Costs and Accidental Pollution if any

Coverage extensions include Product Liability Employer's Liability, etc Claims made and Occurrence wordings both available

Products Liability

Available, but need very often facultative Reinsurance
Products Liability / Financial Loss, Recall Costs generally available for multinational programs

Workers' Compensation / Employers' Liability

This insurance is provided by the Tunisian Social Security Scheme ensuing from accident at work and professional health
Employer's Liability can be insured under the General/Public Liability Policy

Professional Indemnity (Errors & Omissions)

Available, but not easy to find

Directors & Officers Liability

Available only with multinational programmes

Automobile / Motor

A compulsory insurance, for all registered vehicles, stated by a law which drew up the functioning rules of a central rating office (bureau central de tarification) which sets the premium rates

Personal Accident

Widely available

Medical Expenses

Previously covered by Insurance companies until 2006 where a special Scheme has been created by the State called "Caisse Nationale d'Assurance Maladie"
However, many firms still buy private Medical coverage (complementary to the CNAM) for their employees in the general market

Disability

Widely available. It is a generally a part of a package including Medical Expenses, Disability and Death
Many firms offer Disability coverage for their employees

Crime / Fidelity

Theft, Burglary, Robbery, Fidelity, Bankers Blanket Bonds all available

Marine / Inland Transit

Widely available on an "All risks" form. French Policies and/or ICC can be used as known by the insurers. War and Strike rates are available

Other Classes of Insurance readily available

Export Insurance, Agricultural Calamities, Travel Accident are available

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