REPUBLIC OF CAMEROON

PEACE – WORK – FATHERLAND

LAW No 2025/008 OF 15 JUIL 2025

TO INSTITUTE A MANDATORY LEGAL ASSIGNMENT OF REINSURANCE PREMIUMS, CONTRIBUTIONS AND TREATIES IN CAMEROON

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
COPIE CERTIFIEE CONFORME
CERTIFIED TRUE COPY

The Parliament deliberated and adopted, the President of the Republic hereby enacts the law set out below:

www.prc.cm

CHAPTER I
GENERAL PROVISIONS

SECTION 1: (1) This law institutes a mandatory legal assignment of reinsurance premiums, contributions and treaties in Cameroon.

(2) It lays down the substance of the mandatory legal assignment and the conditions for its management.

SECTION 2: For the purposes of this law and the implementing instruments thereof, the following definitions shall apply:

Government authority in charge of legal assignment: ministry or, where applicable, public reinsurance body, responsible for managing legal assignment as governed by the provisions of this law;

First-ranking legal assignment: assignment requiring every insurance company subject thereto, to transfer a percentage of all premiums collected in one or more branches by a reinsurance company;

Legal assignment of facultative reinsurance: assignment requiring every insurance company subject thereto to transfer a percentage of premiums for risks not covered by the treaties it has ceded to a reinsurance company;

Legal assignment treaties: assignment requiring every insurance company to transfer some of the premiums, claims and commitments arising from the related treaties to a reinsurance company;

Contribution: sum paid periodically by the policyholder to benefit from cover, in particular in the case of mutual insurance companies or life insurance companies;

Premium: sum paid by the policyholder to the insurer to obtain insurance cover;

Reinsurance: activity whereby a body assumes all or some of the risks borne by an insurance or reinsurance company, for a consideration;

Risk: possibility of an unforeseen event, causing damage to a person or property, and against which the insured seeks protection, in particular by means of an insurance contract;

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
COPIE CERTIFIEE CONFORME
CERTIFIED TRUE COPY

www.prc.cm

Insurance company: company offering various types of cover designed to cover reimbursements and other compensation that may occur in the life of an individual or enterprise, in return for premiums or contributions;

Reinsurance company: company, other than an insurance company, which carries on the business of reinsurance;

Reinsurance treaty: agreement whereby an insurance company transfers to one or more reinsurance companies a portion of the premiums collected from policyholders, in exchange for the reinsurance company assuming a portion of the claims.

SECTION 3: This law shall not apply to savings and equity products.

CHAPTER II
SUBSTANCE OF MANDATORY LEGAL ASSIGNMENT

SECTION 4: (1) Mandatory legal assignment shall cover all categories of insurance underwritten in Cameroon, as provided for in Section 328 of the Insurance Code. It shall cover, in particular:

(1) In the property and casualty branch:

- accidents, including work accidents and occupational diseases;
- health;
- land vehicles, other than railway vehicles;
- railway vehicles;
- aircraft;
- sea, lake and river vehicles;
- goods in transit, including merchandise, luggage and all other goods;
- fire and natural disasters;
- other property damage;
- civil liability of terrestrial motor vehicles;
- liability for aircraft;
- liability for sea, lake and river vehicles;
- comprehensive liability;
- credit;

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
COPIE CERTIFIEE CONFORME
CERTIFIED TRUE COPY

www.prc.cm

- surety;
- miscellaneous financial loss;
- legal protection;
- assistance;
- reserved.

(2) In the life insurance branch:

- life and death;
- insurance relating to investment funds;
- thrift and loan transactions.

(2) The conditions for implementing the provisions of (1) above shall be laid down by regulation.

(3) Other matters not referred to in (1) above may be subject to mandatory legal assignment by regulation.

SECTION 5: Mandatory first-ranking legal assignment shall apply to all direct insurance transactions carried out by insurance companies operating in the Republic of Cameroon, subject to the provisions of Section 3 above.

SECTION 6: Provisional premiums must be paid by the due dates fixed in assignor's treaties. No compensation of any kind shall be permitted.

SECTION 7: (1) The rates for first-ranking legal assignment premiums or contributions on treaties and facultative reinsurance, shall be laid down by order of the minister in charge of insurance.

