



# PRESS STATEMENT

STATUTORY INSTRUMENT 81 OF 2023  
INSURANCE (AMENDMENT) REGULATIONS, 2023 (NO. 26)

## INSURANCE POLICY ON CREDIT

The Insurance and Pensions Commission (IPEC), the Insurance Council of Zimbabwe (ICZ), and the Insurance Brokers Association of Zimbabwe (IBAZ) announce the gazetting of Statutory Instrument 81 of 2023, Insurance (Amendment) Regulations, 2023 (No. 26).

The Statutory Instrument was introduced to address the unsustainable high premium debtors within the books of short-term insurers, which threatened their liquidity and soundness.

According to the Statutory Instrument, short-term insurers and brokers dealing in short-term insurance are prohibited from providing insurance coverage on credit. Insurance cover at the inception or the renewal of a policy shall be activated upon payment of the required premium. For the avoidance of doubt, non-payment of premiums at policy inception or renewal means the policy was not taken up or the policy lapsed, respectively.

Section 5AA. (1) states that: “ **The receipt of an insurance premium shall be a condition for a valid contract and there shall be no cover in respect of an insurance risk unless the premium is paid in advance.**”

Premiums may be paid directly to an insurer if one is directly insured or may be paid to a broker if insured through a broker.

The provision of Section 5 AA. (1) excludes policies providing insurance for crops in terms of the Farmers Stop Order Act (Chapter 18:11).

Policyholders are advised to pay their premiums in advance in terms of the provisions of Statutory Instrument 81 of 2023 to avoid non-payment of claims in the event of the risk insured against occurring.

Meanwhile, there are ongoing engagements with financial institutions to avail insurance premium financing to assist policyholders in timeously paying premiums.

Date: 08 November 2023