

THE INSURANCE SECTOR IN RWANDA (2025): LEGAL REFORM, IMPACTS, AND OUTLOOK



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THE INSURANCE SECTOR IN RWANDA (2025): LEGAL REFORM, IMPACTS, AND OUTLOOK

I. INTRODUCTION: A LEGAL REFORM ANCHORED IN VISION 2050



In 2025, Rwanda embarked on one of the most ambitious reforms of its insurance sector since the enactment of Law No. 52/2008 of 10 September 2008 governing the organization and supervision of insurance companies and intermediaries.

Fifteen years later, the Insurance Reform Bill (2025) (approved by Parliament in October 2025) represents a decisive modernization of the Rwandan insurance framework.

It aligns domestic regulation with international prudential standards, notably those of the International Association of Insurance Supervisors (IAIS) and IFRS 17, while reflecting Rwanda's broader goals under Vision 2050 and the National Financial Inclusion Strategy (2023 -2027).



PROBLEM STATEMENT:

How does the 2025 Insurance Reform Bill strengthen consumer protection, financial stability, and investor confidence while fostering innovation and inclusion in Rwanda's insurance market?



II. LEGAL FRAMEWORK: STRUCTURE, KEY PROVISIONS, AND INSTITUTIONAL REFORM

The Insurance Reform Bill (2025) repeals and replaces Law No. 52/2008 and its subsequent BNR regulations. It introduces a risk-based and technology-driven regulatory framework aimed at ensuring solvency, governance integrity, and consumer trust.

1. Institutional Supervision (Article 5)

Regulatory authority is now centralized within the National Bank of Rwanda (BNR), through its Insurance Supervision Department.

The BNR gains enhanced powers to:

- Conduct risk-based supervision and capital adequacy assessments;
- Issue prudential guidelines and enforce compliance measures.

2. Capital And Governance Requirements (Articles 12 & 19)

- Minimum capital requirements:
 - o RWF 2 billion for general insurers
 - o RWF 3 billion for life insurers
- Introduction of “fit and proper” criteria for directors and executives, requiring proven competence, financial integrity, and ethical standards.

This aligns with IAIS Insurance Core Principles (ICPs 4 & 5).

3. Digitalization and Compliance (Article 28)

All insurance firms must adopt digital reporting systems, compatible with BNR’s e-supervision platform. This requirement promotes transparency and facilitates real-time risk monitoring.

- Reporting standards are aligned with IFRS 17 – Insurance Contracts.

4. Reinsurance and Market Integration

The reform repeals outdated foreign reinsurance provisions, introducing a risk-based retention mechanism consistent with African Reinsurance Corporation (Africa Re) guidelines.

III. MARKET IMPACT: STRENGTHENING INSURERS, BROKERS, AND INSURTECH

1. Risk-Based Solvency Regime (Article 34)

The traditional solvency margin system is replaced by a Risk-Based Capital (RBC) framework.

Each insurer’s solvency requirements are tailored to its risk exposure market, credit, underwriting, and operational.

This transition is expected to improve market resilience and prevent insolvency contagion.

2. Professionalization of Intermediaries (Article 41)

Brokers and agents must now:

- Renew their licenses periodically;
- Maintain mandatory professional indemnity insurance;
- Comply with BNR’s code of conduct and training requirements.

3. Emergence of Digital Insurance (Article 47)

For the first time, InsurTech firms (including mobile-based micro-insurance platforms and automated claims systems) are legally recognized as insurance service providers, subject to BNR approval.



INSURANCE SECTOR RWANDA 2025

The Rwandan insurance market is projected to reach USD 500 Million by 2026.

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IV. CONSUMER AND INVESTOR PROTECTION: REBUILDING CONFIDENCE AND TRUST