(2) The assignment rates referred to in (1) above may be reviewed by order of the minister in charge of insurance.

SECTION 8: (1) In return for the assigned insurance premiums or contributions, insurance companies shall receive:

- risks coverage up to the amount of the commitments arising from the said assignment;
- payment of reinsurance commissions.

www.prc.cm

(2) The rate of commissions referred to in (1) above shall be fixed for each branch and for each category by order of the minister in charge of insurance.

(3) The rate of commissions referred to in (2) above may be reviewed by order of the minister in charge of insurance.

SECTION 9: The mandatory legal assignment shall be payable every quarter on the premium, net of taxes, cancellation, as well as policy add-ons and costs due.

SECTION 10: Debts tied to transferred premiums shall enjoy the Treasury preferential rights on debtors' movable assets, irrespective of their location.

CHAPTER III
MANAGEMENT OF MANDATORY LEGAL ASSIGNMENT

SECTION 11: Mandatory legal assignment shall be managed by the government authority or where applicable, a public reinsurance body.

SECTION 12: (1) In its capacity as assignee, the government authority in charge of legal assignment must insure the risks relating to the mandatory legal assignment until payment of the assignment amounts, less net retentions of each assignor.

(2) It shall also pay commissions to companies subject to the legal assignment at a rate fixed for each branch and category.

SECTION 13: The government authority in charge of legal assignment shall grant assignor companies the same entitlements and benefits as other reinsurers.

SECTION 14: (1) Insurance companies shall be bound to fill and forward within 15 (fifteen) days, to the government authority in charge of legal assignment, risks declaration forms for every insurance contract signed.

(2) They must also declare risk level changes as well as contracts terminated or cancelled.

SECTION 15: (1) In the event of a breach of the mandatory legal assignment, delay in forwarding accounts and balance sheets as well as annual statistics to the government authority in charge of legal

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
COPIE CERTIFIEE CONFORME
CERTIFIED TRUE COPY

www.prc.cm

SECTION 19: The government authority in charge of legal assignment shall guarantee its commitment to mitigate the risks emanating from the mandatory legal assignment by providing assignors with premium and claim deposits.

SECTION 20: Premiums or deposits shall be deposited in cash at the end of the fourth quarter of the financial year. They shall correspond to at least 36% (thirty-six percent) of the premium or contribution base available for that year and not cancelled at the time of the inventory.

SECTION 21: Deposits of 100% (one hundred percent) losses shall equally be constituted in cash and must feature in the accounts of the fourth quarter of the financial year.

SECTION 22: The deposits referred to in Sections 20 and 21 above shall be released in the corresponding accounts of the next financial year with interest equal to that of conventional treaties.

SECTION 23: (1) Assignors shall provide the government authority in charge of legal assignment, and at its behest, any information pertaining to mandatory legal assignment transactions.

(2) The government authority in charge of legal assignment may have the assignor's books, ledgers and documents relating to mandatory legal assignment transactions verified at any given time.

CHAPTER IV
MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

SECTION 24: The conditions for implementing this law shall be laid down, as and when necessary, by regulation.

SECTION 25: Insurance bodies concerned by the provisions of this law shall have one year from the date of its enactment to comply therewith.

SECTION 26: Pending the establishment of a public reinsurance body, the minister in charge of insurance shall set up a mechanism for the effective management of legal assignment as provided for in this law.

SECTION 27: All previous provisions repugnant hereto are repealed and shall so remain.

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
COPIE CERTIFIEE CONFORME
CERTIFIED TRUE COPY

www.prc.cm

SECTION 28: This law shall be registered, published according to the procedure of urgency and inserted in the Official Gazette in English and French.

PRESIDENCE DE LA REPUBLIQUE
PRESIDENCY OF THE REPUBLIC
SECRETARIAT GENERAL
SERVICE DU FICHIER LEGISLATIF ET REGLEMENTAIRE
LEGISLATIVE AND STATUTORY AFFAIRS CARD INDEX SERVICE
COPIE CERTIFIEE CONFORME
CERTIFIED TRUE COPY

YAOUNDE, 15 JUIL 2025

PAUL BIYA
PRESIDENT OF THE REPUBLIC

www.prc.cm