1. Enhanced Consumer Rights (Article 56)

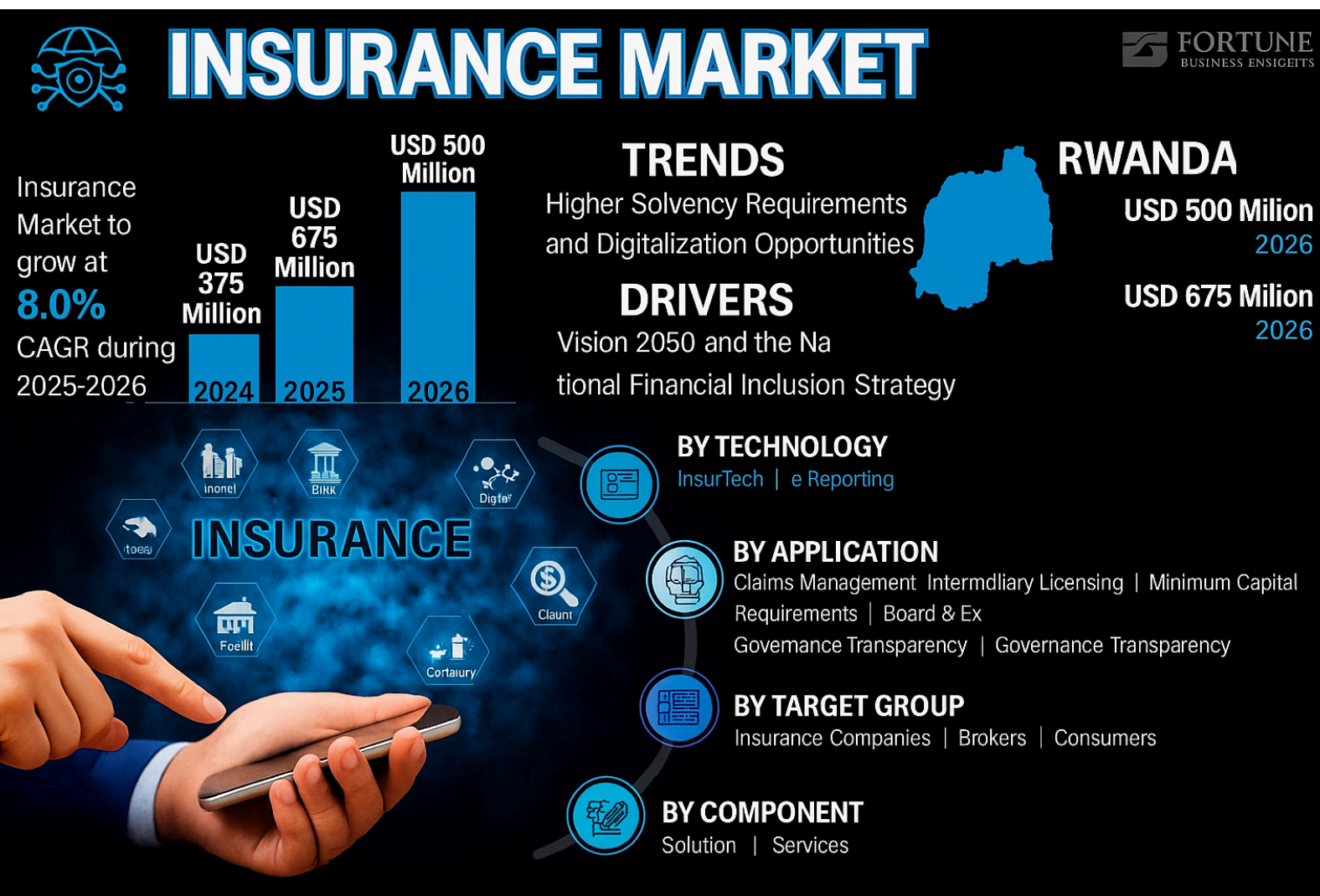
Insurers must provide clear, written communication on:

- Coverage terms and exclusions;
- Premium and claim procedures;
- Dispute resolution mechanisms.

2. Centralized Compensation Fund

Introduced under the Compensation Bill (2025), the Centralized Motor Vehicle Compensation Fund (managed by BNR) guarantees prompt indemnity for victims of uninsured or hit-and-run accidents.

This fund replaces the fragmented system under Law No. 52/2008.



3. Transparency and Investor Confidence (Article 61)

The reform imposes stricter disclosure and prudential reporting, aligned with IFRS 17 and international accounting standards.

This ensures reliable financial data for both domestic and foreign investors.

According to Mr. Eric Rwigamba, Minister of State in charge of Financial Services at MINECOFIN,

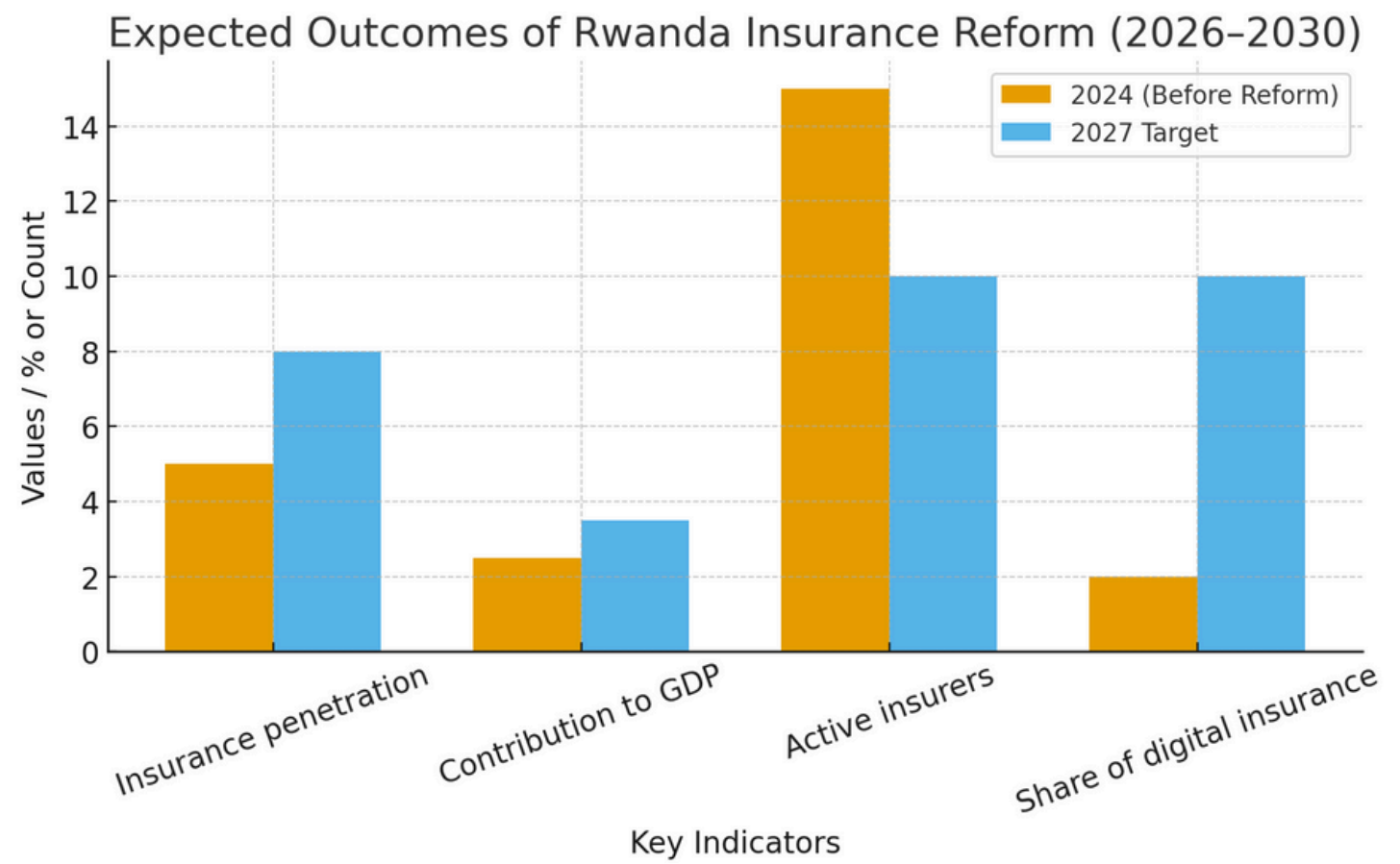
“This reform ensures that insurance not only protects consumers but also supports national economic transformation through reliable capital markets.”

IV. CONSUMER AND INVESTOR PROTECTION: REBUILDING CONFIDENCE AND TRUST

The Insurance Reform Bill (2025) represents more than a legal overhaul it is a structural shift in Rwanda’s financial ecosystem.

Expected Outcomes (2026-2030):

Indicator	2024 (Before Reform)	2027 Target
Insurance penetration	5.0%	8.0%
Contribution to GDP	2.5%	3.5%
Active insurers	15	Consolidated market of ~10 stronger entities
Share of digital insurance	<2%	≥10%



CHALLENGES AHEAD

- Smaller insurers may struggle to meet new capital thresholds.
- Need for capacity-building in risk-based supervision and actuarial science.
- Public awareness campaigns required to boost consumer understanding and uptake.

VI. LEGAL & POLICY TAKEAWAYS

Reform Area	Legal Provision	Impact
Law replaced	Law No. 52/2008 repealed	Modernized legal base
Regulator	Art. 5 – BNR central authority	Strengthened supervision
Capital standards	Art. 12 – Higher thresholds	Market consolidation
Governance	Art. 19 – Fit & Proper	Integrity and professionalism
Digitalization	Art. 28 & 47 – e-Reporting, InsurT	Tech integration
Consumer protection	Art. 56 – Disclosure rights	Transparency & trust
Investor confidence	Art. 61 – IFRS 17 compliance	Global alignment

VII. OFFICIAL VERIFICATION LINKS

Institution	Resource	Link
Rwanda Official Laws Portal	Amategeko – laws & regulations	https://amategeko.gov.rw
RwandaLII	Legal database	https://rwandalii.africanlii.org
Parliament of Rwanda	Bills and Reports	https://www.parliament.gov.rw
National Bank of Rwanda (BNR)	Insurance Regulation & Supervision	https://www.bnr.rw/regulation/superv
Ministry of Finance (MINECOFIN)	Sector Reform News	https://www.minecofin.gov.rw/news
Rwanda Gazette	Official publication of laws	https://gazettes.africa/gazettes/rw